THE GLOBAL AGROCHEMICAL INDUSTRY GREW AT A 4% CAGR BETWEEN 2005 AND 2011. UNITED PHOSPHORUS GREW 26%.*

* As one of the many spin-offs of this consistent reality, United Phosphorus grew revenues 31.6% in 2011-12 over the previous year, even as the rest of the industry complained of various unexpected realities

UNITED PHOSPHORUS LIMITED.

THE WORLD'S THIRD-LARGEST GENERIC AGROCHEMICAL COMPANY.

THE WORLD'S SEVENTH-LARGEST AGROCHEMICAL COMPANY.

AND ONE OF THE MOST PROFITABLE GLOBAL AGROCHEMICAL COMPANIES.

TRULY TRANS-NATIONAL.

22
Number of nationalities in Team UPL

106%
Revenue growth between 2006 and 2011

24
Acquisitions in the last ten years

10
UPL products with global leadership

110
Chemistries with in-house expertise

Lineage

- Part of a US$ 1.6 bn group
- Established in 1969 by Mr. Rajju Shroff (Chairman)

Presence

- Headquartered in Mumbai, India
- Manufacturing presence across 23 international locations (nine in India, three in France, three in Argentina, and one each in Vietnam, Columbia, The Netherlands, Italy, Spain and China)
- Indian manufacturing location in Vapi, Ankaleshwar, Jhagadia, Halol, Jammu and Haldia. Captive power plant (48.5 MW) in Jhagadia (Gujarat)
- Global sales presence across 120 countries (through subsidiaries and associates)
- 88 subsidiaries globally

Products

The Company's product range comprises fungicides, insecticides, herbicides, rodenticides, fumigants, plant growth regulators, agrochemicals as well as industrial and speciality chemicals.

Registrations

The Company has more than 1,000 product registrations which, represent marketing permissions by statutory authorities to market agrochemicals in respective geographies.

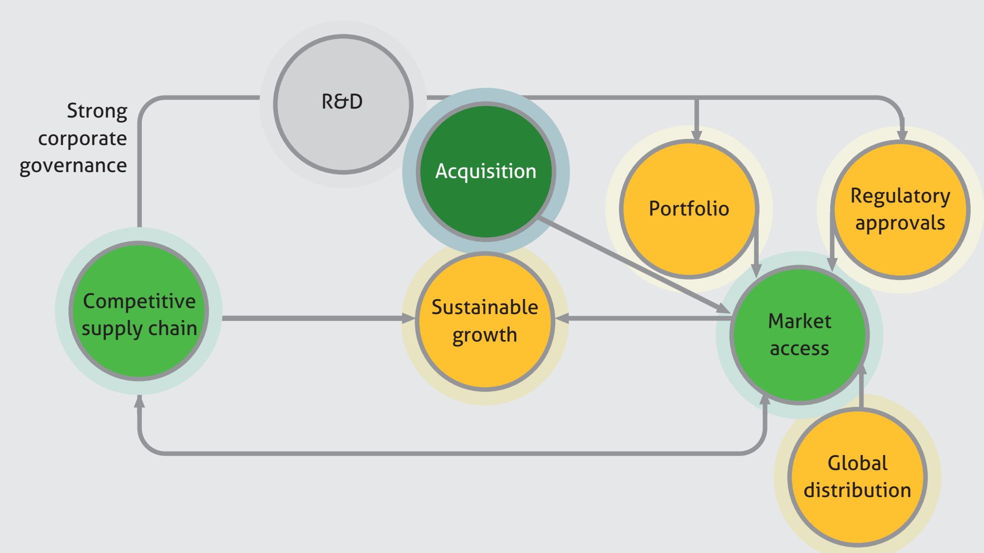
Five-year consolidated financial summary

(Rs. in Crores)

Accounting year	2007-08	2008-09	2009-10	2010-11	2011-12
Total Sales	3516	4802	5290	5650	7534
Total Income	3762	4974	5493	5898	7764
Earnings before Depreciation, Interest, Amortisation and Tax (EBDITA)	737	987	1034	1204	1476
Profit after tax & minority interest	258	456	526	558	556
Gross fixed assets	2497	2742	2737	2905	1605**
Net fixed assets	1280	1507	1508	1594	1395**
Net worth	2238	2673	2992	3726	4173
Earning per share Rs.	11.64	9.88*	11.40	12.45	12.03
Book value per share Rs.	101.87	60.81*	68.06	80.68	90.36
Debt equity ratio	0.70:1	0.77:1*	0.80:1	0.67:1	0.68:1
Net profit/sales (%)	7.36	9.69	9.70	10.46	7.98
Dividend on equity shares (%)	100	75*	100	100	125
Return on net worth (%)	11.57	17.40*	17.15	15.86	14.40

** After 1:1 Bonus, **excl. goodwill*

UPL's business model



CHALLENGING YEAR. ENCOURAGING RESULTS.

This is what we achieved in 2011-12

Financial

- Revenue increased 31.6% from Rs. 5,898 crore in 2010-11 to Rs. 7,764 crore
- EBIDTA increased 22.3% from Rs. 1,207 crore in 2010-11 to Rs. 1,476 crore
- Post-tax profit increased 1.6% from Rs. 591 crore in 2010-11 to Rs. 601 crore
- EBIDTA margin reduced 150 basis points from 20.5% in 2010-11 to 19%
- Post-tax profit margin reduced 230 basis points from 10.0% in 2010-11 to 7.7%
- Return on capital employed declined 80 basis points from 15.3% in 2010-11 to 14.5%

Marketing

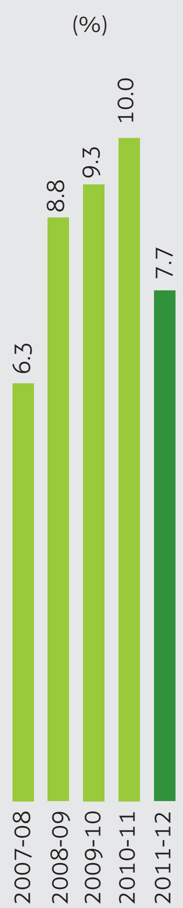
- Introduced more than 60 formulations and technical products

Strategic

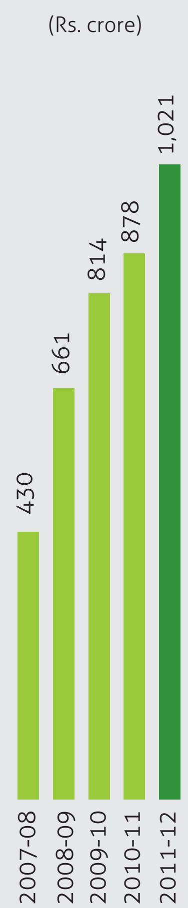
- Acquired 51% stake in DVA Agro, Brazil, for US$ 185 mn to strengthen its local presence. This was the largest acquisition in the global agrochemical industry in 2011

MILESTONES

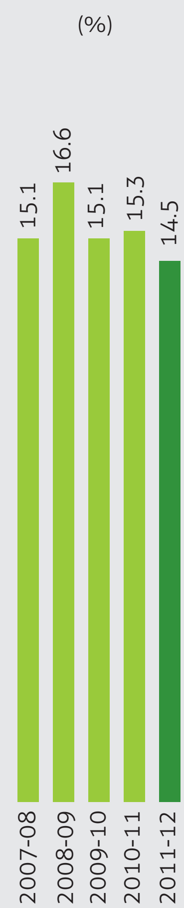
2007	○ Acquired ICONA ○ Received National Award for Environmental Cause, AGROW Award, Trishul Award - for Excellence Performance in Exports of Chemicals, Greentech Environmental Excellence Award 2007 and Outstanding Exporter of the Year at the first-ever International Trade Award
2008	○ Acquired EVO FARMS Group ○ Received Rolta Corporate Award 2008
2009	Received Lifetime Achievement Award from CHEMXCIL
2010	Received Finalist Nomination Award of Ernst & Young Entrepreneur of the Year
2011	Acquired DVA Agro, Brazil



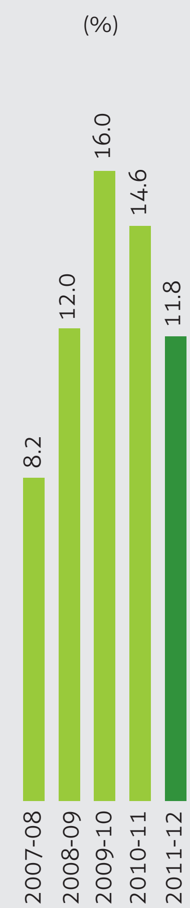
PAT margin



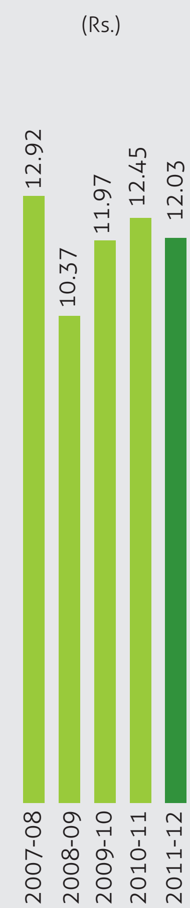
Cash profit



ROCE



Return on gross block



Earning per share

"OUR COMPANY IS AT AN INFLECTION POINT; WE EXPECT TO DOUBLE OUR REVENUES IN JUST FIVE YEARS."

Chairman Mr. Rajju Shroff outlines the strategic direction of United Phosphorus

Dear shareholders,

The year 2011-12 can be described as the worst of years and the best of years.

The year under review was one of the most challenging in memory, marked by a global economic slowdown, currency volatility and some prominent countries encountering severe liquidity issues.

In this fluid reality, United Phosphorus reported a 31.6% growth in revenues to Rs. 7,764 cr; EBIDTA grew 22.3% to Rs. 1,476 cr and PAT grew 1% to Rs. 601 cr over the previous financial year. We strengthened our competitive position in a challenging business environment. The more difficult it got, the better we responded.

This performance is not one-off but indicative of a deep and enduring reality, which, among various things, makes United Phosphorus the world's seventh-largest and the fastest-growing agrochemical company.

Global character

United Phosphorus is Indian by origin, but global by presence and mindset.

This is visible across the Company's landscape: of the Group's 3,613 employees, 39% are non-Indian; we started the Company with employees from one country; today we employ professionals from 22 nationalities; until 1994, we manufactured products out of India; today, we manufacture products out of 14 non-Indian locations.

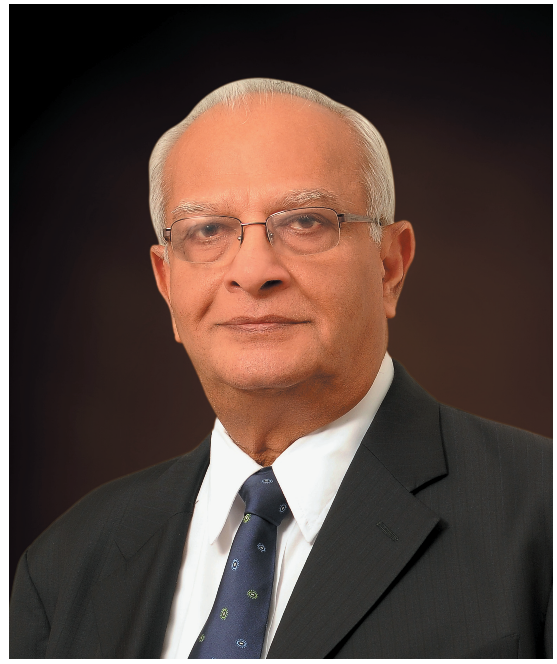
This internationalisation of United Phosphorus is most visible in its financials: international revenues grew 78% in the last five years. Our overall revenues grew 106% in the five years leading to 2011-12; our international revenues grew 104% during the same period.

In 2011-12, we took this internationalisation a step ahead by acquiring DVA Agro, Brazil. Brazil is an important part of the global agrochemical space; the country accounts for 15% of the global agricultural industry; the country has, over the last few decades, demonstrated a respect for advanced farm inputs and technologies, translating into yields higher than the global average.

DVA Agro (part of a German group) is an attractive proxy of the Brazil agrochemical play. The Company formulates and markets crop protection products in Brazil (revenues around US$130m in CY 10). Our Company acquired a 51% stake in DVA Agro Brasil for US$ 185 million to widen our presence in that country. The acquisition helped us access DVA Agro's broad product portfolio while helping us leverage our longstanding manufacturing competencies to enhance the acquired Company's efficiency.

United Phosphorus also acquired a 50% stake in Sipcam Isagro, a manufacturer and distributor of formulations in Brazil. Both acquisitions will provide us with a significant presence in Latin America.

> In a fluid economic reality, United Phosphorus reported a 31.6% growth in revenues to Rs. 7,764 cr; EBIDTA grew 22.3% to Rs. 1,476 cr and PAT grew 1% to Rs. 601 cr over the previous financial year.



Industry prospects

The relevance of our business continues to deepen. The world's population is growing steadily; experts indicate that today's global population of 7 bn is expected to grow to 9 bn by 2050. Global incomes are also rising. We expect both these developments to converge into three-fold food consumption growth by 2050 *[Source: GIA report]*.

A number of countries are extensively under-consumed for agrochemicals: even in a country like India with a deep agrarian tradition, pesticide consumption is a low 600 gms per hectare compared with the global average of around 3-10 kg per hectare. These realities indicate that the market for our products will continue to expand over the foreseeable future.

Global climate change is opening up an interesting opportunity. As weather patterns become increasingly unpredictable, the brunt has to be borne by crops and farmers. As a proactive manufacturer, we are studying these changing patterns, inspiring farmers to shift their cropping. Even as the goalpost keeps shifting continuously, our objective is to keep enriching our product basket with more relevant products and solutions.

I also see a progressive decline in the registration arbitrage window, marked by a slack detection of agrochemical consignment origin in global trade. As the world becomes progressively more stringent, the global transfer of material will need to be more precisely traced to credible manufacturing locations. When this happens, an industry shakeout will benefit companies like United Phosphorus with environmentally-compliant showpiece assets.

Our strengths

At United Phosphorus, our focus is not only to address the sustained growth coming out of this global market, but carve out a progressively larger slice of it.

We find ourselves at a sweet spot for some good reasons: we acquired a price-creating capability across a number of products through low cost-high quality manufacture, our business acquired global scale, demonstrated the ability to integrate across cultures, nursed an adequate cash pool at a time when most companies are cash-strapped, widened our presence across 90% of the world's agrochemical market and an ability to generate far more cash than is consumed by our ongoing capital investments.

The time has come to consistently outperform our industry growth through the next few years through the following initiatives:

- We possess scientists and engineers who are at par with those in the best companies in the world; we need to continuously enrich this intellectual pool – through selective recruitment and alliances with universities and research agencies -- with the objective to widen our product basket, graduate to superior purity and reduce process costs
- We are a restless Company; we would like to push the envelope all the

Up to 40% of the world's potential crop production is lost annually because of the effects of weeds, pests and disease. These crop losses could double if existing pesticide use is abandoned *[Source: CropLife America]*

time and graduate to superior product characteristics. For instance, we were working on enhancing productivity on one of our lines when our output was affected by industrial action in 2011-12; we sustained our initiative and through training-cum-innovation, we broke production records in a few months

- We demonstrated a deep respect for the environment and communities through our investments in plants, people, processes and philanthropy; the time has come to scale this and emerge as a case study
- We have been in the forefront of presenting a responsible face of our industry globally; we will continue to play a proactive role in presenting credible evidence about the efficacy and safety of our products

Overview

The 40 leading global companies account for 90% of the global agrochemical industry. United Phosphorus is the world's seventh-largest agrochemical company, one of the largest generic agrochemical companies, the fastest-growing and one of the most profitable.

We expect that the interplay of our existing competencies and a proactive response to emerging developments will translate into a larger size and quicker growth: it took us 40 years to become a Rs. 7,700 cr company; we expect to replicate these revenues in the next five years.

I am optimistic that this will translate into even bigger value in the hands of our shareholders over the foreseeable future.

Sincerely,
Rajju Shroff, *Chairman*

Industry characteristics

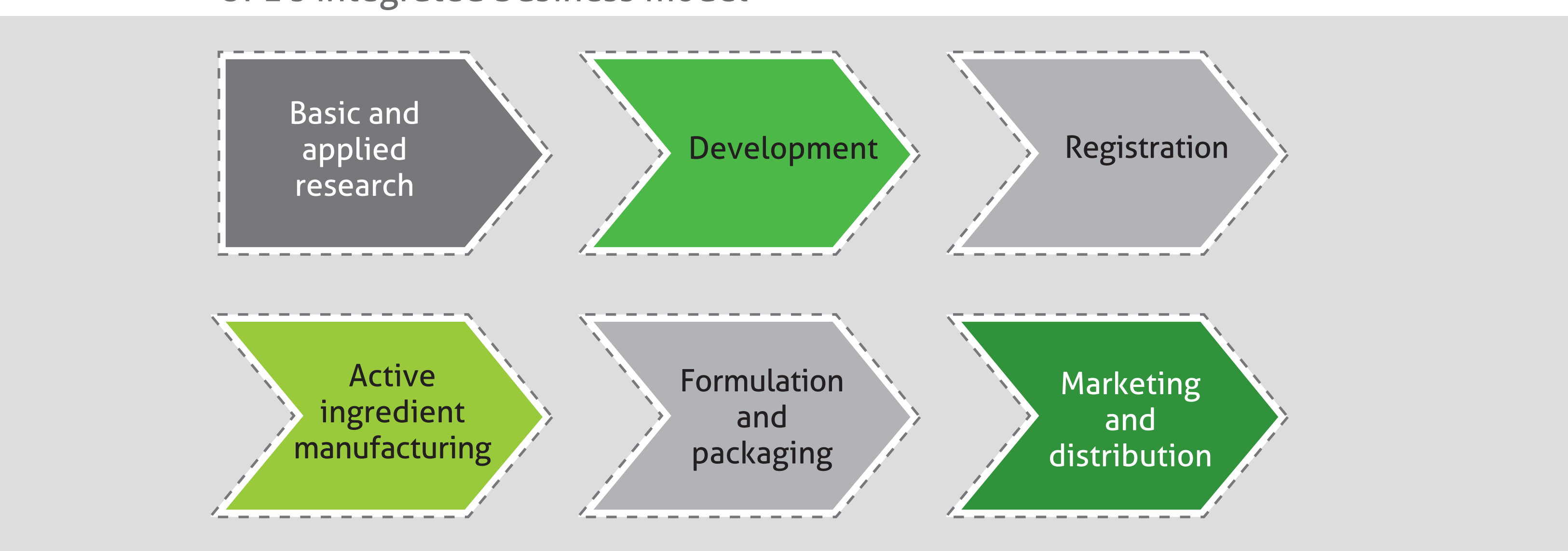
Industry characteristics	Implication and opportunities
Highly consolidated (85% controlled by large players)	Increased focus on big molecules & seeds/bio-technology among major players resulting in attractive acquisition opportunities for smaller molecules by generic companies
Off-patent market is 75%, proprietary off-patent market is ~25%	○ Share of off-patent products growing -- own registrations holds the key to success ○ Generics market expected to grow significantly, resulting in organic growth opportunities
Largely controlled by distributors	Leverage existing relationships in existing and new regions
Highly regulated entry barriers	○ Significant upfront investment in product registration and manufacturing facilities with a long gestation period ○ Barriers to entry support consolidation

SUCCESS IN THE GLOBAL AGROCHEMICAL INDUSTRY IS DERIVED FROM FIVE CAPABILITIES.

- **THE ABILITY TO MANUFACTURE HIGH-QUALITY PRODUCTS AT THE LOWEST COST.**
- **THE ABILITY TO GET REGISTRATIONS/APPROVALS TO MARKET PRODUCTS IN SELECT COUNTRIES.**
- **THE ABILITY TO ENGAGE DISTRIBUTORS WITHIN MARKETS.**
- **THE ABILITY TO CREATE A LARGE PRODUCT BASKET.**
- **THE ABILITY TO FURTHER ENRICH THAT PRODUCT BASKET.**

UNITED PHOSPHORUS IS UNIQUE.
THE COMPANY POSSESSES DEEP COMPETENCIES IN EACH OF THESE AREAS.

UPL's integrated business model



COMPETITIVE MANUFACTURE

In the competitive business of agrochemicals, the foundation of all competence is an ability to manufacture at competitive cost.

Case study

Trimethyl Phosphite is an important intermediate used in manufacturing pesticides. When the Company commenced the manufacture of this product, there was a problem related to the disposal of ammonium chloride with toxic residue. Following extensive laboratory research, the Company arrived at a solution: it recovered ammonia while the by-product calcium chloride was sold. This approach resolved the effluent problem on the one hand and rationalised cost (through ammonia recycling) on the other.

The competence to manufacture at competitive cost is not as facile as it appears. Manufacturing agrochemicals requires an ability to commission plants at a competitive cost, run plants at the highest capacity, switch from one product to another with speed within the same plant and derive better ways – shortest processes, superior quality – of manufacturing the same product.

Over the decades, United Phosphorus emerged as one of the world's lowest cost agrochemical manufacturers through the following initiatives:

- **India advantage:** The majority of UPL's production (estimated at 52% in 2011-12) is routed from India, leveraging a strong chemical industrial base and extensive ancillary industry presence
- **Economies of scale:** Some of the plants – mancozeb, aluminium phosphide, devrrinol, cypermethrin, and monocrotophos – of the Company are among the largest in the world in their respective product spaces, and competitive raw material cost due to forward and backward integration, resulting in lower per unit cost of manufacture.
- **Integration:** The Company's manufacturing excellence is built around the captive manufacture of building blocks (phosphorus, chloralkali and power generation); the Company's value chain is longer than among global peer companies
- **Multi-purpose:** Some 32% of the Company's plants possess the ability to move from manufacturing one product to another based on emerging demand patterns
- **Asset age:** Nearly 45% of the Company's production capacity was established in the last five years, now enjoying a corresponding capacity utilisation of 68%; the older capacities were progressively refurbished to deliver high efficiencies
- **Clean:** The Company employs clean processes with emissions and effluents generation lower than the prescribed limits set by regulatory agencies
- **Team:** The Company's dedicated process engineering team continuously monitors operations with the objective to improve manufacturing processes.

United Phosphorus leveraged its large manufacturing base to impress upon dealers the stability of its supply chain and service the sudden needs of its customers in a business marked by long delivery schedules.

REGISTRATION COMPETENCE

In a competitive business where the product quality influences human health, competence is derived from an ability to obtain permission to market products in various countries.

A pesticide needs to undergo extensive field trials, toxicity tests and chemical purity studies before it can be registered. Due to strict guidelines, most Indian companies register their products under a relatively accommodating Section 9(4). United Phosphorus walked the road less traveled. The Company is associated with the demanding research discipline of the Jai Research Foundation, which conducts demanding toxicity trials, field trials, residue data and five batch analysis. This association helped UPL register its products globally.

The competence to market products in various countries is not as simple as it appears. The registration of agrochemicals requires an ability to demonstrate through extensive documentation (and supporting evidence) how the Company's products are safe for proposed applications. This part of the business represents a moving target; a number of countries keep raising product purity and safety requirements in response to public concerns about crop quality and food contamination. Besides, the process of obtaining product registrations can be complex, time-consuming and expensive in developed countries.

Over the years, United Phosphorus progressively strengthened its ability to obtain registrations leading to a wider and deeper global presence through the following initiatives:

- **Proactive:** The Company demonstrated the foresight to commission a research lab, generate studies well in advance of revenue and stay in line with evolving regulatory requirements

- **Institutionalised:** The Company created an independent trust to establish a 190-member GLP laboratory, which reconciles highly in-time effective service and quick action; its data is validated and respected worldwide

- **Core data:** The Company possesses a rich repository of core data, which only needs to be customised in response to the needs of regulatory agencies in different countries

- **Acquisitions:** The Company acquired an immediate access to the registrations filed by companies it acquired, providing it with an immediate access to a number of countries

- **Data generation:** The Company possess deep insights into data generation through continuous investments in toxicology, ecotoxicology and other studies

- **Infrastructure:** The Company created a team that studies evolving registration requirements across countries backed with competent filing capabilities

United Phosphorus possesses a rich experience of having filed more than 1,000 successful registrations in more than 20 years, which reduced the gestation period usually associated with getting products registered in various countries. The Company possesses the capability to file more than 300 registrations annually, resulting in a widening market penetration. The Company possesses registrations across a geographic spread that accounts for 90% of the world's food basket.

DISTRIBUTION REACH

In the challenging business of agrochemicals, the ability to register one's products in a country must be complemented by the ability to engage distributors who can market products down to the last mile.

The distribution requirement is daunting as distributors are powerful in Europe, North and South America, where they aggregate a number of products and can influence the farmer's purchase decision. Besides, distributors are selective; they only work with credible companies with a large, evolving product basket. Over the years, United Phosphorus engaged successfully with a number of international distributors resulting in the following competencies:

- **Scale:** The Company selected to work with large distributors with established channels, wide product bandwidth, trade clout, credible reputation, financial strength and the ability to push products through the system with speed in the countries of presence
- **Acquisitions:** The Company acquired companies for knowledge, product basket, registrations in addition to existing distribution linkages. The Company's Italy acquisition translated into an immediate secondary distribution channel presence across Italy and France
- **Win-win:** The Company engaged distributors on the basis of complementary advantages – UPL providing products not existing in the distributor's basket and the distributor bringing deep penetration to UPL's table
- **Support:** The Company's marketing team visits farmers for feedback and promotes proprietary brands, helping grow distributor throughput.

United Phosphorus responded similarly, following the acquisition of French company Cerexagri in 2007. UPL reduced overheads and streamlined production across Cerexagri's factories (three in France, one in Holland and one in Italy). Besides, UPL leveraged Cerexagri's Mancozeb competence, increased the product's capacity within its Indian plant and acquired a Columbia unit from DuPont. These initiatives enabled UPL to emerge as one of the world's largest producers of this popular fungicide.

United Phosphorus dealers engage in provide feedback to the Company on climate change, crop switches and consumer preference, making it possible for the Company to respond with a customised strategy. This made it possible for the Company to report growing revenues out of 120 countries of its presence in 2011-12, leading to a CAGR in revenues by 16% over the five years leading to 2011-12.

PRODUCT RANGE

In the multi-product business of agrochemicals, success is derived from the ability to service the needs of each crop with multiple products at multiple junctures across multiple seasons through a single sales point, enhancing transacting convenience.

Case study

The Company commissioned a plant to manufacture Clodinofop in only 70 days in 2009 in Vapi against an industry average of around nine months, which made it possible to capitalise on the next wheat crop. The result is that Clodinofop enjoys a 40% market share in its herbicide space in India today

In the agrochemicals sector, a product range is critical for a good reason. The wider the product basket, the stronger the relationship between a company and a distributor and between a distributor and farmer. The wider the product basket, the lower the distribution cost. When farmers switch their purchase points because some products that they require may not be available, this could translate into a 'loss in sale' for the Company's distributors.

Over the years, United Phosphorus reinforced its product bandwidth to enhance customer convenience through the following initiatives:

- **Holistic:** The Company is a solutions provider addressing the entire crop lifecycle (seeds, seed treatment products, pre-harvest and post-harvest products as well as storage treatment products). The Company also offers intermediate industrial chemicals to industrial users

- **Balanced:** The Company possesses a balanced portfolio -- pesticides, herbicides, insecticides and rodenticides – that makes it a one-stop shop for farmers

- **Portfolio:** The Company possesses a product for most crops; it markets more than 15 SKUs customised around the regulatory and farmer requirements across 120 countries; around seven products are unique novel products

- **Relevant:** The Company markets products relevant to geographies depending on crop strength, market size, crop viability, growing gestation, pest vulnerability and other factors

- **Branded:** Nearly 65% of the Company's revenues are derived from branded products, resulting in corresponding consumer trust

- **Addition:** The Company added 20 products in the technical segment in the five years leading to 2011-12 along with formulation.

United Phosphorus created a number of agro-management products comprising seed, pre-harvest and post-harvest products. The Company possesses a rich portfolio of more than 60 products; 20 were launched in the five years leading to 2011-12.

"WE STRENGTHENED OUR GLOBAL PLATFORM AND THIS TRANSLATED INTO OUR GROWTH THAT WAS MORE THAN TWICE THE GLOBAL INDUSTRY AVERAGE."

Global CEO Jai Shroff reviews the Company's 2011-12 performance and competitive position

Q. Were you satisfied with performance of the Company 2011-12?

A Absolutely yes, considering that the company reported a 31% growth in consolidated revenues at a time when the broad global agrochemical industry grew only 4 to 5%. In doing so, our profit after tax grew to Rs. 601 crores in 2011-12. This performance underlines what has become increasingly visible over the last few years: that United Phosphorus is the fastest growing large agrochemical company in the world.

Q. What specific reasons translated into this significant revenue growth over the global industry average?

A Over the last few years, the Company focused singularly on enhancing organisational scale (as defined as a position in the top ten agrochemical companies in the world). I am pleased to state that this strategy has started showing results. For instance, 2011-12 was a landmark year in the history of our Company as we plugged the last major link in our global presence through acquisitions in Brazil, the fastest growing agrochemical market in the world and accounting for 15% of the global agricultural output. These acquisitions accounted for 9% of our revenues in 2011-12 and going ahead, will translate into higher revenues, which will enable us to emerge bigger and stronger.

Q. What other reasons contributed to this global outperformance?

A Over the years, we strengthened research and development with the objective to develop new products and widen our product portfolio, backed by registrations and widening market presence. The extensive geographic presence was vindicated during the year under review: even as the Indian market for agrochemicals de-grew during 2011-12, the Company reported a strong performance in the other global markets, which resulted in faster growth than the global average.

Q. How did the company perform in India?

A India accounted for 22% of the Company's revenue in 2011-12. The Company was able to register a 32% growth in revenues even as the domestic market de-grew following a difficult monsoon. We recognised that this aberration would be temporary; we grew our product pipeline. Besides, we inducted senior executives in key positions in our global business.

> "A high global commodity price scenario puts a premium on production efficiency, which only strengthens our competitive position"

Q. What is the big picture for the Company?

A We have reported a CAGR in revenues of 25% over the last decade even as the industry has grown at only 10%. We are optimistic of growing faster than the global agrochemical industry average for the following reasons:

- We have now completed our global platform following the Brazilian acquisitions. We now possess a strategic presence in two of the fastest growing markets of India and South America, which will drive our revenues over the foreseeable future.
- We are focused on innovative product manufacture that translates into higher margins.
- We will progressively combine our established culture of manufacturing excellence with a strengthening supply chain, leveraging our Indian advantage where appropriate.
- We will invest in our brands to catalyse offtake

Q. How does the Company address the challenges of a global slowdown, currency volatility and high interest rates?

A We are a globally dispersed company with significant export revenues (78% of our revenues), putting us in an advantageous position arising out of the currency depreciation. Since much of our debt is in US$ currency, we enjoy a low debt cost. A high global commodity price scenario puts a premium on production efficiency, which only strengthens our competitive position.

Q. What is the principal message you intend to send out to shareholders?

A The fact that our global platform is now in place means that our investments in acquisitions will decline. On the other hand, we expect to reinforce investments in research and development that strengthens our process efficiencies on the one hand and product pipeline on the other, which will translate into enhanced margins and ROCE. We expect to strengthen our working capital cycles and enhance returns from our brands. We expect that a combination of these initiatives will enhance our profit and value for our shareholders.

THESE STRENGTHS MAKE UNITED PHOSPHORUS

CULTURE

The UPL culture reconciles largeness and flexibility, global presence and local customisation.

TEAM

UPL is managed by a team of senior professionals with more than 2,040-person years of industry experience. Result: 16% CAGR in revenues across five years leading 2011-12.

SCALE

The Company is the largest global manufacturer of products like mancozeb, aluminium phosphide and devrinol, resulting in attractive economies of scale.

GLOBAL

The Company is principally a global company (only 22% of its revenues were derived from within India in 2011-12) with operations across India, North America, Latin America, Europe, Africa and Rest of the World, with no geography accounting for more than 26% or less than 15%.

BUSINESS MODEL

The Company is principally a manufacturer supported by tolling and third-party outsourcing capability. The result is that the Company selects to manufacture value-added products while outsourcing the rest.

FOOTPRINT

UPL possesses a manufacturing presence in 23 locations (Indian and international), subsidiaries in 41 countries and a marketing presence in 120 countries.

SWING CAPACITY

UPL's manufacturing units can produce multiple products resulting in high plant utilisation and an ability to respond effectively to the needs of a dynamic marketplace. The Company's manufacturing assets are relatively young (average age 9.5 years) with a broader spectrum capability and high productivity.

ACQUISITION CAPABILITY

UPL demonstrated a competence in acquiring and integrating global units and companies. The Company was among India's first to acquire a European company in 1994, which was turned around in a year. The Company acquired 18 global companies in 18 years; all these acquisitions were progressively turned around.

INTEGRATED

UPL manufactures phosphorus, chloralkali and power generation, a robust foundation for sustainable growth of diverse downstream products. Nearly 75% of revenues were supported by back-end raw material manufacture.

VALUE CHAIN

UPL is present across the extensive value chain – proprietary research in various formulations as well as access to research agencies engaged in fundamental research, direct and outsourced manufacture of active ingredients and formulations, packaging capacity and wide market access (registration and products).

A GLOBAL FORCE TO RECKON WITH

RESEARCH AND DEVELOPMENT

The Company has a strong research and development team which continuously work on getting new products for the Company and helps improve processes to optimise cost.

HOLISTIC

UPL is not a herbicide or a fungicide company in the narrow sense; it is a farm solutions company providing a complete range – delivery of seeds to seed treatment solutions to pre-harvest to post-harvest to storage treatment products to farmer feed schools – of farm solutions. The Company's product range – pesticides, herbicides, insecticides and rodenticides – makes it a one-stop shop for farmers.

BRAND

Two-thirds of the Company's revenues were derived from proprietary branded products; the rest was derived from the sale of non-branded generics and bulk sales.

PROCESS MANAGEMENT

The Company possesses the capability to manage hazardous (violent, poisonous and inflammable) reactions through a complement of experience, equipment and infrastructure.

FINANCIALS

UPL possessed a cash and bank balance of Rs. 700 cr (as on 31 March 2012). Net debt-equity ratio was a modest 0.45:1 (as on 31 March 2012), lower than global peers. Average debt cost compared favourably with global peers.

PRODUCT MIX

UPL's product mix is weighted towards complex value-added products, relatively insulated from competition. As a result, the Company's total material consumption cost (52% of revenues, 2011-12) is one of the lowest among peer global companies.

REGISTRATIONS

UPL has a strong documentation team, managing registration requirements across countries. The Company possesses a rich repository of product studies customised across countries. The Company possesses more than 2,000 registrations across 120 countries of its presence. The Company generates more than 250 registrations a year; 100% of these registrations are commercialised.

SUPPLY CHAIN

UPL's hub and spoke supply chain reconciled technical manufacture in its competitive Indian and Europe plants and supplied to manufacturing facilities in various countries for competitive conversion.

GOVERNANCE

UPL's governance standards are ahead of the compliance requirements in India, supported by a responsible Board composition (half Independent) and a structured discipline of public disclosures.

HOW UNITED PHOSPHORUS ENHANCED VALUE FOR ITS SHAREHOLDERS.

Market capitalisation

United Phosphorus went public with an issue of equity shares in 1986. Over the decades, the Company emerged as one of the most attractive wealth creators in its industry space in India.

An original owner of 100 shares in the Company would have grown his holding to 6,000 shares by the end of 2011-12.

The value of the shareholding of the original allottee would have increased to Rs. 7,80,000 by 31 March 2012, in addition to attractive dividends.

Temporarily the Company's market capitalisation declined from Rs. 6,945.54 crores as on 31 March 2011 to Rs. 6,003.46 crores as on 31 March 2012, following the global slowdown.

Market capitalisation

(Rs. in Crores)

31 March 2008	31 March 2009	31 March 2010	31 March 2011	31 March 2012
5,761.31	4,296.73	6,569.28	6,945.54	6,003.46

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy review

In 2011, the global economy grew 3.8% (5.2% in 2010), emerging economies grew 6.2% (7.3% in 2010) and advanced economies grew 1.6% (3.2% in 2010). This indicates that emerging economies continued to catalyse global growth.

Indian economy review

The growth of the Indian economy is estimated at 6.9% in 2011-12 compared with 8.4% in the preceding two years, the lower growth attributed to a weakening global economy, lower industrial growth and reforms slowdown. World Bank has projected India's GDP growth at 7-7.5% in 2012-13.

India's agricultural sector grew 2.5% compared with 7% in 2010-11.

Sectoral composition of the Indian GDP

Year	Agriculture	Services	Industry
2010-11QE	14.5	27.8	57.7
2011-12AE	13.9	27.0	59.0

[Source: Economic Survey 2011-12] AE – Advance estimates QE – Quick estimates

Global agrochemical market

The value of the global conventional chemical crop protection market is estimated to have increased 14.9% in 2011 to US$ 44.025 bn; use of agrochemical products in non-farm sectors rose by 7.0% to US$ 6.29 bn. The total agrochemical market increased 13.8% to US$ 50.31 bn in 2011.

The most significant crop protection market growth occurred in developing markets, especially Latin America. Asia fared well followed by Europe (double-digit growth in many East European countries including Russia and Ukraine).

Market performance 2011

	2010 sales (US$ mn)	2011 sales (US$ mn)	Growth (%)
Crop protection chemicals	38,315	44,015	14.9
Non-crop agrochemicals	5,880	6,290	7.0
Total	44,195	50,305	13.8

[Source: Phillips McDougall Agrifutura, March 2012]

Regional market performance

Region	2010 (US$ mn)	2011 (US$ mn)	Growth (%)
NAFTA	7,945	8,412	5.9
Latin America	8,385	10,060	20.0
Europe	10,583	12,196	15.2
Asia	9,994	11,607	16.1
Rest	1,408	1,740	23.6
World	38,315	44,015	14.9

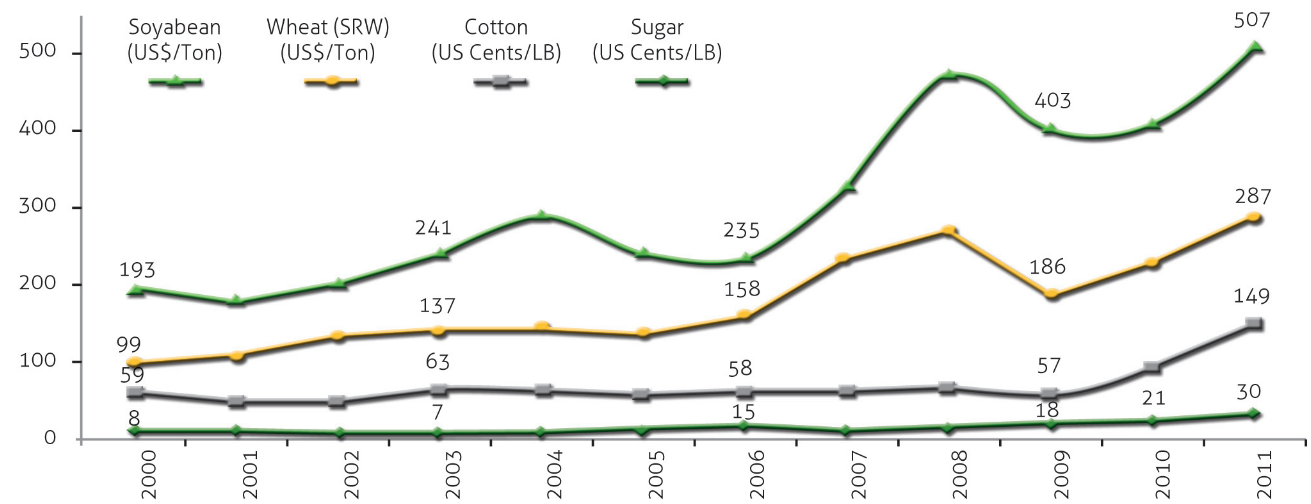
Key drivers of agricultural demand

- Increasing population
- Declining arable land per person
- Income growth in developing countries
- Changing diets
- Increasing demands for higher quality foods
- Biofuel potential

Major factors affecting the global market in 2011

- Crop prices rose strongly reaching a new peak
- Strong volume growth in Latin America, Europe and Asia
- Stable glyphosate prices
- Variable weather (early season flooding in Canada, dry weather in USA towards the season end, drought in Northern China and Vietnam, floods in Thailand, dry early summer in Central West Europe, tsunami in Japan
- Strong Brazilian farm economy
- Increased GM crop areas
- Record US ethanol production)

Price of key crops in the last 10 years



Growing food price

The climatic erraticity arising out of global warming reduced agricultural production across various countries, peaked food prices in 2011 and strengthened a focus on enhanced crop yields and crop protection.

Regional markets review, 2011

USA: In USA, the planted area of cotton and maize increased but area under soybean and cereals declined. The maize season began well, but was thereafter affected by rain at soybean planting time. Ethanol profitability was sustained by low natural gas prices, although maize prices were high in comparison with the oil prices. While the harvest was reportedly high in volume, production quality was affected by adverse weather. The fungicide sector was buoyant due to high maize prices, although Company sales were affected by inventory issues from 2010. In Canada, the planted area of most crops increased, but flooding washed out significant production. The Mexican market was depressed by dry weather.

Latin America: Season 2010-11 ended positively due to normal weather, high crop prices and a stable glyphosate market. The 2011-12 market started in a similar vein, with an increased planting of maize, soybeans, sugarcane and cereals in Brazil and maize and soybeans in Argentina. By end 2011, dry weather prevailed in South Brazil and Northern Argentina, while high interest rates and the strength of the Brazilian Real against the US dollar impacted farm profitability. Growth was driven by economic improvement in most developing Latin American markets.

Europe: Cereal acreage increased due to higher prices following the drought-affected Russian harvest of 2010. The fungicide sector got off to a good start with an early end to the 2010-11 winter. In the late spring/early summer, a period of dry weather affected product demand and crop production in France, Germany, the Netherlands, south UK and Spain. The market development was positive and agrochemical pricing stable. Improved weather and economic conditions benefited Central and Eastern European markets, although the grain area in Russia was depressed by the 2010 drought continuing into the autumn planting season. Variable weather affected the 2011 harvest in the Ukraine. However, overall development of the agrochemical market in the region was very positive.

Asia: The Asian crop protection market was positive in 2011 despite adverse weather condition that staggered growth. The Chinese market was affected by dry weather in the north and a continuing pressure on prices, particularly on glyphosate during the first half of the year. Australia enjoyed better rainfall, although January flooding affected the cotton sector in Queensland. Thailand was affected by severe flooding, which impacted rice production. The tsunami destroyed an area of Japan's crop production. Rice demand and low stocks sustained a high price, while the palm oil sector enjoyed high prices throughout the year. More stable glyphosate prices assisted market growth in developing East Asian markets. India suffered a variable monsoon season and declining crop prices due to an increased tariff on exports. As a result, market growth did not live up to expectations.

Africa and the Middle East: In Africa and the Middle East, growth was driven by exports, particularly fruits, vegetables and flower crops. This was marked in Kenya, Tanzania and North Africa. Political turmoil disrupted trade into many North African markets in 2011, while drought affected East Africa.

Indian agrochemical market

The size of the Indian agrochemical industry is projected to grow from Rs. 15,000 cr to Rs. 50,000 cr by 2020, through innovative farming solutions that address the needs of marginal farmers. To achieve this growth, capacity addition of over 100,000 tpa will be required entailing capital investments of over Rs. 3,000 cr with corresponding investments in R&D and farmer-awareness activities.

It is estimated that India loses around 18% of the crop yield valued at Rs. 90,000-crore due to pest attacks each year [Source: CARE]. India's agrochemicals consumption is one of the lowest in the world – per hectare consumption of just 0.58 kg compared with the US (4.5 Kg/ha) and Japan (11 Kg/ha). The key reasons for this under-consumption comprise low farmer purchasing power, low crop protection awareness and poor crop protection chemical accessibility.

Indian agrarian economy

The agricultural sector is vital for the nation and is the principal source of livelihood for more than 58% of the population. The growth of the agriculture and allied sectors is expected to be around 2.5% during 2011-12, according to the Economic Survey 2011-12. India targets to achieve 9.5% average economic growth in the 12th Five-Year Plan (2012-17), on the back of an estimated agricultural growth rate of 4.2%.

Agriculture including allied activities, accounted for 14.5% of gross domestic product (GDP) at 2004-05 prices, in 2010-11 as compared with 14.7% in 2009-10. The average annual growth in agriculture and allied sectors realised during the first four years of the Eleventh Plan Period -- 2007-08 to 2010-11, is 3.5% against the targeted growth rate of 4%. Agriculture and allied sectors recorded.

As per the second Advance Estimates, foodgrain production during 2011-12 is estimated at an all time record level of 250.42 million tons which is a significant achievement mainly due to increased production of rice and wheat.

Industry drivers

Growing food demand: India has 16% of the world's population and less than 2% of the world's landmass. The country's increasing population and an emphasis on food grain self-sufficiency is expected to drive agrochemical sector growth.

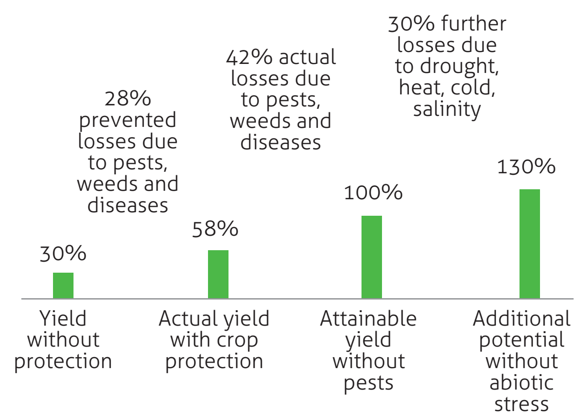
Limited farmland availability: India has around 190 mn hectares of gross cultivated area; the scope for bringing new areas under cultivation is limited. Available arable land per capita has been declining globally, increasing the pressure on yield per hectare which can be addressed only through increased agrochemical use.

Growth of horticulture and floriculture industries: Buoyed by 50% growth by the Indian floriculture industry in three years, India launched a National Horticulture Mission to double production by 2012. This growth will translate into a growing demand for agrochemicals (especially fungicides).

Increasing awareness: Indian government estimates place the total value of annual crop loss due to non-use of pesticides at around US$ 17 bn. Companies are increasingly training farmers regarding the right use of agrochemicals in terms of quantity, application and appropriateness for pest problems. With increasing awareness, the use of agrochemicals is expected to increase.

Scope for increase in usage: With only 35-40% of the total farmland under crop protection, there is a significant unserved market in India.

Yield improvement potential (%)



[Source: Knowledge Paper by Tata Strategic Management Group and FICCI]

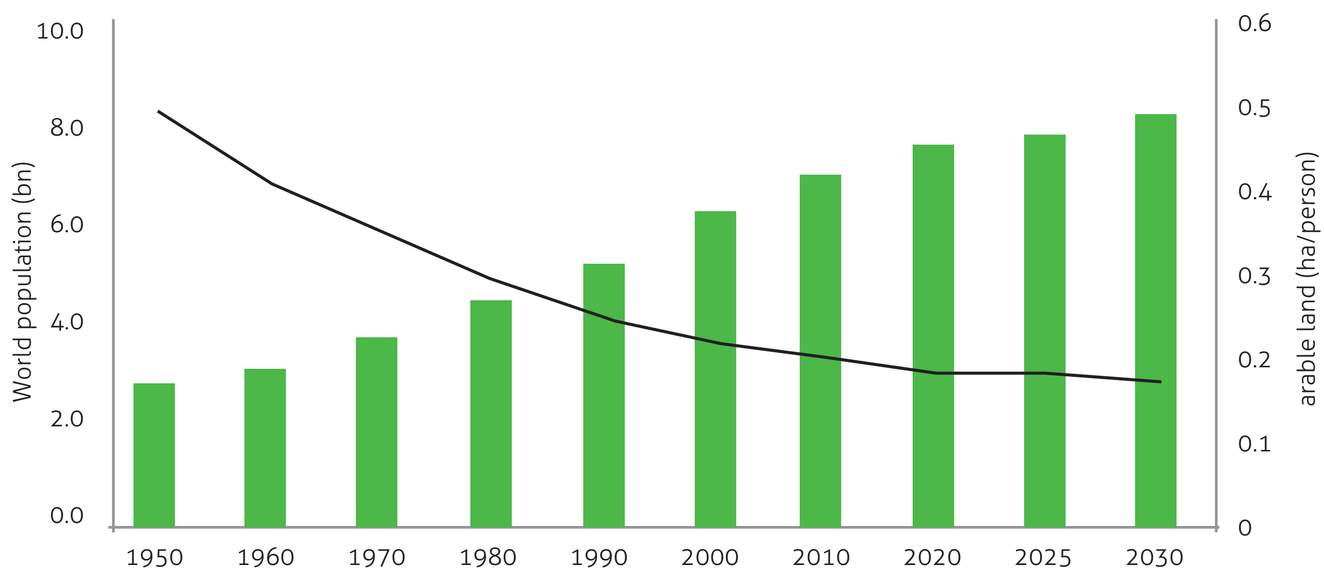
Growing population. Limited acreage.

In 1960, when global population was 3 bn, per capita arable land was 0.5 ha. The global population is now placed at 6.71 bn with available per capita around 0.23 ha. *[Source: Industry data, worldwatch.org]*

Benefits of using pesticides

- Increase food production: Crop protection technologies permitted US producers to increase crop yields and food production efficiency. Up to 40% of the world's potential crop production is already lost annually due to the effect of weeds, pests and diseases. These crop losses could double if existing pesticide uses were abandoned.
- Declining food cost: Because the use of pesticides improves crop yields, crop protection technologies also impact the cost of food. Without crop protection chemicals, food production would decline and prices would rise.
- Consumer benefits: Pesticides consume quality produce free of insect blemishes and contamination. Crop protection chemicals reduce and eliminate insect damage, making it possible to produce free of insect fragments.

Limited land availability



Outlook

The global population is expected to grow by over a third (2.3 billion people) between 2009 and 2050. Nearly all of this growth is forecast to take place in developing countries. Among the latter group, sub-Saharan Africa's population could grow the fastest (+114%) and East and Southeast Asia the slowest (+13%). Urbanisation will accelerate; urban areas could account for 70% of the world's population in 2050 (from 49% at present). The result: cereal demand is projected to reach some 3 billion tons by 2050 from today's level of 2.1 billion tons. Feeding a global population of 9.1 billion in 2050 will require raising overall food production by 70% between 2005-07 and 2050 *[Source: FAO]*.

Some 90% of the growth in crop production globally (80% in developing countries) is expected to come from higher yields and increased cropping intensity, the remainder coming from land expansion. Arable land will expand by some 70 million ha (or less than 5%), with the expansion in developing countries by about 120 million ha (or 12%) being offset by a decline of some 50 million ha (or 8%) in developed countries. On average, annual crop yield growth rate over the projection period would be about half (0.8%) its historical growth rate (1.7%; 0.9 and 2.1% for the developing countries) according to FAO. This will require extensive use of agrochemicals.

Indian crop losses in the country due to pest attack range from 10 to 30% each year depending upon attack severity. Pesticides protect crops from pest attacks.

Consumption of pesticides in India

('000 tons)

1990-91	1995-96	2000-01	2005-06	2009-10	2010-11
72.13	61.26	43.58	39.77	41.82	55.54

[Source: Directorate of Economics and Statistics, DAC]

Market size by 2015

2015	Herbicides	Insecticides	Fungicides	Others	Total CCP	AgBio	TOTAL
Cereals	4,184	592	2,464	249	7,489	0	7,489
Maize	3,293	957	491	8	4,749	7,757	12,506
Rice	1,873	1,374	867	92	4,206	60	4,266
Soybean	2,340	983	1,251	3	4,577	5,332	9,909
Rape	912	198	350	16	1,476	390	1,866
Sunflower	450	45	25	3	523	0	523
Cotton	559	1,289	87	315	2,250	1,224	3,474
Sugarbeet	556	70	58	1	685	63	748
Sugarcane	1,048	357	0	38	1,443	0	1,443
Potato	316	412	796	40	1,564	0	1,564
Vine	268	259	1,076	38	1,641	0	1,641
Pome fruit	175	475	597	46	1,293	0	1,293
Other F&V	1,623	2,570	2,169	202	6,564	0	6,564
Fruit and vegetables	2,382	3,716	4,638	326	11,062	0	11,062
Other crops	1,753	1,235	1,017	212	4,217	0	4,217
Total	19,350	10,818	11,248	1,263	42,679	14,826	57,505

[Source: Phillips McDougall]

Segment wise Performance

- Agrochemicals – Agrochemicals accounted for 80% of the total sales of the Company. Increase in the turnover of the Company is mainly on account of an increase in turnover of the agrochemicals.
- Industrial chemicals and intermediates – This segment accounted for 19% of total sales.
- Power – Power plant is for captive use.
- Exports – Exports accounted for 52% of total sales.

Internal Controls

The Company's operations are spread globally. The internal control system is commensurate with the size, scale and complexity of its operations. All the business operations run on the SAP system. The operations in different geographies need to adhere to their own legal compliances and other regulatory framework. The in-house internal audit team plans the schedule of audit of all the plants, subsidiaries and depots. The schedule is worked out on the basis of risk assessment to ensure that all the assets of the Company are safeguarded and protected against any loss. It also ensures that the transactions are properly authorised and recorded in the books of the Company.

Apart from the in-house team, external professionals are engaged by the Company to ensure compliance of all the statutory regulations.

The Audit Committee of the Board is informed regularly about the significant findings of the internal audit of various locations and functions to help take effective steps to ensure compliances and good governance. The Audit Committee reviews the internal audit plan at the beginning of every year to ensure coverage of most of the functions and locations with a view to mitigate the risks. The report prepared by internal audit team from time to time form the basis of certification by the Managing Director and Chief Financial Officer for financial reporting as required under Clause 49 of the Listing Agreement.

The Company's operations involve regulation by environment laws. The Company maintains a very high degree of adherence of pollution control norms so as to ensure compliance of these laws at all times.

POCKETS OF EXCELLENCE

MANUFACTURING EXCELLENCE

IN THE BUSINESS OF AGROCHEMICALS, the ability to manufacture a variety of products at the lowest cost in the quickest time and the highest quality is critical for success.

At United Phosphorus, we are among the world's most competitive agrochemical manufacturers through a number of initiatives:

- Create a 40-member process engineering team to enhance process efficiency, product quality and cost-competitiveness in a continuous way by computerised process controls
- Create a parallel team to track manufacture on computers and match it with theoretical parameters
- Use diverse technologies, process parameter improvement, process reduction and wastage reduction without altering product chemistry
- Ongoing value engineering by using different formulation bases; for instance, the Company replaced the use of a solvent with powder to reduce cost and operational temperature, leading to considerable savings
- Focus on profitable gross block use to eliminate low yielding assets; engaging in judicious capex based on cost and payback tenure
- Forward-looking investment in environment management assets; the Company was the first in its industry to install total organic carbon meter, which was later made a standard by the Gujarat Pollution Control Board; all the Company's plants are equipped with effluent treatment plants.

The result is that the Company is a global cost leader for a number of products. Going ahead, the Company will focus on reducing overheads across global manufacturing locations, combine manufacturing products within India and abroad based on respective cost-efficiencies and move to zero liquid discharge across all plants in India.

POCKETS OF EXCELLENCE

MARKETING EXCELLENCE

IN THE BUSINESS OF AGROCHEMICALS, it is critical to market the right product for the right geography to address the right crop leading to the right farmer returns.

Over the years, UPL extended its global presence: 41 countries where it commissioned marketing offices and subsidiaries, more than 120 countries where it enjoyed product registrations/product presence and more than 15 SKUs globally. The Company's products are used across all continents. Thanks to this extensive presence, UPL enjoys a multi-farm lifecycle, multi-crop and multi-country presence which makes it the world's seventh-largest agrochemical company.

As a matter of prudence, the Company

has not created propriety distribution networks but selected to engage with partners enjoying access to extensive distribution channels in the US, Argentina, Mexico, Columbia, Indonesia, China, Vietnam, Turkey, Australia and Europe. While India accounted for 22% of the Company's revenues, Europe accounted for 18 pert cent, North America for 21% and Latin America and the rest of the world for 39% of revenues in 2011-12. This resulted in an ability to distribute material from the Company's manufacturing plants right down to the last mile leading to timely use.

During 2011-12, the Company undertook several initiatives to strengthen its marketing:

- Strengthened its global marketing team through fresh appointments in key markets; created a dedicated team to focus on each product segment
- Worked closely with the R&D team to customise its product mix for different countries
- Focused on products going off-patent to emerge among the top three
- Focused on product branding across products that accounted for 40% of revenues within India
- Expanded Unimart stores (provide products and services to farmers) across six locations
- Enhanced farmer interaction to educate them about safe pesticide use

These initiatives enabled the Company to outperform industry growth in most markets of its presence.

Road ahead

Going ahead, the Company expects to enhance focus on markets with attractive potential, undertaking marketing initiatives customised around the needs of those countries.

POCKETS OF EXCELLENCE

R&D EXCELLENCE

UPL developed Quickflo-R, an Aluminium Phosphide Fumigant System, patented globally.

IN THE BUSINESS OF AGROCHEMICALS, the ability to innovate new products through non-patented routes or shorter processes is the key to success.

At United Phosphorus, we invested in research through a number of initiatives:

- Focused on superior product lifecycle attributes on products for superior resistance against existing pesticides.
- Worked closely in process improvisation and energy savings; it was awarded National Energy Conservation Award by the President of India.
- Recruited more than 200 scientists and technocrats to develop new and innovative products.
- Sustained a culture of pioneering product development/manufacture/ launch in India.

The result is that UPL is the only Indian company in its industry to possess international and global patents for 20 products which include Lancergold, Total Vesta, Lambda, Phosphine gas generator, Devrinol, Permethrin DF and various other combination products.

POCKETS OF EXCELLENCE

PEOPLE EXCELLENCE

IN THE BUSINESS OF AGROCHEMICAL manufacture where competitive advantage is knowledge-derived, it is imperative to invest in competencies for growth and industry leadership.

UPL is a global employer of competencies; the Company had more than 3,000 employees from across 22 nationalities (average age 38). In India, the total number of employees is 2,360.

The Company strengthened its human resources through the following initiatives:

Recruitment: The Company created a global recruitment schedule based on the Company's three-year growth plan and competence gaps. The Company recruited senior managers through head hunting, placement agencies and web-based recruitment platforms.

Training: The Company identified skill gaps and responded with customised schedules. The Company focused on mechanical engineering and safety as key training areas. It tied up with institutes like IIT (Mumbai) for training, conducted three-level safety training (behavioural-based) for plant employees, provided department heads with training based on performance appraisal and sent key performers for specialised training to IIM (Ahmedabad) and ISB (Hyderabad), among others. Employees were provided soft skill and language training.

Leadership pipeline: The Company emphasised the creation of a leadership pipeline based on succession planning and identifying second generation of business leaders.

Performance management: The Company created two performance management systems (annual, quarterly and monthly). The Company monitored monthly employee performance, then quarterly (in some locations half-yearly) as a basis for incentive payment. The Company's manufacturing units instituted score cards for performance appraisal.

Employee engagement: The Company held employee engagement events. It celebrated Diwali and Christmas engaging all employees. It celebrated Friendship day and Women's Day, among others. UPL Vapi group organised the Kutumb Mela programme. Employees' families and relatives numbering more than 3,000 gathered at this mela, enhancing a sense of bonding.

Cultural integration: The Company focused on cultural integration across its employees of a diverse ethnic and nationality mix.

POCKETS OF EXCELLENCE

HSE EXCELLENCE

IN THE BUSINESS OF AGROCHEMICAL manufacture which warrants the competent management of a number of hazardous chemicals and processes, success is derived from an overarching health, safety and environment discipline.

Over the years, UPL invested in health, safety and environmental initiatives covering technology selection, plant design, equipment erection and operations. The Company invested in a culture of HSE compliance comprising a proactive investment in safety equipment, supports, protection and assets.

Besides, the Company created a committee of HSE officers to monitor health, safety and environment standards and practices. As a responsible forward-looking organisation, the Company partnered with Dupont and Syngenta to evaluate its HSE systems across manufacturing locations, opening up improvement opportunities. The Company's compliance commitment is reflected in its Ankleshwar, Halol, Jhagadia and Vapi locations being certified for OHSAS 18001 as early as 2003.

Responsible care: The Company voluntarily adopted the codes of practice of the Responsible Care (RC) initiative taken by Indian Chemical Manufacturers Association and implemented ISO 14000, demonstrating our commitment to continual improvement in HSE performance.

Medical appraisals: The UPL occupational health centre carries out pre-employment and periodic medical checkups as well as other routine preventive services.

Promotional activities: UPL's safety team conducts safety awareness programmes to bring about a positive change and continual improvement in workplace safety practices as well as attitudinal changes among employees. The safety team prepares training demonstrations on disaster preparedness to other industries during the national safety day celebration and seminars conducted by office of the factory inspectorates.

Outdoor safety training: UPL's five-day safety capsule training covers industrial safety, physical fitness and disaster mitigation training.

Environment management: All UPL units comply with environment management norms set by the pollution control board. Some of the Company's environment management initiatives were adopted by other companies and graduated into a norm by the state pollution control board.

Health, Safety and Environment policy

The Company's HSE philosophy is encapsulated in the following policy:

- The management of United Phosphorus Limited is committed to safeguard the Safety, Health & Environment for all by minimising adverse effects due to its industrial chemicals and agrochemicals manufacturing and marketing operations.
- Necessary standards for safety and environmental performance and statutory compliance shall be ensured by suitable proactive steps during all operations including those to control pollution.
- The Company shall make due arrangements for information, education, training and retraining to all employees about health and environment objectives at different levels and to interested parties and the general public whenever required.
- We are committed to continual improvement in HSE by carrying out risk assessments, waste minimisation and optimum use of resources through source reduction and/or recovery and recycle/reuse, and/or suitable treatment for any hazardous/toxic waste arising out of its operations
- The Company shall give due importance to HSE aspects in all decision making including, purchase of plant, equipment, machinery, materials selection and HSE performance of individuals in their career advancement.
- Monitoring the health of all employees through pre-employment and periodical medical check-up.
- All unit heads shall review their operations to identify significant environmental aspects to prepare and monitor relevant HSE objectives and targets every year.
- The HSE policy objectives and performance shall be reviewed periodically and communicated to all employees, people and interested parties.

CORPORATE SOCIAL RESPONSIBILITY

AT UNITED PHOSPHORUS, WE BELIEVE in providing basic facilities for employees and contributing to societal welfare. Over the years, the Company undertook the following initiatives across these three areas:

Education

The Company is engaged actively in providing education support to the underprivileged.

Sandra Shroff Gnyan Dham School

The Company created the Gnyan Dham Trust under which Gnyan Dham School was established in 1972 – the first English medium school in Vapi. This school was renamed Sandra Shroff Gnyan Dham School and now provides education to more than 1,600 students.

Other initiatives

- Funded over 60 school buildings across different villages near Vapi
- Provided financial help to Anand Shishu Vihar and Nahuli Prathmik Shala
- Actively involved with the Gattu School, which is the first as well as the best English medium school in Ankleshwar
- Built and managed Pushpavati Devidas Shroff Sanskardeep Vidyalaya in Ankleshwar
- Created UPL Rotary Community Library in Ankleshwar, the only public library with a dedicated children's section and an impressive collection of thousands of technical books and journals to cater to the needs of members, students, scholars and technologists
- Set up a degree college in Vapi, offering arts, commerce and science streams; also built a pharmacy college
- Built and managed Sandra Shroff Nursing College at Vapi, which offers a four-year degree course in nursing
- Set up a chemical engineering college in association with the Rotary Club of Ankleshwar
- Supported and financed GIDC Rajju Shroff Rofel Institute of Management Studies and Mr. Rajju Shroff Rofel Institute of BBA to provide managerial talent for the chemical and industrial hubs in Vapi-Ankleshwar region
- Promoted art in Baroda Sayaji University Fine Arts Department; conducted art exhibitions, photography exhibitions, photo-journalism, among others

Health care

- Instrumental in setting up and managing Rotary Hospital in Vapi
- Involved in the prevention and treatment of burn injuries. The Company's Vice Chairman Ms Sandra Shroff was President of the National Association of Burn Injuries in India for over a decade. The National Burns Centre in Mumbai is a 50-bed public charitable hospital
- Promoted scores of rural health check-up camps; provided medicines and doctors and created medical awareness among them

○ Initiated a mosquito eradication programme in GIDC Township (Vapi) by spraying insecticides.

○ Supported the SEWA Rural Trust in its selfless work (healthcare, education and basic housing) for adivasis

Social welfare and upliftment

Farmers' Training School: Established a Farmers' Training School in Vapi where hands-on skills are imparted within the context of a working farm with relevant expertise, confidence building and understanding of agricultural practices. Thousands of agricultural students and farmers have benefited.

The Company backed Rotary initiatives wholeheartedly at Dangs in projects concerning income generation, education, improved agricultural methods and healthcare to improve lives across the entire district.

Social welfare activities: The Company maintained numerous temples, gardens and parks at Vapi and Ankleshwar.

○ The Company helped construct roads, small bridges, culverts and financed gram panchayats in and around Vapi and Ankleshwar

○ Provided funds to educate workers' children

○ Promoted the Workers' Co-operative Credit Society, offering soft loans to help the Company's workers build better homes, buy more land and improve their economic condition

○ Provided rural electrification and tube wells in villages around Vapi and Ankleshwar

○ Encouraged village workers to appear as electoral candidates in gram panchayats, taluk panchayats, among others

○ Embarked on renovating a neglected crematorium (Shantidham Rotary Smashan Gruh)

Sporting encounters

The Company set up the United Phosphorus Sports Foundation to promote sport and award scholarships to the deserving. The Company played a leading role in promoting basketball by reviving the prestigious Ramu Memorial Trophy after 13 years. The Company sponsored the prestigious Savio Cup in Mumbai for the second consecutive year.

Adventure Club

The Company set up UPL Adventure Club to train children in trekking, rope walking, horse riding and swimming.

Emergency team

UPL formed an Emergency Response Team to deal with disasters, natural calamities and untoward incidents. This team possesses an experience of dealing with toxic gas leakages, chemical spills, fire disasters and chemical explosions at Vapi, Ankleshwar and other areas.

FINANCE REVIEW

Basis of preparation

The Company's financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied and are consistent with those used in the previous year.

Highlights for 2011-12

Particulars	2011-12 (Rs. lakhs)	2010-11 (Rs. lakhs)	% growth	Implications
Total Income	345,949.00	306,468.00	12.88	Higher penetration of the market, increasing demand for the products.
PBT	30,696.00	21,023.00	46.01	Highlights increased operational profitability.
PAT	22,704.00	15,750.00	44.15	Increase in value for shareholders.
Cash profit	39,099.00	26,587.00	47.06	Strong liquidity
EPS (Rs.)	4.92	3.52	39.77	Enhanced value for shareholders.

Analysis of Profit & Loss Account

- Revenues from operations increased 13.63% from Rs. 291,109 lakhs in 2010-11 to Rs. 330,800 lakhs in 2011-12, owing to increased offtake, better realisations and new products. Other income decreased 1.37%, from Rs. 15,359 lakhs in 2010-11 to Rs. 15,149 lakhs in 2011-12, the reason for the same being a fall in interest income and low profit on sale of investments compared with the previous year.

- There was an increase of 16.29% in operating expenses, increasing from Rs. 244,613 lakhs to Rs. 284,467 lakhs, largely driven by increased scale necessitating the deployment of additional resources to manage daily operations. Total expenditure as a proportion of total income stood at 82.23% in 2011-12 against 79.82% in 2010-11

- The raw material expenses increased from Rs. 127,096 lakhs in 2010-11 to Rs. 155,789 lakhs in 2011-12. As a percentage of total cost, the same increased from 51.96% to 54.77%. The rise was owing to an increase in the scale of operations and cost of raw materials.

- The employee related costs also increased from Rs. 15,312 lakhs in 2010-11 to Rs. 18,465 lakhs in 2011-12. As a percentage of total cost, the same increased from 6.26% to 6.49%. Annual compensation to employees (comprising nearly 79% of the employee related cost) rose 21% on account of new employees recruited during the year and increments.

- Other expenses comprising rent, administration expenses, selling expenses, among others decreased from 24.15% of the total cost in the previous year to 22.84% in the current year, establishing the effort made by the Company in cutting costs to increase and profitability.

Analysis of Balance Sheet

Sources of Funds

Particulars	2011-12 Amount (Rs. lakhs)	% of total capital employed	2010-11 Amount (Rs. lakhs)	% of total capital employed
Equity Share Capital	9,236.00	1.91	9,236.00	2.76
Reserves and surplus	341,366.00	70.75	216,572.00	64.81
Misc. Exp w/off	-	-	-	-
Net worth	350,602.00	72.66	225,808.00	67.57
Loan funds	110,000.00	22.80	99,124.00	29.66
Deferred tax liability	8,278.00	1.72	6,307.00	1.89
Other long-term liability	13,600.00	2.82	2,942.00	0.88
Capital Employed	482,480.00	100.00	334,181.00	100.00

Capital employed

The total capital employed (networth and long-term liabilities) increased 44.38% over the previous year. The growth was mainly due to higher reserves which increased by 57.62% over the previous year. However, the average return on capital employed decreased from 13.46% in 2010-11 to 11.54% in 2011-12, owing to a decrease in PBIT.

Net worth

The Company's net worth increased 55.27% from Rs. 225,808 lakhs as on 31 March 2011 to Rs. 350,602 lakhs as on 31 March 2012. As a proportion of total capital employed, the net worth strengthened from 67.57% in 2010-11 to 72.66% in 2011-12. The average return on networth also increased from 7.54% as on 31 March 2011 to 7.88% as on 31 March 2012.

Equity: There was no change in the equity share capital as the Company has not allotted any shares in the year 2011-12. The book value per share increased from Rs. 48.90 in 2010-11 to Rs. 75.92 in 2011-12, owing to an increase in net worth.

Reserves and surplus: The reserves and surplus increased 57.62% from Rs. 216,572 lakhs as on 31 March 2011 to Rs. 341,366 lakhs as on 31 March 2012. The major reason for the increase was on account of profits for the year and the Company's amalgamation with its wholly-owned subsidiary United Phosphorus Limited, Mauritius which became effective on 1 July 2011. Around 96.53% of the reserves were free reserves as on 31 March 2012 (97.46% as on 31 March 2011) which can be used for funding purposes.

Loan funds

Loan funds increased 10.97% from Rs. 99,124 lakhs as on 31 March 2011 to Rs. 110,000 lakhs as on 31 March 2012. The debt-equity ratio on the basis of total debt decreased by 71 basis points, providing a wider safety cushion. The gearing strengthened from 1.16 as on 31 March 2011 to 0.45 as on 31 March 2012. The long-term loan funds for the year comprised unsecured loans only.

The Company's interest cost declined 44.02% from Rs

29,364 lakhs in 2010-11 to Rs 16,437 lakhs, reflecting better interest cost management. The interest coverage increased from 1.72 times in 2010-11 to 2.87 times in 2011-12.

Application of funds

Gross block

The Company's gross block increased 33% from Rs. 175,695 lakhs as on 31 March 2011 to Rs. 233,177 lakhs as on 31 March 2012, largely owing to product acquisition/registration and induction of plant and machinery.

Depreciation and amortisation increased 25% from Rs. 11,468 lakhs to Rs. 14,349 lakhs, owing to an increase in gross block. Accumulated depreciation as a proportion of gross block stood at 41.01% in 2011-12, reflecting the newness of the gross block.

Investment

The non-current investment portfolio increased marginally by 0.1%, from Rs. 65,646 lakhs as on 31 March 2011 to Rs. 65,712 lakhs as on 31 March 2012, owing to increased investment in a subsidiary.

Working capital management

The net current assets increased from a negative Rs. 7,833 lakhs to Rs. 163,125 lakhs, signifying higher amount of funds required for daily activities. The current ratio increased from 0.97 in 2010-11 to 2.13 in 2011-12 and the quick ratio also increased from 0.81 in 2010-11 to 1.75 in 2011-12, signifying better short-term solvency. Working capital as a proportion of total capital employed stood at 33.81% as on 31 March 2012.

- The inventory increased 34.47%, from Rs. 40,904 lakhs as on 31 March 2011 to Rs. 55,003 lakhs as on 31 March 2012. The increase was mainly due to a higher increase in finished good stock and raw material stock. The average inventory cycle increased from 51 days of sales in 2010-11 to 61 days of sales in 2011-12.

- Debtors balance increased 35.62% from Rs. 102,495 lakhs as on 31 March 2011 to Rs. 138,999 lakhs as on 31 March 2012. The debtor's cycle increased from 129 days in 2010-11 to 153 days in 2011-12, indicating a slowdown in collections. Debtors outstanding for more than six months comprise only 2.70% of the total debtors as 31 March 2012 against 1.53% as on 31 March 2011.

- Owing to a change in Schedule VI of the Companies Act, there has been a change in the accounting presentation. The loans and advance were divided into long-term and short-term. The long-term loans and advances decreased by 41.25% whereas short-term loans and advance increased by 627.46%.

- The total current liabilities and provisions decreased 42.65%, from Rs. 250,977 lakhs as on 31 March 2011 to Rs. 143,932 lakhs as on 31 March 2012. The decrease in current liabilities indicates that the short-term position of the Company is sound. The Trade Payables cycle decreased from 73 days of sales in 2010-11to 68 days of sales in 2011-12.

Cash and bank balance

The cash and bank balance decreased 77.72%, from Rs. 43,728 lakhs as on 31 March 2011 to Rs. 9,753 as on 31 March 2012, mainly owing to a withdrawal of short-term deposits.

Taxation

The Company's total tax liability increased 51.56%, from Rs. 5,273 lakhs as on 31 March 2011 to Rs. 7,992 lakhs as on 31 March 2012, owing to an increase of 46.01% in profit before tax.

RISK MANAGEMENT

Industry risk

An industry downturn or changes in demand patterns could impact growth.

1

Risk mitigation

- Global population is expected to grow from 7 bn today to an estimated 8 bn by 2030, strengthening food demand without a proportion increase in land area availability. This will increase the need for high-yielding crops (supported by a growing use of agrochemicals)
- The Company selected to be present in an extensive product range (herbicides, fungicides, pesticides and seeds) with diverse applications (pre-harvest, post-harvest and storage), reducing its dependence on any one segment, crop or country
- No country accounted for more than 22% of the Company's revenues in 2011-12; no product segment accounted for a significant proportion of the Company's revenues, helping even out seasonal variations
- The Company responded to climate change and its impact on crop patterns through timely adaptations in its supply chain, pricing and product mix, facilitated by a relatively flat management structure, porous cross-functions and seamless communication

Competition risk

The Company may be unable to compete in the marketplace.

2

Risk mitigation

To achieve success in a competitive marketplace, companies require the ability to manufacture competitively, get the right registrations, engage with distributors in countries, provide a large product range and keep evolving that product range in response to evolving consumer requirements. UPL possesses all these competencies (as opposed to some competitors who possess a few), graduating it to one of the world's fastest-growing agrochemical companies (outperforming average global growth by a factor of more than six).

Cost risk

The Company's products may be outpriced in a competitive marketplace.

3

Risk mitigation

- UPL leveraged its rich Indian advantage – access to rich intellectual capital on the one hand and relatively low costs (people, infrastructure) on the other
- The Company selected to be present across 90% of the global agrochemical market with a wide product basket, generating an adequate global throughput to amortise development and organisational costs efficiently
- The Company selected to allocate 75% of its manufacturing throughput through its competitive Indian plants and 25% through its European facilities based on the scale economies of the products in question across the facilities
- The cost structure of China, the nearest competitor to India, is rising following tightening environment requirements

Acquisition risk

Untimely or imprudent acquisitions could affect the financials.

4

Risk mitigation

- UPL acquired 18 companies in the last 18 years, turning them around successfully
- The Company covered the acquisition costs through business returns; the value of the acquired companies are higher than the cost paid for them
- Acquisitions enabled the Company to access registrations and distribution networks without corresponding gestation

Raw material risk

Inability to procure adequate raw material at the right cost could impact viability.

5

Risk mitigation

- Around 75% of the Company's production is backed by captive raw material access to phosphorus, chloralkali and power
- The Company's dedicated procurement team evaluates raw material costs from existing and alternative vendors

Geographical concentration risk

A concentration of revenues from a particular geography could impact offtake following a slowdown in demand from that geography.

6

Risk mitigation

- The Company enjoys a marketing presence across 90 countries through subsidiaries and associate companies
- No geography accounted for more than 22% of the Company's revenues in 2011-12

Product selection risk

The Company may select an inappropriate product that proves unviable.

7

Risk mitigation

The Company selects products following a prudent analysis of existing realities:

- Whether the farmer is making money on the existing crop which will influence whether he has the surplus available to buy UPL's products
- Whether the Company possess an adequate product basket to service the farmer's requirements
- Whether the crop being addressed is subsidised or its viability can be based on marketplace economics
- Whether the crop acreage is large and growing

As a matter of prudence, the Company enters markets with a basket of products – as opposed to entering with just one or two – that facilitates relationship building and protects against probable product failure.

Research and development risk

The Company may not be able to introduce new products.

Risk mitigation

- The Company's 190-member research and development team catalyses continuous product and process innovation
- The Company added 20 products in its technical and formulations segments across five years leading to 2011-12
- The Company collaborated with universities and technical institutions to formulate new products

Regulatory risk

Agrochemical marketing requires a registration with relevant government authorities. Any changes in government policy could affect prospects in a particular country.

Risk mitigation

- The Company's dedicated 20-member team studies global registration requirements
- The Company invests in ecology and toxicology studies, a base for registering applications
- The Company recruited local professionals to keep a tab on evolving regulatory requirements in that geography

Funding risk

An inability to procure adequate funds at competitive costs could affect the Company's expansion programme.

Risk mitigation

- The Company possessed a cash balance of Rs. 700 crore (as on 31 March 2012)
- The Company enjoyed a modest debt-equity ratio of 0.45:1 (as on 31 March 2012), which was lower than global peers
- The Company was the only one in India to issue unsecured and uncovenanted 15-year rupee bonds
- The Company swapped its debt book across agencies, tenures and geographies with the objective to reduce cost; average cost of debt was 100 bps lower than the average Indian debt cost
- The Company enjoyed an interest cover of 2.87x (2011-12), reflecting adequate fiscal comfort

Receivables risk

A high receivables cycle could affect viability.

Risk mitigation

- The Company had an average receivables cycle of 116 days of turnover equivalent in 2011-12
- In some countries, the Company's receivables cycle was only 90 days of turnover equivalent while in some countries it was in excess of 250 days (influenced by the length of supply chain)
- The Company utilised its cash resources to provide long credit wherever necessary with the objective to keep competition at bay

United Phosphorus Limited

Notice

NOTICE is hereby given that **28th ANNUAL GENERAL MEETING** of the Members of **UNITED PHOSPHORUS LIMITED** will be held on Friday, 27 July 2012 at 10.00 a. m. at Hotel Green View Hall, National Highway No. 8, G.I.D.C., Vapi - 396 195, to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31 March 2012, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend on equity shares.
3. To appoint a Director in place of Mr. Chirayu Amin, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vikram R. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Vinod Sethi, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. A. C. Ashar, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors and fix their remuneration.

Special Business:

8. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered by

(i) inserting the margin note and Article 92A, immediately after the existing Article 92 as under:

Participation in General Meeting(s) by the Members through electronic mode

92A Notwithstanding anything contrary contained in the Articles of Association, the Company, to the extent permitted by the applicable laws, may, allow the member(s) of the Company to participate in the General Meeting(s) through any type of electronic mode like video conferencing, etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.

(ii) inserting the margin note and Article 102A, immediately after the existing Article 102 as under:

Postal Ballot

102A Notwithstanding anything mentioned in these Articles but subject to applicable provisions of the Companies Act, 1956 and any Rules/ Circulars/ Guidelines etc. notified there under, including any amendments made thereto from time to time by the statutory authorities in this behalf, and in case of the resolutions relating to such business as may be permitted to be conducted only by postal ballot (by electronic or any other mode), the Company shall get such resolution passed by means of a postal ballot, instead of transacting the business in General Meeting of the Company.

(iii) inserting the margin note and Article 153A, immediately after the existing Article 153 as under:

Service of Notice of Board meeting and other communication in electronic mode

153A Notwithstanding anything mentioned in these Articles, the Company may send any communication including notice of every meeting of the Board and other communication to every Director by electronic mode as may be permitted by applicable law.

(iv) inserting the margin note and Article 154A, immediately after the existing Article 154 as under:

Participation in Directors' Meeting by the Directors through electronic mode

154A Notwithstanding anything contrary contained in the Articles of Association, and to the extent permitted by the applicable laws, the Director(s) may participate in the meeting(s) of the Board or any Committee of the Directors through any type of electronic mode like video conferencing etc. and the Director(s) so participating shall be deemed to be present in the meeting for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.

(v) inserting the Article 190 c), immediately after the existing Article 190 b) as under:

190c) Notwithstanding anything mentioned in these Articles, the Company may send any communication including notice of General Meeting, annual reports, etc. to any person(s) by electronic mode as may be permitted by applicable law."

9. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the Resolution passed at the Annual General Meeting held on 18 September 2008 and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the following remuneration payable to Mr. Arun C. Ashar, Whole-time Director designated as Director-Finance of the Company.

Salary:
In the scale of Rs.7,10,000/- – 75,000/- – 7,85,000/- per month with effect from 1 April 2012 [in supersession of Rs.5,00,000/- per month fixed earlier by the shareholders] with powers to the Board of Directors (which includes any Committee thereof) to grant such increments as they may in their absolute discretion think fit;

RESOLVED FURTHER THAT except the above, Commission, Perquisites and allowances, Minimum Remuneration and other terms of the Agreement dated 1 October 2008 executed by the Company with Mr. Arun C. Ashar shall remain unchanged unless agreed otherwise by the Board of Directors (which includes any Committee thereof) within the approval of the shareholders."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.** The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

2. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of 28th Annual General Meeting.

3. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.

4. The Register of Members and The Share Transfer Books of the Company will remain closed from Saturday, 14 July 2012 to Friday, 27 July 2012 (both days inclusive).

5. The Members are requested to kindly send all their correspondence relating to the change of address, transfer of shares, etc. directly to the Company's Registrar & Transfer Agents – Sharepro Services (India) Pvt. Ltd., Unit : United Phosphorus Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane,Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072, quoting their Folio Number and in case their shares are held in dematerialised form, the intimation of change of address should be passed on to their respective Depository Participants.

6. Payment of final dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 2 August 2012 to the Members whose names stand in the Company's Register of Members on 27 July 2012 and to the Beneficiary Holders as per the Beneficiary List provided for the purpose by the National Securities Depository Limited and Central Depository Services (India) Limited.

7. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as

to enable the management to keep the information ready.

8. Pursuant to the provisions of Section 205A of the Companies Act, 1956, unclaimed dividend for the financial year 1994-95 has been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Members who have not encashed the Dividend Warrants pertaining to the said period may make their claims to the Registrar of Companies, Gujarat, Ahmedabad by submitting an application in prescribed form.

9. There is no outstanding unclaimed dividend for the year 1995-96.

10. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended-

    (a) Dividend for the year 1996-97 and 2003-04 which remained unclaimed for a period of seven years from the date of transfer of same to the unpaid dividend accounts of the Company have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

    (b) Dividend / Interim Dividend Accounts for the years 2004-05 to 2011-12 which remain unclaimed for a period of seven years from the date of transfer of same to the unpaid dividend accounts of the Company will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

    Members who have not so far encashed the Dividend Warrant(s) are requested to make their claims to the Company immediately. **It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, no claim shall lie, against the Company or the said fund, in respect thereof.**

11. Additional information on Directors being re-appointed as required under Clause 49(VI) of the listing agreement with the Stock Exchanges:

    At the ensuing Annual General Meeting, Mr. Chirayu Amin, Mr. V. R. Shroff, Mr. Vinod Sethi and Mr. A. C. Ashar, Directors, retire by rotation and being eligible offer themselves for reappointment. In pursuance of Corporate Governance code, information of the aforesaid Directors is provided hereunder:

    (a) Mr. Chirayu Amin is the Director of the Company since 28 July 2006. He is a Science graduate and Master in Business Administration. Presently, he is the Chairman and Managing Director of Alembic Pharmaceuticals Limited. He has many years of experience in business. He is also Chairman of Alembic Ltd., Alembic Exports Ltd., Shreno Ltd., Paushak Ltd., AGI Developers Ltd., Quick Flight Ltd. and Sierra Healthcare Ltd. He is also on the Board of Elecon Engineering Co. Ltd., Gujarat Flying Club, Sierra Investments Ltd. and Panasonic Energy India Company Ltd.

    (b) Mr. Vikram R. Shroff is the Director of the Company since 22 April 2006 and designated as Executive Director. He is Science graduate from University of Mumbai. He is having independent charge of HR functions, Purchase, Commercial, Marketing (local), production department and implementation of SAP system in the organisation. He is on the Board of Agrinet Solutions Ltd., Advanta India Ltd., Sharvak Environment Ltd., Entrust Environment Ltd., SWAL Corporation Ltd., Shroff United Chemicals Ltd., Agraja Properties Ltd., Mrugal Properties Ltd., Tatva Global Environment (Deonar) Ltd. and Advanta Seeds Ltd.

    (c) Mr. Vinod Sethi is the Director of the Company since 30 January 2006. He is a Chemical Engineer from IIT, Mumbai and Master in Business Administration from IIM, Ahmedabad. Presently, he runs his own private investment bank. He was previously with Morgan Stanley. He has many years of experience in the filed of finance. He is Chairman of K C P Sugar and Industries Ltd. and is also on the Board of Geodesic Ltd., Axsys Health Tech Ltd., Advanta India Ltd., Mount Everest Mineral Water Ltd., Itz cash card Ltd., G. G. Dandekar Machine Works Ltd. and ISMT Ltd.

    (d) Mr. A. C. Ashar is the Director of the Company since 1 March 1993. He is a Chartered Accountant. He was associated with the group in the capacity of consultant prior to his joining of the Board. He looks after the financial functions of the Company and has been instrumental in raising finance for various projects of the Company. He is on the Board of Uniphos Enterprises Ltd., Enviro Technology Ltd., Bharuch Enviro Infrastructure Ltd., Agrinet Solutions Ltd., Tatva Global Environment Ltd., Shivalik Solid Waste Management Ltd., Entrust Environment Ltd., Kerala Enviro Infrastructure Ltd., Latur Water Supply Management Co. Ltd., Sharvak Environment Ltd. and Tatva Global Environment (Deonar) Ltd.

Mumbai: 30 April 2012
Registered Office:
3-11, G.I.D.C., Vapi
Dist. Valsad, Gujarat
Pin: 396195.

By the Order of the Board of Directors
For **UNITED PHOSPHORUS LIMITED**

M. B. Trivedi
Company Secretary

Explanatory Statement Pursuant To Section 173(2) Of The Companies Act, 1956.

The Explanatory Statement for Item Nos. 8 and 9 of the accompanying Notice set out hereinabove is as under:

Item No. 8

The Ministry of Corporate Affairs in pursuit of "Green Initiative" has in the recent past, issued various circulars enabling the companies to provide facilities for participation of the Members in the General Meetings and Directors in the Board and Committee Meetings through video conferencing and audio visual electronic mode as well as to provide opportunity to the members to cast the votes in postal ballot through electronic mode and for sending notice, annual report, documents and other communications, etc. to the members in electronic form, i.e. email etc..

Considering the benefits attached with the use of electronic mode of communication and to ensure the maximum participation of the Board of Directors and shareholders in their respective meetings, it is considered appropriate to make suitable amendments in the Articles of Association of the Company.

To incorporate these in the Articles, your Directors recommended insertion of new article no. 92A, 102A ,153A, 154A and 190 c) after article no. 92, 102, 153, 154 and 190 b) respectively of the Articles of Association carrying the matter as mentioned in the notice.

The new Articles in the Articles of Association will facilitate holding of Board and General Meetings via electronic mode and will ultimately result in effective and larger participation of Directors and shareholders in the affairs of the Company and strengthen the Corporate Governance practices in the Company.

As per provisions of the Companies Act, 1956, alterations of Articles of Association requires approval of the members by Special Resolution and hence the resolution.

The Board of Directors recommends the Special Resolution as set out in item no.8 of the Notice for the approval of the members.

A copy of the Articles of Association of the Company showing proposed alterations is available for inspection at the Registered Office of the Company during office hours on all working days except Saturday between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 9

The shareholders at the Annual General Meeting held on 18 September 2008 had approved the re-appointment of and remuneration to Mr. Arun C. Ashar, as Whole-time Director designated as Director-Finance of the Company. The re-appointment was made for 5 years and the term shall expire on 30 September 2013. Suitable agreement was executed with him.

The Shareholders are informed that the Remuneration Committee of Directors at its meeting held on 30 April 2012 discussed that in last few years the operations of the Company have increased manifold resulting in higher turnover and profits. This progress is going to continue for many years in future. Hence, the present remuneration paid to Mr. Arun C. Ashar is considered inadequate and needs to be revised. The committee, therefore, recommended to the Board for increase in the remuneration of Mr. Arun C. Ashar, Whole-time Director designated as Director-Finance in line with the market trend.

The Board of Directors at its meeting held on 30 April 2012 discussed the recommendation of the Remuneration Committee and decided unanimously to increase the remuneration of Mr. Arun C. Ashar, Whole-time Director designated as Director-Finance as set out in the draft resolution with effect from 1 April 2012 subject to the approval of the shareholders.

Commission, Perquisites and allowances, Minimum Remuneration and other terms as contained in his agreement as currently in force shall remain the same.

The aforesaid changes will be recorded in the draft Supplemental Agreement to be executed by the Company with Mr. Arun C. Ashar.

The increase in the remuneration requires approval of shareholders under Section 310 of the Companies Act, 1956. The Board of Directors at its aforesaid meeting has resolved to seek the shareholders approval accordingly.

The copies of the earlier Agreements of his appointment as in force and the draft Supplemental Agreement to be executed are available for inspection by the shareholders during business hours on all the working days at the Registered Office of the Company.

The above particulars and the particulars set out in the Resolution may be deemed as the abstract of the terms of variation required to be sent to the shareholders pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors recommends passing of the Resolution at item no. 9.

Mr. Arun C. Ashar is interested in the Resolution. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the said Resolution.

Registered Office:
3-11, G.I.D.C., Vapi
Dist. Valsad, Gujarat
Pin: 396195.
Dated: 30 April 2012

By the Order of the Board of Directors
For **UNITED PHOSPHORUS LIMITED**

M. B. Trivedi
Company Secretary

Directors' Report

Dear members

Your Directors have pleasure in presenting their report and audited accounts for the year ended on 31 March 2012.

Financial results

(Rs. in Lacs)

Particulars	Consolidated		Standalone	
	Current Year	Previous Year	Current Year	Previous Year
Total Revenue	776365	589817	345949	306468
Earnings before interest, tax, depreciation, amortisation, exceptionals, prior period adjustments and minority interest	147634	120736	61482	61855
Depreciation/amortisation	29238	21380	14349	11468
Interest	41464	31200	16437	29364
Exceptional items	1845	1400	-	-
Prior period adjustments	2217	312	-	-
Minority interest	535	1036	-	-
Profit before tax	72335	65408	30696	21023
Provision for taxation				
Current tax	11679	9597	6199	5880
MAT credit entitlements	-192	-	-192	-
Deferred tax	937	-1496	2046	-631
Tax effect of earlier year	377	-793	-61	24
	12801	7308	7992	5273
Profit after tax	59534	58100	22704	15750
Loss from associates	3979	2338	-	-
Net profit for the year	55555	55762	22704	15750

Merger

The Honorable High Court of Gujarat, vide its order dated 20 December 2011 and 13 January 2012 has sanctioned Scheme of Amalgamation of Company's overseas subsidiary United Phosphorus Limited (Mauritius) with the Company with effect from 1 July 2011. Pursuant to this, all the assets and liabilities of United Phosphorus Limited (Mauritius) have been vested in the Company.

Operational Performance

During the year, India received good rainfall. Except for parts of Andhra Pradesh, good rainfall was recorded all over India. Production for almost all the crops increased. In various countries worldwide, good rainfall were recorded.

The prices of most inputs were fairly stable. However, crude prices started moving up steeply in recent months. Further, during the year, the volatility of various currencies continued. After a brief period of stability, the currencies, mainly the US dollar started rising again. On account of an increase in crude prices and a higher import bill, the Indian economy posted negligible growth. Inflation has been rising. Interest rates remained quite high throughout the year, affecting all sectors in the economy adversely.

The US economy has started, albeit slowly, showing signs of revival. However, economies of the European nations have worsened during the year. The fears of eurozone debt crisis are looming large. This may lead to lower economic growth in the coming years. In Asia, the tsunami destroyed Japan's crop production. There was civil unrest in Libya.

In spite of these adverse circumstances, the Company performed very well. Some of the highlights of its performance are as under:

a) **Revenue from operations** – increased by 14% to Rs. 330,800 lakhs.

b) **Exports** – increased by 16% to Rs. 167479 lakhs (FOB value).

c) **EBITDA** – decreased by 0.6% to Rs. 61482 lakhs.

d) **Profit before tax** – increased by 46% to Rs. 30696 lakhs.

e) **Profit for the year** - increased by 44% to Rs. 22704 lakhs.

Future Outlook

For the coming year, normal to above average monsoons are predicted in India. This will result in another year of improved performance in the Indian market. The domestic sales in India are expected to improve, resulting in higher profitability. On the export front, the Company sees good opportunities in Latin American, European and Asian markets. A strong farm economy in Brazil will help the Company penetrate these markets effectively and in a short time. With an increase in the global population and increasing demand for higher quality foods, the Company is poised for higher sales and improved profitability in the future.

Dividend

Interim dividend of 100% on equity shares was paid to the members for the financial year 2011-12 in April, 2012.

Your Directors have recommended final dividend of 25% i.e. Rs.0.50 per Equity Share of Rs. 2 each for the financial year ended 31 March 2012, which if approved at the forthcoming Annual General Meeting, will be paid to all those Equity Shareholders of the Company whose names appear in the Register of Members as on 27 July 2012 and whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depository Services (India) Limited.

Finance

During the year, the Company raised funds of Rs. 250 crores by issuing unsecured Redeemable Non-convertible Debentures.

Fixed Deposits

The Company has not accepted fixed deposits during the year. There are no fixed deposits outstanding as at 31 March 2012.

Recent Acquisitions

During the year, the Company acquired a 51% stake in DVA Agro Do Brasil (DVA Agro Brazil), a Brazilian company, from DVA Group, Germany and other shareholders.

DVA Agro Brazil is engaged in producing, marketing, selling and distributing crop protection products and specialties in the Brazilian agrochemicals market. It has a formulation plant in Brazil with expansion plans currently under execution to build capabilities in different crop protection product categories. This acquisition will result in blending German and Indian expertise in business, technology and manufacturing in agribusiness in Brazil. This will help develop crop protection solutions, to provide higher value-added products to customers and also considerably broaden the Company's existing portfolio.

Research and Development

Research and Development efforts have been focused on developing process technologies of off-patent molecules for future introductions. Process improvements of existing products have been undertaken to improve product quality, cost reduction and productivity improvement. Environment, Health and Safety (EHS) considerations have been given special emphasis in the process improvement activities.

R&D efforts have also been focused on developing new, safer, and eco-friendly formulations for better efficacy and improved value to farmers. Many new combination products have been developed and are under bio efficacy studies to control a broad spectrum of pests.

A new pilot plant has been set up at Ankleshwar during the year to scale up new formulation compositions and processes and for making larger quantities of formulations for field trials.

Regulatory data generation and chemistry dossier preparation for domestic and international registrations were continued during the year.

Subsidiary Companies

In pursuance of Circular no. 2/2011 dated 8 January 2011 issued by Ministry of Corporate Affairs, the Company attached its consolidated financial statements and that of its subsidiaries. The same is prepared in compliance with the Accounting Standard-21.

The annual accounts of the subsidiary companies and related detailed information shall be made available to the shareholders of the Company and its subsidiaries on request. They are also available for inspection by the members at the Company's registered office and administrative office.

During the year, the subsidiary companies in the UK, the US, China, Vietnam and South Africa have performed well. Cerexagri group of companies also improved the sales and profitability in European markets.

Insurance

All the properties and operations of the Company have been adequately insured.

Auditors and Auditors Report

M/s S. V. Ghatalia & Associates, Chartered Accountants, the statutory auditors are retiring at the ensuing Annual General Meeting and being eligible for reappointment have expressed their willingness to continue, if re-appointed. Your Directors recommend their appointment as the Statutory Auditors and fix their remuneration for the year 2012-13.

In respect of consolidated accounts, the auditors have qualified their report for non-inclusion of accounts of certain subsidiaries, joint ventures and associated companies, and non-disclosure of segment reporting. In this regard, your attention is invited to Notes 2(b) and 31 of the consolidated accounts which are self-explanatory.

Cost Audit

During the year, M/s. M.B. Ashtamkar, Cost Auditors, submitted their resignation. In their place, the Board of Directors appointed M/s. RA & Co, Cost Accountants, Mumbai as Cost Auditor of the Company for conducting audit of the cost accounts maintained by the Company in respect of the insecticides for the years 2011-12 and 2012-13. They have submitted a certificate of their eligibility for such appointment. For the year 2011-12, the due date for filing the Cost Audit Report is 30 September 2012 and the same will be filed in due course. The Cost Audit Report for the year 2010-11 was filed on 20 September 2011.

Depository System

98.09% of the total paid up equity shares of the Company are dematerialised as on 31st March 2012.

Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Chirayu Amin, Mr. V. R. Shroff, Mr. Vinod Sethi and Mr. A. C. Ashar, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible offer themselves for reappointment.

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the brief resume of Mr. Chirayu Amin, Mr. V. R. Shroff, Mr. Vinod Sethi and Mr. A. C. Ashar, Directors of the Company are provided in the notice convening the Annual General Meeting of the Company.

Personnel

The relationship with all employees and workers at all sites of the Company remained very cordial throughout the year. Your Directors would like to place their appreciation for the contribution made by all the employees of the Company.

Particulars of Employees

In terms of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure to this Report.

Directors Responsibility

Your Directors confirm the following Directors Responsibility statements pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956:

1. In the preparation of Annual Accounts for the year ended 31 March 2012, the Company has followed the applicable accounting standards with proper explanations relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and judgements and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and of the profit of the Company for that year;
3. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with applicable provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

Corporate Governance

Your Company and its Board has been complying with Corporate Governance to the extent set out in this respect as a separate report, in pursuance of requirement of Clause 49 of the Listing Agreement. The Management Discussions and Analysis Report forms part of this Report. Auditor's certificate regarding compliance of the conditions of the Corporate Governance as stipulated under the said clause is also attached to this Report.

Listing Of The Company's Equity Shares

The equity shares of your Company are listed on the BSE Ltd. and National Stock Exchange of India Ltd. There is no default in paying annual listing fees.

Acknowledgement

Your Directors are thankful to all the stakeholders and various government agencies and ministries for their continued support.

Mumbai: 30 April 2012
Registered Office:
3-11, G.I.D.C., Vapi
Dist. Valsad, Gujarat
Pin: 396195.

On behalf of the Board of Directors

R. D . Shroff
Chairman & Managing Director

Annexure to Directors' Report

Particulars required under the Companies (Disclosures of Particulars in the Report Of Board Of Directors) Rules, 1988.

A. Conservation of Energy

(a) Energy conservation Measures taken:-

7.6% energy saving achieved with following energy conservation measures taken during 2011-12.

1. Heat recovery through condensing economisers for boilers
2. Non-chemical water treatment system for all cooling towers (additional advantage of water recycling)
3. Direct ammonia chilling with screw compressors and variable frequency drive load modulation
4. Specific energy consumption reduction for chilling plants with evaporative condenser
5. LED vessel lamps against GSL lamps for reactors
6. Refrigerant conversion from freon to ammonia
7. Heat recovery through condensate and flash steam
8. Utility conversion from chilled water to cooling water
9. Steam trap audit for all plants

Three manufacturing units have won "Green Manufacturing Excellence Award 2012" from Frost and Sullivan.

(b) Additional/New proposals to reduce energy consumption:-

1. Screw chiller in place of VAM machines
2. Heat recovery from process through heat pipe
3. Energy Conservation Turbine (ECT) in place of Pressure Reducing Valve
4. Improvement in vacuum system through steam ejectors
5. Dry vacuum pump in place of oil ring vacuum pump
6. Oxygen level optimisation by installing variable frequency drives for forced draft and induced draft fans of boiler

(c) Proposed benefits:-

With the above energy saving proposals, energy bills are expected to decline by 10% from current levels.

B. Technology Absorption, Adaptation & Innovation

The following efforts were taken by the Company towards technology absorption, adaptation and innovation;

1. Technology of a speciality chemical developed in-house was successfully absorbed on commercial scale.

2. Six new formulations were commercialised for domestic and international markets.

3. Improvements in two existing formulations was done and implemented on plant scale.

4. In an endeavour to find environment management solutions, the effluent treatability studies were carried out in the R&D laboratories and the process transferred to manufacturing units.

5. Technology up gradation was continuously pursued through linkages with scientists of institutes of national and international repute like ICT, CSIR laboratories, IITs and experts in the industry.

a) Research and Development (R&D)

Specific areas in which R&D carried out by the Company:

i. Process technology development of off-patent agrochemicals, speciality chemicals and intermediates.

ii. Improving existing products and processes of technical grade active ingredients (TGAI) for quality improvement, cost reduction, productivity enhancement and waste reduction.

iii. Developing new safer and eco-friendly agrochemical formulations.

iv. Developing new combination formulations for better efficacy and broad spectrum control of pests.

v. Improving existing formulations - quality improvement and cost reduction.

vi. Developing appropriate environment management solutions for effluent treatment and waste disposal.

vii. Regulatory data development for domestic and international registrations.

b) Benefits derived by the Company:

i. Six new formulations were commercialised and launched in the market.

ii. One speciality chemical manufacturing began during the year for market introduction.

iii. Process improvement work resulted in improvement of yields and therefore reduction in the cost of existing products as well as waste reduction.

iv. The process technology developed for many off-patent molecules, and new formulations developed during the year will help the Company to commercialise them in coming years and improve the revenue and profits of the Company.

c) Future plan of action:

i. Identify new products for the future needs of agriculture.

ii. Continue development of new products for future introduction.

iii. Develop new products keeping in mind Green Chemistry concept.

iv. Continual improvement of existing processes for quality improvement and cost reduction.

v. Develop new and safer formulations, new combinations and new application of agrochemical formulations.

vi. Support for regulatory requirements for agrochemical registrations.

d) Expenditure incurred on R & D:

(Rs. in lakhs)

i	Capital	140.88
	Recurring	6708.75
	Total	6849.63
ii	Total R & D expenditure - 2.14% (as a percentage of turnover)	

C. Foreign Exchange Earnings and Outgo

1. Activities relating to export, initiatives to increase exports, develop new export markets for products and service and export promotion plans:-

   The Company's exports are increasing year after year. The Company has set up a number of subsidiaries in various countries and stock-points at strategic places across the world. The products are exported to all continents. The various acquisitions made in the past few years have resulted in higher exports in the countries which hitherto were catered by the acquired entities. In Latin America, the exports are increasing significantly. The Company has also got a dedicated team of professionals to obtain new product registrations in various countries. This also helps improve exports. The Company's exports for the year were Rs. 167,479 lakhs (FOB value).

2. Total Foreign Exchange earned and used:-

(Rs. in lakhs)

	2011-12	2010-11
a. Total Foreign Exchange earned	174,185	147,637
b. Total Foreign Exchange used	86,044	82,034

Mumbai: 30 April 2012
Registered Office:
3-11, G.I.D.C., Vapi
Dist. Valsad, Gujarat
Pin: 396195.

On behalf of the Board of Directors

R. D . Shroff
Chairman & Managing Director

Annexure to Directors' Report

FORM 'A'

Form for disclosure of particulars with respect to Conservation of Energy

Part 'A'

Power and Fuel consumption

POWER & FUEL	2011-12	2010-11
ELECTRICITY		
Purchased units (kwh)	56893504	86023583
Total Cost (Rs.)	375149493	535926920
Rate/Unit (Rs.)	6.59	6.23
OWN GENERATION (D G HOUSE)		
UNITS (kwh)	430635	427444
Unit per Litre of Diesel Oil	2.97	2.80
Cost/Unit (Rs.)	24.97	22.44
OWN GENERATION (POWER PLANT)		
UNITS (kwh)	232769400	220354700
Unit per M3 of Natural Gas	3.75	3.54
Cost/Unit (Rs.)	5.48	4.55
FURNACE OIL		
Quantity (Litres)	206358	709942
Total Cost (Rs.)	6195467	17566800
Rate/Litre (Rs.)	30.02	24.74
NATURAL GAS		
Quantity (M3)	87326484	88549671
Total Cost (Rs.)	1824449376	1416938510
Rate/Unit (Rs.)	20.89	16.00
CONSUMPTION PER UNIT OF PRODUCTION - ALL PRODUCTS	Rate/Unit	Rate/Unit
	2011-12	2010-11
Electricity	1.47/.09	1.40/.09
Furnace oil	0.001	0.003
Natural Gas	0.12	0.12

For and on behalf of the Board,

Mumbai
30 April 2012

R. D . Shroff
Chairman & Managing Director

Corporate Governance

1. Company's Philosophy on Code of Corporate Governance

The Company's philosophy on Corporate Governance relates to providing maximum service to all its stakeholders. It wants to enhance shareholder value with best practices of corporate governance. The high standard of corporate governance is maintained by being transparent, accountable and continuous interaction with shareholders, employees, lending institutions, banks, govt. agencies and all the dealers.

The Company's products are marketed not only in India but all across the globe. The Company is therefore conscious of the fact that to achieve success very high ethical value of the management and the employees is inevitable.

2. Board of Directors

The Board of Directors consists of 12 directors as on 31 March 2012.

Seven Board Meetings were held during the year, as against the minimum requirement of four meetings. The dates on which the meetings were held are as follows: 29 April 2011, 25 May 2011, 29 July 2011, 21 October 2011, 30 January 2012, 9 March 2012 and 29 March 2012.

COMPOSITION AND CATEGORY OF DIRECTORS, OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS:

Name	Category	Attendance Particulars		No. of other directorships and Committee member/ chairmanship*		
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. R. D. Shroff	Promoter & Executive Chairman & Managing Director	5	Present	9	-	1
Mrs. S. R. Shroff	Promoter & Non-Executive Vice Chairman	4	Present	8	-	-
Mr. J. R. Shroff	Promoter & Non-Executive Director	7	Absent	10	1	-
Mr. V. R. Shroff	Promoter & Executive Director	7	Absent	10	3	-
Mr. A. C. Ashar	Non-Promoter & Executive Director	5	Present	11	2	-
Dr. P. V. Krishna	Independent & Non-Executive Director	5	Present	1	-	-
Mr. Pradeep Goyal	Independent & Non-Executive Director	5	Absent	5	4	2
Mr. K. Banerjee	Non-Promoter Executive Director	-	Absent	1	-	-
Dr. Reena Ramachandran	Independent & Non-Executive Director	5	Present	-	-	-
Mr. Pradip Madhavji	Independent & Non-Executive Director	7	Present	1	-	2
Mr. Vinod Sethi	Independent & Non-Executive Director	5	Absent	8	4	3
Mr. Chirayu R. Amin	Independent & Non-Executive Director	1	Absent	12	2	1

Notes:

** Excludes Directorship in private limited companies and Foreign companies.*

3. Information supplied to the Board

Following information was provided to the Board as part of the agenda papers in advance of the Board Meeting or presented at the time of the Board Meetings:

- Annual Budget and Capital Expenditure Budget,
- Financial Results of Company and consolidated results,
- Recommendation of payment of interim /final dividend on equity shares,
- Re-appointment and payment of remuneration to Whole time Director,
- Commission to Executive and Non-Executive Directors,
- Recruitment and remuneration of senior officers,
- Inter-corporate investments, loans and guarantees,
- Investment in unsecured redeemable non-convertible debentures,
- Material show cause notices, legal judgements etc.,

- Details of accidents in the Pesticide plant at Vapi and Ankleshwar Factory-Unit II and also steps taken to avoid such mishaps in future,
- Issue of privately placed Debentures,
- Acquisition of business, abroad,
- Approval for contracts entered into with parties covered in the register under section 301 of the Companies Act, 1956,
- Review of the procedure for risk assessment and minimisation,
- Consideration of any disclosure made by senior management relating to any transaction having potential conflict with interest of the Company,
- Appointment of Cost Auditors,
- Availing credit facilities from banks,
- Presentations relating to safety & environment and integrated business
- Taking over premises on leave and licence basis.

4. Disclosures

The particulars of transactions between the Company and related parties as per the Accounting Standards are mentioned separately in note no. 34 of notes to financial statements of the Annual Accounts. However, these transactions are not likely to have any conflict with the Company's interest.

As per the ICAI announcement, expense adjusted directly to reserve is net of its tax effect. As per the Court order and legal advice obtained, the Company has taken a consistent view that the tax benefit available is not to be adjusted in respect of amortisation of the product registrations and product acquisitions adjusted to the Reserves.

No strictures or penalties have been imposed on the Company by the Stock Exchange or The Securities and Exchange Board of India (SEBI) or any other regulatory body on any matter relating to capital markets in the last three years.

The Securities and Exchange Board of India (SEBI) vide notification dated 20 February 2002, has amended the SEBI (Insider Trading) Regulations, 1992. As per these regulations, the Company has appointed Mr. M. B. Trivedi as a Compliance Officer, who will be responsible for formulating policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre- clearance of trades, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company also has framed its own code of internal procedure and conduct for prevention of Insider Trading which provides for "Trading Window" restrictions, disclosure requirements and also pre-clearance of trades in the Company's securities.

Shareholding of the Directors as on 31 March 2012 was as under:

Name of the Director	Shareholding
Mr. R. D. Shroff	Nil
Mrs. S. R. Shroff	Nil
Mr. J. R. Shroff	Nil
Mr. V. R. Shroff	Nil
Mr. A. C. Ashar	257850
Dr. P. V. Krishna	Nil
Mr. Pradeep Goyal	Nil
Mr. K. Banerjee	346204
Dr. Reena Ramachandran	Nil
Mr. Pradip Madhavji	Nil
Mr. Vinod Sethi	Nil
Mr. Chirayu R. Amin	Nil

5. Code of Conduct

The Board of Directors has adopted the Code of Conduct for the Board Members and the Senior Management. The said Code has been communicated to the Board Members and the Senior Management. The Code has also been posted on the Company's website www.uplonline.com.

6. Audit Committee

The Board of the Company has constituted an Audit Committee, comprising of three Independent & Non-Executive Directors. Four meetings of the Audit Committee were held on 29 April 2011, 29 July 2011, 21 October 2011 and 30 January 2012.

Composition of members of Audit Committee is as follows:

Composition	Mr. Pradip Madhavji, Chairman	Mr. Pradeep Goyal	Dr. P. V. Krishna
Meetings attended during the year	4	3	4

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. Mr. Pradip Madhavji who has financial and accounting knowledge has been nominated as the Chairman of the Audit Committee.

The role and terms of reference stipulated by the Board to the Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors.

7. Remuneration Committee

The Board of the Company has constituted a Remuneration Committee, comprising of three Independent & Non-Executive Directors viz. Dr. Reena Ramachandran, Chairman, Mr. Pradeep Goyal and Dr. P. V. Krishna.

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole time Directors based on performance and defined criteria. One meeting of the Remuneration Committee was held on 29 April 2011.

Composition of members of Remuneration Committee is as follows:

Composition	Dr. (Mrs.) Reena Ramachandran, Chairman	Mr. Pradeep Goyal	Dr. P. V. Krishna
Meetings attended during the year	1	1	1

Details of the remuneration to all the Directors for the year:

The aggregate value of salary, perquisites and commission for the year ended 31 March 2012 to four Whole time Directors is as follows:

(Rs. in lakhs)

Name of Director	Salary	Perquisites	Retirement Benefits	Commission	Total
Mr. R. D. Shroff, Chairman & Managing Director	264	46	84	170	564
Mr. Vikram R. Shroff, Executive Director	251	22	80	150	503
Mr. Kalyan Banerjee, Whole time Director	18	6	5	11	40
Mr. **A. C. Ashar,** Whole time Director	60	27	19	19	125

The Company has paid the sitting fees for the year ended 31 March 2012 to Independent & Non-Executive Directors for attending Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings and Shareholders'/Investors' Grievances Committee Meeting as follows:

Dr. P. V. Krishna Rs. 1,60,000/-; Mr. Pradeep Goyal Rs. 1,50,000/-, Dr. Reena Ramachandran Rs. 1,10,000/-, Mr. Pradip Madhavji Rs. 1,90,000/-, Mr. Vinod R. Sethi Rs. 100,000/- and Mr. Chirayu R. Amin Rs. 20,000/-

In addition, the Company has provided for payment of commission to Independent & Non-Executive Directors of Rs. 3.50 lakhs each to Dr. P. V. Krishna, Mr. Pradeep Goyal, Dr. Reena Ramachandran, Mr. Pradip Madhavji, Mr. Vinod Sethi and Rs. 2.50 lakhs to Mr. Chirayu R. Amin.

8. Shareholders'/Investors' Grievance Committee

The Board of the Company has constituted a Shareholders'/Investors' Grievance Committee, comprising of three Independent & Non-Executive Directors to look into the Shareholders' and Investors' Grievances. One meeting of the Shareholders'/Investors' Grievance Committee was held on 30 January 2012.

Composition of members of Shareholders'/Investors' Grievance Committee is as follows:

Composition	Mr. Pradip Madhavji, Chairman	Mr. Pradeep Goyal	Dr. P. V. Krishna
Meetings attended during the year	1	1	1

The Company also has its separate shares transfer committee consisting of Mrs. S. R. Shroff and Mr. A. C. Ashar, Directors and two other senior executives of the Company. This committee normally meets twice a month to approve transfer of shares, issue of duplicate certificates, redressel of Shareholders' and Investors' Grievances, etc. Share certificate submitted for dematerialisation and request for rematerialisation are also approved by the committee.

The total numbers of complaints received during the year under review were 187 and all the complaints were replied to the satisfaction of shareholders on or before 31 March 2012.

4 requests for transfers were pending for approval as on 31 March 2012, which were approved and dealt with by 7 April 2012.

9. General Body Meetings

(A) Annual General Meetings:

Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2008-2009	25th AGM	Hotel Green View Hall, N. H. No. 8, Vapi, Gujarat - 396 195.	18/09/2009	10.00 a.m.
2009-2010	26th AGM	Hotel Green View Hall, N. H. No. 8, Vapi, Gujarat - 396 195.	08/09/2010	10.00 a.m.
2010-2011	27th AGM	Hotel Green View Hall, N. H. No. 8, Vapi, Gujarat - 396 195.	26/07/2011	10.00 a.m.

The following special resolutions were passed by the members during the last three Annual General Meetings:

2008-2009

a) Approval of issue of stock options to eligible employees of the Company.

b) Approval of issue of stock options to eligible employees of the subsidiary companies.

c) Payment of enhanced remuneration to Chairman and Managing Director / Executive Director.

2009-2010

a) Payment of remuneration to the Directors other than the Managing Director and Whole time Directors.

2010-2011

a) Alteration of Articles of Association of the Company.

(B) Postal Ballot

Two special resolutions were passed through Postal Ballot during the year 2011-2012 as under-

1) Special Resolution pursuant to section 17 of the Companies Act 1956, for amendment of other objects as appearing under the Object III C of the Memorandum of Association of the Company by inserting the objects bearing Sub- Clauses No. 66, 67, 68 and 69 after the sub-Clause No. 65.

2) **Special Resolution under section 149(2A) of the Companies Act, 1956, for commencement of the businesses covered by the new objects inserted vide Resolution No. 1 above.**

Mr. Giriraj Laddha, Chartered Accountant (Membership No. 108558) was appointed as the Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

The above said resolutions were passed with requisite majority, with 99.99% votes cast in favour of the resolutions.

None of the resolutions proposed to be passed in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

10. (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

During the year, the Company had no materially significant related party transaction, which are considered to have potential conflict with the interest of the Company at large.

(b) Details of non-compliance by the Company, penalties, strictures imposed on

the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

None.

11. Means of communication

The quarterly and annual results are published by the Company in the English and Gujarati editions of the 'The Economics Times' / 'DNA' / 'Business Standard' / 'Business Line' / 'The Financial Express'/ 'Western Times' and are also displayed on corporate Website, www.uplonline.com. The Company's website also contains a separate dedicated section 'Investors' wherein shareholders information like the Annual Report of the Company, Shareholding Pattern etc., is available. Official news releases are sent to the Stock Exchanges at BSE Ltd. and National Stock Exchange of India Ltd., where the equity shares of the Company are listed.

The Management Discussion and Analysis (MD&A) forms a part of the annual report.

12. General Shareholder Information

12.1.	Annual General Meeting		:
		Date	27 July 2012 at 10.00 a.m.
		Venue	Hotel Green View Hall, N. H. No. 8, Vapi 396 195, Gujarat.
12.2.	Financial Calendar		: Annual General Meeting – 27 July 2012
			Results for quarter ending 30 June 2012 - On or before 14 August 2012
			Results for quarter ending 30 September 2012 - On or before 14 November 2012
			Results for quarter ending 31 December 2012 - On or before 14 February 2013
			Results for quarter/ year ending 31 March 2013
			Last week of April, 2013 / May, 2013.
12.3.	Book closure date		: 14/07/2012 to 27/07/2012 (Both days inclusive)
12.4.	Dividend payment date		: 2 August 2012
12.5.	(a)	Listing of Equity Shares on Stock Exchanges at	: BSE Ltd. and National Stock Exchange of India Ltd.
	(b)	Listing of GDR on the Stock Exchanges at	: Luxembourg Stock Exchange
12.6	(a)	Stock Code	: BSE Ltd. : 512070
			National Stock Exchange of India Ltd. : UNIPHOS
	(b)	Demat ISIN Number in NSDL & CDSL for Equity Shares of Rs. 2/- each	: INE628A01036

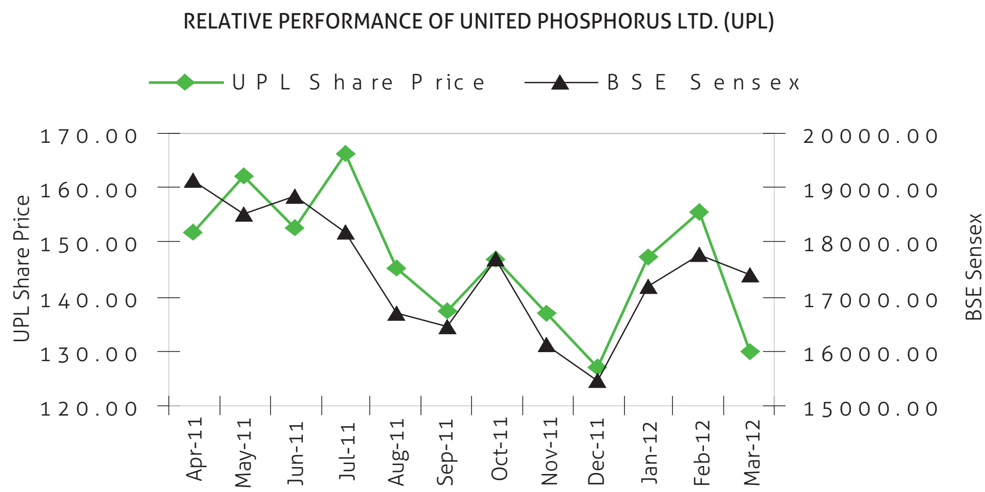
12.7. Stock Market Data

(In Rs.)

Month	BSE Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2011	163.80	146.25	163.75	145.60
May 2011	171.20	144.20	171.30	144.30
June 2011	166.30	141.00	166.45	140.50
July 2011	167.65	149.15	167.85	146.50
August 2011	170.60	132.00	171.70	133.00
September 2011	156.40	136.60	156.50	136.50
October 2011	151.90	123.00	151.90	122.55
November 2011	152.55	120.20	155.00	120.00
December 2011	143.00	124.90	143.50	123.75
January 2012	154.00	126.30	153.45	126.45
February 2012	168.65	141.75	170.35	141.40
March 2012	155.35	125.75	157.00	125.25

12.8. Share price performance in comparison to broad-based indices – BSE Sensex.

UPL closing share price performance relative to BSE Sensex based on share price during the year.



12.9. Registrar and Share Transfer Agent

(Share transfer and communication regarding share certificate, dividends and change of address).:

Sharepro Services (India) Pvt. Ltd.
Unit: United Phosphorus Limited,
13AB, Samhita Warehousing Complex, Second Floor,
Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road,
Sakinaka, Andheri (E), Mumbai 400 072.

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the following office of the Company:

United Phosphorus Limited
Secretarial Department
8, Shri Krishna Commercial Centre, Ground Floor, Opp. Raheja Solitaire, 6 Udyog Nagar, Off S. V. Road, Goregaon (West), Mumbai 400 062.

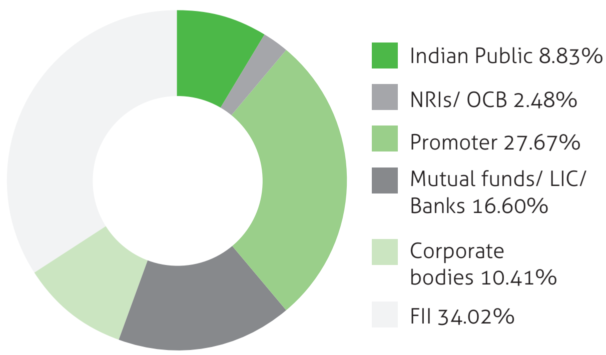
12.10 Share Transfer System:

Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects.

12.11. Distribution of Shareholdings as on 31 March 2012:

Shareholding of Nominal Value of (Rs.)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (Rs.)	% of Total Amt.
1 – 5,000	71503	94.85	42870454	4.64
5,001 – 10,000	1820	2.41	13593978	1.47
10,001 – 20,000	1128	1.50	15834974	1.71
20,001 – 30,000	260	0.35	6515268	0.71
30,001 – 40,000	135	0.18	4720484	0.51
40,001 – 50,000	55	0.07	2458634	0.27
50,001 – 1,00,000	138	0.18	9951604	1.08
1,00,001 and above.	350	0.46	827663152	89.61
Total	75389	100	923608548	100

12.12. Shareholding pattern as on 31 March 2012:



12.13. Dematerialisation of Shares:

98.09% of the outstanding shares have been dematerialised up to 31 March 2012. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28 August 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity: The shares of the Company are among the most liquid and actively traded shares. Relevant data for the **average daily turnover** for the financial year 2011 – 2012 is given below:

	BSE Ltd. (BSE)	National Stock Exchange of India Ltd. (NSE)	BSE+NSE
In no. of shares (in thousand)	160.72	1167.61	1328.33

Source: This information is compiled from the data available from the BSE and NSE websites.

12.14. Outstanding GDR/ Warrants and Convertible Bonds, Conversion date and likely Impact on the Equity:

Outstanding GDRs as on 31 March 2012 represent 370720 shares (0.08 %). There are no further outstanding instruments, which are convertible into equity in the future.

12.15. Plant Locations:

The Company's plants are located at Vapi, Ankleshwar, Jhagadia, Halol, Jammu and Haldia.

12.16. Address for Correspondence

(i) Investor Correspondence; For Shares held in Physical Form: Sharepro Services (India) Pvt. Ltd.

Unit : **United Phosphorus Limited**
13AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai 400 072.

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the following office of the Company:

United Phosphorus Limited
Secretarial Department
8, Shri Krishna Commercial Centre
Ground Floor, Opp. Raheja Solitaire
6 Udyog Nagar, Off S. V. Road
Goregaon (West), Mumbai 400 062.

For Shares held in Demat form
To the Depository Participant(s)

(ii) Any query on Annual Report
Mr. M. B. Trivedi, *Company Secretary*
United Phosphorus Limited
Legal & Secretarial Department
Uniphos House, C. D. Marg
Madhu Park, Khar (West), Mumbai 400 052.
E-Mail: trivedimb@uniphos.com

(iii) Exclusive e-mail ID of the grievance redressel division: upl.investors@uniphos.com

(iv) Corporate Website: www.uplonline.com

Mumbai: 30 April 2012
Registered Office:
3-11, G.I.D.C., Vapi
Dist. Valsad, Gujarat
Pin: 396195.

On behalf of the Board of Directors

R. D . Shroff
Chairman & Managing Director

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct laid down by the Company for the year ended 31 March 2012

Mumbai
30 April 2012

On behalf of the Board of Directors
United Phosphorus Limited
R. D . Shroff
Chairman & Managing Director

Auditors' Certificate

To
The Members of
United Phosphorus Limited

We have examined the compliance of conditions of corporate governance by United Phosphorus Limited, for the year ended on 31 March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.V. GHATALIA & ASSOCIATES
Firm registration number: 103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Mumbai
Date: 30 April 2012

Auditors' Report

To
The Members of **United Phosphorus Limited**

1. We have audited the attached Balance Sheet of United Phosphorus Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;

      b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **S.V. GHATALIA & ASSOCIATES**
Firm registration number: 103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: April 30, 2012

Annexure referred to in paragraph 3 of our report of even date
Re: United Phosphorus Limited ('the Company')

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) There was no disposal of a substantial part of fixed assets during the year.

ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.

b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii) a) The Company has granted loan to three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.9,816 lacs and the year- end balance of loans granted to such parties was Nil.

b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.

d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

e) The Company has taken loan from three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.7,243 lacs and the year-end balance of loan taken from such parties was Rs.179 lacs.

f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

g) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

v) a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, that need to be entered into the register maintained under Section 301 have been so entered.

b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time except in respect of certain transactions, because of the unique and specialized nature of the items involved and absence of any comparable prices, *we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.*

vi) The Company has not accepted any deposits from the public.

vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business

viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

ix) a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*

b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Axt, 1961	Income-tax demands	88	1995-96, 1997-98 & 2003-04	Income-tax Appellate tribunal
Sales Tax Act	Sales tax demands	1,399	1985 to 2005-06	Supreme Court, Commissioner of Sales-Tax Baroda Sales Tax Tribunal, Ahmedabad
Central Excise Act/ Finance Act	Excise duty/Service tax demands	4,790	1995 to 2011-12	Commissioner (Appeals), Central Excise and Service Tax Appellate Tribunal
Customs Act	Custom duty demands	2,193	1992-93 to 1995-96	Commissioner (Appeals), Central Excise and Service Tax Appellate Tribunal, Mumbai
Foreign Trade (Development and regulation) Act	Fiscal penalty	3,348	1992 to 1997	Bombay High Court

x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has created security or charge in respect of debentures issued. The Company also has unsecured debentures outstanding during the year on which no security or charge is required to be created.

xx) The Company has not raised any money by public issue during the year.

xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.V. GHATALIA & ASSOCIATES**
Firm registration number: 103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: April 30, 2012

Balance Sheet As at 31st March 2012

(Rs. in Lacs)

	Note No.	31 March 2012	31 March 2011
Equity and Liabilities			
Share capital	3	9,236	9,236
Reserves and surplus	4	341,366	216,572
		350,602	**225,808**
Non-current liabilities			
Long-term borrowings	5	110,000	99,124
Deferred tax liability (net)	13	8,278	6,307
Other long-term liabilities	6	13,600	2,942
		131,878	**108,373**
Current liabilities			
Short-term borrowings	8	35,158	44,542
Trade payables	37	61,866	58,258
Other current liabilities	9	31,392	135,970
Short-term provisions	7	15,516	12,207
		143,932	**250,977**
Total		**626,412**	**585,158**
Assets			
Non-current assets			
Fixed assets			
– Tangible assets	10	81,037	80,979
– Intangible assets	11	56,505	12,805
– Capital work-in-progress		11,364	4,308
Non-current investments	12	65,712	65,646
Long-term loans and advances	14	104,737	178,276
		319,355	**342,014**
Current assets			
Current investments	16	12,500	35,534
Inventories	17	55,003	40,904
Trade receivables	15.1	138,999	102,495
Cash and bank balances	18	9,753	43,782
Short-term loans and advances	14	81,868	11,254
Short term other current assets	15.2	8,934	9,175
		307,057	**243,144**
Total		**626,412**	**585,158**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **S.V.GHATALIA & ASSOCIATES**
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 30th April, 2012

For and on behalf of Board of Directors of
United Phosphorus Limited

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 30th April, 2012

Statement of Profit and Loss for the year ended 31st March 2012

(Rs. in Lacs)

	Note No.	Year ended 31 March 2012	Year ended 31 March 2011
Income			
Revenue from operations (gross)	19	347,392	305,787
Less: excise duty		(16,592)	(14,678)
Revenue from operations (net)		**330,800**	**291,109**
Other income	20	15,149	15,359
Total revenue (I)		**345,949**	**306,468**
Expenses			
Cost of raw material consumed	21	155,789	127,096
Purchase of traded goods	22	34,231	28,458
(Increase)/ decrease in inventories of finished goods, by-products, work-in-progress and traded goods	22	(11,685)	(5,105)
Employee benefits expense	23	18,465	15,312
Other expenses	24	87,667	78,852
Total (II)		**284,467**	**244,613**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		**61,482**	**61,855**
Depreciation and amortization expense	25	14,349	11,468
Finance costs	26	16,437	29,364
Profit before tax		**30,696**	**21,023**
Tax expenses			
Current tax		6,199	5,880
Tax effect of earlier years		(61)	24
Mat credit entitlement		(192)	–
Deferred tax		2,046	(631)
Total tax expense		**7,992**	**5,273**
Profit for the year		**22,704**	**15,750**
Earnings per share	27		
Basic and diluted earning per share (Rs.)		4.92	3.52
Face value per share (Rs.)		2.00	2.00
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **S.V.GHATALIA & ASSOCIATES**
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 30th April, 2012

For and on behalf of Board of Directors of
United Phosphorus Limited

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 30th April, 2012

Cash Flow Statement for the year ended 31st March 2012

(Rs. in Lacs)

	For the Year ended 31 March 2012		For the Year ended 31 March 2011	
(A) Cash Flow from operating activities				
(1) Net profit before tax		30,696		21,023
(2) Adjustments for :				
Depreciation and amortization expense	14,349		11,468	
Loss /(profit) on sale of fixed assets	32		(6)	
Assets written off	1,013		729	
Provisions for diminution in value of investments (net)	164		208	
Provision for doubtful debts and advances (net)	932		370	
Bad debts/advances written off	3		89	
Sundry debit/(credit) balances written off/(back) (net)	110		(124)	
Finance costs	16,437		29,364	
Profit on sale of investments	(656)		(1,826)	
Excess provisions in respect of earlier years written back (net)	(764)		(1,428)	
Dividend income	(1,970)		(86)	
Interest income	(9,301)		(11,008)	
Manufacturing expenses capitalised	(103)		(66)	
		20,246		27,684
Operating profit before working capital changes		50,942		48,707
(3) Adjustments for :				
Decrease/(increase) in trade receivables	(37,436)		(28,271)	
Decrease/(increase) in inventories	(14,099)		(12,203)	
Decrease/(increase) in long term and short term loans and advances	4,917		5,653	
Decrease/(increase) in other current assets	774		(1,666)	
Increase/(decrease) in trade payables	3,606		8,547	
Increase/(decrease) in long term and short term provisions	625		11,868	
Increase/(decrease) in other liabilities	(210)		(120)	
		(41,823)		(16,192)
Cash generated from operations		9,119		32,515
(4) Taxes paid (net)		(7,104)		(5,877)
Net cash from operating activities A		**2,015**		**26,638**
(B) Cash Flow from investing activities				
(1) Purchase of fixed assets		(19,771)		(9,365)
(2) Purchase of intangible assets		(3,263)		(1,424)
(3) Sale / disposal of fixed assets		17		73
(4) Investments in subsidiaries		–		(27,070)
(5) Purchase of current and non current investments		(73,437)		(37,534)
(6) Proceeds from sale of current and non current investments		84,146		27,000
(7) Income from other investments		1,447		1,826
(8) Dividend on investments		1,970		86
(9) Interest received		8,768		10,585
(10) Sundry loans (net)		(1,588)		706
(11) Fixed deposits and margin money		28,488		(3,502)
(12) Advances and loans to subsidiaries		79,792		(17,966)
Net cash from/(used in) investing activities B		**106,569**		**(56,585)**

Cash Flow Statement *(Contd.)* for the year ended 31st March 2012

(Rs. in Lacs)

		For the Year ended 31 March 2012	For the Year ended 31 March 2011
(C) Cash Flow From financing activities			
(1) Interest and finance cost paid		(11,994)	(29,361)
(2) Proceeds from borrowings		34,464	227,511
(3) Repayments of borrowings		(137,173)	(160,479)
(4) Share/bond/debenture issue expenses		(231)	(580)
(5) Dividends paid		(9,201)	(8,773)
(6) Tax on distributed profits		(1,498)	(1,464)
Net cash from / (used in) financing activities	**C**	**(125,633)**	**26,854**
Net increase in cash and cash equivalents	**(A + B + C)**	**(17,049)**	**(3,093)**
Cash and cash equivalents as at the beginning of the year		39,045	42,138
Cash and cash equivalents as at the close of the year		21,996	39,045
Cash and its components:			
Cash on hand		13	13
Bank balances		9,740	43,769
Cash & bank balances as per Note 18		9,753	43,782
Less: In fixed deposit account		249	28,737
		9,504	15,045
Less: Cash and cash equivalents taken over on amalgamation		(8)	–
Add: Investments in mutual funds		12,500	24,000
		21,996	39,045

Notes:

1. Cash and Cash equivalents at the end of the year are after adjustments of foreign exchange loss/(gain) of Rs. (3) lacs (Previous Year: Rs. 8 lacs)
2. Bank balances include unclaimed dividend of Rs. 171 lacs (Previous Year: Rs. 136 lacs) which is not available for use by the Company as they represent corresponding unpaid dividend liability.

As per our report of even date.

For **S.V.GHATALIA & ASSOCIATES**
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 30th April, 2012

For and on behalf of Board of Directors of
United Phosphorus Limited

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 30th April, 2012

Notes to financial statements for the year ended 31st March 2012

01 CORPORATE INFORMATION

United Phosphorus Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. United Phosphorus Limited is engaged in the business of agrochemicals, industrial chemicals, chemical intermediates and speciality chemicals.

02 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied and are consistent with those used in the previous year.

2.1 Significant accounting policies:

a. **Presentation and disclosure of financial statements**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. **Tangible fixed assets:**

Fixed Assets are stated at cost less accumulated depreciation and provision for impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

d. **Intangible Assets:**

Intangible assets are stated at cost less accumulated amortization.

e. **Depreciation:**

i) Leasehold Land:

No depreciation is provided for leasehold land since as per the lease agreements, the leases are renewable at the option of the Company for a further period of 99 years at the end of the lease period of 99 years, without / with marginal payment of further premium.

ii) Other Tangible Fixed Assets:

a) In respect of all assets at Ankleshwar Unit, Jhagadia Unit, Vapi Unit at A-2/1, GIDC, Vapi, Haldia Unit, Research and Development assets and additions to Plant and Machinery from 1st January, 1983 of Vapi Unit on straight line basis in accordance with Section 205(2)(b) of the Companies Act, 1956 as under:

i) At the straight line rates specified in Schedule XIV of the Companies Act, 1956 in respect of additions to the aforesaid Fixed Assets.

ii) In respect of the following Plant and Machinery at the straight line rates specified below:
Membrane used in Caustic Chlorine Plant - 20%
Hot Section in the Power Plant - 33%
Gas Turbine Engine in Power Plant - 16.67%

b) In respect of all other Fixed Assets, on written down value basis in accordance with Section 205(2)(a) of the Companies Act, 1956 at the rates specified in Schedule XIV to the Companies Act, 1956.

c) Assets costing Rs.5,000 or less have been depreciated at the rate of 100%.

d) In respect of Leasehold Improvements on a straight line basis over the period of the lease.

e) In respect of additions to /deletions from the Fixed Assets, on pro-rata basis with reference to the month of addition/deletion of the Assets.

f. **Impairment of tangible and intangible assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

g. **Inventories:**

i) Stocks of stores and spares, packing materials and raw materials are valued at lower of cost or net realizable value and for this purpose, cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

ii) Semi-finished products, finished products and by-products are valued at lower of cost or net realizable value and for this purpose, cost is determined on standard cost basis which approximates the actual cost. Cost of finished goods includes excise duty, as applicable.

iii) Traded goods are valued at lower of cost or net realizable value.

h. **Amortization of Intangible Assets:**

i) Expenditure incurred on product acquisitions is amortized on straight line basis over a period of fifteen years from the month of addition, to match their expected future economic benefits.

ii) Other intangible assets are amortized on straight line basis over a period of five years.

i **Research and Development:**

Research Costs are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortized over the period of expected future benefit.

j **Investments:**

<u>Presentation and Disclosure</u>

Investments, which are readily realizable and intended to be held for not more than one year from balance sheet date are classified as current investments. All other investments are classified as non-current investments.

<u>Recognition and Measurement</u>

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are recognized as current investments. All other investments are recognized as long-term investments and carried at cost of acquisition. However, the carrying amount is reduced to recognize a decline, other than temporary, in the value of long-term investments by a charge to the statement of profit and loss. Current investments are stated at lower of cost or fair value determined on individual investment basis.

k. **Sale of Trade Receivable:**

The sale of insured trade receivables to banks whereby significant risks and rewards are transferred is treated as "true sale" for both legal and financial reporting purposes and accordingly, these receivables are not reflected on the balance sheet of the Company.

l. **Export Benefits:**

Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Entitlement Pass Book, Duty Drawback and other schemes as per the Import and Export Policy in respect of exports made under the said schemes is included as `Export Incentives' under the head `Other operating revenue'.

Notes to financial statements for the year ended 31st March 2012

m. Retirement Benefits:

i) Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss in the year when the contributions to the funds are due.

ii) Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the year when the contributions are due. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

iii) The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

iv) The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The aforesaid leave encashment is funded with an insurance Company in the form of a qualifying insurance policy.

v) Actuarial gains/ losses are recognized immediately to the statement of profit and loss.

n. Revenue recognition:

i) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

ii) Revenue from sale of Certified Emission Reduction (CER) is recognized as income on delivery thereof in terms of the contract with the respective buyers.

iii) Income from services are recognized as and when the services are rendered

iv) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

v) Dividend is recognized when the shareholder's right to receive payment is established by the reporting date.

o. Foreign Currency Transactions:

i) Transactions in foreign currency are recorded by applying the exchange rate at the date of the transaction. Monetary items denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates, prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising as a result of the above are recognized as income or expense in the statement of profit and loss except for exchange differences arising on a monetary item which, in substance, form part of the Company's net investment in a non-integral foreign operation which is accumulated in a Foreign Currency Translation Reserve until the disposal of the net investment. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

ii) In the case of forward contracts not intended for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortized as an expense or income with reference to the spot rate as at the end of the period over the life of the contract. Exchange difference on such contracts are recognized in the statements of profit and loss in the year in which the exchange rate change. Any profit and loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.

p Derivative Instruments:

As per the ICAI announcement, accounting for derivative contracts, other than those covered under AS 11, are marked to market on a portfolio basis, and the net loss is charged to the statement of profit and loss. Net gains are ignored.

q. Borrowing Costs:

Interest and other costs incurred for acquisition and construction of qualifying assets, up to the date of commissioning / installation, are capitalized as part of the cost of the said assets.

r. **Assets taken on Lease:**

i) Operating Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Rentals and all other expenses in respect of assets taken on lease are debited to statement of Profit and Loss on straight line basis over the lease term.

ii) Finance Leases:

Assets acquired under finance leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized and a corresponding loan liability is recognized. The lease rentals paid are bifurcated into principal and interest component by applying an implicit rate of return. The interest is charged as a period cost and the principal amount is adjusted against the liability recognized in respect of assets taken on financial lease.

s. **Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t. **Segment Reporting Policies:**

The Company's operative businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate. The Company accounts for inter-segment sales and transfers as if the sales were to third parties at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

u. **Cash and cash equivalents:**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

v. **Taxation:**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

Notes to financial statements for the year ended 31st March 2012

Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

w. Provisions:

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an obligation of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

x. Measurement of EBITDA:

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

2.2 Amalgamation of United Phosphorus Limited, Mauritius:

Pursuant to the Scheme of Amalgamation ("the Scheme") under Sections 391 to 394 of the Companies Act, 1956, the Hon'ble High Court of Gujarat has pronounced an order on January 13, 2012 sanctioning the Scheme of amalgamation of United Phosphorus Limited, Mauritius (UPL Mauritius), a wholly owned step down subsidiary of the Company with the Company from the appointed date viz July 1, 2011. The Scheme became effective on January 19, 2012 upon filing of the said order with the Registrar of Companies, Gujarat. Consequently, all the assets and liabilities of UPL Mauritius have been transferred to and vested in the Company with effect from July 01, 2011. The Scheme has accordingly been given effect to in these accounts.

The Assets and Liabilities of UPL Mauritius as on the appointed date are set out below :

Particulars	Rs. in lacs
Assets	
Intangible Assets	45,261
Loan to a Holding Company	58,658
Current Assets	5,397
Total	**109,316**
Liabilities and equity	
Equity Share Capital	2
Reserve & Surplus	109,314
Total	**109,316**

The amalgamation has been accounted for under the "pooling of interest" method referred to in Accounting Standard 14-Accounting for Amalgamation, as prescribed by the Scheme. Accordingly, all the assets, liabilities and other reserves of UPL Mauritius as on July 1, 2011 have been aggregated at their respective book values (after converting the book values using the applicable exchange rate at the close of business of the day immediately preceding the appointment date).

The Company was indirectly holding the entire paid-up capital of UPL Mauritius and hence no consideration has been issued for the aforesaid amalgamation. Further, the share capital of UPL Mauritius has been cancelled and the corresponding amount of Rs. 3 lacs has been credited to the Capital Reserve.

Notes to financial statements for the year ended 31st March 2012

03 SHARE CAPITAL

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Authorised shares		
1,27,50,00,000 (Previous Year: 1,27,50,00,000) Equity Shares of Rs.2 each	25,500	25,500
1,40,00,000 (Previous Year: 1,40,00,000) Preference Shares of Rs.100 each	14,000	14,000
50,00,000 (Previous Year: 50,00,000) Preference Shares of Rs.10 each	500	500
	40,000	**40,000**
Issued, subscribed and fully paid-up shares		
46,18,04,274 (Previous Year: 46,18,04,274) Equity Shares of Rs. 2 each fully paid-up	9,236	9,236
Total issued, subscribed and fully paid-up share capital	**9,236**	**9,236**

a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**
Equity shares

	31 March 2012		31 March 2011	
	No. Lacs	Rs. Lacs	No. Lacs	Rs. Lacs
At the beginning of the year	4,618	9,236	4,396	8,791
Issued during the year – Conversion of FCCBs	–	–	222	445
Outstanding at the end of the year	**4,618**	**9,236**	**4,618**	**9,236**

b) **Terms/ rights attached to equity shares:**

The Company has one class of equity shares having par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	31 March 2012 No. Lacs	31 March 2011 No. Lacs
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	2,198	2,198

d) **Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at 31 March, 2012		As at 31 March, 2011	
	No. Lacs	% holding in the class	No. Lacs	% holding in the class
Nerka Chemicals Private Limited	986	21.36	938	20.32
Uniphos Enterprises Limited	253	5.48	250	5.41

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to financial statements for the year ended 31st March 2012

04 RESERVES AND SURPLUS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
1. Capital reserve		
Balance as per last financial statements	8,528	8,528
Amount arising in respect of fractional entitlement on conversion of Foreign Currency Convertible Bonds into equity shares.[Rs. Nil (Previous Year: Rs. 0.01 lacs)]	–	–
Add: Adjustment on account of amalgamation of the subsidiary company (Refer note 2.2)	3	–
Closing balance	**8,531**	**8,528**
2. Capital redemption reserve		
Balance as per the last financial statements	**3,312**	**3,312**
3. Securities premium		
Balance as per the last financial statements	131,711	103,170
Add: Amount arising on conversion of Foreign Currency Convertible Bonds into equity shares.	–	28,878
Add: Expenses on issue of Syndicated Notes/Debentures written back	–	237
Less: Expenses incurred on issue of Equity Shares/Bonds/Debentures/Notes (net of tax)	156	387
Less: Premium on redemption of Foreign Currency Convertible Bonds (net of tax)	–	187
Closing balance	**131,555**	**131,711**
4. Debenture redemption reserve		
Balance as per the last financial statements	10,680	34,523
Add: Amount transferred from surplus balance in the statement of profit and loss	4,359	6,605
Less: Amount transferred to surplus balance in the statement of profit and loss	4,250	30,448
Closing balance	**10,789**	**10,680**
5. General reserve		
Balance as per the last financial statements	65,019	37,519
Add: Amount transferred from surplus balance in the statement of profit and loss	3,000	27,500
Add: Adjustment on account of amalgamation of the subsidiary company (Refer note 2.2)	109,313	–
Closing balance	**177,332**	**65,019**
6. Foreign Currency Translation Reserve:		
Balance as per the last financial statements	(6,348)	(6,030)
Add: Exchange difference in respect of non-integral foreign operation	6,348	(318)
Closing balance	**–**	**(6,348)**
7. Surplus in the statement of profit and loss		
Balance as per last financial statements	3,670	2,340
Add: Profit for the year	22,704	15,750
Add: Debenture redemption reserve written back	4,250	30,448
Less: Appropriations		
Interim Dividend on Equity Shares	9,236	–
Final Dividend on Equity Shares [includes short provision of earlier year: Nil (Previous Year: Rs. 25 Lacs)]	2,309	9,261
Tax on equity dividend [includes short provision of earlier year: Nil (Previous Year: Rs. 4 Lacs)]	1,873	1,502
Transfer to debenture redemption reserve	4,359	6,605
Transfer to general reserve	3,000	27,500
Total appropriations	**20,777**	**44,868**
Net surplus in the statement of profit and loss	**9,847**	**3,670**
Total reserves and surplus	**341,366**	**216,572**

05 LONG-TERM BORROWINGS

(Rs. in Lacs)

	Non-current portion		Current maturities	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Bonds/ debentures				
Secured Redeemable Non-convertible Debentures: (Refer Note a below)	–	–	–	17,000
Unsecured Redeemable Non-convertible Debentures: (Refer Note b below)	110,000	98,500	13,500	–
Term loans				
From Banks				
Indian rupee loan (unsecured) (Refer Note c below)	–	–	–	17,500
External Commercial Borrowings (Unsecured) (Refer Note d below)	–	–	–	81,850
From Other Financial Institutions				
External Commercial Borrowing from a Multilateral Finance Corporation (Secured) (Refer Note e below)	–	624	712	1,249
	110,000	**99,124**	**14,212**	**117,599**
The above amount includes				
Secured borrowings		624	712	18,249
Unsecured borrowings	110,000	98,500	13,500	99,350
Amount disclosed under the head "other current liabilities" (note 9)			(14,212)	(117,599)
Net amount	**110,000**	**99,124**	–	–

Notes:

a. Rs. Nil (Previous Year: Rs. 17,000 lacs) 12.20 % Non convertible Debentures (NCDs) referred above are redeemable at par in three equal instalments from January 2014 and had a call option at the end of 3rd year i.e. 27 January 2012. These debentures were secured by way of pledge of 65,29,500 equity shares of Advanta India Limited.

b. Unsecured Redeemable Non-Convertible Debentures

i) NCDs amounting to Rs 25,000 lacs (Previous Year: Rs Nil) are redeemable at par at the end of 15th year i.e July 2026 from the date of allotment . The NCDs carry a call option at the end of 10th year from the date of allotment.

ii) NCDs aggregating to Rs 30,000 lacs (Previous Year: Rs 30,000 lacs) are redeemable at par at the end of 12th year (Rs. 7,500 lacs), 11th year (Rs. 7,500 lacs), 9th year (Rs. 7,500 lacs) and 8th year (Rs. 7,500 lacs) i.e. October 2022, October, 2021, October 2019 and October 2018 respectively from the date of allotment.

iii) NCDs aggregating to Rs. 30,000 lacs (Previous Year: Rs. 30,000 lacs) are redeemable at par at the end of 10th year (Rs. 15,000 lacs) i.e. April 2020 and at the end of 7th year (Rs. 15,000 lacs) i.e. April 2017 from the date of allotment. The NCDs carry a call option at the end of 6th year i.e. April 2016 and 5th year i.e. April 2015 respectively from the date of allotment.

iv) NCDs amounting to Rs 25,000 lacs (Previous Year: Rs 25,000 lacs) are redeemable at par at the end of 5th year i.e January, 2015 from the date of allotment .

v) NCDs amounting to Rs 13,500 lacs (Previous Year: Rs 13,500 lacs) are redeemable at par at the end of 3.5 year (Rs. 10,500 lacs) i.e. February, 2013 and 3 years (Rs. 3,000 lacs) i.e. August, 2012 from the date of allotment.

vi) NCDs mentioned above carry a coupon rate ranging from 8.75% to 10.70%.

c. Term Loans of Rs Nil (Previous Year: Rs 17,500 lacs) from banks were carrying interest rate ranging from 8.5% to 10% and repayable in June 2011, August 2011 and September 2011.

d. External Commercial Borrowing from Banks amounting to Rs - Nil (Previous Year: Rs. 81,850 lacs) were carrying interest rate at Libor plus 130 basis points. The loan was due for repayment in October 2011.

e External Commercial Borrowing from a Multilateral Financial Institution amounting to Rs. 712 lacs (Previous Year: Rs 1,873 lacs) is secured by pari-passu first charge by way of hypothecation of specific movable assets, present and future, situated at Jhagadia Unit of the Company and carries Interest rate at Libor plus 210 basis points. The outstanding loan is due for payment in June 2012.

Notes to financial statements for the year ended 31st March 2012

06 OTHER LONG-TERM LIABILITIES

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Provision for mark to market losses on derivatives (net)	13,600	2,942
	13,600	**2,942**

07 PROVISIONS

	Short-term	
Provision for employee benefits		
Provision for leave benefits (net)	2,097	1,473
Provision for gratuity (net)	1	–
	2,098	**1,473**
Other provisions		
Interim equity dividend	9,236	–
Proposed final equity dividend	2,309	9,236
Provision for tax on equity dividend	1,873	1,498
	13,418	**10,734**
	15,516	**12,207**

08 SHORT-TERM BORROWINGS

(a) On cash credit, packing credit and working capital demand loan accounts from banks		
(i) Secured (Refer note a and b below)	26	23,023
(ii) Unsecured (Refer note a below)	25,860	3,568
(b) Buyers credit from banks (Unsecured) (Refer Note c below)	9,093	17,300
(c) Loans from related parties (Unsecured) (Refer Note d below)	179	651
	35,158	**44,542**
The above amount includes		
Secured borrowings	26	23,023
Unsecured borrowings	35,132	21,519

Note:

a. Outstanding loans carry an interest rate of Base Rate/Libor plus margin ranging from 175 bps to 400 bps

b. Outstanding loan is secured by hypothecation of inventories, bills receivables, book debts and all movables assets of the Company both present and future, wherever situated.

c. Short term buyers credit are unsecured and the outstanding loan carry an interest rate ranging from Libor plus 125 bps to 225 bps.

d. Unsecured short term demand loan carrying interest at the rate of 10%.

09 OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings (Refer note 5)	14,212	117,599
Interest accrued but not due on borrowings	9,442	8,607
Investor Education and Protection Fund will be credited by following amounts (as and when due):		
Unpaid dividend	171	136
Other Payable		
Advance against orders	4,795	5,678
Trade Deposits	1,339	1,256
Capital goods creditors	592	2,053
Statutory liabilities	640	641
Others	201	–
	31,392	**135,970**

10 TANGIBLE ASSETS

(Rs. in Lacs)

Description of Assets	Gross Block					Depreciation					Net Block	
	As at 1.4.2011 (1.4.2010)	Additions during the year	Deductions during the year	Adjustments during the year (Refer Note 3)	As at 31.3.2012 (31.3.2011)	As at 1.4.2011 (1.4.2010)	Deductions during the year	Adjustments during the year	Provided during the year	As at 31.3.2012 (31.3.2011)	As at 31.3.2012 (31.3.2011)	As at 31.3.2011 (31.3.2010)
Land - Freehold.	9,226	–	–	–	9,226	–	–	–	–	–	9,226	9,226
	(9,228)	(–)	(2)	(–)	(9,226)	(–)	(–)	(–)	(–)	(–)	(9,226)	(9,228)
Land – Leasehold	2,686	2,417	–	–	5,103	–	–	–	–	–	5,103	2,686
	(2,686)	(–)	(–)	(–)	(2,686)	(–)	(–)	(–)	(–)	(–)	(2,686)	(2,686)
Leasehold Improvement Asset	2,189	277	–	–	2,466	1,280	–	–	511	1,791	675	909
	(2,189)	(–)	(–)	(–)	(2,189)	(830)	(–)	(–)	(450)	(1,280)	(909)	(1,359)
Building	8,025	256	44	–	8,237	1,815	8	–	226	2,033	6,204	6,210
	(7,987)	(50)	(12)	(–)	(8,025)	(1,594)	(3)	(–)	(224)	(1,815)	(6,210)	(6,393)
Plant & Machinery	120,871	6,778	3,068	–	124,581	61,459	2,163	–	8,257	67,553	57,028	59,412
	(107,776)	(6,625)	(4,430)	(10,900)	(120,871)	(49,935)	(3,685)	(7,448)	(7,761)	(61,459)	(59,412)	(57,841)
Laboratory Equipments	254	100	1	–	353	74	0	–	15	89	264	180
	(217)	(49)	(12)	(–)	(254)	(70)	(8)	(–)	(12)	(74)	(180)	(147)
Office Equipments	2,210	192	16	–	2,386	1,694	10	–	137	1,821	565	516
	(2,045)	(195)	(123)	(93)	(2,210)	(1,588)	(107)	(90)	(123)	(1,694)	(516)	(457)
Furniture,Fixture & Equipments	2,498	375	–	–	2,873	1,147	–	–	253	1,400	1,473	1,351
	(2,406)	(144)	(52)	(–)	(2,498)	(927)	(47)	(–)	(267)	(1,147)	(1,351)	(1,479)
Vehicles	1,447	143	68		1,522	958	61	–	126	1,023	499	489
	(1,251)	(283)	(87)	(–)	(1,447)	(910)	(72)	(–)	(120)	(958)	(489)	(341)
Temporary Structures	–	–	–	–	–	–	–	–	–	–	–	–
	(3)	(–)	(3)	(–)	(–)	(3)	(3)	(–)	(–)	(–)	(–)	(–)
Assets taken on Lease :												
(a) Plant and Machinery	–	–	–	–	–	–	–	–	–	–	–	–
	(10,900)	(–)	(–)	(–10,900)	(–)	(7,130)	(–)	(–7,448)	(318)	(–)	(–)	(3,770)
(b) Computer Equipments	–	–	–	–	–	–	–	–	–	–	–	–
	(93)	(–)	(–)	(–93)	(–)	(89)	(–)	(–90)	(1)	(–)	(–)	(4)
Total 2011–12	149,406	10,538	3,197	–	156,747	68,427	2,242	–	9,525	75,710	81,037	80,979
Total 2010–11	(146,781)	(7,346)	(4,721)	(–)	(149,406)	(63,076)	(3,925)	–	(9,276)	(68,427)	(80,979)	(83,705)

Notes:

1. Buildings include those purchased on hire purchase basis amounting to Rs.5 lacs (Previous Year: Rs.5 lacs), the ownership whereof has not yet been transferred to the Company.
2. Figures in brackets represents amounts pertaining to previous years.
3. Assets taken on lease Rs. Nil (Previous Year: Rs.10,993 lacs) (Gross Block) and accumulated depreciation amounting to Rs. Nil (Previous Year: Rs. 7,538 lacs) are transferred to own asset which is shown as an adjustment during previous year.

11 INTANGIBLE ASSETS

(Rs. in Lacs)

Description of Assets	Gross Block					Amortisation				Net Block	
	As at 1st April 2011 (2010)	Additions on account of Merger (Refer Note 2.2)	Deductions during the year	Additions during the year	As at 31 March 2012 (2011)	As at 1st April 2011 (2010)	Accumulated amortisation transferred on account of Merger (Refer Note 2.2)	Provided during the year	As at 31 March 2012 (2011)	As at 31st March 2012 (2011)	As at 31st March 2011 (2010)
Data Access Fees	9,438	–	–	–	9,438	8,104	–	673	8,777	661	1,334
	(9,438)	–	–	–	(9,438)	(7,431)	–	(673)	(8,104)	(1,334)	(2,007)
Task Force Expenses	810	–	–	–	810	808	–	–	808	2	2
	(810)	–	–	–	(810)	(800)	–	(8)	(808)	(2)	(10)
Product Registrations	4,020	–		3,120	7,140	1,962	–	961	2,923	4,217	2,058
	(2,775)	(–)	(–)	(1,245)	(4,020)	(1,271)	(–)	(691)	(1,962)	(2,058)	(1,504)
Product Acqusitions	11,664	46,878	–	–	58,542	2,410	1,617	3,122	7,149	51,393	9,254
	(11,664)	(–)	(–)	(–)	(11,664)	(1,632)	(–)	(778)	(2,410)	(9,254)	(10,032)
Software	357	–	–	143	500	200	–	68	268	232	157
	(178)	(–)	(–)	(179)	(357)	(158)	(–)	(42)	(200)	(157)	(20)
Total (2011–12)	26,289	46,878	–	3,263	76,430	13,484	1,617	4,824	19,925	56,505	12,805
Total (2010–11)	(24,865)	(–)	(–)	(1,424)	(26,289)	(11,292)	(–)	(2,192)	(13,484)	(12,805)	(13,573)

Notes:

a. Certain intangible assets which are required to be held outside India and where the Company is the beneficial owner of the said intangible assets, are held in the name of overseas subsidiary companies.

b. Figures in brackets represent amounts pertaining to previous year.

Notes to financial statements for the year ended 31st March 2012

12 NON-CURRENT INVESTMENTS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
NON- CURRENT INVESTMENTS (at cost)		
A. Trade Investment:		
I. Investments in Equity Instruments:		
– (i) Investment in Subsidiaries (Unquoted)		
(a) 8,36,000 (Previous Year: 8,36,000) Ordinary Shares of US $ 100 each fully paid-up in Bio-Win Corporation Limited	36,438	36,438
(b) 50,007 (Previous Year: 50,007) Equity Shares of Rs. 10 each fully paid-up in Shroffs United Chemicals Limited	5	5
(c) 10,00,007 (Previous Year: 10,00,007) Equity Shares of Rs. 10 each fully paid-up in SWAL Corporation Limited	1,691	1,691
	38,134	**38,134**
– (ii) Investment in Associates		
(a) 84,00,000 (Previous Year: 84,00,000) Equity Shares of Rs.10 each fully paid-up in Advanta India Limited (Quoted) (Also Refer Note No. iv below)	23,649	23,649
(b) 9,21,000 (Previous Year: 9,21,000) Equity Shares of Rs 10 each fully paid-up in Chemisynth (Vapi) Limited (Unquoted)	421	421
	24,070	**24,070**
– (iii) Investment in Joint Ventures (Unquoted)		
1,627 (Previous Year: 1,627) Equity Shares of Tk.1,000 each fully paid-up in United Phosphorus (Bangladesh) Limited	4	4
– (iv) Investment in Others (Unquoted)		
(a) 57 (Previous Year: 57) Ordinary Shares of 1 Rand each fully paid-up in Cropserve (PTY) Limited	289	289
(b) 34,13,388 (Previous Year: 34,13,388) Equity Shares of Rs. 10 each fully paid-up in Narmada Clean Tech Limited (Formerly known as Bharuch Eco Aqua Infrastructure Limited)	341	341
	630	**630**
Total I	**62,838**	**62,838**
II. Investments in Preference Shares (Unquoted)		
– Investment in Subsidiary		
7,02,000 (Previous Year: 7,02,000) 4% Non-Cumulative Non-Convertible Preference Shares of Rs.100 each fully paid-up in SWAL Corporation Limited.	702	702
Total A (I + II)	**63,540**	**63,540**

12 NON-CURRENT INVESTMENTS *(Contd.)*

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
B. Other Investment:		
I. Investments in Equity Instruments:		
– (i) Investment in Subsidiary Company (Unquoted)		
2,40,000 (Previous Year: 2,40,000) Equity shares of Rs. 10 each fully paid-up in UPL Investment Private Limited	186	51
– (ii)Investment in Associates (Unquoted)		
(a) 10,00,000 (Previous Year: 10,00,000) Equity Shares of Rs. 10 each fully paid-up in Agrinet Solutions Limited	315	315
(b) 26,00,000 (Previous Year: 26,00,000) Equity Shares of Rs. 10 each fully paid-up in Kerala Enviro Infrastructure Limited	260	260
	575	575
– (iii) Investment in Others		
Quoted		
(a) 28,100 (Previous Year: 28,100) Equity Shares of Rs.10 each fully paid-up in Gujarat State Financial Corporation	6	6
(b) 50,000 (Previous Year: 50,000) Equity Shares of Rs. 10 each fully paid-up in Nivi Trading Limited	6	6
(c) 41,150 (Previous Year: 41,150) Equity Shares of Rs.10 each fully paid-up in Transpek Industry Limited	68	68
(d) 5,307 (Previous Year: 5,307) Equity Shares of Rs.10 each fully paid-up in IDFC Limited	2	2
(e) 3,598 (Previous Year: 3,598) Equity Shares of Rs.10 each fully paid-up in Bank of Baroda Limited	8	8
	90	90
Unquoted		
(a) 10,000 (Previous Year: 10,000) Equity Shares of Rs.10 each fully paid-up in Janakalyan Sahakari Bank Limited	1	1
(b) 10,00,000 (Previous Year: 10,00,000) Equity Shares of Rs.10 each fully paid-up in Uniphos International Limited (Formerly known as Uniphos Agro Industries Limited)	50	50
(c) 45,000 (Previous Year: 45,000) Equity Shares of Rs.10 each fully paid-up in Bloom Packaging Private Limited	185	185
(d) 19,025 (Previous Year: 19,025) Equity Shares of Rs.10 each fully paid-up in Bench Bio Private Limited	448	372
	684	608
	774	698
Total I	1,535	1,324

Notes to financial statements for the year ended 31st March 2012

12 NON-CURRENT INVESTMENTS *(Contd.)*

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
II. Investments in Government or trust securities (Unquoted)		
(a) Indira Vikas Patra [Face Value:Current Year: Rs. 0.06 lac. (Previous Year Rs. 0.06 lac)]. Deposited with Government Authorities.	–	–
(b) National Saving Certificates [Face Value:Current Year: Rs. 0.06 lac. (Previous Year Rs. 0.06 lac)]. Deposited with Government Authorities.	–	–
Total II	–	–
III. Investments in debentures or bonds (Unquoted)		
1,855 (Previous Year: 1,855) Compulsorily Convertible Bonds of Rs.1,00,000 each in Tatva Global Environment Limited	1,855	1,855
IV. Investment in Limited Liability Parternship (LLP);		
(a) UPL(India) LLP - Capital Contribution in LLP	9	–
(b) UPL(Global) LLP - Capital Contribution in LLP	10	–
Total IV	19	–
Total B (I + II + III + IV)	3,409	3,179
Total A + B	66,949	66,719
Less: Provision for diminution in Investments	(1,237)	(1,073)
Total Non-Current Investment	**65,712**	**65,646**
Notes		
(i) Aggregate amount of quoted investments (Market value:Rs.37,145 Lacs (31 March 2011: Rs. 25,246 Lacs))	23,739	23,739
(ii) Aggregate amount of unquoted investments	43,210	42,980
(iii) Aggregate provision for diminution in value of investments	(1,237)	(1,073)
(iv) Nil (PY: 65,29,500) equity shares of Advanta India Limited have been pledged against non covertible debentures issued to LIC (Also refer Note a in Note 5 Long-term borrowings)		

Notes 13 DEFERRED TAX LIABILITY (NET)

Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	10,677	8,147
Others	–	74
Gross deferred tax liability	**10,677**	**8,221**
Deferred tax asset		
Provision for doubtful debts and advances	1682	1,380
Others	717	534
Gross deferred tax asset	**2,399**	**1,914**
Net deferred tax liability	**8,278**	**6,307**

14 LOANS AND ADVANCES

(Rs. in Lacs)

		Non-current		Current	
		31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Advances and loans to subsidiaries					
Unsecured, considered good		81,081	158,382	69,897	–
	A	**81,081**	**158,382**	**69,897**	**–**
Capital advances					
Unsecured, considered good		2,170	907		–
	B	**2,170**	**907**	**–**	**–**
Sundry deposit					
Unsecured, considered good		3,268	3,220	600	500
Doubtful		133	40	–	–
		3,401	3,260	600	500
Provision for doubtful sundry deposit		(133)	(40)	–	–
	C	**3,268**	**3,220**	**600**	**500**
Advances recoverable in cash or kind					
Unsecured considered good		6,147	4,971	4,979	6,961
Doubtful		511	620	262	178
		6,658	5,591	5,241	7,139
Provision for doubtful advances		(511)	(620)	(262)	(178)
	D	**6,147**	**4,971**	**4,979**	**6,961**
Other loans and advances (Unsecured)					
Advance income-tax/wealth tax (net of provision for taxation)		3,352	2,386	–	–
Bond Application Money		1,500	1,500	–	–
Minimum alternative tax credit entitlement		6,913	6,723	–	–
Prepaid expenses		–	–	657	401
Loans to employees		165	46	243	279
Gratuity fund balance (net)		–	–	–	228
Deposits with the Collectorate of Central Excise and Customs		–	–	3,904	2,885
	E	**11,930**	**10,655**	**4,804**	**3,793**
Sundry Loans					
Unsecured, considered good		141	141	1,588	–
Doubtful		76	76	–	–
		217	217	1,588	–
Provision for doubtful		(76)	(76)	–	
	F	**141**	**141**	**1,588**	**–**
Total	**(A+B+C+D+E+F)**	**104,737**	**178,276**	**81,868**	**11,254**

Loans and advances due by directors or other officers of the Company.

Sundry deposits				
Dues from directors	23	23	–	–

Notes to financial statements for the year ended 31st March 2012

15 TRADE RECEIVABLES AND OTHER ASSETS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
15. 1. Trade receivables		
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	3,748	1,569
Doubtful	3,996	3,132
	7,744	**4,701**
Provision for doubtful receivables	(3,996)	(3,132)
	3,748	**1,569**
Other receivables		
Unsecured, considered good	135,251	100,926
Total	**138,999**	**102,495**

15. 2. Other Assets

(Rs. in Lacs)

	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Unsecured, considered good unless stated otherwise				
Export Benefits Receivable	–	–	5,683	5,962
A	**–**	**–**	**5,683**	**5,962**
Exchange difference / unamortized premium of forward contracts	–	–	–	1,032
B	**–**	**–**	**–**	**1,032**
Interest Receivable				
Considered Good	–	–	2,316	1,783
Considered Doubtful	–	–	5	5
			2,321	**1,788**
Less: Provision	–	–	(5)	(5)
C	**–**	**–**	**2,316**	**1,783**
Others				
Considered Good	–	–	935	398
Considered Doubtful	201	201	–	–
	201	201	935	398
Less: Provision	(201)	(201)	–	–
D	–	–	935	398
Total Other Current Assets (A+B+C+D)	**–**	**–**	**8,934**	**9,175**

Notes to financial statements for the year ended 31st March 2012

16 CURRENT INVESTMENTS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Current investments (value at lower of cost and fair values unless stated otherwise)		
Investments in debentures or bonds: (Unquoted)		
Nil (Previous Year: 1150) Non-Convertible Debentures of Rs.10,00,000 each in Advanta India Limited	–	11,534
Investments in Mutual Funds: (Unquoted)		
(a) 1,54,92,923 (Previous year: Nil) units of Reliance Liquidity Fund - Growth option of Rs. 10 each. (Net Assets Value: Rs 2,503 Lacs (Previous Year: Nil)	2,500	–
(b) 43,71,949 (Previous year: Nil) units of Birla Sun Life Cash Plus Institutional Premium - Growth of Rs.100 each. (Net Assets Value: Rs 7,509 Lacs (Previous Year: Nil)	7,500	–
(c) 1,48,450 (Previous year: Nil) units of SBI Premier Liquid Fund Super I. P. Growth of Rs. 1000 each. (Net Assets Value: Rs 2,504 Lacs (Previous Year: Nil)	2,500	–
(d) Nil (Previous Year: 1,55,89,047) Units of Kotak Floater Short Term - Growth of Rs. 10 each [Net Asset Value: Rs.Nil (Previous Year: Rs. 2,501 lacs)]	–	2,500
(e) Nil (Previous Year: 1,03,33,261) Units of ICICI Prudential Floating Rate Plan D - Growth of Rs. 100 each [Net Asset Value: Rs.Nil (Previous Year: Rs.15,032 lacs)]	–	15,000
(f) Nil (Previous Year: 3,94,35,909) Units of JP Morgan India Liquid Fund - Super Institutional Growth Plan of Rs. 10 each [Net Asset Value: Rs. Nil (Previous Year: Rs. 5,009 lacs)]	–	5,000
(g) Nil (Previous Year: 1,12,073) Units of Reliance Money Manager Fund - Institutional Option - Growth Plan of Rs. 1000 each [Net Asset Value: Rs. Nil (Previous Year: Rs. 1500 lacs)]	–	1,500
Total Current Investments	**12,500**	**35,534**
Aggregate amount of unquoted investments	12,500	35,534
Aggregate provision for diminution in value of investments	–	–

17 INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

Raw materials (includes goods in transit Rs. 879 Lacs (Previous year: Rs. Nil)	15,838	14,169
Packing material (includes goods in transit Rs. 39 Lacs (Previous year: Rs. Nil)	1,875	2,169
Semi-finished goods	6,533	6,500
Finished goods [includes goods-in-transit Rs. 1,624 Lacs (Previous year: Rs. 2,518 Lacs)]	25,119	15,332
Traded goods [includes goods-in-transit Rs. 31 Lacs (Previous year: Rs. 3 Lacs)]	3,236	415
Stores and spares (including fuel)	1,559	1,519
By-products	843	800
Total Inventories	**55,003**	**40,904**

Notes to financial statements for the year ended 31st March 2012

18 CASH AND BANK BALANCES

(Rs. in Lacs)

	Current	
	As at 31 March 2012	As at 31 March 2011
Cash and cash equivalents		
Balances with banks:		
– On current accounts	9,263	5,486
– Deposits with original maturity of less than three months	–	9,000
– On unpaid dividend account	171	136
Foregin currency accounts	57	410
Cash on hand	13	13
	9,504	**15,045**
Other bank balances		
– Deposits with original maturity for more than 3 months but less than 12 months	–	28,500
– Margin money deposit *	249	237
	249	**28,737**
	9,753	**43,782**

* Margin money deposits given as security against Bank Guarantee

19 REVENUE FROM OPERATIONS

Revenue from operations		
Sale of products		
(Including sale of raw materials Rs.13,110 lacs (Previous year: Rs 6,501 lacs)	**336,917**	**295,592**
<u>Sales of services</u>		
Job-work income	846	911
Management Service Fees	440	340
Landfill Charges	88	81
	1,374	**1,332**
<u>Other operating revenue</u>		
Export Incentives	4,975	5,005
Refund of Excise Duty	3,445	2,927
Discount Received	165	522
Miscellaneous Receipts	516	409
	9,101	**8,863**
Revenue from operations (gross)	**347,392**	**305,787**

DETAIL OF PRODUCTS SOLD

Finished goods sold		
Speciality Chemicals	188	317
Chloro-Alkaline Products	11,479	9,102
Industrial Chemicals	10,375	9,506
Pesticides	248,075	222,295
Pesticides Intermediates	10,868	10,016
Others	2,020	1,543
	283,005	**252,779**
Traded goods sold		
Pesticides	29,238	22,636
Industrial Chemicals	294	414
Hybrid Seeds	10,995	12,036
Others	275	1,226
	40,802	36,312
Raw material sales	13,110	6,501
	336,917	**295,592**

Notes to financial statements for the year ended 31st March 2012

20 OTHER INCOME

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Interest income on		
Bank deposits	1,763	2,971
Others	7,538	8,037
Dividend income on Long-term investments	1,970	86
Profit on sale of current investments (net)	656	1,826
Rent	177	118
Excess provisions in respect of earlier years written back (net)	764	1,428
Exchange difference (net)	2,281	763
Sundry credit balances written back (net)	–	124
Profit on sale of fixed assets (net)	–	6
	15,149	**15,359**

21 COST OF RAW MATERIAL CONSUMED

Inventory at the beginning of the year	14,169	8,508
Add: Purchases	157,458	132,757
	171,627	141,265
Less: inventory at the end of the year	15,838	14,169
Cost of raw material consumed	**155,789**	**127,096**
(Including cost of raw material sold Rs. 12,288 lacs (Previous year Rs: 5,784 lacs)		

DETAILS OF RAW MATERIAL CONSUMED

Pesticides Intermediates	52,345	45,702
Inorganic Chemicals	32,622	27,795
Solvents	13,136	11,326
Phosphorus & Compounds	10,607	10,079
Organic Chemicals	10,308	9,673
Technical Pesticides	9,439	7,654
Others	15,044	9,083
	143,501	**121,312**
Raw material sales	12,288	5,784
	155,789	**127,096**

DETAILS OF INVENTORY

Pesticide Intermediates	8,722	6,716
Phosphorus & Compounds	1,211	1,611
Inorganic Chemicals	1,202	1,378
Solvents	953	1,225
Technical Pesticides	997	1,057
Organic Chemicals	658	595
Others	2,095	1,587
	15,838	**14,169**

Notes to financial statements for the year ended 31st March 2012

22 (INCREASE) / DECREASE IN INVENTORIES

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011	(Increase) decrease
Inventories at the end of the year			31-Mar-12
Finished goods	25,119	15,332	(9,787)
By-products	843	800	(43)
Work-in-progress	6,533	6,500	(33)
Traded goods	3,236	415	(2,821)
	35,731	**23,047**	**(12,684)**
Inventories at the beginning of the year			31-Mar-11
Finished goods	15,332	11,372	(3,960)
By-products	800	714	(86)
Work-in-progress	6,500	4,450	(2,050)
Traded goods	415	559	144
	23,047	**17,095**	**(5,952)**
	(12,684)	**(5,952)**	
Less: Excise duty on stocks	**999**	**847**	
	(11,685)	**(5,105)**	

DETAILS OF PURCHASE OF TRADED GOODS

Pesticides	21,590	15,418
Industrial chemicals	234	113
Hybrid seeds	12,407	12,833
Others	–	94
	34,231	**28,458**

DETAILS OF INVENTORY

Traded goods		
Pesticides	492	251
Seeds	2,724	99
Industrial chemicals	20	65
	3,236	**415**
Finished goods		
Pesticides	19,320	14,321
Seeds	5,057	–
Industrial chemicals	446	478
Others	296	533
	25,119	**15,332**
Work in progress		
Agro chemicals	4,256	5,268
Industrial chemicals	1,306	920
Others	1	312
Seeds	970	–
	6,533	**6,500**
By - products		
Agro chemicals	406	360
Industrial chemicals	221	279
Others	216	161
	843	**800**

Notes to financial statements for the year ended 31st March 2012

23 EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Salaries, wages and bonus	14,556	11,980
Contribution to provident and other funds	1,085	924
Retirement Benefits	1,073	880
Staff welfare expenses	1,751	1,528
	18,465	**15,312**

24 OTHER EXPENSES

Consumption of stores and spares	2,745	2,892
Sub-contracting expenses	5,977	4,436
Power and fuel	22,707	19,769
Rent	2,457	1,487
Rates and taxes	999	734
Insurance	1,012	936
Repairs and maintenance		
– Plant and machinery	1,381	1,326
– Buildings	261	250
– Others	763	972
Advertising and sales promotion	2,049	1,914
Sales commission	5,251	7,032
Travelling and conveyance	4,442	3,618
Charity & donations	1,138	635
Effluent disposal charges	3,134	2,875
Legal and professional fees	2,008	1,665
Directors' sitting fees	7	3
Payment to auditor (Refer details below)	111	97
Provision for diminution in value of investment	164	208
Containers & packing materials consumed	14,602	13,885
Transport charges	10,830	9,751
Bad debts / advances written off	3	89
Loss on sale of assets	32	–
Sundry debit balances write off (net)	110	–
Assets written off	1,013	729
Provision for doubtful debts and advances (net)	932	370
Other expenses	3,539	3,179
	87,667	**78,852**

PAYMENT TO AUDITOR

As auditor:		
Audit fee	102	67
Others	4	26
Other services (certification fees)	3	2
Reimbursement of expenses	2	2
	111	**97**

Note: Audit Fees includes fees for auditing consolidated financial statements amounting to Rs. 20 lacs (Previous Year: Rs.15 lacs) and Rs.17 lacs (Previous Year: Rs. 12 lacs) for quarterly limited reviews.

Notes to financial statements for the year ended 31st March 2012

25 DEPRECIATION AND AMORTIZATION EXPENSE

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Depreciation of tangible assets	9,525	9,276
Amortization of intangible assets	4,824	2,192
	14,349	**11,468**

26 FINANCE COSTS

Interest on debentures	12,521	10,140
Interest on term loans	1,593	3,402
Interest on cash credit and working capital demand loan accounts	1,045	727
Interest on fixed deposits and fixed loans	1,442	787
Other interest	869	1,179
Cash discount	1,190	983
Exchange difference (Net)	(3,016)	11,462
Other financial charges	793	684
	16,437	**29,364**

27 EARNING PER SHARE

Basic and diluted earning per share:			
Profit after taxation as per statement of profit and loss	(A)	22,704	15,750
Weighted number of equity shares outstanding	(B)	461,804,274	447,773,464
Basic and diluted earning per share (in Rupees)	(A)/(B)	4.92	3.52
Nominal value of equity share (in Rupees)		2.00	2.00

28 RETIREMENT BENEFITS

Gratuity benefit is payable to employees on retirement or resignation or death. The amount of gratuity payable is based on the past service and salary at the time of exit as per payment of Gratuity Act, 1972. There is a vesting period of five years on the benefit.

Disclosure as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006 as amended are given below:

a) The amounts recognised in the statement of Profit and Loss are as follows:

(Rs. in Lacs)

i. Defined Benefit Plan	Gratuity	
	As at 31 March 2012	As at 31 March 2011
Current service cost	187	140
Interest cost on benefit obligation	122	85
Expected return on plan assets	(128)	(116)
Net actuarial (gain)/loss recognised during the year	96	184
Amount included under the head Employee Benefit Expense in Note 23	277	293
Actual return on plan assets	**101**	**100**

(Rs. in Lacs)

ii. Defined Contribution Plan	Provident Fund	
	As at 31 March 2012	As at 31 March 2011
Current service cost included under the head Employee Benefit Expense in Note 23	612	521

(Rs. in Lacs)

ii. Defined Contribution Plan	Superannuation Fund	
	As at 31 March 2012	As at 31 March 2011
Current service cost included under the head Employee Benefit Expense in Note 23	425	349

b) The amounts recognised in the Balance Sheet are as follows:

(Rs. in Lacs)

	Defined Benefit Plan - Gratuity	
	As at 31 March 2012	As at 31 March 2011
Present value of funded obligation	1,768	1,435
Less: Fair value of plan assets	1,767	1,602
Net Liability is included in Note 7 - Provisions	1	–
Net Asset is included in Note 14 - Loans and Advances	–	167

c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

(Rs. in Lacs)

	Gratuity	
	As at 31 March 2012	As at 31 March 2011
Opening defined benefit obligation	1,435	1,098
Interest cost	122	85
Current service cost	187	140
Liability transferred in	60	
Benefits paid	(105)	(56)
Actuarial (gains)/loss on obligation	69	168
Closing defined benefit obligation	**1,768**	**1,435**

d) Changes in the fair value of plan assets are as fofflows:

(Rs. in Lacs)

	Gratuity	
	As at 31 March 2012	As at 31 March 2011
Opening fair value of plan assets	1,602	1,402
Expected return	128	116
Contibutions made by employer during the year	–	100
Actuarial Gain/(Loss) on plan assets	(27)	(16)
Closing fair value of plan assets	**1,703**	**1,602**

Notes to financial statements for the year ended 31st March 2012

(Rs. in Lacs)

		Gratuity	
		As at 31 March 2012	As at 31 March 2011
e)	Expected contribution to defined benefit plan for the year 2012-13	100	100

f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	As at 31 March 2012	As at 31 March 2011
Investments with insurer under:	%	%
(a) Funds Managed by Insurer	100.00	100.00

g) The principal actuarial assumptions at the Balance Sheet date.

	As at 31 March 2012	As at 31 March 2011
Discount rate	8.50%	7.75%
Expected rate of return on plan assets	8.00%	8.00%
Mortality Rate	LIC (1994 - 96) published table of Mortality Rates	LIC (1994 - 96) published table of Mortality Rates
Proportion of employees opting for early retirement	5% at younger ages and reducing to 1% at old age on graduated scale	5% at younger ages and reducing to 1% at old age on graduated scale

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

h) Experience Adjustment

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Experience adjustments on plan liabilities (Gain)/Loss	67	(138)
Experience adjustments on plan Assets (Gain)/Loss	(27)	16

Amounts for the current and previous four periods are as follows:

(Rs. in Lacs)

	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008
Gratuity					
Defined benefit obligation	1,768	1,435	1,098	1,081	869
Plan assets	1,767	1,602	1,402	903	911
Surplus / (deficit)	1	167	304	(178)	42
Experience adjustments on plan liabilities	67	(138)	(143)	NA	NA

29 CAPITALIZATION OF EXPENDITURE

During the year, the Company has capitalized the following expenses of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Employee cost & other expenses	103	66
Finance costs	482	197
	585	**263**

30 DETAILS OF DONATIONS TO POLITICAL PARTIES

Bhartiya Janata Party	22	2

31 INTEREST IN A JOINT VENTURE

The Company has 50% ownership interest in United Phosphorus (Bangladesh) Limited, a jointly controlled entity incorporated in Bangladesh. The proportionate interest of the Company in the said entity as per the latest available audited Balance Sheet as at 31st March, 2011 is as under:

(Rs. in Lacs)

	As at 31 March 2011	As at 31 March 2010
Assets	329	337
Liabilities	213	232
Income	260	237
Expenses	255	230

32

A Scheme of Arrangement between the Company and SWAL Corporation Ltd. and their respective Shareholders' under Sections 391 to 394 read with Section 78 and Sections 100 to 103 of the Companies Act, 1956 with the Appointed Date of 1st April 2007, was sanctioned by the Hon'ble Bombay High Court on 29th February 2008 and High Court of Judicature at Gujarat on 16th April 2008 and became effective from 30th April 2008.

As per the said scheme, reduction of Capital under Sections 100 to 103 of the Companies Act, 1956 was sanctioned and accordingly the debit balance aggregating to Rs. 56,212 lacs in respect of Product Registrations and Product Acquisitions appearing as on 31st March 2007, has been debited to the Securities Premium Account and the General Reserve after adjusting for Deferred Tax arising on account of these assets amounting to Rs. 2,525 lacs on that date.

As per the ICAI announcement, expense adjusted directly to reserve is net of its tax effect. As per the Court order and legal advice obtained, the Company has taken a consistent view that the tax benefit available is not to be adjusted in respect of amortization of the product registrations and product acquisitions adjusted to the Reserves. The difference in provision for taxation for the year due to this is Rs 1,252 lacs (Previous Year: Rs 1,709 lacs) though overall, there is no impact on the aggregate of Reserves and Surplus of the Company.

Notes to financial statements for the year ended 31st March 2012

33 SEGMENT INFORMATION

1. Information about Primary Business Segments

(Rs. in Lacs)

Particulars	31-March-2012					31-March-2011				
	Agro Chemicals	Industrial Chemicals	Others	Unallocated	Total	Agro Chemicals	Industrial Chemicals	Others	Unallocated	Total
Revenue										
External	255,063	31,463	32,282	1,517	320,325	224,416	27,187	27,985	1,326	280,914
Inter segment	(31,445)	31,445	-	-	-	(26,391)	26,391	-	-	-
Total revenue	**223,618**	**62,908**	**32,282**	**1,517**	**320,325**	**198,025**	**53,578**	**27,985**	**1,326**	**280,914**
Segment Results					-					-
Contribution	45,882	3,934	2,072	45	51,933	45,125	2,412	3,460	202	51,199
Add: Inter segment profit	(5,852)	5,852	-	-	-	(4,190)	4,190	-	-	-
Total segment results	**40,030**	**9,786**	**2,072**	**45**	**51,933**	**40,935**	**6,602**	**3,460**	**202**	**51,199**
Unallocated expenses net of unallocated income	-	-	-	-	(4,800)	-	-	-	-	(812)
Interest	-	-	-	-	(16,437)	-	-	-	-	(29,364)
Profit before taxation	**-**	**-**	**-**	**-**	**30,696**	**-**	**-**	**-**	**-**	**21,023**
Provision for taxation :										
Current	-	-	-	-	6,199	-	-	-	-	5,880
Mat credit entitlement		-	-	-	(192)	-	-	-	-	-
Deferred	-	-	-	-	2,046	-	-	-	-	(631)
Tax effect of earlier years	-	-	-	-	(61)	-	-	-	-	24
Net profit after tax	**-**	**-**	**-**	**-**	**22,704**	**-**	**-**	**-**	**-**	**15,750**
Other information										
Segment assets	259,866	33,441	11,212	321,893	626,412	175,371	26,828	3,439	379,520	585,158
Segment liabilities	54,390	5,867	9,538	206,015	275,810	63,752	8,085	15,020	272,493	359,350
Capital expenditure	11,090	4,784	159	6,992	23,025	5,448	1,944	26	2,727	10,145
Depreciation	3,656	2,358	24	3,487	9,525	3,537	2,366	22	3,351	9,276
Amortisation	4,756	-	-	68	4,824	2,192	-	-	-	2,192
Non cash expenses other than depreciation	1,112	207	172	837	2,328	2,448	291	84	796	3,619

2. Information about Secondary Business Segments

(Rs. in Lacs)

Revenue by Geographical Market	Current Year			Previous Year		
	India	Outside India	Total	India	Outside India	Total
External	149,492	170,834	320,326	132,771	148,143	280,914
Inter Segment	–	–	–	–	–	–
Total	**149,492**	**170,834**	**320,326**	**132,771**	**148,143**	**280,914**
Carrying amount of Segment Assets	522,502	103,910	626,412	502,266	82,892	585,158
Additions to Fixed Assets (including Intagible assets)	13,801	–	13,801	8,770	–	8,770

3. Notes

1) The Company is organised into three main business segments namely :
   a) Agro Chemicals - comprising of Agrochemicals Technicals and Formulations.
   b) Industrial Chemicals - comprising of Industrial Chemicals and Speciality Chemicals.
   c) Others - primarily comprising of Traded Products.
2) Segment Revenue in the above segments includes sales of products net of taxes.
3) Inter Segment Revenue is taken as comparable third party average selling price for the year.
4) Segment Revenue in the geographical segments considered for disclosure are as follows:
   a) Revenue within India includes sales to customers located within India.
   b) Revenue outside India includes sales to customers located outside india
5) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

34

Related party disclosure as required by Accounting Standard (AS) - 18 "Related Party Disclosures" notified by the Companies (Accounting Standards) Rules, 2006 are given below:

(a) **Relationship:**

(i) **Name of the Subsidiary Companies:**

- Uniphos Limited, Mauritius
- United Phosphorus (Korea) Limited
- United Phosphorus (Shanghai) Company Limited
- United Phosphorus (Taiwan) Limited
- United Phosphorus Cayman Limited
- United Phosphorus de Mexico, S.A. de C.V.
- United Phosphorus do Brasil Ltda
- United Phosphorus GMBH, Germany
- United Phosphorus Holdings B.V., Netherlands
- United Phosphorus Holdings Cooperatief U.A.
- United Phosphorus Inc., U.S.A.
- United Phosphorus Italy S.R.L.
- United Phosphorus Limited Mauritius (Amalgamated with the Compnay w.e.f. July 1, 2011)
- United Phosphorus Limited, Australia
- United Phosphorus Limited, Belgium S P R L
- United Phosphorus Limited, Colombia
- United Phosphorus Limited, Gibraltar
- United Phosphorus Limited, Hongkong
- United Phosphorus Limited, Japan
- United Phosphorus Limited, New Zealand
- United Phosphorus Limited, U.K.
- United Phosphorus Limited, Zambia (Upto December 5, 2011)
- United Phosphorus Polska Sp.z o.o - Poland
- United Phosphorus Sole Partner Limited, Greece (Upto March 23, 2012)
- United Phosphorus Switzerland Limited.
- United Phosphorus Vietnam Co., Limited
- UPL Investment Private Limited
- Agri pack Zambia Limited (Upto April 01, 2011)
- Agrindustrial, S.A., Spain
- Agrodan, ApS
- Anning Decco Fine Chemical Co. Limited, China
- Bio-win Corporation Limited, Mauritius
- Canegrass LLC, USA
- Cerexagri B.V. - Netherlands
- Cerexagri Costa Rica, S.A.
- Cerexagri Delaware, Inc.,USA
- Cerexagri Italia S.R.L.
- Cerexagri S.A.S., France
- Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey
- Cerexagri, Inc. (PA)
- Citrashine (Pty) Ltd, South Africa
- Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain
- Cropserve Zambia Limited (Upto April 01, 2011)
- Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica)
- Decco Italia SRL,Italy
- Decco US Post-Harvest Inc (US)
- Decco Worldwide Post-Harvest Holdings B.V.
- Decco Worldwide Post-Harvest Holdings Cooperatief U.A.
- Desarrollo Quimico Industrial, S.A., Spain
- Eddyville Consultants Group, Inc. Panama
- Evofarms Colombia SA
- Evofarms S.A. - Colombia
- Friedshelf 1114 (Pty) Ltd
- Global Chem Trade Corp., Panama
- Icona S A - Argentina
- Icona Sanluis S A - Argentina
- Jiangsu Kaznam Chemical Group.,Panama
- JSC United Phosphorus Limited, Russia
- Phosfonia, S.L.,Spain
- Prime Agri Centre Zambia Limited (Upto April 01, 2011)
- PT Catur Agrodaya Mandiri, Indonesia
- PT. United Phosphorus Indonesia
- United Phosphorus Holding, Brasil B.V. (Formerly known as Regentstreet B.V.)
- Riceco LLC
- Safepack Products Limited
- Samma International S.R.L.,Italy (Upto February 29, 2012)
- Samrod Chemicals (Pty) Ltd
- Shroffs United Chemicals Limited
- SWAL Corporation Limited
- Transterra Invest, S. L. U., Spain
- Universal Pestochem Limited
- Tatva Global Environment (Deonar) Limited
- Riceco International Inc., Bahamas (Incorporated during the year)
- Uniphos Limited, Gibraltor (Incorporated during the year)
- Decco Jefkins Mexico Sapi, Mexico (Incorporated during the year)
- UPL Aviation Limited (Incorporated during the year)
- United Phosphorus Indústria e Comércio de Produtos Químicos Ltda. (Incorporated during the year)
- Uniphos Indústria e Comércio de Produtos Químicos Ltda. (Incorporated during the year)
- DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A. (w.e.f. July 25, 2011)
- DVA Technology Argentina S.A. (w.e.f. July 25, 2011)
- United Phosphorus Bolivia S.R.L (w.e.f. December 27, 2011)

Notes to financial statements for the year ended 31st March 2012

34

	Decco Chile SpA (Incorporated during the year)
	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S. (w.e.f. October 12, 2011)
	UPI Finance LLC (Incorporated during the year)
	United Phosphorus Corp. Philippines (Incorporated during the year)
	United Phosphorus Limited de Guatemala S.A (Incorporated during the year)
	United Phosphorus Global LLP (Incorporated during the year)
	United Phosphorus (India) LLP (Incorporated during the year)
	Pro Long Limited (w.e.f. August 24, 2011)
	Phoenix Enviormental Care LLC (w.e.f. August 12, 2011 and amalgamated with United Phosphorus Inc. on September 30, 2011)
ii)	**Name of other related parties with whom transactions have taken place during the year**
a)	**Associate Companies:**
	Advanta India Limited
	Advanta Seed International, Mauritius
	Advanta Semilas SAIC, Argentina
	Agrinet Solutions Limited
	Chemisynth (Vapi) Limited
	Kerala Enviro Infrastructure Limited
	Pacific Seeds Pty Limited, Australia
	Unicorn Seeds Private Limited
	Sipcam UPL Brasil S.A. (w.e.f. April 01, 2011)
b)	**Joint Venture Companies:**
	United Phosphorus (Bangladesh) Limited.
	Hodogaya UPL Co. Limited, Japan
	Nisso TM LLC
c)	**Enterprises over which key management personnel and their relatives have significant influence:**
	Bharuch Enviro Infrastructure Limited
	Bloom Packaging Private Limited
	Bloom Seal Containers Private Limited.
	Coimbatore Integrated Waste Management Co. Private Limited
	Daman Ganga Pulp and Papers Private Limited
	Demuric Holdings Private Limited
	Entrust Environment Limited
	Enviro Technology Limited
	Gabo Products Private Limited
	Gharpure Engineering and Construction Private Limited
	Uniphos Envirotronic Private Limited
	Jai Research Foundation
	Jai Trust
	Nerka Chemicals Private Limited
	Pot Plants
	Sanguine Holdings Private Limited
	Tatva Global Enviroment Limited
	Ultima Search
	Uniphos International Limited (formerly known as Uniphos Agro Industries Limited)
	Uniphos Enterprises Limited
	UPL Environmental Engineers Limited
	Vikram Farm
d)	**Key Management Personnel and their relatives :**
	Whole Time Directors and their relatives
	Mr. Rajnikant.D. Shroff
	Mrs. Sandra R. Shroff *
	Mr. Kalyan Banerjee
	Mr. Jaidev R. Shroff *
	Mr. Arun C. Ashar
	Mr. Vikram R. Shroff
	Mrs. Shilpa Sagar *
	Mrs. Asha Ashar *
	Mr. Navin Ashar *
	* Relatives of Key management personnel.

Notes 34 *(Contd.)*

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lacs)

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Nature of Transactions										
1. INCOME										
(A) SALES:										
(i) GOODS	126,931	105,685	312	8	121	138	475	350	127,839	106,181
Bio-win Corporation Limited	22,890	17,216	–	–	–	–	–	–	22,890	17,216
United Phosphorus Limited, Gibraltar	21,342	46,035	–	–	–	–	–	–	21,342	46,035
SWAL Corporation Limited	26,226	29,233	–	–	–	–	–	–	26,226	29,233
Uniphos Ltd. – Gibraltar	33,214	–	–	–	–	–	–	–	33,214	–
Others	23,259	13,201	312	8	121	138	475	350	24,167	13,697
(ii) FIXED ASSETS	1	36	–	–	–	–	–	–	1	36
Cerexagri BV, Netherlands	–	36	–	–	–	–	–	–	–	36
United Phosphorus Inc. USA	1	–	–	–	–	–	–	–	–	–
(B) DIVIDEND RECEIVED	1,970	–	–	84	–	–	–	–	1,970	84
Bio–win Corporation Limited	1,970	–	–	–	–	–	–	–	1,970	–
Advanta India Limited	–	–	–	84	–	–	–	–	–	84
(C) MANAGEMENT FEES / OTHER SERVICES	–	–	–	–	–	–	485	340	485	340
Tatva Global Environment Ltd.	–	–	–	–	–	–	485	340	485	340
(D) REBATES & DISCOUNT RECEIVED	–	–	0	95	–	–	–	–	0	95
Advanta India Limited	–	–	0	87	–	–	–	–	0	87
Others	–	–	0	8	–	–	–	–	0	8
(E) CASH DISCOUNT RECEIVED	–	–	–	412	–	–	–	–	–	412
Advanta India Limited	–	–	–	391	–	–	–	–	–	391
Others	–	–	–	21	–	–	–	–	–	21
(F) RENT RECEIVED	–	–	–	–	–	–	18	–	18	–
Uniphos Envirotronic Pvt. Ltd.	–	–	–	–	–	–	18	–	18	–
2. Expenses										
(A) PURCHASES										
(i) GOODS	9,685	11,222	17,959	10,184	–	–	2,978	2,079	30,622	23,485
Advanta India Limited	–	–	16,707	9,261	–	–	–	–	16,707	9,261
United Phosphorus Limited, Hong Kong	5,888	5,383	–	–	–	–	–	–	5,888	5,383
Others	3,797	5,839	1,252	923	–	–	2,978	2,079	8,027	8,841
(ii) FIXED ASSETS	–	34	–	–	–	–	431	46	431	80
UPL Environmental Engineers Limited	–	–	–	–	–	–	18	16	18	16
United Phosphorus Limited, U.K.	–	34	–	–	–	–	–	–	–	34
Entrust Environment Ltd.	–	–	–	–	–	–	–	30	–	30
Gharpure Engg.& Constructions Pvt.Ltd.	–	–	–	–	–	–	405	–	405	–
Others	–	–	–	–	–	–	8	–	8	–

Notes 34 *(Contd.)*

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lacs)

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
(iii) INTANGIBLE ASSETS	2,532	719	–	–	–	–	520	339	3,052	1,058
Bio–win Corporation Limited	2,185	–	–	–	–	–	–	–	2,185	–
United Phosphorus Limited, Japan	196	532	–	–	–	–	–	–	196	532
Jai Research Foundation	–	–	–	–	–	–	520	339	520	339
United Phosphorus Limited, Korea	151	187	–	–	–	–	–	–	151	187
(B) SERVICES	–	–	321	248	–	–	3,225	2,007	3,546	2,255
Chemisynth (Vapi) Limited	–	–	321	248	–	–	–	–	321	248
Bharuch Enviro Infrastructure Limited	–	–	–	–	–	–	3,076	1,825	3,076	1,825
Others	–	–	–	–	–	–	149	182	149	182
(C) RENT	–	–	–	–	–	–	40	34	40	34
Bloom Packaging Private Limited	–	–	–	–	–	–	6	6	6	6
Sanguine Holdings Private Limited	–	–	–	–	–	–	12	12	12	12
Demuric Holdings Pvt Ltd	–	–	–	–	–	–	5	5	5	5
Ultima Search	–	–	–	–	–	–	9	5	9	5
Others	–	–	–	–	–	–	8	6	8	6
(D) COMMISSION ON EXPORTS (Including amount pertaining to earlier years)	4,775	3,421	487	53	–	–	–	–	5,262	3,474
Bio–win Corporation Limited	3,401	3,421	–	–	–	–	–	–	3,401	3,421
Advanta India Limited	–	–	487	–	–	–	–	–	487	–
UPL Do Brasil Ltd	1,042	–	–	–	–	–	–	–	1,042	–
Others	332	–	–	53	–	–	–	–	332	53
(E) WRITE BACK OF PAYABLES	4	–	–	–	–	–	–	–	4	–
United Phosphorus Ltd. Hong Kong	3	–	–	–	–	–	–	–	3	–
United Phosphorus Ltd. Japan	1	–	–	–	–	–	–	–	1	–
3. TRANSFER OF SECURITY DEPOSITS FROM	–	–	3	23	–	–	–	–	3	23
Advanta India Limited	–	–	3	23	–	–	–	–	3	23
Others	–	–	0	0	–	–	–	–	0	0
4. TRANSFER OF CUSTOMER BALANCES FROM	–	–	3	–	–	–	–	–	3	–
Advanta India Limited	–	–	3	–	–	–	–	–	3	–
5. TRANSFER OF ADVANCES FROM	–	–	204	–	–	–	–	–	204	–
Advanta India Limited	–	–	190	–	–	–	–	–	190	–
Others	–	–	14	–	–	–	–	–	14	–
6. TRANSFER OF EMPLOYER LIABILITY	–	–	103	–	–	–	–	–	103	–
Advanta India Limited	–	–	75	–	–	–	–	–	75	–
Unicorn Seeds Private Limited	–	–	28	–	–	–	–	–	28	–
7. TRANSFER OF SECURITY DEPOSITS TO	–	–	–	–	–	–	2	–	2	–
Uniphos Envirotronic Pvt. Ltd.	–	–	–	–	–	–	2	–	2	–
(J) GUARANTEES GIVEN ON BEHALF OF COMPANIES DURING THE YEAR	124,027	–	–	–	–	–	–	–	124,027	–
Bio–win Corporation Limited	124,027	–	–	–	–	–	–	–	124,027	–

Notes 34 *(Contd.)*

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lacs)

RELATIONSHIP	SUBSIDIARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31–Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
8. FINANCE										
(A) LOAN / INTER CORPORATE DEPOSITS GIVEN	130,834	83,113	3,140	11,275	–	–	19,465	19,334	212,097	113,722
Bio-win Corporation Limited	129,527	83,063	–	–	–	–	–	–	188,185	83,063
Uniphos Enterprises Limited	–	–	–	–	–	–	14,334	14,066	14,334	14,066
Others	1,307	50	3,140	11,275	–	–	5,131	5,268	9,578	16,593
(B) INTEREST PAID	–	–	–	–	–	–	289	216	289	216
Demuric Holdings Pvt Ltd	–	–	–	–	–	–	258	203	258	203
Others	–	–	–	–	–	–	31	13	31	13
(C) INTEREST RECEIVED	4,667	3,995	2,426	3,684	–	–	314	222	7,408	7,901
Bio-win Corporation Limited	4,665	3,897	–	–	–	–	–	–	4,665	3,897
Advanta India Limited	–	–	2,426	3,684	–	–	–	–	2,426	3,684
Others	2	98	–	–	–	–	314	222	317	320
(D) PURCHASE OF SHARES/ NCD/ COMMERCIAL PAPERS/ CAPITAL CONTRIBUTION	154	27,065	3,014	–	–	–	15,626	–	18,794	27,065
Bio-win Corporation Limited	–	27,020	–	–	–	–	–	–	–	27,020
Advanta India Limited	–	–	3,014	–	–	–	–	–	3,014	–
UPL Investment Private Limited	–	–	–	–	–	–	–	–	–	–
Demurric Holding Pvt. Ltd.	–	–	–	–	–	–	15,626	–	15,626	–
Others	154	45	–	–	–	–	–	–	154	45
(E) SALE/REDEMPTION OF SHARES/ NCD/COMMERCIAL PAPERS	–	–	23,570	–	–	–	9,522	19,866	33,092	19,866
Bio-win Corporation Limited	–	–	–	–	–	–	–	–	–	–
Advanta India Limited	–	–	23,570	–	–	–	–	–	23,570	–
Demuric Holdings Pvt. Ltd.	–	–	–	–	–	–	9,522	19,866	9,522	19,866
(F) SHARE / BOND APPLICATION MONEY PAID	–	1,000	–	–	–	–	–	–	–	1,000
UPL Investment Private Limited	–	1,000	–	–	–	–	–	–	–	1,000
(G) LOANS / INTER COMPANY DEPOSITS TAKEN DURING THE YEAR	–	–	–	–	–	–	10,254	8,918	10,254	8,918
Demuric Holdings Pvt Ltd	–	–	–	–	–	–	8,920	7,145	8,920	7,145
UPL Environmental Engineers Ltd	–	–	–	–	–	–	–	1,773	–	1,773
Others	–	–	–	–	–	–	1,334	–	1,334	–
(H) RAPAYMENT OF LOAN GIVEN	225,946	–	3,140	–	–	–	17,884	–	246,970	–
Bio-win Corporation Limited	224,646	–	–	–	–	–	–	–	224,646	–
Others	1,300	–	3,140	–	–	–	17,884	–	22,324	–
(I) REPAYMENT OF LOAN TAKEN	–	–	–	–	–	–	10,726	–	10,726	–
Demuric Holdings Pvt Ltd	–	–	–	–	–	–	9,392	–	9,392	–
Others	–	–	–	–	–	–	1,334	–	1,334	–
9.										
(A) REIMBURSMENTS RECEIVED	163	225	1	7	–	–	19	38	183	270
Bio-win Corporation Limited	34	37	–	–	–	–	–	–	34	37
UPL Environmental Engineers Limited	–	–	–	–	–	–	–	–	–	–
SWALCorporation Limited	104	87	–	–	–	–	–	–	104	87
United Phosphorus Gibraltar	24	94	–	–	–	–	–	–	24	94
Others	1	7	1	7	–	–	19	38	21	52

Notes 34 *(Contd.)*

(b) The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lacs)

RELATIONSHIP	SUBSIDARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
(B) REIMBURSEMENTS MADE	**144**	**189**	**44**	**9**	**–**	**–**	**3**	**25**	**191**	**223**
SWALCorporation Limited	0	28	–	–	–	–	–	–	0	28
United Phosporus Limited, Japan	39	40	–	–	–	–	–	–	39	40
Decco US Post Harvest Inc (US)	–	–	–	–	–	–	–	–	–	–
Cerexagri B.V.	58	114	–	–	–	–	–	–	58	114
Safepack Products Ltd.	46	5	–	–	–	–	–	–	46	5
Advanta India Limited	–	–	33	6	–	–	–	–	33	6
Others	1	2	11	3	–	–	3	25	15	30
10. OUTSTANDING AT THE PERIOD END										
(A) PAYABLES	**8,498**	**10,796**	**6,468**	**11**	**0**	**–**	**1,054**	**459**	**16,020**	**11,266**
Bio–win Corporation Limited	1,734	2,962	–	–	–	–	–	–	1,734	2,962
United Phosphorus Limited, Hong Kong	3,062	3,878	–	–	–	–	–	–	3,062	3,878
Cerexagri BV, Netherlands	89	1,392	–	–	–	–	–	–	89	1,392
Cerexagri S.A.S., France	918	1,234	–	–	–	–	–	–	918	1,234
Advanta India Limited	–	–	5,849	–	–	–	–	–	5,849	–
Others	2,695	1,330	619	11	0	–	1,054	459	4,368	1,800
(B) RECEIVABLE	**98,186**	**70,987**	**523**	**641**	**23**	**29**	**57**	**101**	**98,789**	**71,758**
United Phosphorus Limited, Gibraltar	16,016	36,117	–	–	–	–	–	–	16,016	36,117
SWAL Corporation Limited	11,667	14,167	–	–	–	–	–	–	11,667	14,167
Bio–win Corporation Limited	22,237	13,979	–	–	–	–	–	–	22,237	13,979
Uniphos Ltd.– Gibraltar	33,027	–	–	–	–	–	–	–	33,027	–
Others	15,239	6,724	523	641	23	29	57	101	15,842	7,495
(C) LOANS AND ADVANCES GIVEN	**150,978**	**158,382**	**–**	**–**	**–**	**–**	**1,581**	**–**	**152,559**	**158,382**
Bio–win Corporation Limited	150,971	158,382	–	–	–	–	–	–	150,971	158,382
Others	7	–	–	–	–	–	1,581	–	1,588	–
(D) INTEREST RECEIVABLE	**1,684**	**932**	**501**	**40**	**–**	**–**	**53**	**23**	**2,238**	**995**
Bio–win Corporation Limited	1,682	880	–	–	–	–	–	–	1,682	880
Advanta India Ltd.	–	–	501	40	–	–	–	–	501	40
Others	2	52	–	–	–	–	53	23	55	75
(E) INTEREST PAYABLE	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**203**	**–**	**203**
Demuric Holdings Pvt Ltd	–	–	–	–	–	–	–	203	–	203
(F) LOANS PAYABLE	**–**	**–**	**–**	**–**	**–**	**–**	**179**	**651**	**179**	**651**
Demuric Holdings Pvt Ltd	–	–	–	–	–	–	179	651	179	651
(G) MANAGEMENT FEES RECEIVABLE	**–**	**–**	**–**	**–**	**–**	**–**	**935**	**375**	**935**	**375**
Tatva Global Environment Limited	–	–	–	–	–	–	935	375	935	375
(H) SHARE / BOND APPLICATION MONEY	**1,500**	**1,500**	**–**	**–**	**–**	**–**	**–**	**–**	**1,500**	**1,500**
UPL Investment Private Limited	1,500	1,500	–	–	–	–	–	–	1,500	1,500
(I) GUARANTEES GIVEN ON BEHALF OF COMPANIES.	**202,235**	**81,783**	**–**	**–**	**–**	**–**	**–**	**–**	**202,235**	**81,783**
United Phosporus Limited, U.K.	17,936	15,760	–	–	–	–	–	–	17,936	15,760
Bio–win Corporation Limited	132,676	7,581	–	–	–	–	–	–	132,676	7,581
Cerexagri S.A.S., France	13,582	12,676	–	–	–	–	–	–	13,582	12,676
Cerexagri BV, Netherland	14,261	13,309	–	–	–	–	–	–	14,261	13,309
Others	23,780	32,457	–	–	–	–	–	–	23,780	32,457

c) Transactions with Directors and their Relatives

(Rs. in Lacs)

Nature of Transactions	As at 31 March 2012	As at 31 March 2011
Remuneration	1,212	1,187
Rent Paid	150	141
Professional Fees	19	6
Gurantee received	15,075	–
Outstandings as at the Balance Sheet Date:		
Remuneration Payable	329	311
Sundry Deposits given	53	58
Professional Fees Payable/(Receivable)	1	(5)

34.1. Details of loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested

(Rs. in Lacs)

Nature of Relationship	April 2011-March 2012		April 2010-March 2011	
	Amount outstanding at the year end (**)	Maximum amount of loan outstanding during the year	Amount outstanding at the year end (**)	Maximum amount of loan outstanding during the year
Subsidiaries and Associates				
Bio-win Corporation Limited	150,971	218,262	158,382	178,958
SWAL Corporation Limited	–	–	–	1,650
Shroffs United Chemicals Limited	–	–	–	102
Advanta India Limited	–	2,200	–	10,713

(**) There is no repayment schedule in respect of these loans.

35 CONTINGENT LIABILITIES

(Rs. in Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Disputed Income-Tax Liability (excluding interest)	151	69
(b) Disputed Excise Duty / Service Tax liability (excluding interest)	10,373	7,123
(c) Disputed Sales Tax liability	2,417	1,157
(d) Disputed Custom Duty liability	2,331	2,331
(e) Disputed Fiscal Penalty for cancellation of licences	3,348	3,348
(f) Disputed penalty levied by Competition Commission of India for Cartelization of prices	25,244	–
(g) Disputed penalty on Water Tax	161	161
(h) Bills discounted under Letter of Credit and remaining unpaid at the date of the balance sheet	816	361
(i) Guarantees given by Company's bankers on behalf of the Company to third parties	4,129	11,253
(j) Corporate guarantees given on behalf of subsidiary companies:		
(i) United Phosphorus Limited, U.K.	17,936	15,760
(ii) United Phosphorus Limited, Hong Kong	4,324	3,791
(iii) United Phosphorus Inc. USA	6,219	5,452
(iv) United Phosphorus Inc. USA/Cerexagri Inc (PA)	1,272	1,115
(v) Evofarms SA - Columbia	1,272	1,115
(vi) United Phosphorus Limited, Columbia	763	669
(vii) United Phosphorus Limited, Australia	1,781	1,561
(viii) Bio-Win Corporation Limited, Mauritius	132,676	7,581
(ix) Cerexagri Italia, SRL, Italy	8,149	7,605
(x) Ceraxagri SAS., France	13,582	12,676
(xi) Ceraxagri B.V., Netherlands	14,261	13,309
(xii) Icona S.A. Argentina	–	4,460
(xiii) Uniphos Columbia Plant Limited, Columbia	–	6,689
(k) Claims against the Company not acknowledged as debts	532	424

Notes to financial statements for the year ended 31st March 2012

36 COMMITMENTS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
(a) Put option on purchase of debentures of a company excercisable before 16th March, 2013.	15,075	–
(b) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	9,498	5,820

(c) Arrangement with Advanta India Limited

The Company has entered into a Licence Agreement effective from 2nd April 2012 with Advanta India Limited (AIL) to obtain technical know-how for commercial exploitation, development, use and sale of the Licenced Products and use of brands. In consideration thereof, the Company will pay a royalty at the rate of 7 % of net sales revenue of the Licenced Products subject to a minimum royalty of Rs 700 lacs p.a. Further, AIL shall carry out research and development activity, as agreed, in connection with the Licenced Products and the Company will pay an amount as may be agreed between both the parties at the commencement of each year.

37 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006".

38 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Foreign exchange derivatives and exposures outstanding as at the Balance Sheet date:

		31 March 2012	31 March 2011	
	Currency	Amount outstanding (in '000)	Amount outstanding (in '000)	Purpose– Hedging/ Speculation
1) Forward contract - Sell	USD	46,000	41,000	Hedging
2) Derivative contracts				
(i) (a) Option Receivable	JPY	–	15,194,400	Hedging
(b) Option Payable	USD	–	183,540	Hedging
(ii) Full Currency Interest Rate Swap contracts - payable	USD	189,994	189,994	Hedging
3) Un-hedged Foreign Currency				
(i) Payable	USD	294,021	342,360	
	EUR	1,220	15,257	
	GBP	190	211	
	JPY	1,747	15,302,318	
	AED	–	11	
	NZD	–	1	
	CHF	2	–	
(ii) Receivable	USD	392,355	409,646	
	EUR	52,099	60,438	
	GBP	–	152	
	AUD	3,323	4,635	
	AED	21	382	

39 CONSUMPTION OF RAW MATERIALS, COMPONENTS AND SPARE PARTS.

	31 March 2012		31 March 2011	
	Rs. Lacs	Percentage	Rs. Lacs	Percentage
A. Raw Materials:				
Imported	79,762	56	70,118	58
Indigenous	63,739	44	51,194	42
Total	**143,501**	**100**	**121,312**	**100**
B. Components and Spare Parts:				
Imported	88	3	103	4
Indigenous	2,657	97	2,789	96
Total	**2,745**	**100**	**2,892**	**100**

40 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Raw materials	71,241	64,963
Components and spare parts	88	103
Capital goods	1,289	563
	72,618	**65,629**

41 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Commision on export sales	4,716	6,962
Foreign travelling expenses	601	498
Interest and bank charges	1,512	2,198
Legal and professional charges	286	681
Product registration and data access fees	269	234
Freight and forwarding charges	5,446	5,392
Others	596	440
	13,426	**16,405**

42 EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

Exports of goods calculated on F.O.B. basis [including exports through Export Houses: Rs. 21 lacs (Previous Year: Rs.28 lacs)]	167,479	144,575
Interest	4,665	3,043
Dividend	1,970	–
Others	**71**	**19**

43 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

	As at 31 March 2012	As at 31 March 2011
Year of remittance (ending on)		
Period to which it relates	2010-11	2009-10
Number of non-resident shareholders	125	127
Number of equity shares held on which dividend was due	223,195	224,105
Face value per share (Rs.)	2	2
Amount remitted (in Rs. Lacs)	4	4

Notes to financial statements for the year ended 31st March 2012

44 OPERATING LEASES

Lease rent debited to profit and loss account is Rs. 2,457 lacs (Previous Year: Rs. 1,487 lacs)

There is no contingent rent recognised in the statement of profit and loss.

General description of the leasing arrangement:

The Company has entered into operating lease arrangements for its vehicles, machinery, office premises, storage locations and residential premises.

45 RESEARCH & DEVELOPMENT

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Research and Development costs, as certified by the Management, debited to statement of Profit and Loss.		
a) Revenue expenses debited to appropriate heads of account.	1291	1052
b) Depreciation on Research and Development Assets	100	100

46 PREVIOUS YEAR FIGURES

Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for the preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has re-classified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of the balance sheet.

Further, in view of amalgamation of United Phosphorus Limited, Mauritius with the Company (refer note 2.2), the current year figures are not comparable with those of the previous year.

As per our report of even date.

For **S.V.GHATALIA & ASSOCIATES**
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 30th April, 2012

For and on behalf of Board of Directors of
United Phosphorus Limited

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

M.B.Trivedi
Company Secretary

Place: Mumbai
Date: 30th April, 2012

Section 212

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Sr. No.	Name of the subsidiary Compahny	Financial year	No. of Shares Held by United Phosphorus Ltd. in the Subsidiary Company at 31.03.2012	% holding in Subsidiary Company	Net aggregate of Profits/ (Losses) of the subsidiary company so far as it concerns the members of the Company:		Net aggregate of Profits/ (Losses) of the subsidiary company so far as it concerns the members of the Company:	
					Not dealt within the accounts of United Phosphorus Ltd. for the subsidiary Company's financial year ended as on 31.03.2012	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company	Dealt within the accounts of United Phosphorus Ltd. for the subsidiary Company's financial year ended as on 31.03.2012	Dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company
1	Shroffs United Chemicals Limited	31/03/2012	50,007	100	Rs. 2,026,330	Rs. (18,463)	–	–
2	SWAL Corporation Limited,India	31/03/2012	1,000,007	100	Rs. 108,801,569	Rs. 70,524,374	–	–
3	United Phosphorus (India) LLP	31/03/2012	(– –)	95	Rs. (92,513)	–	–	–
4	United Phosphorus Global LLP	31/03/2012	(– –)	95	Rs. (35,354)	–	–	–
5	United Phosphorus Limited, U.K.	31/03/2012	@	–	Pounds 775,704	Pounds 7,845,996	–	–
6	United Phosphorus GmbH – Germany	31/03/2012	++	–	EUR 220,375	EUR 63,475	–	–
7	United Phosphorus Polska Sp.z o.o – Poland	31/03/2012	++	–	PLN 927	PLN 36,244	–	–
8	Cerexagri B.V. Netherlands	31/03/2012	@@@	–	EUR 1,337,105	EUR (376,020)	–	–
9	United Phosphorus Holding, Brazil Plus B.V.	31/03/2012	@@@	–	EUR (9,299)	–	–	–
10	United Phosphorus Holdings Cooperatief U.A.	31/03/2012	##	–	EUR (70,456)	EUR (14,977)	–	–
11	United Phosphorus Holdings B.V., Netherlands	31/03/2012	(@+)	–	EUR (1,828,648)	EUR 1,309,725	–	–
12	Decco Worldwide Post–Harvest Holdings Cooperatief U.A.	31/03/2012	##+	–	EUR (10,981)	EUR (10,722)	–	–
13	Decco Worldwide Post–Harvest Holdings B.V.	31/03/2012	($**)	–	EUR (343,086)	EUR 903,718	–	–
14	United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.)	31/03/2012	@@@	–	EUR (4,474,418)	EUR (1,785)	–	–
15	Desarrollo Quimico Industrial, S.A., Spain	31/03/2012	^^,++***	–	–	–	–	–
16	Cerexagri Italia S.R.L.	31/03/2012	^^^	–	EUR 119,289	EUR 79,751	–	–
17	United Phosphorus Italy S.R.L.	31/03/2012	@@@	–	EUR 93,004	EUR 38,793	–	–
18	Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain	31/03/2012	+++,++***	–	EUR 1,149,123	EUR 1,132,462	–	–
19	Agrindustrial, S.A., Spain	31/03/2012	###,++***	–	–	–	–	–
20	Phosfonia, S.L.,Spain	31/03/2012	###,++***	–	–	–	–	–
21	Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica)	31/03/2012	+#+	–	EUR 1,044,337	EUR 551,835	–	–
22	Transterra Invest, S. L. U., Spain	31/03/2012	++	–	EUR (725,726)	EUR (736,316)	–	–
23	Cerexagri S.A.S.	31/03/2012	++	–	EUR 809,897	EUR 1,151,388	–	–
24	United Phosphorus Switzerland Ltd.	31/03/2012	(@+)	–	CHF 63,603	CHF (29,149)	–	–
25	Agrodan, ApS	31/03/2012	++	–	DKK 427,099	DKK 363,996	–	–
26	United Phosphorus Limited, Belgium S P R L	31/03/2012	++	–	EUR (9,800)	EUR (13,744)	–	–
27	Decco Italia SRL,Italy	31/03/2012	+#+	–	EUR 598,143	EUR 673,109	–	–
28	Samma International S.R.L.,Italy (see note 1)	31/03/2012	(%)	–	EUR (156,250)	EUR 18,241	–	–
29	JSC United Phosphorus Limited, Russia	31/03/2012	++	–	Rbls 719,593	Rbls 9,265,350	–	–
30	United Phosphorus Inc., U.S.A. & Subsidiaries	31/03/2012	++,'++**	–	US $ 9,530,000	US $ 8,429,000	–	–
31	UPI Finance LLC	31/03/2012	**,++**	–	–	–	–	–
32	Cerexagri, Inc. (PA)	31/03/2012	*^,++**	–	–	–	–	–
33	Cerexagri Delaware, Inc.,USA	31/03/2012	**,++**	–	–	–	–	–
34	Canegrass LLC, USA	31/03/2012	($),++**	–	–	–	–	–
35	Decco US Post–Harvest Inc (US)	31/03/2012	+#+	–	US$ 2,014,142	US$ 1,228,520	–	–

Section 212 *(Contd.)*

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies *(Contd.)*

Sr. No.	Name of the subsidiary Compahny	Financial year	No. of Shares Held by United Phosphorus Ltd. in the Subsidiary Company at 31.03.2012	% holding in Subsidiary Company	Net aggregate of Profits/ (Losses) of the subsidiary company so far as it concerns the members of the Company:		Net aggregate of Profits/ (Losses) of the subsidiary company so far as it concerns the members of the Company:	
					Not dealt within the accounts of United Phosphorus Ltd. for the subsidiary Company's financial year ended as on 31.03.2012	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company	Dealt within the accounts of United Phosphorus Ltd. for the subsidiary Company's financial year ended as on 31.03.2012	Dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company
69	United Phosphorus (Taiwan) Limited	31/03/2012	@	–	TWD (463,616)	TWD 431,870	–	–
58	DVA Technology Argentina S.A.	31/03/2012	(@****),++****	–	–	–	–	-
59	Icona S.A. - Argentina	31/03/2012	(^^^)	–	ARS (20,941,506)	ARS (11,112,451)	–	-
60	Decco Chile SpA	31/03/2012	+#+	–	CLP. (1,438,749)	–	–	–
61	Evofarms Colombia SA	31/03/2012	(!!!)	–	COP. 538,320,584	COP (642,683,444)	–	–
62	Evofarms S.A. – Colombia	31/03/2012	(<>)	–	COP. 88,249,174	COP 50,415,547	–	–
63	United Phosphorus Cayman Limited	31/03/2012	@	–	US $ (2,831,120)	US $ (159,824)	–	–
64	UP Aviation Limited,Cayman Island	31/03/2012	^^^^	–	US $ (184,848)	–	–	–
65	United Phosphorus Limited, Australia	31/03/2012	@	–	AUS $ 724,510	AUS $ 857,146	–	–
66	United Phosphorus Limited, New Zealand	31/03/2012	@	–	NZD 48,841	NZD 17,507	–	–
67	United Phosphorus (Shanghai) Company Limited	31/03/2012	+,++*****	–	–	–	–	–
68	United Phosphorus (Korea) Limited	31/03/2012	#	–	Won (220,248,684)	Won (27,522,286)	–	–
36	Riceco LLC	31/03/2012	**,++**	–	–	–	–	–
37	United Phosphorus Sole Partner Limited, Greece (see note 1)	31/03/2012	@	–	US $ (5208)	US $ 4,083	–	–
38	Riceco International, Inc.Bhamas	31/03/2012	^^^^	–	US $ 9,986,276	–	–	–
39	Bio–win Corporation Limited, Mauritius	31/03/2012	836,000	100	US $ 33,465,710	US $ 198,897,465	US $ 4,000,000	–
40	Uniphos Limited, Mauritius	31/03/2012	@	–	US $ 8,629,207	US $ 11,192,004	–	–
41	United Phosphorus Limited Mauritius. (see note 2)	31/03/2012	@	–	US $ (802,478)	US $ 14,317,676	–	–
42	United Phosphorus Limited, Gibraltar	31/03/2012	^^^^	–	US$ 27,291,048	US$ 34,304,131	–	–
43	Uniphos Limited,Gibraltor	31/03/2012	(@@)		US $ 29,381,943	–	–	–
44	United Phosphorus de Mexico, S.A. de C.V.	31/03/2012	(@)	–	Mex. Pesos 4,684,887	Mex. Pesos 4,995,150	–	–
45	Decco Jifkins Mexico Sapi	31/03/2012	(^^^^)	–	Mex. Pesos (854,307)	–	–	–
46	Global Chem Trade Corp., Panama	31/03/2012	+++	–	US $ 15,315	US $ 16,802	–	–
47	United Phosphorus do Brasil Ltda	31/03/2012	(–)	–	BRL (64,272)	BRL 33,315	–	–
48	Uniphos Industria e Comercio de Produtos Quimicos Ltda.	31/03/2012	(@*)	–	BRL (36,471,908)	–	–	–
49	United Phosphorus Indústria E Comércio de Produtos Químicos Ltda.	31/03/2012	(@**)	–	BRL (898,428)	–	–	–
50	DVA Agro Do Brasil – Comércio, Importação E Exportação De Insumos Agropecuários S.A.	31/03/2012	(@***),++****	–	BRL (2,366,280)	–	–	–
51	United Phosphorus Limited, Colombia	31/03/2012	(^^)	–	COP 971,502,451	COP (562,328,916)	–	–
52	Eddyville Consultants Group, Inc. Panama	31/03/2012	+++	–	US $ (5,000)	US $ (3,000)	–	–
53	Cerexagri Costa Rica, S.A.	31/03/2012	(*)	–	CRC (341,526,326)	CRC 140,615,352	–	–
54	United Phosphorus Limited de Guatemala	31/03/2012	)-(	–	–	–	–	–
55	Jiangsu Kaznam Chemical Group.,Panama	31/03/2012	+++	–	US $ (3,500)	US $ (4,266)	–	–
56	UP Bolivia S.A	31/03/2012	)—(	–	BOB. (272,311)	–	–	–
57	Icona Sanluis S A – Argentina	31/03/2012	(***)	–	ARS 34,287	ARS 457,457	–	–

Section 212 *(Contd.)*

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies *(Contd.)*

Sr. No.	Name of the subsidiary Compahny	Financial year	No. of Shares Held by United Phosphorus Ltd. in the Subsidiary Company at 31.03.2012	% holding in Subsidiary Company	Net aggregate of Profits/ (Losses) of the subsidiary company so far as it concerns the members of the Company:		Net aggregate of Profits/ (Losses) of the subsidiary company so far as it concerns the members of the Company:	
					Not dealt within the accounts of United Phosphorus Ltd. for the subsidiary Company's financial year ended as on 31.03.2012	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company	Dealt within the accounts of United Phosphorus Ltd. for the subsidiary Company's financial year ended as on 31.03.2012	Dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company
70	PT. United Phosphorus Indonesia	31/03/2012	@@	–	IDR 605,810,623	IDR 1,705,569,334	–	–
71	PT Catur Agrodaya Mandiri, Indonesia	31/03/2012	^	–	IDR (255,088,782)	IDR (223,694,058)	–	–
72	United Phosphorus Limited, Hongkong	31/03/2012	@,++*****	–	US $ 1,464,446	US $ 2,543,077	–	–
73	United Phosphorus Corp. Philippines	31/03/2012	@@@	–	PHP. (55,838)	–	–	–
74	United Phosphorus Vietnam Co., Limited	31/03/2012	@	–	VND 15,803,953,000	VND 4,181,595,000	–	–
75	United Phosphorus Limited, Japan (formerly known as Nippon UPL K K)	31/03/2012	@	–	Yen 11,596,197	Yen 3,621,006	–	–
76	Anning Decco Fine Chemical Co. Limited, China	31/03/2012	(^)	–	RMB (1,644,756)	RMB 7,319,686	–	–
77	UPL Agromed Tohumculuk Sa,Turkey	31/03/2012	(@++)	–	TRY 1,430,805	–	–	–
78	Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey	31/03/2012	*#	–	TRY 1,683,554	TRY 1,413,830	–	–
79	Safepack Products Limited	31/03/2012	+#+	–	ILS 3,497,484	ILS 3,218,415	–	–
80	Friedshelf 1114 (Pty) Ltd	31/03/2012	+#+	–	ZAR (1,276,170)	ZAR (1,525,806)	–	–
81	Citrashine (Pty) Ltd, South Africa	31/03/2012	($*)	–	ZAR 6,024,621	ZAR 1,128,153	–	–
82	Samrod Chemicals (Pty) Ltd	31/03/2012	($*)	–	ZAR (3,160,450)	ZAR 585,904	–	–
83	Prolong Limited	31/03/2012	(@*****),++******	–	–	–	–	–
84	United Phosphorus Limited, Zambia (see note 1)	31/03/2012	@	–	ZMK (33,875,696)	ZMK (185,794,165)	–	–
85	Phoenix Environmental Care (see note 3)	31/03/2012	**,++**	–	US $ (168,342.30)	–	–	–
86	Cropserve Zambia Limited (see note 1)	31/03/2012	#^	–	–	ZMK (3,150,719,120.)	–	–
87	Prime Agri Centre Zambia Limited (see note 1)	31/03/2012	#^*	–	–	ZMK (999,284,047)	–	–
88	Agri pack Zambia Limited (see note 1)	31/03/2012	#^*	–	–	ZMK 2,240,000.00	–	–

(- -) 95 % shares of the Company are held by United Phosphorus Limited, India and 5% shares of the Company are held by SWAL Corporation Limited,India

@ All the shares of the Company are held by Bio-win Corporation Limited.

@ 51% shares of the Company are held by United Phosphorus Limited, Hongkong and 49% shares of the Company are held by Bio-win Corporation Limited.

(@) 99.05% shares of the Company are held by Bio-win Corporation & 0.95% shares of the Company are held by United Phosphorus Limited, UK.

++ All the shares of the Company are held by United Phosphorus Limited, U.K.

++** United Phosphorus Inc., U.S.A. results include the results of Cerexagri Delaware, Inc.; Cerexagri, Inc.Riceco LLC and Canegrass LLC.

** All the shares of the company are held by United Phosphorus Inc.

+ All the shares of the Company are held by United Phosphorus Limited, Hongkong.

99% shares of the Company are held by Bio-win Corporation Limited and 1% shares of the Company are held by United Phosphorus Limited, Hong Kong.

99% shares of the Company are held by Bio-win Corporation Limited and 1% shares of the Company are held by Uniphos Limited, Mauritius

##+ 99.99% shares of the Company are held by Bio-win Corporation Limited and 0.1% shares of the Company are held by Uniphos Limited, Mauritius .

+++ All the shares of the Company are held by Transterra Invest, S. L. U.

+#+ All the shares of the Company are held by Decco Worldwide Post-Harvest Holdings B.V.

All the shares of the Company are held by Compania Espanola Industrial Quimica de Productos Agricolas y Domesticos, S.A.

@@@ All the shares of the Company are held by United Phosphorus Holdings B.V.

^ 93.38 % shares of the Company are held by Bio-win Corporation Limited & 6.62 % by United Phosphorus Limited, Australia

^^ 99.99% shares of the Company are held by Compania Espanola Industrial Quimica de Productos Agricolas y Domesticos, S.A. and 00.01% shares of the Company are held by Cerexagri Iberica S.A.U.

Section 212 *(Contd.)*

^^^	All the shares of the Company are held by United Phosphorus Italy S.R.L.
^^^^	All the shares of the Company are held by Uniphos Limited, Mauritius
*^	All the shares of the Company are held by Cerexagri Delaware, Inc.
*#	99% shares of the Company are held by Cerexagri B.V. and 1% shares of the Company are held by Cerexagri S.A
(^)	55% shares of the Company are held by Decco Worldwide Post-Harvest Holdings B.V.
(*)	All the shares of the Company are held by Cerexagri B.V.
(^^)	50% shares of the Company are held by United Phosphorus Limited, UK and 50% shares of the Company are held by Bio-win Corporation Limited.
(^^^)	68% shares of the Company are held by United Phosphorus Limited, UK and 32% shares of the Company are held by Transterra Invest.
(^^^^)	51% shares of the Company are held by Decco Worldwide Post-Harvest Holdings B.V.
(***)	All the shares of the Company are held by Icona SA .
(!!!)	95% shares of the Company are held by Eddyville Consultants Group and 5% shares of the Company are held by Jiangsu Kaznam Chemical Group
(<>)	66% shares of the Company are held by Eddyville Consultants Group and 34% shares of the Company are held by Jiangsu Kaznam Chemical Group
(%)	51% shares of the company are held by Decco Italia,SRL
($)	70% shares of the company are held by United Phosphorus Inc.
($*)	All the shares of the Company are held by Friedshelf 1114 (Pty) Ltd
(@@)	All the shares of the Company are held by United Phosphorus Switzerland Limited
($**)	All the shares of the Company are held by Decco Worldwide Post-Harvest Holdings Cooperatief U.A.
(-)	99% shares of the Company are held by Bio-win Corporation Limited and 1% shares of the Company are held by United Phosphorus Inc., U.S.A.
(@*)	All the shares of the Company are held by United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.).
(@**)	All the shares of the Company are held by Uniphos Empreendimentos E Participações Ltda,Brazil.
(@***)	51% shares of the company are held by United Phosphorus Empreendimentos E Participações Ltda,Brazil.
(@****)	All the shares of the Company are held by DVA Agro Do Brasil - Comércio, Importação E Exportação De Insumos Agropecuários S.A.
(#)	All the shares of the Company are held by United Phosphorus Cayman Limited.
(@+)	All the shares of the Company are held by United Phosphorus Holdings Cooperatief U.A.
(@++)	51% shares of the company are held by United Phosphorus Holdings Cooperatief U.A.
)-(	99.98% shares of the company are held by Cerexagri Costa Rica, S.A.
)--(	95% shares of the Company are held by Transterra Invest, S. L. U. and 5% shares of the Company are held by Icona S.A. - Argentina
(@*****)	50% shares of the company are held by Safepack Products Limited.
#^	All the shares of the Company are held by United Phosphorus Limited, Gibraltar.
#^*	All the shares of the Company are held by Cropserve Zambia Limited.
++***	Compania Espanola Industrial Quimica de Productos Agricolas y Domesticos, S.A. results include the results of Desarrollo Quimico Industrial,S.A. Spain .; Agrindustrial, S.A.; and Phosfonia, S.L.
++****	DVA Agro Do Brazil results include the result DVA Technology Argentina
++*****	United Phosphorus (Shanghai) Company Limited results include the results of United Phosphorus Limited, Hongkong
++******	Safepack Products Ltd . results includes result of Prolong Ltd
Note:	
1.	Subsidiaries Disposed during the year.
2.	During the year, United Phosphorus Ltd Mauritius was merged with Holding Company.
3.	During the year, Phoenix Environmental Care LLC was acquired and subsequently merged with United Phosphorus Inc.

R. D. Shroff
Chairman & Managing Director

A. C. Ashar
Whole Time Director

M.B. Trivedi
Company Secretary

Place: Mumbai
Date: 30th April, 2012

Consolidated Auditors' Report

The Board of Directors
United Phosphorus Limited

1. We have audited the attached consolidated balance sheet of United Phosphorus Limited ('the Company') and its subsidiaries, associates and the joint venture companies (together referred to as 'the Group'), as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding compo¬nents. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and dis¬closures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements, prepared under the generally accepted accounting principles ('GAAPs') accepted in the respective countries, reflect in relation to the amounts considered in the consolidated financial statements, total assets of Rs. 549,699 lacs as at March 31, 2012 and the total revenue from operations of Rs. 409,982 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors, who have submitted their audit opinions, prepared under generally accepted auditing standards of their respective countries, to the shareholders / Board of Directors of the respective companies, copies of which have been provided to us by the Company. The management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, insofar it relates to amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management; examined by us on a test basis.
4. *The unaudited financial statements of Sipcam UPL Brasil S.A., an associate company, have been considered for the purpose of consolidation in accordance with Accounting Standard (AS) – 23 – Accounting for Investments in Associates. We have relied on such financial statements of the associate wherein the Group's share of loss for the year is Rs.2,732 lacs and its carrying value of investment as at March 31, 2012 is Rs.16,820 lacs in the consolidated financial statements.*
5. *a) Universal Pestochem Industries Limited, wherein the Company holds 60% of ownership has not been considered for the purpose of preparation of consolidated financial statements [Refer Note No. 2(b(i))to the consolidated financial statements].*

   b) Proportionate consolidation in respect of investments in Joint Venture companies, have not been considered in the consolidated financial statements [Refer Note No. 2(b(ii)) to the consolidated financial statements].

   c) The effect of investment in associate companies, Agrinet Solutions Limited, Kerala Enviro Infrastructure Limited, Chemisynth (Vapi) Limited, UPL Investment Private Limited and Polycot Technologies 2010 Limited, on the financial position and operating results of the Group has not been considered in the consolidated financial statements [Refer Note Nos. 2(b)(iii) & (iv) to the consolidated financial statements].

   In respect of matters mentioned above, our audit report on the consolidated financial statements for the year ended March 31, 2011 was also modified.
6. *The Company has not presented the information required to be disclosed by AS 17 – 'Segment Reporting' notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). This does not have an impact on the profit for the year and the assets, liabilities and reserves as at the year end. Our audit report on the consolidated financial statements for the year ended March 31, 2011 was also modified in respect of the said matter.*
7. *Subject to the matters stated in paragraphs 4 and 5 above, the effect of which on the consolidated financial statements is not ascertainable, and the matter stated in paragraph 6 above which does not have an impact on the profit for the year and the assets, liabilities and reserves as at the year end,* based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in con¬formity with the accounting principles generally accepted in India:

   a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012;

   b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and

   c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **S.V. GHATALIA & ASSOCIATES**
Firm registration number: 103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: April 30, 2012

Consolidated Balance Sheet

(Rs. in Lacs)

	Note No.	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	9,236	9,236
Reserves and surplus	4	408,075	363,369
		417,311	**372,605**
Minority Interest		24,990	1,798
Non-current liabilities			
Long-term borrowings	5	237,721	100,229
Deferred tax liabilities	13	9,395	7,313
Other long-term liabilities	6	30,086	4,240
Long-term provisions	7	5,084	3,108
		282,286	**114,890**
Current liabilities			
Short-term borrowings	8	86,744	49,501
Trade payables		150,350	110,916
Other current liabilities	9	57,867	165,717
Short-term provisions	7	15,745	12,408
		310,706	**338,542**
Total		**1,035,293**	**827,835**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	126,131	97,999
Intangible assets	11	196,163	134,086
Capital work-in-progress		13,383	5,676
Intangible assets under development		17,182	–
Non-current investments	12	66,952	46,784
Deferred tax assets	13	9,968	8,094
Long-term loans and advances	14	25,869	21,994
Trade receivables	15.1	6,129	–
		461,777	**314,633**
Current assets			
Current investments	16	12,500	35,534
Inventories	17	187,786	140,554
Trade receivables	15.1	244,534	147,948
Cash and bank balances	18	70,018	156,586
Short-term loans and advances	14	51,369	24,117
Other current assets	15.2	7,309	8,463
		573,516	**513,202**
Total		**1,035,293**	**827,835**
Summary of significant accounting policies	2.1		

As per our report of even date.

For **S.V.GHATALIA & ASSOCIATES**
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 30th April, 2012

For and on behalf of Board of Directors of
United Phosphorus Limited

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 30th April, 2012

Consolidated Statement of Profit and Loss

(Rs. in Lacs)

	Note No.	Year ended 31 March 2012	Year ended 31 March 2011
INCOME			
Revenue from operations (net)	19	765,472	576,068
Other income	20	10,893	13,749
Total revenue		**776,365**	**589,817**
Expenses			
Cost of material and components consumed		405,800	290,168
Employee benefits expense		68,555	51,464
Other expenses	21	154,376	127,449
Total		**628,731**	**469,081**
Earnings before interest, tax, depreciation and amortization, exceptional items, prior period adjustments and taxation		**147,634**	**120,736**
Depreciation and amortization expense	22	29,238	21,380
Finance costs	23	41,464	31,200
Profit before exceptional item, prior period adjustments and taxation		76,932	68,156
Prior period adjustments	24	2,217	312
Exceptional items	25	1,845	1,400
Profit before taxation		**72,870**	**66,444**
Tax expenses			
Current tax		11,679	9,597
Minimum alternative tax credit entitlement		(192)	–
Tax effect of earlier year		377	(793)
Deferred tax		937	(1,496)
Total tax expense		**12,801**	**7,308**
Profit after tax but before minority interest for the year		**60,069**	**59,136**
Minority interest		535	1,036
Profit after tax & minority interest for the year		**59,534**	**58,100**
Loss from associates		(3,512)	(1,417)
Prior period adjustments-associate		(467)	(921)
Net profit for the year		**55,555**	**55,762**
Earnings per equity share	29		
Basic & diluted earning per share after exceptional items (Rs.)		12.03	12.45
Basic & diluted earning per share before exceptional Items (Rs.)		12.43	12.77
Face value per share (Rs.)		2.00	2.00
Summary of significant accounting policies	2.1		

As per our report of even date.

For **S.V.GHATALIA & ASSOCIATES**
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 30th April, 2012

For and on behalf of Board of Directors of
United Phosphorus Limited

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 30th April, 2012

Consolidated Cash Flow Statement

(Rs. in Lacs)

Particulars	For the Year ended 31 March 2012		For the Year ended 31 March 2011	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Taxation, Prior Period And Exceptional Items		76,932		68,156
Adjustments for:				
Depreciation and amortization expense	29,238		21,380	
Finance costs	41,464		31,200	
Bad Debts written off	1,015		400	
Provision for Doubtful Debts and Advances	1,407		485	
Assets written off	1,041		851	
Provision for Diminution in value of Investment	174		208	
(Profit) / Loss on sale of assets (Net)	82		(177)	
Interest income	(5,092)		(7,401)	
Net gain on sale of current investments	(656)		(1,827)	
Excess Provisions in respect of earlier years written back (net)	(1,660)		(2,322)	
Profit on sale/ liquidation of subsidiaries	(556)		–	
Manufacturing Expenses Capitalised	(103)		(66)	
		66,354		42,731
Operating Profit before Working Capital Changes		143,286		110,887
Adjustments for :				
Decrease / (increase) in inventories	(29,378)		(33,660)	
Decrease / (increase) in trade receivables	(76,002)		(26,234)	
Decrease / (increase) in other current assets	3,897		(2,811)	
Decrease / (increase) in long term & short term loans & advances	(9,951)		1,771	
(Decrease) / increase in trade payables	13,983		31,939	
(Decrease) / increase in long term & short term provisions	4,289		5,713	
(Decrease) / increase in other liabilities	(67,984)		4,441	
		(161,146)		(18,841)
Cash Generated from operations		(17,860)		92,046
Taxes Paid (net)		(12,421)		(8,852)
Cash Flow Before Prior Period & Exceptional Items		(30,281)		83,194
Exceptional Items		(1,845)		(1,400)
Prior Period Adjustments		(113)		(312)
Net Cash from/ (used in) Operating Activities		**(32,239)**		**81,482**
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of tangible assets		(41,631)		(15,175)
Sale of tangible assets		61		1,473
Purchase of intangible assets		(15,255)		(55,902)
Sale of of intangible assets		171		–
Acquisition of subsidiaries		(17,428)		(10,674)
Proceeds from sale of subsidiaries		150		–
Acquistion of associates		(19,552)		–
Purchase of investments		(73,384)		(40,751)
Sale of investments		84,124		27,000
Sundry Loans		(18,667)		976
Fixed deposits and margin money		28,488		(3,502)
Interest income		5,491		6,642
Income from current investment		1,447		1,827
Net cash from / (used in) Investing activities		**(65,985)**		**(88,086)**

Consolidated Cash Flow Statement *(Contd.)*

(Rs. in Lacs)

Particulars	For the Year ended 31 March 2012	For the Year ended 31 March 2011
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings	70,232	28,876
Interest paid and other financial charges	(27,825)	(19,061)
Dividend paid to minority shareholders by subsidiary	(862)	(668)
Dividends Paid	(9,201)	(8,773)
Tax on distributed Profits	(1,498)	(1,464)
Bond/Notes/Debenture Issue Expenses	(231)	(580)
Net Cash from/ (used in) Financing Activities	**30,615**	**(1,670)**
(D) EXCHANGE DIFFERENCE ARISING ON CONVERSION DEBITED TO FOREIGN CURRENCY TRANSLATION RESERVE	**(4,995)**	**(1,493)**
Net Increase in Cash and Cash Equivalents (A +B + C+D)	**(72,604)**	**(9,767)**
Cash and Cash Equivalents as at the Beginning of the Year	151,849	161,544
Add: Cash and Cash Equivalents on acquisition of subsidiary	3,024	72
Cash and Cash Equivalents as at the Close of the Year	82,269	151,849
Note :		
Cash and Cash Equivalents as at the year end includes:		
Cash and Bank Balances as per Balance sheet *	70,018	156,586
Less: in Fixed Deposit account	–	28,500
Less: Margin Money	249	237
	69,769	127,849
Add: Short-term investments	12,500	24,000
	82,269	151,849

* Bank balances include unclaimed dividend of Rs. 171 lacs (Previous Year: Rs. 136 lacs) which is not available for use by the Group as they represent corresponding unpaid dividend liability.

As per our report of even date.

For **S.V.GHATALIA & ASSOCIATES**
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 30th April, 2012

For and on behalf of Board of Directors of
United Phosphorus Limited

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 30th April, 2012

Notes to Consolidated financial statements for the year ended 31st March 2012

Notes 01 CORPORATE INFORMATION

United Phosphorus Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. United Phosphorus Limited and its subsidiaries are engaged in the business of agrochemicals, industrial chemicals, chemical intermediates and speciality chemicals.

Notes 02 CONSOLIDATION

a) The consolidated financial statements comprise the financial statements of United Phosphorus Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, associates and joint venture companies (hereinafter referred as "the Group") other than subsidiaries, associates and joint venture companies referred to in note 2(b) below.

b) i) 60% subsidiary company viz. Universal Pesto Chem Industries Limited is not considered for consolidation, since the management intends to dispose off / dilute the majority shareholding in the said subsidiary.

ii) Proportionate consolidation in respect of investments in Joint Venture companies, United Phosphorus Limited, Bangladesh, Nisso TM LLC and Hodogaya UPL Co. Limited, Japan have not been considered in the consolidated financial statements. (Also Refer Note No. 30 below).

iii) The effect of investment in associate companies, Kerala Enviro Infrastructure Limited, Agrinet Solutions Limited, Chemisynth (Vapi) Limited and Polycot Technologies 2010 Ltd on the financial position and operating results of the Group has not been considered in the consolidated financial statements. (Also Refer Note No. 30 below).

iv) UPL Investment Private Limited (Formerly known as UPL Global Eco Private Limited), a subsidiary of the Holding Company as per the definition under the Companies Act, 1956, incorporated in India and an associate as per the definition of Accounting Standard (AS) 23 Accounting for investment in associates in consolidated financial statements has not been considered for consolidation.

The audited financial statements of the aforesaid companies for the year ended March 31, 2012 are not available and hence the same have not been included in the consolidated financial statements. However, the aforesaid joint venture and associate companies not included in the consolidated financial statements are individually and collectively not material to the Group's activity.

c) The list of subsidiaries and associates companies considered for consolidation together with the proportion of share holding held by the Group is as follows:

I. Subsidiaries

Sr. No.	Name of the Subsidiary		Country of Incorporation	31.03.2012 % of Group Holding	31.03.2011 % of Group Holding
1	Shroffs United Chemicals Limited		India	100%	100%
2	SWAL Corporation Limited		India	100%	100%
3	United Phosphorus Limited		United Kingdom	100%	100%
4	United Phosphorus GMBH		Germany	100%	100%
5	United Phosphorus Polska Sp.z o.o		Poland	100%	100%
6	Cerexagri B.V.		Netherlands	100%	100%
7	United Phosphorus Holdings Cooperatief U.A.		Netherlands	100%	100%
8	United Phosphorus Holdings B.V.		Netherlands	100%	100%
9	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.		Netherlands	100%	100%
10	Decco Worldwide Post-Harvest Holdings B.V.		Netherlands	100%	100%
11	United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.)		Netherlands	100%	100%
12	United Phosphorus Holding, Brazil Plus B.V.	**	Netherlands	100%	–
13	Desarrollo Quimico Industrial, S.A.		Spain	100%	100%
14	Cerexagri Italia S.R.L.		Italy	100%	100%
15	United Phosphorus Italy S.R.L.		Italy	100%	100%
16	Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.		Spain	100%	100%

Notes 02 CONSOLIDATION *(Contd.)*

I. Subsidiaries *(Contd.)*

Sr. No.	Name of the Subsidiary		Country of Incorporation	31.03.2012 % of Group Holding	31.03.2011 % of Group Holding
17	Agrindustrial, S.A.		Spain	100%	100%
18	Phosfonia, S.L.		Spain	100%	100%
19	Decco Iberica Postcosecha, S.A.U. (formerly Cerexagri Iberica)		Spain	100%	100%
20	Transterra Invest, S. L. U.		Spain	100%	100%
21	Cerexagri S.A.S.		France	100%	100%
22	United Phosphorus Switzerland Limited		Switzerland	100%	100%
23	Agrodan, ApS		Denmark	100%	100%
24	United Phosphorus Limited, Belgium S P R L		Belgium	100%	100%
25	Decco Italia SRL		Italy	100%	100%
26	Samma International S.R.L. (upto 29th February, 2012)	#	Italy	51%	51%
27	JSC United Phosphorus Limited		Russia	100%	100%
28	United Phosphorus Inc.		USA	100%	100%
29	Cerexagri, Inc. (PA)		USA	100%	100%
30	Cerexagri Delaware, Inc.		USA	100%	100%
31	Canegrass LLC		USA	70%	70%
32	Decco US Post-Harvest Inc		USA	100%	100%
33	RiceCo LLC		USA	100%	100%
34	Riceco International, Inc.	**	Bahamas	100%	–
35	United Phosphorus Sole Partner Limited (upto 23rd March, 2012)	#	Greece	100%	100%
36	Bio-win Corporation Limited		Mauritius	100%	100%
37	Uniphos Limited		Mauritius	100%	100%
38	United Phosphorus Limited	*	Mauritius	100%	100%
39	United Phosphorus Limited		Gibraltar	100%	100%
40	Uniphos Limited	**	Gibraltar	100%	–
41	United Phosphorus de Mexico, S.A. de C.V.		Mexico	100%	100%
42	Decco Jifkins Mexico Sapi	**	Mexico	51%	–
43	Global Chem Trade Corp.		Panama	100%	100%
44	United Phosphorus do Brasil Ltda		Brazil	100%	100%
45	Uniphos Indústria e Comércio de Produtos Químicos Ltda.	**	Brazil	100%	–
46	United Phosphorus Indústria e Comércio de Produtos Químicos Ltda.	**	Brazil	100%	–
47	DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A.	@	Brazil	51%	–
48	DVA Technology Argentina S.A.	@	Argentina	51%	–
49	United Phosphorus de Colombia Limited		Colombia	100%	100%
50	Eddyville Consultants Group, Inc.		Panama	100%	100%
51	Cerexagri Costa Rica, S.A.		Costa Rica	100%	100%
52	Jiangsu Kaznam Chemical Group.		Panama	100%	100%
53	United Phosphorus Bolivia S.R.L	@	Bolivia	100%	–
54	Icona Sanluis S A		Argentina	100%	100%
55	Icona S A		Argentina	100%	100%
56	Decco Chile SpA	**	Chile	100%	–
57	Evofarms Colombia SA		Colombia	100%	100%

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 02 CONSOLIDATION *(Contd.)*

I. Subsidiaries *(Contd.)*

Sr. No.	Name of the Subsidiary		Country of Incorporation	31.03.2012 % of Group Holding	31.03.2011 % of Group Holding
58	Evofarms S.A.		Colombia	100%	100%
59	United Phosphorus Cayman Limited		Cayman Islands	100%	100%
60	UP Aviation Limited	**	Cayman Islands	100%	–
61	United Phosphorus Limited		Australia	100%	100%
62	United Phosphorus Limited		New Zealand	100%	100%
63	United Phosphorus (Shanghai) Company Limited		China	100%	100%
64	United Phosphorus (Korea) Limited		Korea	100%	100%
65	United Phosphorus (Taiwan) Limited		Taiwan	100%	100%
66	PT. United Phosphorus Indonesia		Indonesia	100%	100%
67	PT Catur Agrodaya Mandiri		Indonesia	100%	100%
68	United Phosphorus Limited		Hong Kong	100%	100%
69	United Phosphorus Vietnam Co., Limited		Vietnam	100%	100%
70	United Phosphorus Limited, Japan		Japan	100%	100%
71	Anning Decco Fine Chemical Co. Limited		China	55%	55%
72	Cropserve Zambia Limited (upto 1st April, 2011)	#	Zambia	70%	70%
73	Prime Agri Centre Zambia Limited (upto 1st April, 2011)	#	Zambia	70%	70%
74	United Phosphorus Limited, Zambia (upto 5th December, 2011)	#	Zambia	100%	100%
75	Agri pack Zambia Limited (upto 1st April, 2011)	#	Zambia	70%	70%
76	Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi		Turkey	100%	100%
77	Safepack Products Limited		Israel	100%	100%
78	Friedshelf 1114 (Pty) Ltd		South Africa	100%	100%
79	Citrashine (Pty) Ltd		South Africa	100%	100%
80	Samrod Chemicals (Pty) Ltd		South Africa	100%	100%
81	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	**	Turkey	51%	–
82	UPI Finance LLC	**	USA	100%	–
83	United Phosphorus Corp	**	Philippines	100%	–
84	United Phosphorus Limited de Guatemala S.A	**	Guatemala	100%	–
85	United Phosphorus Global LLP	**	India	100%	–
86	United Phosphorus (India) LLP	**	India	100%	–
87	Pro Long Limited	**	Israel	50%	–
88	Phoenix Environmental Care LLC	***	USA	100%	–

**Subsidiaries incorporated during the year

@Subsidiaries acquired during the year

#Subsidiaries disposed during the year

*During the year, United Phosphorus Ltd Mauritius was merged with the Holding Company.

***During the year, Phoenix Environmental Care LLC was acquired and subsequently merged with United Phosphorus Inc.

Notes 02 CONSOLIDATION *(Contd.)*

II. Associates

Sr. No.	Associate Companies		Country of Incorporation	% of Group Holding
1	Advanta India Limited	Advanta Group	India	49.85%
2	Advanta Finance B.V.		Netherlands	*
3	Advanta International B.V.		Netherlands	*
4	Advanta Netherlands Holdings B.V.		Netherlands	*
5	Advanta Semillas SAIC		Argentina	*
6	Advanta Holdings B.V.		Netherlands	*
7	Advanta Seeds International		Mauritius	*
8	Pacific Seeds Holdings (Thai) Limited		Thailand	*
9	Pacific Seeds (Thai) Limited		Thailand	*
10	Pacific Seeds Pty Limited		Australia	*
11	Advanta US Inc.		USA	*
12	Advanta Comercio De Sementes LTDA.		Brazil	*
13	Unicorn Seeds Private Limited		India	*
14	Advanta Seeds Limited		India	*
15	Longreach Plant Breeders Management Pty Limited		Australia	**
16	PT Advanta Seeds Indonesia		Indonesia	*
17	Advanta (B.V.I) Ltd		British Virgin Islands	*
18	SIPCAM UPL Brasil S.A.	#	Brazil	50.00%

* These are 100% Subsidiaries of Advanta India Limited

** This is 70% step-down Subsidiary of Advanta India Limited

Associates acquired during the year

Notes 02 CONSOLIDATION *(Contd.)*

d) The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP).The financial statements have been prepared to comply in all material respects with the mandatory notified accounting standards by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, except as specified in note 2(j) below. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

The consolidated financial statements of the Group have been prepared on a line-by-line basis by adding together the book values of subsidiary company's like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits / losses on intra-group transactions.

Preparation and disclosure of financial statements:
During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Holding Company, for preparation and presentation of its financial statements. The Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Use of estimates:
The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

e) Investments in entities in which the Group has significant influence but not a controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost. Cost of investment in associates, over the net assets

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 02 CONSOLIDATION *(Contd.)*

at the time of acquisition of the investment in the associates is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment annually. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Group's share of net assets of the associates. The consolidated statement of profit and loss includes the Group's share of the results of the operations of the associate

f) The financial statements of each of the subsidiary, associate and joint venture other than Advanta Group and SIPCAM UPL Brasil S.A. drawn upto the same reporting date i.e year ended March 31, 2012 have been used for the purpose of consolidation. The consolidated financial statements of Advanta Group for the year ended December 31, 2011 and unaudited financial statements of SIPCAM UPL Brasil S.A for nine month period ended December 31, 2011 have been used for the purpose of consolidation.

g) Changes have been made in the accounting policies followed by each of the subsidiaries to the extent they were material and identifiable from their respective audited financial statements to make them uniform with the accounting policies followed by the Holding Company. Where it has not been practicable to use uniform accounting policies in preparing the consolidated financial statements, the different accounting policies followed by each of the group company have been followed. (Refer Note No. 2.1 below)

h) Translation of the financial statements of foreign subsidiaries for incorporation in the consolidated financial statements have been done by using the following exchange rates:

   1) Assets and liabilities have been translated by using the rates prevailing as on the date of the balance sheet.
   2) Income and expense items have been translated by using the average rate of exchange.
   3) Exchange difference arising on translation of financial statements as specified above is recognised in the Foreign Currency Translation Reserve.

i) Goodwill arising on consolidation is tested for impairment as at the Balance Sheet date.

j) For the purpose of consolidation, the Group has not followed Accounting Standard (AS) 27 'Financial Reporting of Interest in Joint Ventures' in respect of United Phosphorus Limited, Bangladesh, Hodogaya UPL Co. Limited, Japan and Nisso TM LLC and Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' in respect of Kerala Enviro Infrastructure Limited, Agrinet Solutions Limited, Chemisynth (Vapi) Limited, UPL Investment Private Limited and Polycot Technologies 2010 Ltd.

2.1 Significant accounting policies:

The significant accounting policies followed by the Group in the consolidated financial statements are stated hereunder. In case a uniform policy is not followed by each company in the group, the same, as disclosed in the audited financial statements of the said company, has been reproduced, if material.

a) Tangible fixed assets and depreciation:

Tangible fixed assets:

Fixed Assets are stated at cost less depreciation and provision for impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation:

i) **Leasehold land :**

United Phosphorus Limited (India) :

No amount has been written off against leasehold land since as per the lease agreements, the leases are renewable at the option of the Company for a further period of 99 years at the end of the lease period of 99 years, without / marginal payment of further premium.

United Phosphorus Vietnam Limited :

Lease Rentals and other costs incurred in conjunction with securing the use of lease land are recognised on a straight line basis over 37 years in accordance with the term of the lease.

ii) **Leasehold Improvement :**

In respect of Leasehold Improvement Assets on a straight line basis over the period of the lease.

iii) **Other Assets :**

The Company uses the same rates of depreciation for all the subsidiaries and joint venture companies other than the following assets in various companies

Notes 02 CONSOLIDATION *(Contd.)*

Sr. No.	Name of the Company and Description of Assets	Method	Useful Life of Assets/ Depreciation rates	Proportion to Gross Block
1.	**United Phosphorus Limited, India**			
	Gas Turbine Engine in Power Plant	S.L.M.	16.67%	0.72%
	Membrane used in Caustic Chlorine Plant	S.L.M.	20.00%	0.29%
	Hot Section in Power Plant	S.L.M.	33.33%	0.52%
	Other Assets	*	*	50.59%
2.	**Cerexagri B.V., Netherlands**			
	Buildings	S.L.M.	18–30 Years	11.58%
	Machinery and Equipment	S.L.M.	10–15 Years	
	Other Tangible fixed assets	S.L.M.	3–10 Years	
3.	**Cerexagri S.A.S., France**			
	Buildings	S.L.M.	20 Years	9.01%
	Plant and Machinery	S.L.M.	10 Years	
	Motor Vehicles	S.L.M.	5 Years	
	Office Materials	S.L.M.	3 - 5 Years	
	Capitalised Leased Assets	S.L.M.	20 Years	
4.	**DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A.**			
	Buildings	S.L.M.	4%	3.77%
	Machinery and Equipment	S.L.M.	10%	
	Vehicles	S.L.M.	20%	
	Furniture and Fixtures	S.L.M.	10%	
	Computers and Peripherals	S.L.M.	20%	
	Leasehold Improvements	S.L.M.	4%	
	Communication Equipment	S.L.M.	20%	
	Facilities	S.L.M.	4%	
5.	**United Phosphorus Limited, U.K.**			
	Freehold Buildings	S.L.M.	50 Years	3.34%
	Plant and Machinery	S.L.M.	4–15 Years	
	Fixtures and fittings	S.L.M.	5–20 Years	
	Motor Vehicles	S.L.M.	4 Years	
	Leasehold Land and Buildings	S.L.M.	50 years or Term of Lease if shorter	
6	**UP Aviation Limited**			
	Aircraft	S.L.M.	7.70%	2.36%
7.	**Desarrollo Quimico Industrial S.A.**			
	Buildings	S.L.M.	50 Years	1.86%
	Machinery and Technical Installations	S.L.M.	10 Years	
	Other Installations, tools and furniture	S.L.M.	10 Years	
	Hardware	S.L.M.	4 Years	
	Vehicles	S.L.M.	6 Years	
	Other Fixed Assets	S.L.M.	4–7 Years	

* At the Various S.L.M./ W.D.V. rates as applicable to the respective assets as specified in Schedule XIV of the Indian Companies Act, 1956.

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 02 CONSOLIDATION *(Contd.)*

b) Intangible Assets and Amortisation:
Intangible Assets:
Intangible assets are stated at cost less accumulated amortisation.

Amortisation of Intangible Assets

i) Expenditure incurred on product acquisitions are amortised on straight line basis over a period of fifteen years from the month of addition to match their expected future economic benefits.

ii) Other intangible assets are amortised on straight line basis over a period of three to five years.

c) Impairment of tangible and intangible assets
The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

d) Inventories:

i) Stocks of stores and spares, packing materials and raw materials are valued at lower of cost or net realisable value. Cost is determined on moving weighted average basis. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

ii) Semi-finished products, finished products and by-products are valued at lower of cost or net realisable value and for this purpose, cost is determined on standard costing basis which approximates the actual cost. Cost of finished goods includes excise duty, as applicable.

Approximately 93% of the total finished goods and semi-finished goods inventory as at March 31, 2012, has been valued on standard cost basis.

iii) Traded goods are valued at lower of cost or net realisable value.

e) Investments:
Presentation and Disclosure
Investments, which are readily realizable and intended to be held for not more than one year from balance sheet date are classified as current investments. All other investments are classified as non-current investments.

Recognition and Measurement
Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are recognised as current investments. All other investments are recognised as long-term investments and carried at cost of acquisition. However, the carrying amount is reduced to recognise a decline, other than temporary, in the value of long-term investments by a charge to the Statement of profit and loss. Current investments are stated at lower of cost or fair value determined on individual investment basis.

Contingent Consideration / Additional payments in light of one or more future events are recognised when probable and can reasonably be estimated at the date of acquisition. In all other cases, the adjustment is recognised as soon as the amount is determinable.

f) Sale of Trade Receivable
The Group sells insured trade receivables to banks whereby significant risks and rewards are transferred and this transfer is treated as "true sale" for both legal and financial reporting purposes and accordingly, these receivablles are not reflected on the balance sheet of the Group.

g) Export Benefits:
United Phosphorus Limited (India):
Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit / obligation has been accounted by making suitable adjustments in raw material consumption.

Notes **02** CONSOLIDATION *(Contd.)*

The benefits accrued under the Duty Entitlement Pass Book, Duty Drawback and other scheme as per the Import and Export Policy in respect of exports made under the said scheme have been included as 'Export Incentives', in 'Other Operating Revenue' under the head 'Revenue from operations'.

h) Foreign currency transactions:

i) Transactions in foreign currency are recorded by applying the exchange rate at the date of the transaction. Monetary items denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates, prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising as a result of the above are recognised as income or expense in the Statement of profit and loss except for exchange differences arising on a monetary item which, in substance, form part of the Company's net investment in a non-integral foreign operation which is accumulated in a Foreign Currency Translation Reserve until the disposal of the net investment. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

ii) In the case of forward contracts not intended for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as an expense or income with reference to the spot rate as at the end of the period over the life of the contract. Exchange difference on such contracts are recognised in the statement of profit and loss in the year in which the exchange rate change. Any profit and loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expenses for the year

i) Derivative Instruments

As per the ICAI announcement, accouting for derivative contracts, other than those covered under AS 11, are marked to market on a portfolio basis, and the net loss is charged to the income statement. Net gains are ignored.

j) Retirement Benefits:

1. United Phosphorus Limited (India),

i) Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the Statement of profit and loss in the year when the contributions to the funds are due.

ii) Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the Statement of profit and loss in the year when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

iii) The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

iv) The Company has other long term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of actuarial valuation made at the end of the financial year. The aforesaid leave encashment is funded with an insurance company in the form of a qualifying insurance policy.

v) Actuarial gains/ losses are recognised immediately to the Statement of profit and loss .

2. RiceCo, LLC USA

i) The Company has a defined benefit pension plan which covers all full-time employees of the Company. Funding of the plan is made through payment to various funds managed by a third party and is in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

3. SWAL Corporation Limited

i) The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance policy.

4. All other subsidiaries :

   The companies contribute to a defined contribution plan which are charged to the Statement of Profit and Loss as incurred.

k) Revenue Recognition

   i) Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

   ii) Revenue from sale of Certified Emission Reduction (CER) is recognised as income on delivery thereof in terms of the contract with the respective buyers.

   iii) Income from services are recognised as and when the services are rendered.

   iv) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

   v) Dividend is recognised when the shareholder's right to receive payment is established by the balance sheet date.

l) Research and Development Costs:

   Research Costs are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account. Development expenditure is capitalised when its future recoverability can reasonably be regarded as assured and is amortised over the period of expected future benefit.

m) Borrowing costs:

   Interest and other costs incurred for acquisition of qualifying assets, upto the date of commissioning / installation, are capitalised as part of the cost of the said assets.

n) Assets taken on Lease:

   i) Operating Leases:

      Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Rentals and all other expenses in respect of assets taken on lease are debited to Statement of Profit and Loss on straight line basis over the lease term.

   ii) Finance Leases:

      Assets acquired under finance leases which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised and a corresponding loan liability is recognised. The lease rentals paid are bifurcated into principal and interest component by applying an implicit rate of return. The interest is charged as a period cost and the principal amount is adjusted against the liability recognised in respect of assets taken on financial lease.

o) Earnings Per Share

   Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

   For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Income-tax:

   Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

   Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

q) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an obligation of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet and adjusted to reflect the current best estimates.

2.2 Amalgamation of United Phosphorus Limited, Mauritius

Pursuant to the Scheme of Amalgamation ("the Scheme") under Sections 391 to 394 of the Companies Act, 1956, the Hon'ble High Court of Gujarat has pronounced an order on January 13, 2012 sanctioning the Scheme of amalgamation of United Phosphorus Limited, Mauritius (UPL Mauritius), a wholly owned step down subsidiary of the Holding Company with the Holding Company from the appointed date viz July 1, 2011. The Scheme became effective on January 19, 2012 upon filing of the said order with the Registrar of the Companies, Gujarat. Consequently, all the assets and liabilities of UPL Mauritius have been transferred to and vested in the Holding Company with effect from July 01, 2011. The Scheme has accordingly been given effect to in these accounts.

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 03 SHARE CAPITAL

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Authorised shares		
1,27,50,00,000 (Previous Year: 1,27,50,00,000) Equity Shares of Rs.2 each	25,500	25,500
1,40,00,000 (Previous Year: 1,40,00,000) Preference Shares of Rs.100 each	14,000	14,000
50,00,000 (Previous Year: 50,00,000) Preference Shares of Rs.10 each	500	500
	40,000	**40,000**
Issued, subscribed and fully paid-up shares		
46,18,04,274 (Previous Year: 46,18,04,274) Equity Shares of Rs. 2 each fully paid-up	9,236	9,236
Total issued, subscribed and fully paid-up share capital	**9,236**	**9,236**

a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares

	31 March, 2012		31 March, 2011	
	No. Lacs	Rs. Lacs	No. Lacs	Rs. Lacs
At the beginning of the year	4,618	9,236	4,396	8,791
Issued during the year – Conversion of FCCBs	–	–	222	445
Outstanding at the end of the year	**4,618**	**9,236**	**4,618**	**9,236**

b) **Terms/ rights attached to equity shares:**

The Company has one class of equity shares having par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	31 March 2012 No. Lacs	31 March 2011 No. Lacs
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	2,198	2,198

d) **Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31 March, 2012		31 March, 2011	
	No. Lacs	% holding in the class	No. Lacs	% holding in the class
Nerka Chemicals Private Limited	986	21.36	938	20.32
Uniphos Enterprises Limited	253	5.48	250	5.41

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes 04 RESERVES AND SURPLUS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
1. Capital reserve		
Balance as per the last financial statements	16,272	16,272
Less: Transferred to profit and loss on disposal/ liquidation of subsidiaries	96	–
Closing Balance	**16,176**	**16,272**
2. Capital redemption reserve		
Balance as per the last financial statements	3,312	3,312
3. Securities premium		
Balance as per the last financial statements	131,711	103,170
Add: Amount arising on conversion of Foreign Currency Convertible Bonds into equity shares.	–	28,878
Add: Expenses on issue of Syndicate Notes/Debentures written back	–	237
Less: Expenses incurred on issue of Equity Shares/ Bonds/ Debentures/ Notes (net of tax)	156	387
Less: Premium on redemption of Foreign Currency Convertible Bonds (net of tax)	–	187
Less: Expenses incurred by associates on issue of debentures	343	–
Closing Balance	**131,212**	**131,711**
4. Debenture redemption reserve		
Balance as per the last financial statements	10,680	34,523
Add: Amount transferred from surplus balance in the statement of profit and loss	4,359	6,605
Less: Amount transferred to surplus balance in the statement of profit and loss	4,250	30,448
Closing Balance	**10,789**	**10,680**
5. General reserve		
Balance as per the last financial statements	65,019	37,519
Add: Amount transferred from surplus balance in the statement of profit and loss	3,000	27,500
Add: Adjustment on account of amalgamation of the subsidiary company (Refer note 2.2)	109,313	–
Closing Balance	**177,332**	**65,019**
6. Foreign Currency Translation Reserve		
Balance as per the last financial statements	(28,660)	(28,099)
Add: Exchange difference in respect of non-integral foreign operation	3,164	(561)
Closing Balance	**(25,496)**	**(28,660)**
7. Surplus in the statement of profit and loss		
Balance as per last financial statements	165,035	123,693
Profit for the year	55,555	55,762
Add: Debenture Redemption Reserve written back	4,250	30,448
Less: Appropriations:		
Interim Dividend on Equity Shares	9,236	–
Proposed Final Dividend on Equity Shares [includes short provision of earlier year: Rs. Nil (Previous year : Rs. 25 Lacs)]	2,309	9,261
Tax on Proposed Final Dividend on Equity Shares [includes short provision of earlier year: Rs.Nil (Previous year : Rs. 4 Lacs)]	1,873	1,502
Adjustment on account of amalgamation of the subsidiary company (Refer note 2.2)	109,313	–
Transfer to debenture redemption reserve	4,359	6,605
Transfer to general reserve	3,000	27,500
Total appropriations	130,090	44,868
Net surplus in the statement of profit and loss	**94,750**	**165,035**
Total reserves and surplus	**408,075**	**363,369**

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 05 LONG-TERM BORROWINGS

(Rs. in Lacs)

	Non-current portion		Current maturities	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Bonds/ debentures				
Secured Redeemable Non-convertible Debentures: (Refer Note (a) below)	–	–	–	17,000
Unsecured Redeemable Non convertible Debentures (Refer Note (b) below)	110,000	98,500	13,500	–
Term loans				
Indian rupee loan from banks (Unsecured) (Refer Note (c) below)	–	–	–	17,500
Foreign currency loan from banks (Unsecured) (Refer Note (d) below)	120,833	–	–	–
Foreign currency loan from banks (secured) (Refer Note (e) below)	6,271	1,105	–	538
From others (Secured) (Refer Note (f) below)	–	624	712	1,249
From others (Unsecured) (Refer Note (g) below)	617	–	234	81,850
	237,721	**100,229**	**14,446**	**118,137**
The above amount includes				
Secured borrowings	6,271	1,729	712	18,787
Unsecured borrowings	231,450	98,500	13,734	99,350
Amount disclosed under the head "other current liabilities" (note 9)			(14,446)	(118,137)
Net amount	**237,721**	**100,229**	**–**	**–**

a. Rs. Nil (P.Y.: Rs. 17,000 lacs) 12.20 % Non convertible Debentures (NCDs) referred above are redeemable at par in three equal instalments from January 2014 and had a call option at the end of 3rd year i.e. 27 January 2012. These debentures were secured by way of pledge of 65,29,500 equity shares of Advanta India Limited.

b. Unsecured Redeemable Non-Convertible Debentures
   i) NCDs amounting to Rs. 25,000 lacs (P.Y.: Rs. Nil) are redeemable at par at the end of 15th year i.e July 2026 from the date of allotment. The NCDs carry a call option at the end of 10th year from the date of allotment.
   ii) NCDs aggregating to Rs. 30,000 lacs (P.Y.: Rs. 30,000 lacs) are redeemable at par at the end of 12th year (Rs. 7,500 lacs), 11th year (Rs. 7,500 lacs), 9th year (Rs. 7,500 lacs) and 8th year (Rs. 7,500 lacs) i.e. October 2022, October, 2021, October 2019 and October 2018 respectively from the date of allotment.
   iii) NCDs aggregating to Rs. 30,000 lacs (P.Y.: Rs. 30,000 lacs) are redeemable at par at the end of 10th year (Rs. 15,000 lacs) i.e. April 2020 and at the end of 7th year (Rs. 15,000 lacs) i.e. April 2017 from the date of allotment. The NCDs carry a call option at the end of 6th year i.e. April 2016 and 5th year i.e. April 2015 respectively from the date of allotment.
   iv) NCDs amounting to Rs. 25,000 lacs (P.Y.: Rs. 25,000 lacs) are redeemable at par at the end of 5th year i.e January, 2015 from the date of allotment.
   v) NCDs amounting to Rs. 13,500 lacs (P. Y.: Rs. 13,500 lacs) are redeemable at par at the end of 3.5 year (Rs. 10,500 lacs) i.e. February, 2013 and end of 3 years (Rs. 3,000 lacs) i.e. August, 2012 from the date of allotment.
   vi) NCDs mentioned above carry a coupon ranging from 8.75% to 10.70%.

c. Term Loans of Rs. Nil (P.Y: Rs. 17,500 lacs) from banks were carrying interest rate ranging from 8.5% to 10% and repayable in June 2011, August 2011 and September 2011.

d. Foreign currency loan from banks (Unsecured)
   i) Unsecured loan from banks bears interest at the rate between LIBOR +2% to 2.5% amounting to Rs. 116,135 lacs (P.Y.: Rs. Nil) i.e. repayable within 1-5 years is Rs. 72,906 lacs and after five years Rs. 43,229 lacs.
   ii) Unsecured loan from banks bears interest rate ranging from 8%-24.3% per annum amounting to Rs. 4,698 lacs (P.Y.: Rs. Nil) repayable in May 2013.

e. Foreign currency loan from banks (secured)
   i) Foreign currency loan from banks includes Rs. 5,620 lacs (P.Y. : Rs. Nil) secured by way of collateral of accounts receivable and inventory carrying interest rate of 5.5%-24.3% per annum payable till April 2015.
   ii) Foreign currency loan from banks includes Rs. 651 lacs (P.Y. : Rs. 1,105 lacs) secured by way of collateral of investment securities carrying interest rate of TIBOR +1% per annum repayable on November, 2013.

Notes 05 LONG-TERM BORROWINGS *(contd.)*

f. External Commercial Borrowing from Multilateral Financial Institution amounting to Rs. 712 lacs (P.Y.: Rs. 1,873 lacs) is secured by pari-passu first charge by way of hypothecation of specific movable assets, present and future, situated at Jhagadia Unit of the Holding Company and carries Interest rate at Libor plus 210 basis points. The outstanding loan is due for payment in June 2012.

g. From others (Unsecured)
   i) Unsecured notes payable to a financial institiution amounting to Rs. 851 lacs (P.Y.: Rs. Nil) in monthly installments at interest rates ranging from 0.00% to 8.99% with final maturity in January 2017.
   ii) External Commercial Borrowing from Banks amounting to Rs. Nil (P.Y Rs. 81,850 lacs) carrying interest rate at Libor plus 130 basis points. The loan was due for repayment in October 2011.

Notes 06 OTHER LONG-TERM LIABILITIES

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Provision for mark to market losses on derivatives (net)	13,600	2,942
Other long term liabilities	16,486	1,298
	30,086	**4,240**

Notes 07 PROVISIONS

(Rs. in Lacs)

	Long-term		Short-term	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Provision for employee benefits				
Provision for post-employment benefits	2,048	1,586	–	–
Jubilee Provision	66	62	–	–
Provision for leave benefits	–	–	2,295	1,674
(A)	**2,114**	**1,648**	**2,295**	**1,674**
Other provisions				
Environmental Provision	898	838	–	–
Reorganisation Provision	–	113	32	–
Labour/ Employee claim Provision	2,072	509	–	–
Interim equity dividend	–	–	9,236	–
Proposed final equity dividend	–	–	2,309	9,236
Provision for tax on proposed final equity dividend	–	–	1,873	1,498
(B)	**2,970**	**1,460**	**13,450**	**10,734**
(A+B)	**5,084**	**3,108**	**15,745**	**12,408**

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 08 SHORT–TERM BORROWINGS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
a) Loans repayable on demand		
from Banks		
Secured (Refer Note a)	20,497	25,937
Unsecured:		
Working capital loan/PCFC (Refer Note b)	47,971	4,193
Short Term Buyers Credit (Refer Note c)	14,135	18,673
from others		
Secured (Refer Note d)	3,962	10
	86,565	**48,813**
b) Loans and advances from Related parties		
Unsecured (Refer Note e)	179	688
	179	688
	86,744	**49,501**
The above amount includes		
Secured borrowings	24,459	25,947
Unsecured borrowings	62,285	23,554

Note:

a. Loan repayable on demand (Secured) of Rs. 20,497 lacs (Previous year: 25,937 lacs) from Banks having charge over Inventories and/or Accounts receivable and/or book debts and/or all movable assets of the company and/or Freehold Land and building and/or other fixed assets or investment securities carrying interest rate ranging from 5.12% to 24.3% and base rate/ LIBOR/EURIBOR/TIBOR plus 1% to 4% per annum.

b. Unsecured working capital loan from Banks of Rs. 47,971 lacs (Previous year: Rs. 4,193 lacs) carrying interest rate varying from 0.5% to 24.3% and base rate/LIBOR plus 1.75% to 4% per annum.

c. Unsecured short term buyers credit of Rs. 14,135 lacs (Previous year: Rs. 18,673 lacs) carrying interest rate of 5% per annum and ranging from LIBOR plus 1.25% to 2.25% per annum.

d. Loan repayable on demand from others amounting to Rs. 3,962 lacs (Previous year: Rs. 9 lacs) secured by receivables carrying interest rate of CDI+11.35% per annum

e. Unsecured short term demand loan carrying an interest rate of 10%.

Notes 09 OTHER CURRENT LIABILITIES

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Other Current liabilities		
Current maturities of long–term borrowings (note 5)	14,446	118,137
Interest accrued but not due on borrowings	11,365	8,716
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	171	136
Other Payables		
Advances against Orders	10,197	14,778
Trade Deposits	1,770	1,604
Capital Goods creditors	592	2,053
Statutory Liabilities	640	641
Other liabilities	18,686	19,652
	57,867	**165,717**

Notes 10 TANGIBLE ASSETS

(Rs. in Lacs)

Description of Assets	Gross Block							Depreciation							Net Block	
	As at 1st April, 2011	Taken over in respect of acquisitions during the year	Additions during the year	Deductions during the year	Adjustments during the year (Refer Note 3 below)	Foreign Exchange Adjustment	As at 31st March, 2012	As at 1st April, 2011	Taken over in respect of acquisitions during the year	Provided during the year	Deductions during the year	Adjustments during the year (Refer Note 3 below)	Foreign Exchange Adjustment	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land - Freehold	11,354	1,598	4,314	8	–539	222	16,941	–	–	–	–		–	–	16,941	11,354
	(11,333)	–	–	(14)	–	(35)	(11,354)	–	–	–	–	–	–	–	(11,354)	(11,333)
Land – Leasehold	3,046	–	2,416	79	–	33	5,416	32	–	6	8	–	3	33	5,383	3,014
	(3,061)	–	–	–	–	(–15)	(3,046)	(28)	–	(4)	–	–	–	(32)	(3,014)	(3,033)
Building	19,894	5,831	2,126	85	36	940	28,742	12,936	165	190	177	43	486	13,643	15,099	6,958
	(19,159)	–	(386)	(106)	–	(455)	(19,894)	(12,657)	–	(273)	(457)	–	(463)	(12,936)	(6,958)	(6,502)
Building – Leasehold	1,840	–	–	–		132	1,972	946	–	100	–		68	1,114	858	894
	(1,762)	–	–	–	–	(78)	(1,840)	(813)	–	(96)	–	–	(37)	(946)	(894)	(949)
Plant and Machinery	174,926	2,384	14,216	3,824	1,402	4,634	193,738	105,161	436	11,387	2,920	926	3,724	118,714	75,024	69,765
	(157,850)	(39)	(9,726)	(5,636)	(10,900)	(2,047)	(174,926)	(91,331)	(39)	(9,221)	(4,701)	(7,448)	(1,823)	(105,161)	(69,765)	(66,519)
Laboratory Equipments	2,460	–	172	8		169	2,793	1,959	–	72	6		142	2,167	626	501
	(2,698)	–	(170)	(490)	–	(82)	(2,460)	(2,085)	–	(107)	(310)	–	(77)	(1,959)	(501)	(613)
Furniture, Fixtures	7,089	674	894	150	592	289	9,388	5,359	239	652	100	–452	182	5,880	3,508	1,730
	(6,616)	(130)	(518)	(369)	(93)	(101)	(7,089)	(4,854)	(126)	(570)	(351)	(90)	(70)	(5,359)	(1,730)	(1,762)
Office Equipment	217		11				228	168		23				191	37	49
	(182)	–	(35)	–	–	–	(217)	(146)	–	(22)	–	–	–	(168)	(49)	(36)
Vehicles	2,742	373	851	275	–	109	3,800	1,719	184	372	164	–	63	2,174	1,626	1,023
	(2,377)	(135)	(438)	(246)	–	(38)	(2,742)	(1,569)	(119)	(213)	(210)	–	(28)	(1,719)	(1,023)	(808)
Assets taken on Lease:																
(a) Plant & Machinery	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	(10,900)	–	–	–	(–10900)	–	–	(7,130)	–	(318)	–	(–7448)	–	–	–	(3,770)
(b) Computer Equipment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	(93)	–	–	–	(–93)	–	–	(89)	–	(1)	–	(–90)		–	–	(4)
(c) Furniture, Fixtures and Equipments	2,050	–	–	–	–2,050	–	–	527	–	–	–	–527	–	–	–	1,523
	(1,994)	–	(184)	(115)	–	(–13)	(2,050)	(368)	–	(208)	(47)	–	(–2)	(527)	(1,523)	(1,626)
(d) Vehicle	51		–	31	–	5	25	2	–	3	5	–	0	(0)	25	49
	–	–	(51)	–	–	–	(51)	–	–	(2)	–	–	–	(2)	(49)	–
Land Improvements	838	–	–	–	–	60	898	834	–	2	3	–	59	892	6	4
	(803)	–	–	–	–	(35)	(838)	(798)	–	(1)	–	–	(35)	(834)	(4)	(5)
Leasehold Improvements	2,581	–	283	–	–36	20	2,848	1,446	–	516	–	–36	8	1,934	914	1,135
	(2,598)	–	–	–	–	(–17)	(2,581)	(994)	–	(455)	–	–	(–3)	(1,446)	(1,135)	(1,604)
Aircraft	–	–	6,460	–	–	–	6,460	–	–	376	–	–	–	376	6,084	–
Total	**229,088**	**10,860**	**31,743**	**4,460**	**–595**	**6,613**	**273,249**	**131,089**	**1,024**	**13,699**	**3,383**	**–46**	**4,735**	**147,118**	**126,131**	**97,999**
Previous year	(221,426)	(304)	(11,508)	(6,976)	–	(2,826)	(229,088)	(122,862)	(284)	(11,491)	(6,076)	–	(2,528)	(131,089)	(97,999)	(98,564)

Notes:

1. Building include those purchased on hire purpose basis amounting to Rs. 5 lacs(Previous Year Rs 5 lacs), the ownership whereof has not yet been transferred to the Holding Company
2. Figures in brackets represents amounts pertaining to previous year
3. Adjustments during the year include transfer of assets taken on lease to own assets and regrouping of certain assets into other class of assets/ intangible assets/ investment property.

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 11 INTANGIBLE ASSETS

(Rs. in Lacs)

Description of Assets	Gross Block							Depreciation							Net Block	
	As at 1st April, 2011	Taken over in respect of acquisitions during the year	Additions during the year	Deductions during the year	Adjustments during the year (Refer Note 2 below)	Foreign Exchange Adjustment	As at 31st March, 2012	As at 1st April, 2011	Taken over in respect of acquisitions during the year	Provided during the year	Deductions during the year	Adjustments during the year (Refer Note 2 below)	Foreign Exchange Adjustment	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Good Will	54,822	–	60,731	1,463	–	13	114,103	–	–	–	–	–	–	–	114,103	54,822
	(48,226)	–	(6,597)	–	–	(–1)	(54,822)							–	(54,822)	(48,226)
Technical know how	15,687	–	–	–	–	880	16,567	13,353	–	1,817	–	–	739	15,909	658	2,334
	(15,365)	–	(362)	–	–	(–40)	(15,687)	(11,726)	–	(1,656)	–	–	(–29)	(13,353)	(2,334)	(3,639)
Product Registrations / Acquisitions	145,573	1,445	16,398	721	–	11,109	173,804	69,458	651	15,163	565	–	8,702	93,409	80,395	76,115
	(80,057)	(8,738)	(55,640)	(55)	–	(1,193)	(145,573)	(53,978)	(6,500)	(8,470)	(49)	–	(559)	(69,458)	(76,115)	(26,079)
Task Force Expenses	811	–	–	–	–	–	811	810	–	1	–	–	–	811	0	1
	(811)	–	–	–	–	–	(811)	(802)	–	(8)	–	–	–	(810)	(1)	(9)
Software / Licence Fees	2,842	250	182	19	56	189	3,500	2,584	134	133	6	46	187	3,078	422	258
	(2,661)	–	(211)	(140)	–	(110)	(2,842)	(2,557)	–	(61)	(140)	–	(106)	(2,584)	(258)	(104)
Customer Contracts	668	–	–	–	–	95	763	112	–	51	–	–	15	178	585	556
	(673)	–	–	–	–	(–5)	(668)	(67)	–	(45)	–	–	–	(112)	(556)	(606)
Total	220,403	1,695	77,311	2,203	56	12,286	309,548	86,317	785	17,165	571	46	9,643	113,385	196,163	134,086
Previous year	(147,793)	(8,738)	(62,810)	(195)	–	(1,257)	(220,403)	(69,130)	(6,500)	(10,240)	(189)	–	(636)	(86,317)	(134,086)	(78,663)

Notes:

1. Figures in brackets represents amounts pertaining to previous year.
2. Adjustments during the year include regrouping from tangible assets.

Notes 12 NON-CURRENT INVESTMENTS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
A. Trade Investment:		
Investments in Equity Instruments:		
(i) Investment in Associates		
84,00,000 (Previous Year: 84,00,000) Equity Shares of Rs.10 each fully paid-up in Advanta India Limited (Also Refer Note 4 below) (Quoted) (includes goodwill of Rs. 5,626 lacs(Previous year: Rs. 5,626 lacs))	30,140	29,431
9,21,000 (Previous Year: 9,21,000) Equity Shares of Rs 10 each fully paid-up in Chemisynth (Vapi) Limited (Unquoted)	421	421
649,701,817 (Previous year : Nil) Equity Shares fully paid up in Sipcam UPL Brasil S.A. (Unquoted) (includes goodwill of Rs. 11,277 lacs (Previous year: Rs. Nil))	16,820	–
	47,381	**29,852**
(ii) Investment in Joint Ventures (Unquoted)		
1,627 (Previous Year: 1,627) Equity Shares of Tk.1,000 each fully paid-up in United Phosphorus (Bangladesh) Limited	4	4
500 (Previous year: 500) Equity Shares fully paid up in Hodogaya UPL Co. Ltd.	1,231	1,149
49% (Previous year: 49%) capital contribution in Nisso TM LLC	5	4
(iii) Investment in Others		
57 (Previous Year: 57) Ordinary Shares of 1 Rand each fully paid-up in Cropserve (PTY) Limited (Unquoted)	289	289
117,000,000 (Previous Year: 117,000,000) Equity shares fully paid up in Ishihara Sangyo Kaisha Ltd. At JPY 107.52 each (Also Refer Note 5 below) (Quoted)	14,464	12,556
34,13,388 (Previous Year: 34,13,388) Equity Shares of Rs.10 each fully paid-up in Narmada Clean Tech Limited (Formerly known as Bharuch Eco Aqua Infrastructure Limited) (Unquoted)	341	341
	16,334	**14,343**
	63,715	**44,195**
B. Other Investment:		
Investment Property (Land)	539	–
Investments in Equity Instruments:		
(i) Investment in Subsidiary Company (Unquoted)		
2,40,000 (Previous Year: 2,40,000) Equity shares of Rs. 10 each fully paid-up in UPL Investment Private Limited (Refer Note 2(b)(iv) above)	186	51
18,130 (Previous year: 18,130) Equity shares of Rs. 100 each of Universal Pestochem (Industries) Pvt. Ltd.(Refer note 2(b)(i) above)	18	18
(ii) Investment in Associates (Unquoted)		
10,00,000 (Previous Year: 10,00,000) Equity Shares of Rs. 10 each fully paid-up in Agrinet Solutions Limited	315	315
26,00,000 (Previous Year: 26,00,000) Equity Shares of Rs. 10 each fully paid-up in Kerala Enviro Infrastructure Limited	260	260
Polycot Technologies 2010 Ltd. [Face Value:Current Year: Rs. 0.06 lac. (Previous Year Rs. Nil)]	0	–
	1,318	**644**

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 12 NON-CURRENT INVESTMENTS *(Contd.)*

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
(iii) Investment in Others		
Quoted		
(a) 28,100 (Previous Year: 28,100) Equity Shares of Rs.10 each fully paid-up in Gujarat State Financial Corporation	6	6
(b) 50,000 (Previous Year: 50,000) Equity Shares of Rs. 10 each fully paid-up in Nivi Trading Limited	6	6
(c) 41,150 (Previous Year: 41,150) Equity Shares of Rs.10 each fully paid-up in Transpek Industry Limited	68	68
(d) 5,307 (Previous Year: 5,307) Equity Shares of Rs.10 each fully paid-up in IDFC Limited	2	2
(e) 3,598 (Previous Year: 3,598) Equity Shares of Rs.10 each fully paid-up in Bank of Baroda Limited	8	8
	90	**90**
Unquoted		
(a) 10,000 (Previous Year: 10,000) Equity Shares of Rs.10 each fully paid-up in Janakalyan Sahakari Bank Limited	1	1
(b) 10,00,000 (Previous Year: 10,00,000) Equity Shares of Rs.10 each fully paid-up in Uniphos International Limited (Formerly known as Uniphos Agro Industries Limited)	50	50
(c) 45,000 (Previous Year: 45,000) Equity Shares of Rs.10 each fully paid-up in Bloom Packaging Private Limited	185	185
(d) 19,025 (Previous Year: 19,025) Equity Shares of Rs.10 each fully paid-up in Bench Bio Private Limited	448	372
(e) 33 (Previous year : 33) Equity Shares of Natural Art KK	18	16
(f) 20,482 (Previous year : 20,842) Equity Shares of Villa crop protection pty Ltd.	506	447
(g) Others	3	2
	1,211	**1,073**
(iv) Investments in Government or trust securities;(Unquoted)		
(a) Indira Vikas Patra [Face Value:Current Year: Rs. 0.06 lac. (Previous Year Rs. 0.06 lac)]. Deposited with Government Authorities.	–	–
National Saving Certificates [Face Value:Current Year: Rs. 0.06 lac. (Previous Year Rs. 0.06 lac)]. Deposited with Government Authorities.	–	–
(v) Investments in debentures or bonds; (Unquoted)		
(a) 1,855 (Previous Year: 1,855) Compulsorily Convertible Bonds of Rs.1,00,000 each in Tatva Global Environment Limited	1,855	1,855
	68,189	**47,857**
Less: Provision for diminution in Investments	(1,237)	(1,073)
Total Non-Current Investment	**66,952**	**46,784**
Notes		
1. Agreegate amount of quoted investment cost [Market Value: Rs. 43,031 lacs (Previous Year: Rs. 31,549 lacs)]	44,694	42,077
2. Agreegate amount of unquoted investment cost	23,495	5,780
3. Provision for diminution in investments	(1,237)	(1,073)
4. Nil (Previous year: 6,529,500) Equity shares of Advanta India Limited have been pledged against non convertible debentures issued to LIC (Also refer Note a in Note 5 Long term borrowings)		
5. 11,700,000 (Previous year: 11,700,000) Equity shares of Ishihara Sangyo Kaisha Ltd are pledged as collateral for Long term debts taken from Sumitomo Mitsui Banking Corporation. (Also refer Note e(ii) in Note 5 Long term borrowings)		

Notes 13 DEFERRED TAX LIABILITY AND ASSETS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
a) Deferred Tax Assets:		
Unabsorbed Depreciation/business loss	1,230	1,634
Provision for Doubtful debts and advances	1,686	1,445
Accrued Expenses	4,666	3,800
Others	4,884	2,869
Gross Deferred Tax Assets	**12,466**	**9,748**
b) Deferred Tax Liabilities:		
Depreciation	10,681	8,148
Others	1,212	819
Gross Deferred Tax Liabilities	**11,893**	**8,967**
The above has been reflected in the Consolidated Balance Sheet as follows:		
Deferred Tax Assets	9,968	8,094
Deferred Tax Liabilities	9,395	7,313

Note:

Deferred Tax Asset on account of unabsorbed depreciation/ business loss has been recognised, as the Companies have timing differences on account of depreciation, etc., the reversal of which will result in sufficient taxable income.

Notes 14 LOANS AND ADVANCES

(Rs. in Lacs)

		Non-current		Current	
		31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Capital Advances					
Unsecured, considered good		2,170	907	–	–
	A	**2,170**	**907**	–	–
Sundry deposit					
Unsecured, considered good		3,930	3,420	971	779
Doubtful		133	40	–	–
		4,063	3,460	971	779
Provision for doubtful sundry deposit		(133)	(40)	–	–
	B	**3,930**	**3,420**	**971**	**779**
Advances recoverable in cash or kind					
Unsecured, considered good		7,650	6,830	25,979	18,056
Doubtful		511	620	304	220
		8,161	7,450	26,283	18,276
Provision for doubtful advances		(511)	(620)	(304)	(220)
	C	**7,650**	**6,830**	**25,979**	**18,056**
Sundry loans					
Unsecured, considered good		141	141	18,685	18
Doubtful		76	76	–	–
		217	217	18,685	18
Provision for Sundry Loan		(76)	(76)	–	–
	D	**141**	**141**	**18,685**	**18**
Other loans and advances					
Advance income-tax (net of provision for taxation)		3,364	2,386	189	806
Minimum alternative tax credit entitlement		6,913	6,723	5	–
Loans to employees		201	87	384	421
Bond Application Money		1,500	1,500	–	–
Deposits with the Collectorate of Central Excise and Customs		–	–	5,156	4,037
	E	**11,978**	**10,696**	**5,734**	**5,264**
Total (A+B+C+D+E)		**25,869**	**21,994**	**51,369**	**24,117**

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 15 TRADE RECEIVABLES AND OTHER ASSETS

15.1. Trade receivables

(Rs. in Lacs)

	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Unsecured, considered good	6,129	–	244,534	147,948
Unsecured considered Doubtful	–	–	7,567	4,504
	6,129	–	252,101	152,452
Provision for doubtful receivables	–	–	(7,567)	(4,504)
	6,129	–	244,534	147,948

15.2. Other Assets

(Rs. in Lacs)

	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Unsecured, considered good unless stated otherwise				
Export Benefits Receivable	–	–	5,686	5,962
(A)	**–**	**–**	**5,686**	**5,962**
Exchange difference/unamortised premium of forward contracts	–	–	–	1,032
(B)	**–**	**–**	**–**	**1,032**
Interest Receivables				
Considered Good	–	–	634	1,033
Considered Doubtful	–	–	5	5
	–	**–**	**639**	**1,038**
Less : Provision	–	–	(5)	(5)
(C)	**–**	**–**	**634**	**1,033**
Others				
Considered Good	–	–	989	436
Considered Doubtful	201	201	–	–
	201	**201**	**989**	**436**
Less : Provision	(201)	(201)	–	–
(D)	**–**	**–**	**989**	**436**
Total Other Current Assets (A+B+C+D)	**–**	**–**	**7,309**	**8,463**

Notes 16 CURRENT INVESTMENTS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Current investments (value at lower of cost and fair values unless stated otherwise)		
Investments in debentures or bonds		
– Investment in Associates		
Nil (Previous Year: 1150) Non-Convertible Debentures of Rs.10,00,000 each in Advanta India Limited	–	11,534
Investments in Mutual Funds		
(a) 1,54,92,923 (Previous year: Nil) units of Reliance Liquidity Fund - Growth option of Rs. 10 each. (Net Assets Value: Rs 2,503 Lacs (Previous Year: Nil)	2,500	–
(b) 43,71,949 (Previous year: Nil) units of Birla Sun Life Cash Plus Institutional Premium - Growth of Rs.100 each. (Net Assets Value: Rs 7,509 Lacs (Previous Year: Nil)	7,500	–
(c) 1,48,450 (Previous year: Nil) units of SBI Premier Liquid Fund Super I. P. Growth of Rs. 1000 each. (Net Assets Value: Rs 2,504 Lacs (Previous Year: Nil)	2,500	–
(d) Nil (Previous Year: 1,55,89,047) Units of Kotak Floater Short Term - Growth of Rs. 10 each [Net Asset Value: Rs.Nil (Previous Year: Rs. 2,501 lacs)]	–	2,500
(e) Nil (Previous Year: 1,03,33,261) Units of ICICI Prudential Floating Rate Plan D - Growth of Rs. 100 each [Net Asset Value: Rs.Nil (Previous Year: Rs.15,032 lacs)]	–	15,000
(f) Nil (Previous Year: 3,94,35,909) Units of JP Morgan India Liquid Fund - Super Institutional Growth Plan of Rs. 10 each [Net Asset Value: Rs. Nil (Previous Year: Rs. 5,009 lacs)]	–	5,000
(g) Nil (Previous Year: 1,12,073) Units of Reliance Money Manager Fund - Institutional Option - Growth Plan of Rs. 1000 each [Net Asset Value: Rs. Nil (Previous Year: Rs. 1500 lacs)]	–	1,500
Total Current Investments	**12,500**	**35,534**
Note:		
Aggregate amount of unquoted investments	12,500	35,534
Aggregate provision for diminution in value of investments	–	–

Notes 17 INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

Raw materials and components	40,876	30,085
Work-in-progress	7,336	8,398
Finished goods	114,339	78,245
Traded goods	16,434	15,304
Stores and spares (including fuel)	2,286	1,918
Packing Material	5,670	5,804
By products	845	800
	187,786	**140,554**

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 18 CASH AND BANK BALANCES

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Cash and cash equivalents		
Balances with banks		
– Current accounts	11,109	6,863
– Foreign Currency accounts	62	432
– Current Accounts outside India	50,777	111,098
– Unclaimed Dividend accounts	171	136
– Fixed Deposit accounts	26	9,000
– Fixed Deposits outside India	7,125	–
Cheques/Drafts on hand	403	271
Cash on Hand	96	49
Other Bank Balances		
– Deposits with original maturity for more than 3 months but less than 12 months	–	28,500
– Margin money deposit *	249	237
	70,018	**156,586**

* Margin money deposits given as security against Bank Guarantees

Notes 19 REVENUE FROM OPERATIONS

Revenue from operations		
Sale of products and Services (net)	753,419	564,969
Other operating revenue		
Export Incentives	4,997	5,015
Job-Work / Service Income	1,034	911
Refund of Excise Duty	3,445	2,927
Discount Received	187	529
Miscellaneous Receipts	2,390	1,717
Revenue from operations (net)	**765,472**	**576,068**

Notes 20 OTHER INCOME

Interest income on		
Bank deposits	2,171	3,259
Others	2,920	4,142
Net gain on sale of current investments	656	1,827
Rent	185	138
Excess Provisions in respect of earlier years written back (net)	1,660	2,322
Exchange Difference (net)	1,847	1,884
Profit on sale of fixed assets	–	177
Profit on sale/ liquidation of subsidiaries	556	–
Miscellaneous Income	898	–
	10,893	**13,749**

Notes 21 OTHER EXPENSES

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Stores and Spares Consumed	3,696	3,765
Power and Fuel	26,353	22,125
Repairs to Buildings	885	521
Repairs to Machinery	3,780	3,962
Other Repairs	3,155	1,745
Labour / Processing Charges	24,584	19,274
Rent	4,392	3,213
Rates and Taxes	3,165	2,478
Insurance Charges	3,139	2,804
Commission on Sales	3,026	4,195
Advertisement and Sales Promotion	5,120	4,642
Travelling and Conveyance	10,478	8,815
Legal and Professional Fees	9,309	8,799
Charity and Donations	1,142	745
Bad Debts written off	1,015	400
Provision for Doubtful Debts and Advances	1,407	485
Assets written off	1,041	851
Provision for Diminution in value of Investment	174	208
Loss on Sale of Assets (Net)	82	–
Warehousing Costs	4,456	3,426
Communication Costs	2,139	1,676
Effluent Disposal Charges	4,668	4,050
Registration Charges	4,110	2,580
Transport Charges	27,356	22,382
Other Expenses	5,704	4,308
	154,376	**127,449**

PAYMENT TO AUDITOR OF THE HOLDING COMPANY

As Auditor:		
Audit fee	190	116
Others	4	26
Certification Fees	3	2
Reimbursement of expenses	2	2
	199	**146**

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 22 DEPRECIATION AND AMORTIZATION EXPENSE

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
Depreciation of tangible assets	13,308	9,931
Amortization of intangible assets	15,930	11,449
	29,238	**21,380**

Notes 23 FINANCE COSTS

Interest on Debentures	12,521	10,141
Interest on Term Loans	3,224	3,411
Interest on Cash Credit and Working Capital Demand Loan Accounts	3,982	1,184
Interest on Fixed Deposits and Fixed Loans	1,647	899
Other Interest	2,587	1,872
Cash Discount	4,210	2,800
Exchange Difference (Net)	7,686	8,113
Other Financial Charges	5,607	2,780
Total Finance Costs	**41,464**	**31,200**

Notes 24 PRIOR PERIOD ADJUSTMENTS

Amortisation of intangible assets	655	–
Goodwill written off on Cerexagri acquisition	1,449	–
Others	113	312
	2,217	**312**

Notes 25 EXCEPTIONAL ITEMS

Restructuring Cost	1,845	1,400

During the current year, restructuring costs incurred by the group are for the recent acquisition made in Brazil and Latin America region. During the previous year, the group incurred restructuring cost for Latin American operations to optimise the cost base in the region and remain competitive.

Notes 26 EFFECT OF ACQUISITIONS / DISPOSALS

(Rs. in Lacs)

	Effect on Group Profit Before Tax for the year	Net Assets as at Date of Acquisitions/ Disposal/ Dissolution	Date of Acquisition/ Disposal/ Dissolution
Acquisitions:			
DVA Agro Do Brasil - Comércio, Importação E Exportação De Insumos Agropecuários S.A. DVA Technology Argentina S.A.	(1,067)	46,267	July 25, 2011
United Phosphorus Bolivia S.R.L	(21)	(34)	December 27, 2011
Pro Long Limited	(16)	172	August 24, 2011
UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.	(496)	2,282	October 12, 2011
Phoenix Environmental Care LLC (merged with United Phosphorus Inc)	(53)	(773)	August 12, 2011
Total	**(1,653)**	**47,914**	
Disposals / Dissolution:			
Samma International S.R.L.,Italy	103	298	February 29, 2012
(Previous year: Profit before tax: Rs. 16 lacs, Net Assets: Rs. 401 lacs)			
United Phosphorus Sole Partner Limited, Greece	2	–	March 23, 2012
(Previous year: Profit before tax: Rs. 2 lacs, Net Assets: Rs. (2,195) lacs)			
United Phosphorus Limited, Zambia	3	(16)	December 5, 2011
(Previous year: Profit before tax:Rs.(18) lacs, Net Assets:Rs. (12) lacs)			
Cropserve Zambia Limited	–	(397)	April 1, 2011
(Previous year: Profit before tax: Rs. (296) lacs, Net Assets: Rs.(397) lacs)			
Prime Agri Centre Zambia Limited	–	(141)	April 1, 2011
(Previous year:Profit before tax: Rs. (95) lacs, Net Assets:Rs. (141) lacs)			
Agri pack Zambia Limited	–	(153)	April 1, 2011
(Previous year: Profit before tax:Rs. 0.21 lacs, Net Assets:Rs. (153) lacs)			
Total	**108**	**(409)**	

Note - Figures of Loss / Negative Net assets are indicated in brackets.

Notes 27 CONTINGENT LIABILITIES NOT PROVIDED FOR:

(Rs. in Lacs)

		As at 31 March 2012	As at 31 March 2011
a)	Disputed Excise Duty / Service Tax Liability (excluding interest)	10,373	7,123
b)	Disputed Income-tax Liability (excluding interest)	151	69
c)	Disputed Sales-tax Liability	7,426	1,206
d)	Disputed Customs Liability	2,999	2,331
e)	Disputed Fiscal Penalty for cancellation of Licenses	3,348	3,348
f)	Disputed Penalty on water tax	161	161
g)	Disputed penalty levied by Competition Commission of India for Cartelization of prices	25,244	–
h)	Bills discounted remaining unpaid as at the date of the Balance Sheet	8,806	361
i)	Guarantees given by Group's Bankers on behalf of the Group to third parties	4,129	11,253
j)	Guarantees given by the Group to third parties	749	360
k)	Claims against the Group not acknowledged as debts	3,615	936
In respect of share of Associate Companies:			
a)	Disputed Income tax liability (Excluding interest)	1,006	1,078
b)	Claims against the Associates not acknowledged as debts. (Includes the claim of Rs.3,940 lacs (Previous Year : Rs. 3,940 lacs) made by party, which the associate company has disputed and has filed a counter claim against the said party for an amount of Rs.1,365 lacs (Previous Year : Rs. 1,365 lacs))	6,754	5,353

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 28 CAPITAL AND OTHER COMMITMENTS

(Rs. in Lacs)

		As at 31 March 2012	As at 31 March 2011
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9,498	5,917
b)	Put option on purchase of debentures of a company excercisable before 16th March, 2013.	15,075	–

c) Arrangement with Advanta India Limited

The Holding Company has entered into a Licence Agreement effective from 2nd April 2012 with Advanta India Limited (AIL) to obtain technical know-how for commercial exploitation, development, use and sale of the Licenced Products and use of brands. In consideration thereof, the Holding Company will pay a royalty at the rate of 7 % of net sales revenue of the Licenced Products subject to a minimum royalty of Rs 700 lacs. Further, AIL shall carry out research and development activity, as agreed, in connection with the Licenced Products and the Holding Company will pay an amount as may be agreed between both the parties at the commencement of each year.

Notes 29 EARNINGS PER SHARE (EPS)

The following reflects the Profit and Share data used in the basic and diluted EPS computation:		
Basic & diluted earning per share:		
Profit after Taxation as per the Consolidated Statement of profit and loss	60,069	59,136
Less : Share of loss in Associate Company	3,979	2,338
	56,090	56,798
Less:Minority Interest	535	1,036
Net Profit attributable to equity shareholders after exceptional items	55,555	55,762
Add:Exceptional Items	1,845	1,400
Net Profit attributable to equity shareholders before exceptional items	57,400	57,162
	Nos.	Nos.
Weighted Number of Equity Shares Outstanding	461,804,274	447,773,464
	Rupees	Rupees
Basic & diluted Earning Per Share including exceptional items	12.03	12.45
Basic & diluted Earning Per Share excluding exceptional items	12.43	12.77
Nominal Value of equity share	2.00	2.00

Notes 30 JOINT VENTURES AND ASSOCIATE COMPANIES:

While preparing the Consolidated Financial Statements, the Group has not done proportionate consolidation in respect of its investment in certain joint ventures and has also not recognised the effects of investment in certain associates on the financial position and operating results of the Group.

The investments in the aforesaid companies included in the Consolidated Financial Statements are as under:

(Rs. in Lacs)

			Group Holding (%)	As at 31 March 2012	As at 31 March 2011
a)	Joint Venture Companies				
	United Phosphorus (Bangladesh) Limited, Bangladesh		50.00	4	4
	Nisso TM LLC, Japan		49.00	5	4
	Hodogaya UPL Co. Ltd., Japan		40.00	1,231	1,149
b)	Associate Companies:				
	i)	Agrinet Solutions Limited. (Net of Provision for Diminution)	49.98	173	173
	ii)	Chemisynth (Vapi) Limited (Net of Provision for Diminution)	30.00	157	293
	iii)	Kerala Enviro Infrastructure limited (Net of Provision of Diminution)	38.00	260	216
	iv)	UPL Investment Private Limited *	66.67	186	51
	v)	Polycot Technologies 2010 Ltd **	20.00	–	–

* Voting Power less than 50%

** Carrying cost of this investment is not considered material.

Notes 31 SEGMENT INFORMATION

Segment information has not been given as the management is of the view that the disclosure of the said information would be prejudicial to the interest of the Group.

Notes 32 RELATED PARTY DISCLOSURES

Related parties of the Group as identified by the management and relied upon by the Auditors.

a) **List of related parties:**

i) **Joint Venture Companies:**

- United Phosphorus (Bangladesh) Limited
- Nisso TM LLC
- Hodogaya UPL Co. Limited, Japan

ii) **Associate Companies:**

- Advanta India Limited
- Advanta Finance B.V.
- Advanta International B.V.
- Advanta Netherlands Holdings B.V.
- Advanta Semillas SAIC, Argentina
- Advanta Holdings B.V.
- Advanta Seed International, Mauritius
- Pacific Seeds Holdings (Thai) Limited
- Pacific Seeds (Thai) Limited
- Pacific Seeds Pty Limited, Australia
- Advanta US Inc.
- Advanta Comercio De Sementes LTDA.
- Unicorn Seeds Private Limited, India
- Advanta Seeds Limited, India
- Longreach Plant Breeders Management Pty Limited, Australia
- PT Advanta Seeds Indonesia
- Advanta (B.V.I) Ltd
- Agrinet Solutions Limited
- Chemisynth (Vapi) Limited
- Kerala Enviro Infrastructure Limited
- UPL Investment Private Limited
- SIPCAM UPL Brasil S.A. (w.e.f. April 01, 2011)
- Polycot Technologies 2010 Ltd

iii) **Enterprises over which key management personnel and their relatives have significant influence:**

- Bharuch Enviro Infrastructure Limited
- Bloom Packaging Private Limited
- Bloom Seal Containers Private Limited
- Coimbatore Integrated Waste Management Company Private Limited
- Daman Ganga Pulp and Papers Private Limited
- Demuric Holdings Private Limited
- Entrust Environment Limited
- Enviro Technology Limited
- Gabo Products Private Limited
- Gharpure Engineering and Construction Private Limited
- Jai Research Foundation
- Jai Trust
- JRF America Inc.
- JRF International Ltd
- Nerka Chemicals Private Limited
- Pot Plants
- Sanguine Holdings Private Limited
- Tatva Global Enviroment Limited
- Ultima Search
- Uniphos International Limited (formerly known as Uniphos Agro Industries Limited)
- Uniphos Enterprises Limited
- Uniphos Envirotronic Private Limited
- UPL Environmental Engineers Limited
- Vikram Farm

iv) **Key Management Personnel and their relatives :**

- Whole Time Directors and their relatives
- Mr. Rajnikant D. Shroff
- Mrs. Sandra R. Shroff *
- Mr. Kalyan Banerjee
- Mr. Jaidev R. Shroff
- Mr. Arun C. Ashar
- Mr. Vikram R. Shroff
- Mrs. Shilpa Sagar *
- Mrs. Asha Ashar *
- Mr. Navin Ashar *

* relative of key management personnel.

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 32 RELATED PARTY DISCLOSURES *(Contd.)*:

(b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies.

(Rs. in Lacs)

Nature of Transactions	Year ended 31 March, 2012				Year ended 31 March, 2011			
	Joint Venture Companies	Associate Companies	Other related parties	Total	Joint Venture Companies	Associate Companies	Other related parties	Total
1. INCOME								
a) SALE OF GOODS								
(NET OF REBATES AND DISCOUNTS)	2,991	2,116	479	5,586	1,637	194	360	2,191
Sipcam UPL Brasil S.A.	–	1,298	–	1,298	–	–	–	–
Hodogaya UPL Co. Ltd.	2,870	–	–	2,870	1,499	–	–	1,499
Others	121	818	479	1,418	138	194	360	692
b) OTHER INCOME	76	–	–	76	–	–	–	–
Nisso TM LLC	76	–	–	76	–	–	–	–
c) MANAGEMENT FEES	–	–	485	485	–	–	340	340
Tatva Global Environment Limited	–	–	485	485	–	–	340	340
d) DIVIDEND RECEIVED	–	–	–	–	76	84	–	160
Advanta India Limited	–	–	–	–	–	84	–	84
Nisso TM LLC	–	–	–	–	76	–	–	76
e) SALE OF ASSETS	–	–	–	–	–	–	544	544
JRF America Inc.	–	–	–	–	–	–	544	544
f) RENT RECEIVED	–	–	18	18	–	–	–	–
Uniphos Envirotronic Private Limited	–	–	18	18	–	–	–	–
g) REBATE AND DISCOUNT GIVEN	–	0	–	0	–	95	–	95
Advanta India Limited	–	0	–	0	–	87	–	87
Others	–	0	–	0	–	8	–	8
h) CASH DISCOUNT RECEIVED	–	–	–	–	–	412	–	412
Advanta India Limited	–	–	–	–	–	391	–	391
Others	–	–	–	–	–	21	–	21
2. EXPENSES								
a) PURCHASES OF GOODS	4,514	19,199	3,121	26,834	5,063	10,185	2,079	17,326
Advanta India Limited	–	16,707	–	16,707	–	9,261	–	9,261
Hodogaya UPL Co. Ltd.	2,008	–	–	2,008	2,580	–	–	2,580
Nisso TMLLC	2,506	–	–	2,506	2,483	–	–	2,483
Others	–	2,492	3,121	5,613	–	924	2,079	3,002
b) FIXED ASSETS	–	–	431	431	–	–	46	46
Entrust Environment Limited	–	–	–	–	–	–	30	30
Gharpure Engineering & Construction	–	–	405	405	–	–	–	–
UPL Environmental Engineers Limited	–	–	18	18	–	–	16	16
Others	–	–	8	8	–	–	–	–
c) SERVICES	–	321	3,225	3,546	–	248	2,007	2,255
Chemi Synth (Vapi) Limited.	–	321	–	321	–	248	–	248
Bharuch Enviro Infrastructure Limited	–	–	3,076	3,076	–	–	1,825	1,825
Others	–	–	149	149	–	–	182	182
d) RENT	–	–	40	40	–	–	34	34
Bloom Packaging Private Limited.	–	–	6	6	–	–	6	6
Sanguine Holdings Pvt Ltd.	–	–	12	12	–	–	12	12
Demuric Holdings Private Limited	–	–	5	5	–	–	5	5
Ultima Search	–	–	9	9	–	–	5	5
Others	–	–	8	8	–	–	6	6
e) COMMISSION AND DISCOUNT GIVEN	–	487	–	487	–	53	–	53
Advanta Seed Int. Mauritius	–	–	–	–	–	53	–	53
Advanta India Limited	–	487	–	487	–	–	–	–
f) INTANGIBLE ASSETS	–	–	520	520	–	–	339	339
Jai Research Foundation	–	–	520	520	–	–	339	339

Notes 32 RELATED PARTY DISCLOSURES *(Contd.)*:

(b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies. *(Contd.)*

(Rs. in Lacs)

	Nature of Transactions	Year ended 31 March, 2012				Year ended 31 March, 2011			
		Joint Venture Companies	Associate Companies	Other related parties	Total	Joint Venture Companies	Associate Companies	Other related parties	Total
3.	FINANCE								
a)	INTEREST PAID	–	–	289	289	–	–	216	216
	Demuric Holdings Private Limited	–	–	258	258	–	–	203	203
	Others	–	–	31	31	–	–	13	13
b)	INTEREST RECEIVED	–	2,426	317	2,743	2	3,684	222	3,908
	Advanta India Limited	–	2,426	–	2,426	–	3,684	–	3,684
	Others	–	–	317	317	2	–	222	224
c)	LOAN /INTER CORPORATE DEPOSITS GIVEN	–	27,560	20,135	47,695	–	11,275	19,334	30,609
	Advanta India Limited	–	3,140	–	3,140	–	11,275	–	11,275
	Advanta Holdings B.V		24,420	–	24,420	–	–	–	–
	Uniphos Enterprises Limited	–	–	15,004	15,004	–	–	14,066	14,066
	Tatva Global Environment Limited	–	–	3,180	3,180	–	–	4,818	4,818
	Others	–	–	1,951	1,951	–	–	450	450
d)	LOANS / INTER COMPANY DEPOSITS TAKEN DURING THE YEAR	–	–	10,254	10,254	–	–	8,918	8,918
	Demuric Holdings Private Limited	–	–	8,920	8,920	–	–	7,145	7,145
	UPL Environmental Engineers Limited	–	–	–	–	–	–	1,773	1,773
	Others	–	–	1,334	1,334	–	–	–	–
e)	SALE/REDEMPTION OF SHARES/ NCD/COMMERCIAL PAPER	–	23,570	9,522	33,092	–	–	19,866	19,866
	Advanta India Limited	–	23,570	–	23,570	–	–	–	–
	Demuric Holdings Private Limited	–	–	9,522	9,522	–	–	19,866	19,866
f)	PURCHASE OF SHARES/NCD/ COMMERCIAL PAPERS	–	3,014	15,626	18,640	–	–	–	–
	Advanta India Limited	–	3,014	–	3,014	–	–	–	–
	Demuric Holdings Private Limited	–	–	15,626	15,626	–	–	–	–
g)	REPAYMENT OF LOAN GIVEN	–	27,560	17,884	45,44	–	–	–	–
	Advanta Holdings B.V		24,420		24,420				–
	Uniphos Enterprises Limited	–	–	14,334	14,334	–	–	–	–
	Others	–	3,140	3,550	6,690	–	–	–	–
h)	REPAYMENT OF LOAN TAKEN	–	–	11,396	11,396	–	–	–	–
	Uniphos Enterprises Limited	–	–	1,404	1,404	–	–	–	–
	Nerka Chemicals Private Limited	–	–	600	600	–	–	–	–
	Demuric Holdings Private Limited	–	–	9,392	9,392	–	–	–	–
4.	REIMBURSEMENTS								
a)	RECEIVED	0	1,481	22	1,503	–	7	38	45
	Advanta International B.V	–	1,480	–	1,480	–	–	–	–
	Advanta India Limited	–	–	–	0	–	7	–	7
	Uniphos Envirotronic Private Limited	–	–	3	3	–	–	15	15
	UPL Environmental Engineers Limited	–	–	–	–	–	–	5	5
	Nerka Chemicals Private Limited	–	–	15	15	–	–	13	13
	Others	–	1	4	2	–	–	5	5
b)	MADE	–	44	3	47	–	8	26	34
	Advanta India Limited	–	33	–	33	–	5	–	5
	Uniphos Envirotronic Private Limited	–	–	3	3	–	–	4	4
	Unicorn Seeds	–	8	–	8	–	3	–	3
	Bloom Packaging Private Limited.	–	–	–	–	–	–	6	6
	Bloom Seal Containers Private Limited.	–	–	–	–	–	–	15	15
	Others	–	3	–	3	–	–	1	1

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 32 RELATED PARTY DISCLOSURES *(Contd.)*:

(b) The following transactions were carried out with the related parties in the ordinary course of business as disclosed in the audited accounts of the individual companies. *(Contd.)*

(Rs. in Lacs)

Nature of Transactions	Year ended 31 March, 2012				Year ended 31 March, 2011			
	Joint Venture Companies	Associate Companies	Other related parties	Total	Joint Venture Companies	Associate Companies	Other related parties	Total
5. TRANSFER OF SECURITY DEPOSIT FROM	–	3	–	3	–	23	–	23
Advanta India Limited.	–	3	–	3	–	23	–	23
Unicorn Seeds Private Limited.	–	0	–	0	–	0	–	0
6. TRANSFER OF CUSTOMER BALANCES FROM	–	3	–	3	–	–	–	–
Advanta India Limited.	–	3	–	3	–	–	–	–
7 TRANSFER OF ADVANCES FROM	–	204	–	204	–	–	–	–
Advanta India Limited.	–	190	–	190	–	–	–	–
Others	–	14	–	14	–	–	–	–
8 TRANSFER OF EMPLOYERS LIABILITY FROM	–	103	–	103	–	–	–	–
Advanta India Limited.	–	75	–	75	–	–	–	–
Unicorn Seeds	–	28	–	28	–	–	–	–
9 TRANSFER OF SECURITY DEPOSIT TO	–	–	2	2	–	–	–	–
Uniphos Envirotronic Private Limited	–	–	2	2	–	–	–	–
10 OUTSTANDINGS AS AT BALANCE SHEET DATE								
a) PAYABLES (INCLUDING TRADE ADVANCES)	1,534	6,637	1,127	9,298	1,774	11	460	2,245
Advanta India Limited	–	5,849	–	5,849	–	–	–	–
Uniphos Enterprises Limited	–	–	939	939	–	–	–	–
Hodogaya UPL Co. Ltd.	1,534	–	–	1,534	1,774	–	–	1,774
Others	–	788	188	976	–	11	460	471
b) RECEIVABLES (INCLUDING TRADE ADVANCES)	889	523	106	1,518	475	641	643	1,759
Advanta India Limited	–	–	–	–	–	361	–	361
Sipcam UPL Brasil S.A	–	318	–	318	–	–	–	–
Chemi Synth (Vapi) Limited.	–	204	–	204	–	263	–	263
Hodogaya UPL Co. Ltd.	866	–	–	866	446	–	–	446
JRF America Inc.	–	–	–	–	–	–	542	542
Others	23	1	106	130	29	17	101	146
c) LOANS PAYABLE	–	–	179	179	–	–	651	651
Demuric Holdings Private Limited	–	–	179	179	–	–	651	651
d) LOANS GIVEN	–	–	1,581	1,581	–	–	–	–
UPL Environmental Engineers Limited	–	–	1,500	1,500	–	–	–	–
Others	–	–	81	81	–	–	–	–
e) MANAGEMENT FEES RECEIVABLE	–	–	935	935	–	–	375	375
Tatva Global Environment Limited	–	–	935	935	–	–	375	375
f) INTEREST PAYABLE	–	–	–	–	–	–	203	203
Demuric Holdings Private Limited	–	–	–	–	–	–	203	203
g) INTEREST RECEIVABLES	–	501	53	554	–	40	24	64
Advanta India Limited	–	501	–	501	–	40	–	40
Tatva Global Environment Limited	–	–	25	25	–	–	19	19
Others	–	–	28	28	–	–	5	5

Notes 32 RELATED PARTY DISCLOSURES *(Contd.)*:

c) Transactions with Directors of the Holding Company and their Relatives

(Rs. in Lacs)

	Year ended 31 March 2012	Year ended 31 March 2011
Nature of Transactions		
Remuneration	878	1,815
Rent Paid	–	141
Professional Fees	57	221
Guarantee Received	–	–
Outstandings as at the Balance Sheet Date		
Remuneration Payable	329	331
Sundry Deposits given	53	58
Professional fees payable/(receivable)	(1)	(5)

Notes 33 FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE

Name of Instruments	Currency	31 March 2012 Amount outstanding (in '000)	31 March 2011 Amount outstanding (in '000)	Purpose- Hedging/ Speculation
(a) Forward contract - Sell	USD	46,000	41,000	Hedging
(b) Derivative contracts				
(i) (a) Option Receivable	JPY	–	15,194,400	Hedging
(b) Option Payable	USD	–	183,540	Hedging
(ii) Full Currency Interest Rate Swap contracts - payable	USD	189,994	189,994	Hedging
(c) Un-hedged Foreign Currency Exposure on:				
1. Payable	USD	461,137	368,485	
	EUR	6,714	15,062	
	GBP	51	164	
	JPY	–	15,278,565	
	CHF	89	24	
	DKK	722	702	
	CLP	–	2,911	
	AED	–	11	
	NZD	–	1	
	CAD	20	–	
2. Receivable	USD	147,437	61,396	
	EUR	20,977	22,503	
	GBP	49	250	
	AED	21	382	
	CHF	78	201	
	DKK	5,643	5,073	
	JPY	968	–	

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 34 LEASE COMMITMENTS

(Rs. in Lacs)

	As at 31 March 2012	As at 31 March 2011
a) Finance Leases		
Future Minimum Lease Payments in respect of assets acquired under finance leases are as under:		
i) Payable not later than 1 year	271	244
ii) Payable later than 1 year and not later than 5 years	144	252
Total Minimum Lease Payments	415	496
Less: Future Finance Charges	24	28
Present Value of Minimum Lease Payments	391	468
b) Operating Leases		
The minimum annual rentals under the operating leases are as under:		
i) within one year	294	164
ii) between two and five years	511	234
iii) above five years	–	44

Lease rent debited to the statement of profit and loss is Rs. 4,392 lacs (Previous Year: Rs. 3,213 lacs)

There is no contingent rent recognised in the statement of profit and loss.

General description of the leasing arrangement:
The Group has entered into operating lease arrangements for its office premises, storage locations and residential premises.

Notes 35

A Scheme of Arrangement between the Holding Company and SWAL Corporation Ltd. and their respective Shareholders' under Sections 391 to 394 read with Section 78 and Sections 100 to 103 of the Companies Act, 1956 with the Appointed Date of 1st April 2007, was sanctioned by the Hon'ble Bombay High Court on 29th February 2008 and High Court of Judicature at Gujarat on 16th April 2008 and became effective from 30th April 2008.

As per the said scheme, reduction of Capital under Sections 100 to 103 of the Companies Act, 1956 was sanctioned and accordingly the debit balance aggregating to Rs. 56,212 lacs in respect of Product Registrations and Product Acquisitions appearing as on 31st March 2007, has been debited to the Securities Premium Account and the General Reserve after adjusting for Deferred Tax arising on account of these assets amounting to Rs. 2,525 lacs on that date.

As per the ICAI announcement, expense adjusted directly to reserve is net of its tax effect. As per the Court order legal advice obtained, the Holding Company has taken a consistent view that the tax benefit available is not to be adjusted in respect of amortization of the product registrations and product acquisitions adjusted to the Reserves. The difference in provision for taxation for the year due to this is Rs. 1,252 lacs (Previous Year: Rs. 1,709 lacs) though overall, there is no impact on the aggregate of Reserves and Surplus of the Group.

Notes 36 RETIREMENT BENEFITS

Disclosure as required by Accounting Standard (AS) - 15 (Revised 2005) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006, as amended, are given below:

a) The amounts recognised in the statement of Profit and Loss are as follows:

(Rs. in Lacs)

i. Defined Contribution Plan	Provident Fund	
	As at 31 March 2012	As at 31 March 2011
Current service cost included under the head - Employee Benefits Expense	634	521

ii. Defined Contribution Plan	Superannuation Fund	
	As at 31 March 2012	As at 31 March 2011
Current service cost included under the head - Employee Benefits Expense	449	349

Notes 36 RETIREMENT BENEFITS *(Contd.)*:

b) Defined Benefit Plan :

United Phosphorus Limited (India) and SWAL Corporation Limited has a defined benefit gratuity plan. RiceCo, LLC has a defined benefit pension plan.

(Rs. in Lacs)

iii)

Defined Benefit Plan	Gratuity		Pension	
	31-March-12	31-March-11	31-March-12	31-March-11
Current service cost	236	140	44	18
Interest cost on benefit obligation	125	85	61	28
Expected return on plan assets	(135)	(116)	(79)	(30)
Net actuarial (gain)/loss recognised during the year	97	184	29	10
Amount included under the head - 'Employee Benefits Expense'	323	293	55	26
Actual return on plan assets	–	100	70	85

c) The amounts recognised in the Balance Sheet are as follows:

(Rs. in Lacs)

	Defined Benefit Plan Gratuity (Funded)		Pension	
	31-March-12	31-March-11	31-March-12	31-March-11
Present value of funded obligation	1,810	1,435	1,414	1,044
Less: Fair value of plan assets	1,809	1,602	1,225	861
Net Liability is included in Note no. 7 Provisions	1	–	190	183
Net Asset is included in Note no 14 - Loans and Advances	–	167	–	–

d) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

(Rs. in Lacs)

	Gratuity		Pension	
	31-March-12	31-March-11	31-March-12	31-March-11
Opening defined benefit obligation	1,435	1,098	1,188	995
Interest cost	125	85	65	28
Current service cost	236	140	47	18
Liability Transferred in	60	–	–	–
Benefits paid	(117)	(56)	(34)	(15)
Actuarial (gains)/loss on obligation	70	168	149	18
Closing defined benefit obligation	1,809	1,435	1,415	1,044

e) Changes in the fair value of plan assets are as follows:

(Rs. in Lacs)

	Gratuity		Pension	
	31-March-12	31-March-11	31-March-12	31-March-11
Opening fair value of plan assets	1,602	1,402	980	791
Expected return	221	116	75	85
Contibutions made by employer during the year	0	100	204	-
Benefits paid	–	–	(34)	(15)
Actuarial Gain/(Loss) on plan assets	(27)	(16)	–	–
Closing fair value of plan assets	1,796	1,602	1,225	861

f) Expected contribution to defined benefit plan for the year 2012-13

(Rs. in Lacs)

	Gratuity		Pension	
	31-March-12	31-March-11	31-March-12	31-March-11
	100		51	

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 36 RETIREMENT BENEFITS *(Contd.)*

g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	31-March-12 %	31-March-11 %
Investments with insurer under:		
Funds Managed by Insurer	100.00	100.00

	Pension	
	31-March-12 %	31-March-11 %
(a) Equity Securities	59.00	59.00
(b) Debt Securities	41.00	40.00
(c) Other	–	1.00

h) The principal actuarial assumptions at the Balance Sheet date

	Gratuity	
	31-March-12	31-March-11
Discount rate	8.50%	7.75%
Expected rate of return on plan assets	8.00%	8.00%
Mortality table	LIC (1994 - 96) published table of Mortality Rates	LIC (1994 - 96) published table of Mortality Rates
Proportion of employees opting for early retirement	5% at younger ages and reducing to 1% at old age on graduated scale	5% at younger ages and reducing to 1% at old age on graduated scale

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	Pension	
	31-March-12	31-March-11
Discount rate Projected Benefit Obligation	4.50%	5.75%
Rate of Increase in Compensation Levels	3.00%	4.00%
Expected Long Term rate of Return on Assets	8.00%	8.00%

i) Experience Adjustment

(Rs. in Lacs)

	Gratuity	
	31-March-12	31-March-11
Experience adjustments on plan liabilities (Gain)/Loss	67	(138)
Experience adjustments on plan Assets (Gain)/Loss	(27)	16

Notes **36** RETIREMENT BENEFITS *(Contd.)*

Amounts for the current and previous four periods are as follows:

(Rs. in Lacs)

	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008
Gratuity					
Defined benefit obligation	1,810	1,435	1,098	1,081	869
Plan assets	1,809	1,602	1,402	903	911
Surplus / (deficit)	(1)	167	304	(178)	42
Experience adjustments on plan liabilities	67	(138)	(143)	N.A	N.A

Notes **37** DISCLOSURE RELATING TO PROVISIONS:

i) **Environmental Provision:**

The Group's operations are subject to environmental laws and regulations in the jurisdictions in which we operate. Some of these laws restrict the amount and type of emissions that group's operations can release into the environment. Group has made necessary provision required by respective local laws. The out flow of which would depend on the cessation of the respective events.

ii) **Reorganization Provision:**

Due to a downward trend and a stronger competition, management has announced a cost reduction plan which includes a decrease in headcounts and other costs. The group made provision in respect of the same and outflow is expected on cessations of the respective events.

iii) **Labour / Employee Claim Provision:**

The Group is parties to various lawsuits that are at administrative or judicial level or in their initial stages, involving labour, tax and civil matters. The group contest in court all claims and based on the assessment of their legal counsel, record a provision when the risk of loss is considered probable. The outflow is expected on cessations of the respective events.

Notes **37** DISCLOSURE RELATING TO PROVISIONS:

The movements in the above provisions are summarized below:

(Rs. in Lacs)

	Environmental Provisions	Reorganisation Provision	Labour/Employee Claim Provision
Balances as at April 1, 2011	838	113	509
Additions on Acquisition of subsidiaries	–		1,612
Provisions:			
– Created	–	7	–
– Utilised	–	(96)	(49)
– Reversed	–	–	–
Foreign currency translation reserve	60	8	–
Balance as at March 31, 2012	898	32	2,072

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

38 STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTON 212 (3) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

The Company has availed the exemptions as per notification dated February 8, 2011 issued by the Ministry of Corporate Affairs (MCA) under Section 212 of the Companies Act, 1956. Accordingly the information in aggregate for each subsidiary including subsidiaries of subsidiaries is as follows:

(Rs. in Lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiary	Turnover	Profit before before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Shroffs United Chemicals Limited	INR	1.00	5	16	21	0	–	–	29	(9)	20	–
2	SWAL Corporation Limited,India	INR	1.00	802	2,335	17,244	14,125	18	39,896	1,613	(525)	1,088	–
3	United Phosphorus (India) LLP	INR	1.00	10	(1)	9	0	–	–	(1)	–	(1)	–
4	United Phosphorus Global LLP	INR	1.00	10	(0)	10	0	–	–	(0)	–	(0)	–
5	United Phosphorus Limited, U.K.	GBP	81.56	34,714	3,931	101,048	62,404	–	62,510	820	(188)	633	–
6	United Phosphorus GmbH – Germany	EUR	67.91	17	213	7,389	7,159	–	7,716	214	(64)	150	
7	United Phosphorus Polska Sp.z o.o – Poland	PLN	16.33	1	2	36	34	–	29	1	(1)	0	
8	Cerexagri B.V. Netherlands	EUR	67.91	15,353	2,657	36,984	18,974	–	26,215	1,155	(247)	908	–
9	United Phosphorus Brazil Plus B.V	EUR	67.91	12	(6)	7	1		–	(8)	2	(6)	
10	United Phosphorus Holdings Cooperatief U.A.	EUR	67.91	50,063	(66)	52,446	2,449	–	–	(64)	16	(48)	
11	United Phosphorus Holdings B.V., Netherlands	EUR	67.91	12	48,589	206,937	159,566	1,231	1	(420)	(822)	(1,242)	–
12	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	EUR	67.91	2,530	(26)	2,539	35	–	–	(7)	–	(7)	
13	Decco Worldwide Post–Harvest Holdings B.V.	EUR	67.91	12	3,313	10,551	7,226	–	–	(233)	–	(233)	
14	United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.)	EUR	67.91	12	10,542	80,314	91,032	21,273	1,562	(3,353)	314	(3,039)	
15	Desarrollo Quimico Industrial, S.A., Spain	EUR	67.91	–	–	–	–	–	–	–	–	–	–
16	Cerexagri Italia S.R.L.	EUR	67.91	68	484	13,837	13,285	–	17,309	167	(86)	81	–
17	United Phosphorus Italy S.R.L.	EUR	67.91	7	1,108	7,007	5,892	–	–	93	(30)	63	–
18	Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain	EUR	67.91	37	3,500	11,577	8,040	–	17,681	(1,100)	320	(780)	–
19	Agrindustrial, S.A., Spain	EUR	67.91	–	–	–	–	–	–	–	–	–	–
20	Phosfonia, S.L.,Spain	EUR	67.91	–	–	–	–	–	–	–	–	–	–
21	Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica)	EUR	67.91	122	3,981	6,267	2,164	–	8,450	1,017	(308)	709	–
22	Transterra Invest, S. L. U., Spain	EUR	67.91	5,850	(988)	21,824	16,962	–	16	(704)	211	(493)	–
23	Cerexagri S.A.S.	EUR	67.91	8,993	6,554	35,019	19,472	–	57,336	830	(280)	550	–
24	United Phosphorus Switzerland Ltd.	CHF	56.37	56	(1)	84	28	–	51	37	(1)	36	–
25	Agrodan, ApS	DKK	9.13	228	1,424	1,744	92	–	119	52	(13)	39	–
26	United Phosphorus Limited, Belgium S P R L	EUR	67.91	13	(35)	1	22	–	–	(7)	–	(7)	–
27	Decco Italia SRL,Italy	EUR	67.91	714	2,354	4,849	1,781	–	4,399	708	(302)	406	–
28	Samma International S.R.L. (Refer note:4)	EUR	67.91	–	–	–	–	–	2,363	(106)	–	(106)	–
29	JSC United Phosphorus Limited, Russia	RUB	1.73	1	289	2,736	2,445	–	2,099	12	–	12	–
30	United Phosphorus Inc., U.S.A. & Subsidiaries	USD	50.88	1	27,310	172,758	145,453	5	148,012	7,689	(1,969)	5,720	–
31	Phoenix Environmental Care , LLC (Refer note:6)	USD	50.88	–	–	–	–	–	237	(86)	–	(86)	–
32	UPI Finance LLC	USD	50.88	–	–	–	–	–	–	–	–	–	
33	Cerexagri, Inc. (PA)	USD	50.88	–	–	–	–	–	–	–	–	–	–

38 *(Contd.)*

The Company has availed the exemptions as per notification dated February 8, 2011 issued by the Ministry of Corporate Affairs (MCA) under Section 212 of the Companies Act, 1956. Accordingly the information in aggregate for each subsidiary including subsidiaries of subsidiaries is as follows:

(Rs. in Lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiary	Turnover	Profit before before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
34	Cerexagri Delaware, Inc.,USA	USD	50.88	–	–	–	–	–	–	–	–	–	–
35	Canegrass LLC, USA	USD	50.88	–	–	–	–	–	–	–	–	–	–
36	Decco US Post–Harvest Inc (US)	USD	50.88	0	2,083	8,242	6,159	–	14,071	1,243	(218)	1,025	–
37	Riceco LLC	USD	50.88	–	–	–	–	–	–	–	–	–	–
38	Riceco International , INC	USD	50.88	3	5,080	12,038	6,955	–	19,137	5,080	–	5,080	–
39	United Phosphorus Sole Partner Limited, Greece (Refer note:4)	USD	50.88	–	–	–	–	–	–	(3)	–	(3)	–
40	Bio–win Corporation Limited, Mauritius	USD	50.88	42,532	14,056	367,691	311,610	506	45,009	17,245	(219)	17,026	–
41	Uniphos Limited, Mauritius	USD	50.88	155	10,084	10,449	210	–	–	14,565	–	14,565	
42	United Phosphorus Limited Mauritius. (Refer note:5)	USD	50.88	–	–	–	–	–	1,846	(408)	–	(408)	
43	United Phosphorus Limited, Gibraltar	USD	50.88	2	21,175	66,549	45,372	–	47,582	13,884	–	13,884	–
44	Uniphos Limited Gibraltor	USD	50.88	2	14,948	56,659	41,709	–	44,639	14,948	–	14,948	–
45	United Phosphorus de Mexico, S.A. de C.V.	MXN	3.99	21	2,410	9,177	6,745	–	18,434	311	(124)	187	–
46	Decco Jifkins Mexico Sapi	MXN	3.99	2	(34)	548	580	–	697	(34)	–	(34)	–
47	Global Chem Trade Corp., Panama	USD	50.88	5	2,186	2,195	4	–	–	8	–	8	–
48	United Phosphorus do Brasil Ltda	BRL	27.91	195	(202)	75	81	–	299	2	(30)	(28)	–
49	Uniphos Indústria e Comércio de Produtos Químicos Ltda.	BRL	27.91	22,058	(10,767)	64,302	53,010	–	–	(10,179)	–	(10,179)	–
50	United Phosphorus Indústria e Comércio de Produtos Químicos Ltda.	BRL	27.91	64,889	(587)	80,022	15,721	–	–	(587)	–	(587)	–
51	DVA Agro Do Brasil – Comércio, Importação E Exportação De Insumos Agropecuários S.A.	BRL	27.91	14,421	32,720	115,509	68,368	–	64,684	(2,476)	1,816	(661)	–
52	United Phosphorus Limited, Colombia	COP	28.39	300	(127)	2,279	2,106	–	2,738	418	(142)	276	–
53	Eddyville Consultants Group, Inc. Panama	USD	50.88	5	66	74	3	–	–	(3)	–	(3)	–
54	Cerexagri Costa Rica, S.A.	CRC	0.10	0	178	4,483	4,305	–	8,140	(343)	–	(343)	–
55	United Phosphorus Limited de Guatemala	GTQ	6.59	0	–	0	0	–	–	–	–	–	–
56	Jiangsu Kaznam Chemical Group.,Panama	USD	50.88	5	(10)	114	120	–	–	(2)	–	(2)	–
57	UP Bolivia S.A.	BOB	7.38	4	(54)	792	843	–	–	(20)	–	(20)	–
58	Icona Sanluis S A – Argentina	ARS	11.64	346	736	4,210	3,128	–	3,940	(0)	4	4	–
59	DVA Technology Argentina	BRL	27.91	–	–	–	–	–	–				
60	Icona S.A. – Argentina	ARS	11.64	345	1,217	33,290	31,728	–	33,563	(3,564)	1,126	(2,438)	–
61	Decco Chile SpA	MXN	3.99	40	(57)	23,347	23,364	–	12,025	(57)	–	(57)	–
62	Evofarms Colombia SA	COP	28.39	79	1,467	5,832	4,286	–	729	260	(107)	153	–
63	Evofarms S.A. – Colombia	COP	28.39	6	71	93	16	–	–	37	(12)	25	–
64	United Phosphorus Cayman Limited	USD	50.88	0	(1,462)	19,374	20,836	–	17,010	(1,439)	(1)	(1,440)	
65	UP Aviation Limited,Cayman Island	USD	50.88	0	(94)	6,768	6,862	–	1,007	(94)	–	(94)	
66	United Phosphorus Limited, Australia	AUD	52.94	53	1,940	7,311	5,317	–	12,509	548	(164)	384	–

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

38 *(Contd.)*

The Company has availed the exemptions as per notification dated February 8, 2011 issued by the Ministry of Corporate Affairs (MCA) under Section 212 of the Companies Act, 1956. Accordingly the information in aggregate for each subsidiary including subsidiaries of subsidiaries is as follows:

(Rs. in Lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiary	Turnover	Profit before before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
67	United Phosphorus Limited, New Zealand	NZD	41.82	–	52	321	270	–	404	28	(8)	20	–
68	United Phosphorus (Shanghai) Company Limited	USD	50.88	1	4,134	6,645	2,510	–	16,100	745	–	745	–
69	United Phosphorus (Korea) Limited	KRW	0.04	32	(221)	28	218		375	(99)	–	(99)	–
70	United Phosphorus (Taiwan) Limited	TWD	1.72	17	(35)	0	18	–	–	(8)	–	(8)	–
71	PT. United Phosphorus Indonesia	IDR	5.56	55	86	585	445	–	100	34	–	34	–
72	PT Catur Agrodaya Mandiri, Indonesia	IDR	5.56	84	(134)	1,987	2,038	–	1,770	(14)	–	(14)	–
73	United Phosphorus Limited, Hongkong	USD	50.88	–	–	–	–	–	–	–	–	–	–
74	United Phosphorus Corp. Philippines	PHP	1.19	102	(1)	102	1	–	–	(1)	(0)	(1)	–
75	United Phosphorus Vietnam Co., Limited	VND	2.44	352	598	3,898	2,948	–	4,662	416	(30)	386	–
76	United Phosphorus Limited, Japan (formerly known as Nippon UPL K K)	JPY	0.62	310	3,173	7,631	18,631	14,482	17,358	183	(111)	72	–
77	Anning Decco Fine Chemical Co. Limited, China	RMB	8.08	646	1,226	2,024	152	–	2,247	(156)	23	(133)	81
78	Cropserve Zambia Limited (Refer note:4)	ZMK	9.64	–	–	–	–	–	–	–	–	–	
79	Prime Agri Centre Zambia Limited (Refer note:4)	ZMK	9.64	–	–	–	–	–	–	–	–	–	
80	United Phosphorus Limited, Zambia (Refer note:4)	ZMK	9.64	–	–	–	–	–	–	(3,264)	–	(3,264)	
81	Agri pack Zambia Limited (Refer note:4)	ZMK	9.64	–	–	–	–	–	–	–	–	–	
82	Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey	TRY	28.54	86	2,034	5,587	3,467	–	5,672	605	(125)	481	–
83	UPL Agromed Tohumculuk Sanayi ve Ticaret	TRY	28.54	2,424	408	5,432	2,600	–	3,246	511	(102)	408	–
84	Safepack Products Limited	ILS	13.70	–	3,069	3,786	717	–	3,578	616	(136)	479	–
85	Friedshelf 1114 (Pty) Ltd	ZAR	6.63	0	(309)	1,418	1,726	–	–	(85)	–	(85)	–
86	Citrashine (Pty) Ltd, South Africa	ZAR	6.63	1	867	1,688	820	–	2,085	473	(74)	399	–
87	Samrod Chemicals (Pty) Ltd	ZAR	6.63	0	5	6	1	–	–	(209)	(0)	(209)	–
88	Prolong Limited	ILS	13.70	–	–	–	–	–	–	–	–	–	–

Notes 38 *(Contd.)*

Details of Investments of subsidiary companies:	Amt. in lacs
Investments (long term):	
In equity shares:	
18,130 Equity shares of Universal Pestochem.	18
200 shares of Hodogaya	1,231
Investment Nisso Jv	5
20,482 shares of Villa Crop protection (PTY) Ltd.	506
117,000,000 shares of Ishihara Sangyo Kaisha Ltd.	14,464
33 shares of Natural Art KK	18
649,701,817 Equity shares of Sipcam UPL Brazil SA	21,273
Total	37,515

Notes

1. As required under para of the Approval Letter dated issued by the Ministry of Company Affairs, Indian Rupees equivalents of the figures given in foreign currencies in the account of the subsidiary companies, has been given based on exchange rate as on 31/03/2012
2. United Phosphorus Inc., U.S.A. results include the results of Cerexagri Delaware, Inc.; Cerexagri Inc. and Canegrass LLC and Riceco LLC.
3. Compania Espanola Industrial Quimica de Productos Agricolas y Domesticos, S.A. results include the results of Desarrollo Quimico Industrial,S.A. Spain .; Agrindustrial, S.A.; and Phosfonia, S.L.
4. Below entities are divested during the year:
   Samma International S.R.L.
   United Phosphorus Sole Partner Limited, Greece
   Cropserve Zambia Limited
   Prime Agri Centre Zambia Limited
   United Phosphorus Limited, Zambia
   Agri pack Zambia Limited
5. During the year, United Phosphorus Ltd Mauritius was merged with Holding Company.
6. During the year, Phoenix Environmental Care LLC was acquired and subsequently merged with United Phosphorus Inc.
7. DVA Agro Do Brazil results include the result DVA Technology Argentina
8. United Phosphorus (Shanghai) Company Limited results include the results of United Phosphorus Limited, Hongkong
9. Safepack Products Ltd . results includes result of Prolong Ltd
10. Exchange rate in INR is per thousand of COP, IDR , VND & ZMK.

Notes to Consolidated financial statements *(Contd.)* for the year ended 31st March 2012

Notes 39

Till the year ended 31st March 2011, the group was using pre-revised Schedule VI to the Companies Act 1956, for the preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the group. The group has re-classified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of the balance sheet.

Further, in view of acquisitions, sale/liquidation of subsidiaries and acquisition of associates during the year, the current year figures are not comparable with those of the previous year.

Previous Year figures have been re-grouped / re-arranged wherever necessary.

As per our report of even date.

For **S.V.GHATALIA & ASSOCIATES**
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: 30th April, 2012

For and on behalf of Board of Directors of
United Phosphorus Limited

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 30th April, 2012

United Phosphorus Limited

Regd. Office: 3-11, G.I.D.C., Vapi, Dist. Valsad, Gujarat.- 396 195.

PROXY FORM

28th Annual General Meeting

Regd. Folio No.	
***Demat A/c** No.	

DP ID No.*	
Client Id*	

I/We...of..in the district of .... being a Member / Members of the above named Company hereby appoint... of .... in the district of .... or failing him/her ....of...in the district of ....as my/our proxy to attend and vote in my/our behalf at the 28th Annual General Meeting of the Company to be held on Friday, the 27 th day of July, 2012 at 10.00 a. m. and at any adjournment thereof.

Affix Revenue Stamp

(Signature of the Member)

Note: 1. The Proxy need not be a member.

2. The proxy form duly signed across Revenue Stamp should be lodged at the Company's Registered Office at least 48 hours before the time of the meeting.

United Phosphorus Limited

Regd. Office: 3-11, G.I.D.C., Vapi, Dist. Valsad, Gujarat.- 396 195.

ATTENDANCE SLIP

28th Annual General Meeting

To be handed over at the entrance of the Meeting Hall.

No. of Equity Shares Held	
Members Folio No.	

DP ID No.*	
Client Id*	

Name of the attending Member...

I/We hereby accord my/our presence at the 28th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 27 th day of July, 2012 at 10.00 a.m. at Hotel Green View Hall, National Highway No.8, G.I.D.C., Vapi – 396 195.

Name of the Proxy (IN BLOCK LETTERS)
(To be filled in, if the proxy attends, instead of the Member)

Member's/proxy's Signature
(To be signed at the time of handing over this slip)

*** Applicable for investor holding shares in electronic form**