UPL COSTA RICA, S.A.

Financial Statements as of March 31st, 2015 and 2014
with Independent Auditor´s Report

Content

Tel: +506-2225-9500
Fax: +506-2253-9391
www.bdocostarica.cr

San José, Costa Rica
Po. Box: 3301-1000

Independent Auditor´s Report

To the Stockholders and the Board of Directors of
UPL Costa Rica, S.A.

We have audited the accompanying financial statements of UPL Costa Rica, S.A., which comprise the statements of financial position as of March 31st, 2015 and 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

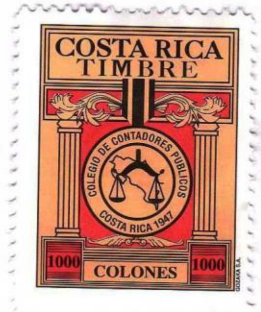
Auditor´s responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor´s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of UPL Costa Rica, S.A. as of March 31st, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Lic. Rafael Carballo Vargas
CPA No.1412
San José, Costa Rica
April 10th, 2015

Fidelity policy N° 0116 FIG 7
Expiration date: September 30th, 2015
CPA Stamp according to law No.6663
Paid and attached to the original

UPL Costa Rica, S.A.
(A Costa Rican entity)
Statements of Financial Position
(Expressed in Costa Rican colones)

		March 31st,	
		2015	2014
Assets			
Current assets:			
Cash (Note 4)	¢	**424,502,621**	¢ 272,697,010
Accounts receivable (Note 5)		**2,965,265,028**	2,946,703,341
Related parties accounts receivable (Note 7)		**811,145,029**	1,516,867,991
Inventories (Note 6)		**3,739,272,372**	3,510,041,970
Prepaid expenses		**16,481,928**	25,827,410
Total current assets		**7,956,666,978**	8,272,137,722
Non-current assets:			
Vehicles, furniture and equipment, net (Note 8)		**339,119,893**	219,206,976
Intangible assets		**39,521,967**	-
Prepaid income tax		**75,887,576**	68,368,973
Other assets		**14,376,508**	13,425,399
Total non-current assets		**468,905,944**	301,001,348
Total assets	¢	**8,425,572,922**	¢ 8,573,139,070
Liabilities and equity			
Current liabilities			
Notes payable (Note 11)	¢	**57,362,954**	¢ -
Accounts payable (Note 9)		**1,202,338,380**	1,505,964,116
Related parties accounts payable (Note 7)		**7,704,523,544**	7,526,417,477
Other payables and accrued expenses (Note 10)		**29,193,432**	37,939,825
Total current liabilities		**8,993,418,310**	9,070,321,418
Non-current liabilities			
Notes payable (Note 11)		**29,685,215**	-
Total non-current liabilities		**29,685,215**	-
Total liabilities		**9,023,103,525**	9,070,321,418
Equity			
Capital stock (Note 12)		**10,000**	10,000
Statutory reserve (Note 12)		**9,260**	9,260
Additional paid-in capital		**69,581,121**	69,581,121
Accumulated losses (Note 12)		**(667,130,984)**	(566,782,729)
Total equity		**(597,530,603)**	(497,182,348)
Total liabilities and equity	¢	**8,425,572,922**	¢ 8,573,139,070

UPL Costa Rica, S.A.
(A Costa Rican entity)
Statements of Comprehensive Income
(Expressed in Costa Rican colones)

	Year ended March 31st,	
	2015	2014
Net sales	¢ **13,890,830,630**	¢ 11,491,238,233
Cost of sales	**(12,425,076,827)**	(10,223,138,293)
Gross profit	**1,465,753,803**	1,268,099,940
Operating and administrative expenses (Note 13)	**(1,399,236,984)**	(1,258,516,643)
Selling expenses (Note 13)	**(313,863,139)**	(304,880,491)
Loss from operations	**(247,346,320)**	(295,297,194)
Financial expenses	**(30,064,970)**	(7,127,942)
Exchange rate differences, net (Note 14)	**177,063,035**	(145,401,714)
Loss before income taxes	**(100,348,255)**	(447,826,850)
Prior years income tax expense (Note 13)	**-**	(89,140,203)
Net loss	¢ **(100,348,255)**	¢ (536,967,053)

The accompanying notes are an integral part of the financial statements

UPL Costa Rica, S.A.
(A Costa Rican Entity)
Statements of Changes in Equity
For the years ended March 31st, 2015 and 2014
(Expressed in Costa Rican colones)

	Capital Stock	Statutory reserve	Additional paid-in capital	Accumulated losses	Total equity
Balance as of March 31st, 2013	¢ 10,000	¢ 9,260	¢ 69,581,121	¢ (29,815,676)	¢ 39,784,705
Net loss	-	-	-	(536,967,053)	(536,967,053)
Balance as of March 31st, 2014	10,000	9,260	69,581,121	(566,782,729)	(497,182,348)
Net loss	-	-	-	**(100,348,255)**	**(100,348,255)**
Balance as of March 31st, 2015	**¢ 10,000**	**¢ 9,260**	**¢ 69,581,121**	**¢ (667,130,984)**	**¢ (597,530,603)**

The accompanying notes are an integral part of the financial statements

	Year ended March 31st, 2015	2014
Cash flow from operating activities		
Loss before income taxes	**¢ (100,348,255)**	¢ (447,826,850)
Adjustments for:		
Depreciation	**63,844,444**	15,969,344
Allowance for doubtful accounts	**23,160,045**	-
Allowance for obsolescence of inventories	**31,690,376**	-
Income tax expense	**-**	(89,140,203)
	18,346,610	(520,997,709)
Increase in accounts receivable	**(41,721,732)**	(316,954,058)
Increase in inventories	**(260,920,778)**	(1,436,260,054)
Decrease (increase) in related parties accounts receivable	**705,722,962**	(554,886,123)
Increase in prepaid expenses	**(30,176,485)**	(8,998,781)
(Decrease) increase in accounts payable	**(303,625,736)**	624,910,679
Increase in related parties accounts payable	**178,106,067**	2,394,334,330
(Decrease) increase in other payable and accumulated expenses	**(8,746,393)**	1,747,188
Cash generated from operations	**256,984,515**	182,895,472
Income tax paid	**(7,518,603)**	65,254,994
Net cash flows provided by operation activities	**249,465,912**	248,150,466
Cash flow from investing activities		
Acquisition of vehicles, furniture and equipment	**(183,757,361)**	(133,711,308)
Increase in other assets	**(951,109)**	(2,253,623)
Net cash flows used in investing activities	**(184,708,470)**	(135,964,931)
Cash flow from financing activities		
Notes payable	**91,882,716**	-
Payments	**(4,834,547)**	-
Net Cash flows provided by financing activities	**87,048,169**	-
Net increase in cash	**151,805,611**	112,185,535
Cash at beginning of year	**272,697,010**	160,511,475
Cash at end of year	**¢ 424,502,621**	¢ 272,697,010

1. Nature of operations

UPL Costa Rica, S.A. (formerly Cerexagri Costa Rica, S.A.), was duly organized as a corporation on September 18, 1995, according to the laws of the Republic of Costa Rica, its social domicile is in San José Costa Rica and is 100% controlled by Cerexagri B.V. (Netherlands). The main activity of the Company is promoting sales on behalf of the home office and providing agrochemicals to local and international clients, imported and produced locally through a third party in Chomes, Puntarenas, Costa Rica.

The financial statements as of March 31st, 2015 were approved by Management and authorized for their issuance on April 10th, 2015.

2. Summary of the significant accounting policies

The most significant policies used to record the operations and the preparation of the financial statements are summarized as follows:

Basis for the preparation of the financial statements
The financial statements have been prepared according to International Financial Reporting Standards (IFRS), on the basis of historical cost.

Judgments and critical accounting estimates
The preparation of the financial statements in compliance with adopted International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires the Management to exercise judgment in applying the Company´s accounting policies. Judgments and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Judgments
Operative leasing agreement
The Company maintains an operating lease agreement related to the facilities in which the operations are carried out it has been determined based on the terms and conditions of the agreement, that the Company is the lessee and that the lessor keeps all the risks and rewards inherent to the ownership of those assets.

Financial leasing agreements
The Company maintains a financial lease agreements related to vehicles for the operations. It has been determined, based on the terms and conditions of the agreement, that the Company keeps all the risks and rewards inherent to the ownership of those assets.

Changes in accounting policies

a) New standards, interpretations and amendments effective from April 1st, 2014.

None of the new standards, interpretations and amendments effective for the first time from April 1st, 2014, have had a material effect on the financial statements.

b) New standards, interpretations and amendments not yet in effect.

The following new standard, which have not been applied in these financial statements, will or may have an effect on the Company`s future financial statements:

2. Summary of the significant accounting policies (continues)

IAS 9 Financial Instruments (Issued in November, 2009 and amended October, 2010): Its application will be required for periods starting on January 1st, 2018. This new standard amends the requirements for classification of financial statements. “The available – for – sale and held - to – maturity” categories of financial assets in IAS 39 have been eliminated. Under IFRS 9, there are three categories of financial assets: Amortized cost, fair value through profit or loss, fair value through other comprehensive income. The expected effects correspond mainly to disclosures in notes to the financial statements.

None of the other new standards, interpretations and amendments, which are effective for periods beginning after April 1st, 2014 and which have not been adopted early, are expected to have a material effect on the Company´s future financial statements.

Currency and transactions in foreign currency
The functional currency adopted by UPL Costa Rica, S.A. is the Costa Rican colon. The accompanying accounting records and financial statements are expressed in the functional currency. Information regarding exchange regulations and exchange rates are shown in Note 3.The transactions in any foreign currency, different to the functional currency previously described, are registered at exchange rates of the day of the transaction. To determine the financial position and the results of the operations, the Company registers their assets and liabilities in foreign currency at the exchange rate of the date of the financial statements. The translation currency effect resulting has been applied in the statement of comprehensive income of the period in which they occur.

Measurement of financial assets and liabilities
The Company recognizes initially a financial asset or a liability at their fair value plus transaction costs that are directly attributable to the acquisition or issuance, in the case that they are not recognized at its fair value through profit or loss. For the purposes of measuring financial assets or liabilities after recognition, the Company classifies financial assets and liabilities into the following categories:

Accounts receivable
Accounts receivable are financial assets with fixed or determinable payments and are not quoted in an active market. Receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss in the accounting period in which the accounts receivable are derecognized or impaired, as well as through the amortization process.

Loans payable
Loans payable are recognized initially at their fair value at the respective recording dates. After its initial recognition, these financial liabilities are measured at their amortized cost using the effective interest method.

Impairment of financial assets

Financial assets carried at amortized cost
If there is objective evidence of the existence of impairment losses in the accounts receivable carried at amortized cost, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. In this situation, the carrying value is reduced through an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

2. Summary of the significant accounting policies (continues)

Deregconition of financial assets and liabilities

Financial assets

Financial assets are derecognized by the Company when the contractual rights to the cash flows from the financial assets expire; when the entity transfers the contractual rights to receive the cash flows of the financial assets; or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that transfers substantially all of the risks and rewards of ownership of the financial assets to a third party.

Financial liabilities

Financial liabilities are derecognized by the Company when the obligation has been discharged, has been cancelled or expired. When a financial liability is exchanged for another financial liability, the Company cancels the original and recognizes the new financial liability. The difference between liabilities transferred and liabilities assumed is recognized in the statement of comprehensive income.

Inventories

Inventories are measured at the lower of cost and realizable value. The costing of inventories is based on the weight average method, and includes expenditures incurred in acquiring the inventories, and other cost incurred in bringing them to their existing location and conditions.

The realizable fair value is the estimated sale price in the normal course of operations, less the estimated necessary costs to complete the sale.

The company follows the policy of including an allowance for slow turnover and obsolete inventories, in the amount that is estimated that reflects a decrease in their net realizable value. Losses are recognized in the statement of comprehensive income as incurred.

Vehicles, furniture and equipment

Vehicles, furniture and equipment are recorded initially at the acquisition and construction cost. Depreciation is computed by using the straight-line method over the estimated useful life of each asset, which is reviewed periodically by the Company´s Management. A detail of estimated useful lives are as follows:

	Estimated useful lives
Vehicles	10 years
Furniture	10 years
Equipment	5 years

The improvements to leased property are amortized during the validity of the contract agreement. Gains or losses resulting from the sale of assets are included in the results of the year in which the sale occurs. The depreciation and disbursements for repairs and maintenance are recorded as expenses during the year in which they occur.

Impairment of non-financial assets

The Company performs at the close of each period a review of the book value of the non-financial assets to identify decreases when facts or circumstances indicates that the registered values could not be recuperated. If that indication exists and the book value exceeds the carrying amount, the Company adjusts the assets and cash generating units to those recoverable amounts. The adjustment resulting from the application of this valuation procedures are recorded during the year in which they occur.

2. Summary of the significant accounting policies (continues)

Income tax

Current

The Company calculates its income tax by applying to the profit before income tax the adjustments of certain items subject or not to tax, according to the current fiscal regulations.

Deferred

Deferred income tax results from all the temporary differences that may exist between fiscal basis in assets, liabilities and equity and the amounts presented for financial purposes at the date of the financial statements. The deferred income tax is calculated according to the tax rate applicable in the period in which is expected that the asset will be executed or the liabilities paid. The deferred income tax asset is recognized only when a reasonable probability will be exists of its realization.

Post termination benefits

Severance benefits

The labor compensations related to severance benefits to be paid to the Company´s employees are mandatory in the event of unjustified termination or if they are eligible to disability pension or death benefits. The payment for this concept represents one monthly salary per year with a maximum of 8 years and is calculated at a rate of 8.33% of the average of the accrued salaries during the last six months worked. In accordance to the Costa Rican legislation, a portion of the severance benefits are recognized through pension plans as provided by the "Protection Workers Law" (No.7983). Any excess that the Company has to paid in the labor settlement, between the liquidation calculated based on the labor benefits, and the amounts transferred to the Complementary Pension Funds, is recorded as a severance expense in the period when occurs.

Pension plans

In accordance with the "Protection Workers Law" (No.7983), the Company transfers 4.5% of the monthly salaries paid to the employees, for the concepts of severance (3%) and pension (1.5%). According to Law No.7983 those contributions are made throughout the time that the labor relation exists and are registered as an accrual in the statement of comprehensive income in the period that they occur. Those funds administrated by the entities designated by the employees. The benefits received by the employees are determined by the contributions made by the Company and the employees, plus the gains on investments made by the administrators with the resources contributed; less the respective administration costs. Accordingly the investments administration and any related risk that can exist, are not a responsibility of the Company.

Income recognition

The income is recognized when the products are released to the clients and all risks and rewards inherent to the ownership has been transferred, the amount of the income is measured with reliability, and it is probable that the Company will receive the economic benefits related to the transaction and the incurred costs are measured with reliability. Income from sales is presented in the statement of comprehensive income net of discounts and refunds.

3. Foreign currency regulations and exchange rate

The Central Bank of Costa Rica is the entity in charge of the administration of the National Banking System and of regulating the parity of the Costa Rican colon in regards to the value of other currencies. Until February 2, 2015 the Central Bank maintained an exchange – rate bands regime, which allowed the exchange rate to be freely determinated by the market, but within the limits set by the exchange rate bands. From that date, the Central Bank of Costa Rica adopted a managed floating exchange rate regime, in which the exchange rate is determinated by the market but the Central Bank keeps the possibility of intervening in the forein exchange market to moderate any significant fluctuations in the exchange rate and prevent deviations in the market.

As of March 31, 2015, the exchange rates of the Costa Rican colon with respect to the American dollar were ¢527.36 buying rate and ¢539.08 selling rate for US$1 (¢538.34 and ¢553.63 in 2014). As of April 10, 2015, date of the Independent Auditors' Report, the reference exchange rates were ¢526.47 buying and ¢538.43 selling for US$1.

A detail of assets and liabilities in US Dollars and a sensitive analysis on exchange rate variations are presented in Note 15.

4. Cash

	2015	2014
Petty cash	¢ **450,000**	¢ 425,000
Banks	**424,052,621**	272,272,010
	¢ **424,502,621**	¢ 272,697,010

5. Accounts receivables

	2015	2014
Trade	¢ **2,890,361,976**	¢ 2,832,204,080
Allowance for doubtful accounts	**(23,160,045)**	-
	2,867,201,931	2,832,204,080
Suppliers advances	**43,121,250**	51,917,410
Others advances	**46,441,403**	47,272,616
Employees	**8,500,444**	15,309,235
	¢ **2,965,265,028**	¢ 2,946,703,341

A detail of the allowance for doubtful accounts is shown below:

	2015	2014
Balance at the beginning of the year	¢ **-**	¢ -
Amount credited to the allowance	**23,160,045**	-
Balance at the end of the year	¢ **23,160,045**	¢ -

5. Accounts receivables (continues)

Trade accounts receivable with delays on payments but not impaired at March 31, 2015 and 2014 are detailed below:

	2015	2014
Current	¢ **1,502,049,509**	¢ 1,616,997,660
Past due but not impaired:		
Less than 30 days	**255,656,608**	537,670,521
Between 31 and 60 days	**142,490,638**	153,093,706
Between 61 and 90 days	**116,510,017**	183,781,815
More than 91 days	**850,459,159**	340,660,378
	¢ **2,867,201,931**	¢ 2,832,204,080

6. Inventories

	2015	2014
Raw material	¢ **687,453,773**	¢ 1,393,422,877
Finished goods	**2,045,392,579**	931,929,792
	2,732,846,352	2,325,352,669
Allowance for obsolescence of inventories	**(31,690,376)**	-
	2,701,155,976	-
Inventory in transit	**1,038,116,396**	1,184,689,301
	¢ **3,739,272,372**	¢ 3,510,041,970

A detail of the allowance for obsolescence of inventories is as follows:

	2015	2014
Balance at the beginning of the year	¢ **-**	¢ -
Amount credit to the allowance	**31,690,376**	-
Balance at the end of the year	¢ **31,690,376**	¢ -

7. Related parties transactions

The related parties transactions on March 31, 2015 and 2014 are detailed as follows:

	Relationship	2015	2014
Accounts receivables			
UPL Phillippins Inc.	Common control	¢ **750,308,893**	¢ -
UPL Limited, Gibraltar	Common control	**60,836,136**	-
United Phosphorus Corp.	Common control	**-**	478,749,567
UPL Colombia SAS	Common control	**-**	1,038,118,424
		¢ **811,145,029**	¢ 1,516,867,991
Accounts payables			
Bio-Win Corporation Ltd.	Common control	¢ **6,839,270,293**	¢ 6,829,420,573
UPL Limited	Common control	**100,352,004**	-
Pacific Seeds PTY Ltd.	Common control	**7,198,400**	-
RICECO International Inc.	Common control	**238,882,560**	-
Uniphos Colombia Plant, Ltd	Common control	**129,540,467**	558,792,870
UPL Colombia SAS	Common control	**267,425,720**	-
UPL, Ltd. Hong Kong	Common control	**121,854,100**	138,204,034
		¢ **7,704,523,544**	¢ 7,526,417,477

7. Related parties transactions (continues)

The related parties transactions made during the year ended on March 31, 2015 and 2014, are detailed as follows:

	Relationship	2015	2014
Sales			
Uniphos Colombia Plant, Ltd.	Common control	¢ -	¢ 1,560,851,643
United Phosphorus Corp.	Common control	-	587,382,608
UPL Colombia, S.A.S	Common control	**286,231,208**	-
UPL Philiphines Inc.	Common control	**1,305,740,443**	-
		¢ 1,591,971,651	¢ 2,148,234,251
Purchases			
UPL, Ltd. Hong Kong	Common control	**¢ 595,359,032**	¢ 33,275,625
United Phosphorus Ltd.	Common control	**100,365,054**	198,840,960
Bio-Win Corporation Ltd.	Common control	**3,324,233,646**	5,189,669,561
Uniphos Colombia Plant, Ltd.	Common control	**1,011,817,768**	539,766,360
UPL Limited Gibraltar	Common control	**17,903,250**	-
Pacific Seeds PTY LTD	Common control	**7,268,130**	-
UPL Colombia S.A.S.	Common control	**267,425,719**	-
RICECO International Inc	Common control	**242,256,000**	-
		¢ 5,566,628,599	¢ 5,961,552,506

The balance with related parties corresponds to purchases and sales of products. This amount generates no interest.

8. Vehicles, furniture and equipment

	Vehicles	Computer equipment	Furniture and equipment	Total
Net balance as of March 31, 2013	¢ 19,749,476	¢ 1,367,751	¢ 80,347,785	¢ 101,465,012
Additions	22,120,000	6,244,451	105,346,857	133,711,308
Depreciation of the year	(3,692,333)	(1,431,313)	(10,845,698)	(15,969,344)
Net balance as of March 31, 2014	38,177,143	6,180,889	174,848,944	219,206,976
Additions	**168,691,964**	**4,954,872**	**10,110,525**	**183,757,361**
Depreciation of the year	**(41,946,723)**	**(2,116,879)**	**(19,780,842)**	**(63,844,444)**
Net balance as of March 31, 2015	**¢ 164,922,384**	**¢ 9,018,882**	**¢ 165,178,627**	**¢ 339,119,893**
As of March 31, 2014				
Cost	¢ 43,422,490	¢ 19,657,583	¢ 202,122,825	¢ 265,202,898
Accumulated depreciation	(5,245,347)	(13,476,694)	(27,273,881)	(45,995,922)
	¢ 38,177,143	¢ 6,180,889	¢ 174,848,944	¢ 219,206,976
As of March 31, 2015				
Cost	**¢ 212,114,454**	**¢ 24,612,455**	**¢ 212,233,350**	**¢ 448,960,259**
Accumulated depreciation	**(47,192,070)**	**(15,593,573)**	**(47,054,723)**	**(109,840,366)**
	¢ 164,922,384	**¢ 9,018,882**	**¢ 165,178,627**	**¢ 339,119,893**

9. Accounts payable

		2015		2014
Suppliers	¢	**1,202,338,380**	¢	1,505,964,116
	¢	**1,202,338,380**	¢	1,505,964,116

10. Other payables and accrued expenses

		2015		2014
Social security	¢	**9,188,747**	¢	8,414,048
Taxes on salaries		**1,765,687**		1,605,410
Vacation		**10,081,295**		18,002,514
Christmas bonus		**8,104,111**		5,896,663
Other accounts payable		**53,592**		4,021,190
	¢	**29,193,432**	¢	37,939,825

11. Notes payable

The notes payable at March 31st, 2015 and 2014 are as follows:

		2015		2014
ATI Capital Solutions, S.A.:				
Financial leasing operations for amount of $220,000, annual effective interest rate between 16.28% and 25.80%, due date between February 2016 and October	¢	**87,048,169**	¢	-
Current portion		**(57,362,954)**		-
	¢	**29,685,215**	¢	-

12. Equity

Capital stock
As of March 31st, 2015 and 2014 the capital stock authorized, subscribed and paid, amounts to ¢10,000 represented by 10 common nominal shares of ¢1,000 each, totally subscribed and paid according to the conditions set in the statutes of the Company.

Statutory reserve
According to the Costa Rican legislation all corporations should record a legal reserve equivalent to 5% of the net profits of every year until 20% of the capital stock is reached.

Accumulated losses
As of March 2014 the Company has accumulated losses which amount exceeds 50% of capital stock. According to the Costa Rican Comercial Legislation the permanent loss of 50% of the capital stock could be a cause of dissolution of a Company, unless the stockholders replenish or agree to decreasing it proportionally.

13. Income tax

The current corporate income tax rate is 30%. In 2015 and 2014 the Company has not presented taxable income, therefore, not shows current income tax.

According to the Costa Rican income tax law, industrial companies can carry forward fiscal losses as a deductible expenses over the following three years.

The Company did not record a deferred income tax related to the carry forward fiscal losses, that a March 31st, 2015 are for the amount of ¢677,499,355.

14. Income and expenses

		2015		2014
Operating and administrative expenses:				
Salaries and benefits	¢	**469,176,356**	¢	442,582,575
Traveling		**128,096,072**		110,937,047
Travel meals		**25,833,598**		29,090,647
Rent of equipment		**47,088,620**		41,639,097
Consultants LAF – FIS		**-**		24,795,628
Product registration expenses		**63,436,953**		85,932,485
Leases		**6,057,125**		55,021,976
Depreciation		**68,784,051**		15,969,344
Insurance		**31,639,432**		32,865,504
Maintenance and reparation		**55,394,501**		67,511,472
Field evaluations		**-**		14,393,057
Professional fees		**201,900,560**		678,205
Audit fees		**8,582,722**		8,823,746
Other fees and charges		**233,106,359**		216,536,070
Subscriptions and membership		**4,595,414**		8,290,965
Electricity, telephone and connectivity		**21,653,504**		19,777,755
Municipal business license		**170,366**		6,895,591
Conveyance		**5,192,154**		8,518,025
Postage		**5,892,261**		7,677,514
Printing and stationery		**-**		411,130
Office expenses		**119,280**		7,074,605
Office supplies		**14,336,396**		10,851,203
Entertainment		**-**		25,392,816
Miscellaneous expenses		**3,398,837**		2,556,796
Vehicles		**4,576,982**		14,145,345
Others		**205,441**		148,045
	¢	**1,399,236,98**	¢	1,258,516,64
Selling expenses				
Freight & insurance	¢	**250,525,648**		208,102,234
Promotional sales expense		**31,276,596**		63,804,819
Freight, shipment and customs		**8,900,850**		23,798,905
Others		**23,160,045**		9,174,533
	¢	**313,863,139**	¢	304,880,491
Employee benefits expenses				
Salaries	¢	**302,547,756**	¢	296,284,389
Christmas bonus		**29,783,027**		24,990,399
Vacations		**10,960,833**		(3,687,784)
Social security		**95,470,633**		97,175,453
Bonuses		**24,545,298**		23,608,896
Employee education		**5,868,809**		4,211,222
	¢	**469,176,356**	¢	442,582,575

14. Income and expenses (continues)

	2015	2014
Exchange rate differences		
Exchange gain	¢ **2,455,670,021**	¢ 373,857,590
Exchange loss	**(2,278,606,986)**	(519,259,304)
	¢ **177,063,035**	¢ (145,401,714)

15. Financial instruments

Risks Management:

The Company is exposed to different types of risks related to the financial instruments that it tries to minimize along with the risk management of its activities. The risks associated with financial instruments include the exchange rate risk, credit risk and liquidity risk.

Exchange rate risk: The exchange rate risk arises when the Company operates with a different currency than its functional currency. The Company has assets and liabilities in US Dollars, and therefore is affected by the exchange rate variations.

Hence the following is a summary of assets and liabilities expressed in US Dollars:

	2015	2014
Assets	**US$ 7,490,759**	US$ 8,565,483
Liabilities	**(16,578,371)**	(16,798,045)
Net position	**US$ (9,087,612)**	US$ (8,232,562)

For the year ended March 31, 2015, the Costa Rica Colon (¢) had an appreciation of around 2.63%, in respect to the US Dollar. A sensitivity analysis on March 31, 2015 prepared by Management, which shows the result of an increase or decrease in the exchange rate, as follows:

	Increase	Decrease
Sensitivity		
Net position	$ **9,087,612**	$ **9,087,612**
Position in colones at the exchange rate at the end of the period	¢ **4,898,949,877**	¢ **4,898,949,877**
Position with an exchange rate variation of 2.63%	**5,027,699,621**	**4,770,200,133**
(Loss) profit	¢ **(128,749,744)**	¢ **128,749,744**

Credit risk: The Company has kept a very healthy accounts receivable portfolio and the losses due to uncollectable accounts have been minimum.

Liquidity risk: The Company does not have a significant need for financing through banks; its main debt is with related parties.

15. Financial instruments (continues)

The remaining contractual maturities are as follows:

March 31, 2015:

		One month		Two to three months		Four months to one year		One to five years	Total
Accounts payable	¢	**789,498,724**	¢	**412,061,190**	¢	**778,466**	¢	**-**	**¢1,202,338,380**
Related parties payable		**703,787,995**		**553,249,608**		**6,447,485,941**		**-**	**7,704,523,544**
	¢	**1,493,286,719**	¢	**965,310,798**	¢	**6,448,264,407**	¢	**-**	**¢8,906,861,924**

March 31, 2014:

		One month		Two to three months		Four months to one year		One to five years		Total
Accounts payable	¢	1,222,046,002	¢	256,627,276	¢	27,290,838	¢	-	¢	1,505,964,116
Related parties payable		38,814,520		327,051,163		7,160,551,794		-		7,526,417,477
	¢	1,260,860,522	¢	583,678,439	¢	7,187,842,632	¢	-	¢	9,032,381,593

Capital management
The company obtains resources from its own operations and related parties; therefore it has not required to set a capital administration policy.

Fair value
The main financial instruments of the Company are cash, accounts receivable and trade payable, for which due to their nature, the recorded values correspond to their fair values.

16. Commitments and contingencies

Operating leases agreement

Warehouses and office use:

The Company holds operating leasing contracts for warehouses and office use. The lease payments are fixed in US Dollars. The terms of these contracts include annual renewals.

A detail of the future minimum payments of the current contracts is shown as follows:

Within one year	**¢ 38,228,664**
Between two and five years	**27,473,292**
Above five years	**-**
	¢ 65,701,956

The expense for operating lease agreements for the year ended March 31, 2015 is for an amount of ¢6,057,125 (¢13,382,879 in 2014).

16. Commitments and contingencies (continues)

Financial leases agreement:

Vehicles:

During 2015, the Company holds financial leasing contracts for vehicles. The lease payments are fixed in US Dollars.

A detail for the future minimum payments of the current contracts is shown as follows:

		2015		
		Minimum payments		**Present value of minimum lease payments**
Payable not later than one year	¢	**66,305,947**	¢	**57,362,954**
Payable later than one year and not later than five years		**57,125,018**		**29,685,215**
Total minimum lease payments		**123,430,965**		**87,048,169**
Less: future finance charges		**(36,382,796)**		**-**
Present value of minimum lease payments	¢	**87,048,169**	¢	**87,048,169**

Formulation and repackaging agreement

In May 2013, the Company and Formulaciones Químicas, S.A. (FORMUQUISA), signed an agreement for the formulation and repackaging of agrochemical products and services.

The Company granted to FORMUQUISA the right to formulate and repackage Vondozeb 42 SC, Vondozeb Plus 42 SC, Vondozeb 60 SC, Vondozeb 62 SC and Vondocarb 52.5 SC, in Costa Rica,

FORMUQUISA shall perform filling, packing and handling of the products in accordance with the Company instructions.

The products shall remain the exclusive property of the Company until it is sold to a third party pursuant to the terms of the agreement and only the Company is authorized to transfer, pledge or in any way dispose thereof.

In consideration of all services rendered by FORMUQUISA under this agreement, the Company shall pay to FORMUQUISA the charges for their services, as identified in Annex III, document that is an integral part of the agreement.

The agreement is effective from the date of signature for a three year term and could be automatically renewed for periods of one year. Either party may terminate the agreement without cause and without the obligation to pay any penalty therefore by providing to the other party a notification with its intent to terminate the agreement at least six months prior to the anniversary date.

For the years ended March 31st 2015 and 2014, the Company paid ¢4,623,093,198 and ¢3,732,213,568 respectively, for formulation and repackaging charges.

Contingencies

The statute of limitation for the income tax returns is set in four years.

The Caja Costarricense del Seguro Social and Ministerio de Trabajo are the Republic of Costa Rica´s agencies responsible for the administration of labor, payroll taxes and social taxation.