



What makes United Phosphorus one of the most profitable agrochemical companies in the world?

United Phosphorus Limited | Annual Report 2012-13

Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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There are hundreds of global agrochemical companies. And then there is United Phosphorus.

Not only one of the world's fastest growing agrochemical companies. But one of the most profitable as well.

A Company that reported a 20% revenue growth and a 23% PAT growth in a sluggish 2012-13. Both numbers were way higher than their respective industry benchmarks.

The big question: just what makes this multinational Company of Indian origin one of the most profitable sectoral players in the world?

There are hundreds of reasons why United Phosphorus Limited has consistently reported margins significantly higher than the sectoral average.

For reasons of
brevity, permit
us to put down
just one.

Knowledge.



Knowledge of crops. Knowledge of pest action. Knowledge of climatic patterns. Knowledge about global markets. Knowledge of registration requirements. Knowledge of registration processes. Knowledge of the right products for the right markets. Knowledge of emerging global consumption trends. Knowledge of product applications. Knowledge of manufacturing assets. Knowledge of manufacturing processes, Knowledge of distribution channels. Knowledge of aquisition targets. **Knowledge** of probable synergies. Knowledge of environmental management. Knowledge of value-chain management. Knowledge of farmer relationships. Knowledge of branding impact. Knowledge of value-engineering. Knowledge of hazardous process management. Knowledge of impending genericisation. Knowledge of production economies. Knowledge of toxicology, eco-toxicology and other studies. Knowledge of seeds, yields and productivity. Knowledge of crop cycle requirements. Knowledge of efficient energy management. Knowledge of product innovation. Knowledge of process safety. Knowledge of cash-flow management. Knowledge of low cost debt procurement. Knowledge of multi-location management.



Over the years, the combination of diverse knowledge streams has translated into overarching achievements at UPL.

- UPL is the twelfth largest agrochemical company in the world and the sixth largest generic agrochemical company.
- UPL has grown revenues three times the global agrochemical sector average.
- UPL is a successful multi-product, multi-crop, multi-climate and multi-country agrochemical company.
- UPL acquired, absorbed and turned around 19 companies in the last 20 years.
- UPL holds more than 3,500 registrations across 120 global markets.
- UPL operated through 88 global subsidiaries in 41 countries with a sales presence across 120 countries.
- UPL holds 83 product patents in India and the world over.
- UPL is the world's largest producer of Mancozeb, Aluminium Phosphide, Devrinol, Cypermethrin and Monocrotophos.

25

Number of nationalities at UPL

20%

Growth between 2007 and 2012

17

Acquisitions in the last ten years

10

UPL products with global leadership

110

Chemistries with in-house expertise

Legacy

- Part of the US\$ 1.7 bn group
- Established in 1969
- Headed by Mr. Rajju Shroff (Chairman) and a team of experienced professionals

Existence

- Headquartered in Mumbai, India
- Manufacturing presence across 23 international locations (nine in India, three in France, two in Argentina, and one each in Vietnam, Colombia, The Netherlands, Italy, Spain and China)
- The Indian manufacturing units are located at Vapi, Ankleshwar, Jhagadia, Halol, Jammu and Haldia. The captive power plant (48.5 MW) is located in Jhagadia (Gujarat)
- Global sales presence across 120 countries (through subsidiaries and associates)
- Global marketing presence through 88 subsidiaries

Offerings

The Company's product offerings include fungicides, insecticides, herbicides, rodenticides, fumigants, plant growth regulators, agrochemicals as well as chemicals (industrial and specialty).

Registrations

The Company has more than 3,500 product registrations, which represent permissions by statutory authorities to market agrochemicals in their respective countries.

Product profile (Agrochemicals)

Fungicide	Herbicide	Insecticide	Rodenticide	Plant growth regulators
RAMPART	JHATKA	ACETA STARHENE	RATOL	AISHWARYA GRANULES
SAAF	LAGAAM	CYRUX		
SAMAR	SAATHI	PHOSKILL		
UNILAX	SF-10	ULALA		
UTHANE M 45	SWEEP	IMIDA GOLD		
MANZATE	TOTAL	LANCER		
	UNIQUAT	LANCER GOLD		

Industrial and specialty chemicals

White/Yellow Phosphorus (WP/YP)	Triphenyl Phosphite (TPPI)
Phosphorus Red (RP)	Triethyl Phosphite (TEPI)
Phosphorus Trichloride (PCL3)	Tri Iso Octyl Phosphite (TIOP)
Phosphorus Oxychloride (POCL3)	Diphenyl Isodecyl Phosphite (DPDP)
Phosphorus Pentachloride (PCL5)	Phenyl Disodecyl Phosphite (PDDP)
Phosphorus Pentoxide (P205)	Tris Tridecyl Phosphite (TTDP)
Trimethyl Phosphite (TMP)	Tri Decyl Phosphite (TDP)
Triphenyl Phosphate (TPPA)	Phenyl Isocyanate (PI)
Meta Chloro Phenyl Isocyanate (MCPI)	Meta Chloro Phenyl Isocyanate (MCPI)

Seeds

Field crops	Vegetable crops
Hybrid paddy	Cabbage
Oilseeds	Cauliflower
Canola	Green peas
Hybrid mustard	Water melon
Hybrid field corn	

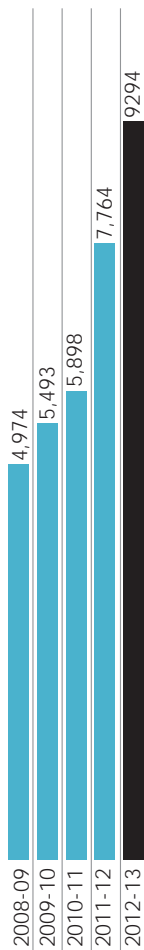
Key product profile

Products	Nature	Usage
Mancozeb	A fungicide belonging to the dithiocarbamates class including maneb. This is a polymer complex with manganese and zinc.	Varied crops like wheat, potatoes, apple, pears, onions, vines and asparagus.
Devrinol	A well-established selective systemic herbicide, containing napropamide, for controlling the growth of grass and broad-leaved weeds.	Acts as a pre-emergence herbicide; which means that weeds are removed before they have a chance to compete with the crop. Devrinol has a long residual activity providing lasting control of grass and broad-leaved weeds.
Aluminium Phosphide	An inorganic compound used as a wide band gap semiconductor and fumigant.	Used as a rodenticide, insecticide and fumigant for stored cereal grains; used to kill small verminous mammals, moles and rodents.

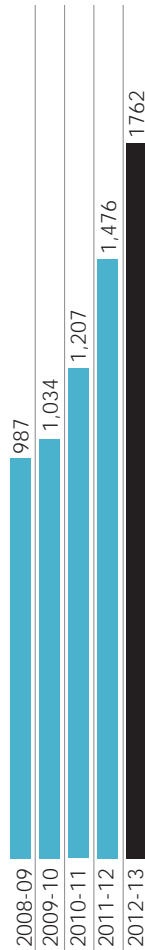
Knowledge.

And how this played out in our 2012-13 performance

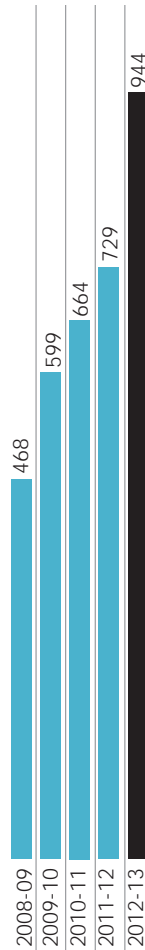
Revenue (Rs. crore)



EBIDTA (Rs. crore)



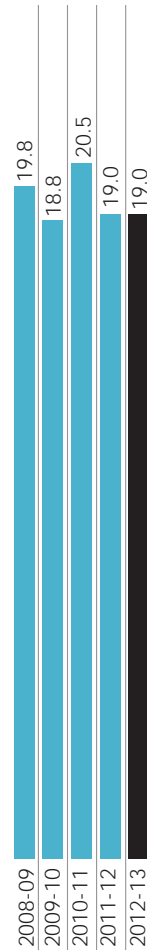
PBT (Rs. crore)



Post tax profit (Rs. crore)



EBIDTA margin (%)



Financial

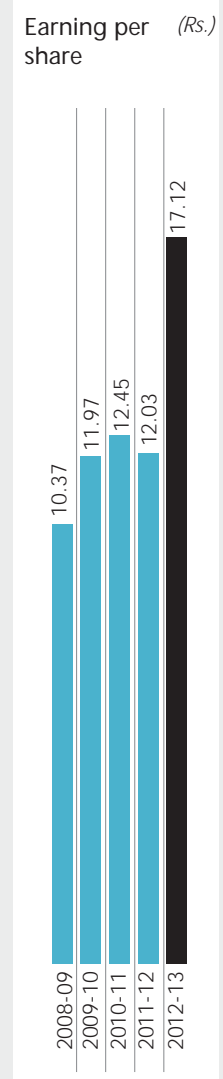
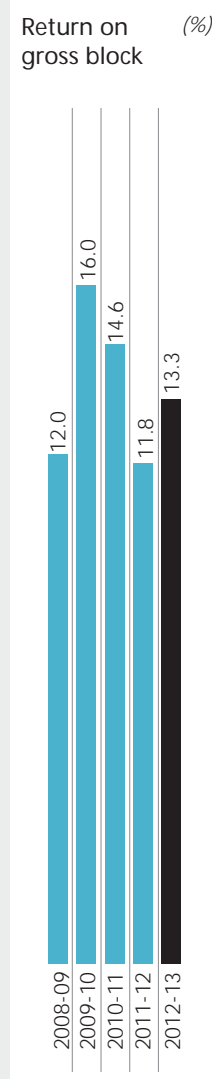
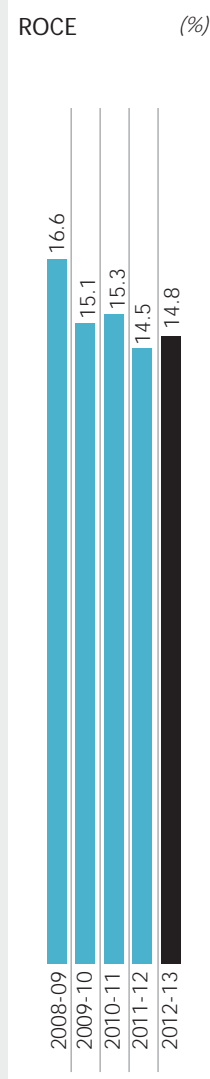
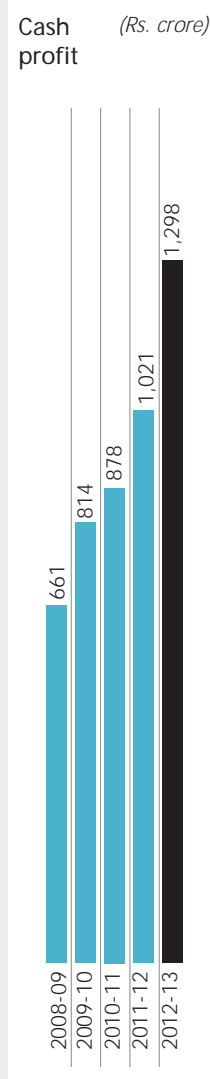
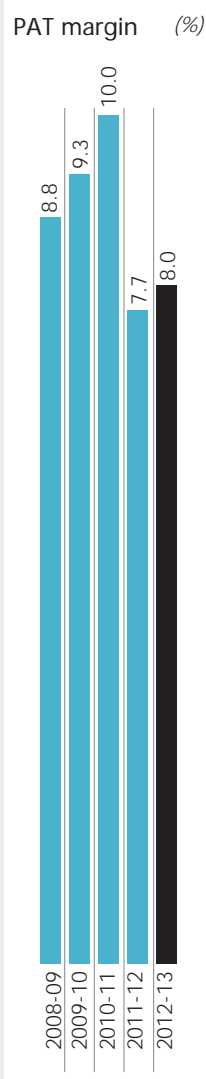
- Revenue increased by 20% from Rs.7,764 crore in 2011-12 to Rs.9,294 crore
- EBIDTA increased by 19% from Rs.1,476 crore in 2011-12 to Rs.1,762 crore
- Post-tax profit increased by 23% from Rs.601 crore in 2011-12 to Rs.741 crore
- EBIDTA margin increased to 19% in 2012-13
- Post-tax profit margin increased by 30 basis points from 7.7% in 2011-12 to 8%
- Return on capital employed increased by 29 basis points from 14.51% in 2011-12 to 14.80%

Marketing

- Introduced more than nine formulations and technical products
- Launched Ulala, a specialised product, for the first time in India
- Applied for 686 registrations; received 219 registrations

Strategic

- Entered four geographies
- Completed one full year of Brazilian operations, reporting satisfactory revenues



Chairman's overview

I am happy to present the 2012-13 performance of your Company.



Dear Shareholders,

The year 2012-13 was a mixed one for the industry as growth remained strong in Brazil, the US and Europe but under pressure in India due to an erratic monsoon and prolonged drought in various parts of the country.

Despite these realities, the Company recorded a 20 % increase in revenues, a 19 % increase in EBIDTA and a 23 % increase in PAT. What pleases me most is that despite the evident challenges, we reported profitable

growth and maintained our EBIDTA margins at 19%.

This performance was also a vindication of our core positioning as a multi-product, multi-crop, multi-season and multi-region organisation, where a decline in one country was more than covered by an improvement in the others.

Sectoral overview

Never before in the last few decades has the agrochemicals industry been as relevant as it is today.

The convergence of a number of factors emphasise the role of the sector in the survival of mankind. This reality stems from factors like high population growth, declining arable land and growing water scarcity. The message: the world needs to generate more food from less land.

The first signs are visible: food shortages, lingering malnutrition rising food prices and food-linked inflation. Just consider: it is estimated that crop loss through pest action is estimated to be between 26% and 40% of the world's potential crop output and this could double without crop protection products. A seventh of the world population - over 900 million people - suffer from malnutrition because

20%

Increase in revenue in
2012-13 over 2011-12

of global food shortage due to crop losses arising out of pest attacks.

The result is that agricultural output needs to double in the next two or three decades to feed the world's growing population (more 1.7 billion mouths to feed by 2030). However, this represents a substantial barrier: it is estimated that each acre contains 50 to 300 million buried weeds and a crop plant needs to compete with 30,000 species of weeds, 3,000 species of nematodes and 100,000 species of plant-eating insects before it can survive and reach end-users. In view of this, crop protection chemicals have a critical role to play: to minimise pest action and keep food prices down.

Crop protection doesn't just protect; it enriches as well. It increases crop productivity by 20-50%, which helps mitigate the 20-40% of crop loss from pest attacks. The industry is estimated to reduce overall potential pre-harvest wheat loss of 50% to an actual loss of 29%. In the cultivation of sugar beet, for instance, the absence of crop protection measures could reduce yields by an average of 80%; some 20% of the entire world's agricultural production would be lost to post-harvest pest attacks if it were not for crop protection chemicals. The result is that crop protection makes excellent financial sense; farmers get back \$14.60 for every \$1 invested on agrochemicals, which allows them to invest in seeds and on other farming implements to grow more and better crops.

To feed a growing population in a sustainable way, a long-term approach is required that ensures farmers have access to tools and knowledge that make it possible for them to grow more food, bring in the harvest and get it to the market.

This critical intervention accounts for attractive prospects. Strong food commodity prices will induce farmers to use more pesticides. Developing countries like China and India are demanding higher volumes of nutritious food, which will in turn strengthen the demand for pesticides. Pesticides have established a strong track record of enhanced farm productivity in developed and developing countries. Recent innovations have shown pesticides

We provide farmers with all-encompassing solutions - from seeds to pre-harvest and post-harvest protection

to be environmental-friendly. The increased production of soybeans and sugarcane in Latin America is driving pesticides consumption in that region. The per acre crop protection chemical usage in India (800 grams compared to 16 kg per acre in the US) is beginning to correct upwards as the country moves towards its destiny of emerging as the food basket of the world. The result: the global pesticide industry is estimated to grow to US \$68.5 billion in 2017, reporting a CAGR of 5.5% (Source: Lucintel).

UPL and the future

UPL is attractively positioned to capitalise on this transition for the following reasons:

We have created a global organisation with a balanced presence across all continents, which represents adequate de-risking from potential revenue losses arising out of a slowdown in any particular geography.

We derive around 81% of our global

revenues from product manufactured out of India, arbitraging the country's ability to make the best quality products at the lowest costs coupled with our proprietary competence in extracting the most out of our research and assets.

We have acquired various units and companies the world over, built strong distribution channels and the result is that we can reach the largest volume of our products across the widest geographic range in the shortest time and at the lowest cost.

We have a team of scientists and engineers who are at par with the best global standards, continuously engaged in the development of innovative products that replenish our revenues streams.

We provide farmers with all-encompassing solutions – from seeds to pre-harvest and post-harvest protection – that helps us extend one-off transactions into enduring relationships.

We will continue to evolve our registration basket with close to 250 new registrations annually to deepen our access into new markets.

We respect the environment, employees and communities through responsible practices.

Outlook

Based on the industry optimism, we expect to double our revenues in the next five years and reinforce our position as the most profitable agrochemical manufacturer in the world.

Regards,

Rajju Shroff
Chairman

The agrochemical sector can potentially report sustainable growth year-on-year into the long-term



53.73

Global agrochemical
market,
2012, US\$, bn

69.26

Global agrochemical
market,
2016, US\$, bn

7

population,
2012, bn

8

Expected global
population by
2030, bn

90,000

Annual loss arising
out of pest attack in
India (Rs. / cr)

26-40

Global crop lost due to
attacks from weeds,
pests and diseases (%)

2.2

30-year growth in
agri-product demand
until 2012 (%)

1.1

Annual growth in
agri-product demand
till 2050 (%)

2,306

Global cereal
production, 2012, MT

10,000

Global cereal
requirement,
2030, MT

0.21

Hectares per person
of arable land, 2008

0.20

Hectares per person
of arable land, 2009

70,000

Global GDP,
2011, US\$, bn

378

Global GDP, 2050,
US\$, trillion

Integrated and efficient processes make United Phosphorus one of the most profitable agrochemical companies in the world.



The Company has progressively reinvested in manufacturing assets; 31 % of its total manufacturing assets as on 31st March, 2013 had been invested in the previous five years, indicating asset contemporariness

In the manufacture of crop protection chemicals where processes have been comprehensively institutionalised across manufacturers, profitability is best derived from the ability to integrate production, make intelligent tweaks in the production process and manufacture at high asset efficiency.

At UPL, we pride on our procedural integration and efficiency, which has translated into attractive profitability.

- The Company has extended from basic and applied research to development, registration, active ingredient manufacture, and formulation, packaging, marketing and distribution.
- The Company has invested in scale; its

Phosphorus, Mancozeb, Aluminium Phosphide, Devrinol, Cypermethrin and Monocrotophos capacities are the largest in the world, translating into economies-of-scale and competitive costs.

- The Company possesses adequate manufacturing flexibility; a large proportion of its capacity is 'swing' in nature, making it possible to alter the product mix on demand.
- The Company has progressively reinvested in manufacturing assets; 31 % of its total manufacturing assets as on 31st March, 2013 had been invested in the previous five years, indicating asset contemporariness.

Result: The Company is one of the most competitive agrochemical manufacturers in the world with an EBIDTA margin around 19% in 2012-13.

The integrated business model of UPL



A sustained new product development discipline makes United Phosphorus one of the most contemporary agrochemical companies in the world.



The Company evolved its product mix from the manufacture of generic to branded products.

In the business of crop protection chemicals influenced by climate change and evolving pest action, profitability is best derived from the ability to develop new products and reinforce the product basket to service all farmer needs at a single location.

At UPL, we have invested in various initiatives to create an absolutely effective and contemporary product mix.

- The Company has evolved its product mix from the manufacture of generic to branded products (enjoying a premium coupled with repeat offtake); revenues from branded products increased substantially.
- The Company accelerated branded product launch through the consistent introduction of new branded products.

- The Company invested in new product development; it invested Rs.172.61 cr in research and development in the three years leading to 2012-13; its global R&D team continuously worked on new products and improved processes.

- The Company possessed a product for almost every crop; it marketed a number of SKUs customised around the regulatory and cultivational requirements across 90 countries; various products were novel products

- The Company's marketing focus evolved from the mere sale of products to provide a complete agricultural solution for customers; this helped UPL evolve one-off transactions into enduring relationships.

Result: The Company possessed a pipeline of more than 15 products to be launched in the next five years with attractive revenue potential.

173

The amount (Rs. / cr) invested in research and development in 2012-13

The Company commissioned a plant to manufacture Clodinofof 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 Clodinofof enjoys a 40% market share in its herbicide space in India today

Revenue contribution of branded products and generic products in 2012-13(%)

Branded products	Generic products
75	25

An extensive marketing footprint has helped make United Phosphorus one of the fastest growing agrochemical companies in the world.



The Company is present across all the key global agriculture markets like Brazil, the US, India and Europe

In the business of crop protection chemicals, the ability to sell growing volumes across a wide footprint in the quickest time and at the lowest marketing cost enhances overall competitiveness.

At UPL, we have widened our reach, invested in trade relationships, promoted products and strengthened recall to accelerate offtake.

- The Company is present across all key global agriculture markets like Brazil, the US, India and Europe (France, Spain and the Netherlands), accounting for 61% of the Company's revenues in 2012-13
- The Company possesses a deep discipline in the process of agrochemical registration: commission a research lab, generate studies

(through toxicology, eco-toxicology and others) well in advance of revenue, stay in line with evolving regulatory requirements, establish a GLP laboratory and a rich knowledge repository customised to the needs of different regulatory agencies

- The Company's global sales team works through 81 global subsidiaries to service growing needs arising from the global markets
- The Company created a robust global distribution network to ensure that its products were always available to customers
- The Company strengthened its packaging and promotions to enhance trade visibility
- The Company conducts farmer meets to understand their evolving requirements

61%

Percentage of the Company's revenues derived from exports, 2012-13



A successful acquisition capability has helped make United Phosphorus one of the most aggressive agrochemical companies in the world.



The most recent acquisition of DVA Agro in Brazil made it possible for the Company to enter the largest and fastest growing agrochemical market in the world

19 Number of companies acquired by UPL in the last 20 years

In the business of crop protection chemicals, growth and profitability can be derived through the organic greenfield route of new plant commissioning and competitive manufacture or through the inorganic approach of acquiring companies/units at attractive costs, buying into their knowledge capital and strengthening their financials.

At UPL, we have selected to extend from the conventionally accepted organic route to the select inorganic over the last two decades, catalysing our growth and profitability.

- The Company made 19 acquisitions in 20 years; two of the companies were loss-making when acquired; each one was turned around within tenures ranging from 18 months to three years.

- The Company's acquisitions were made on the basis of the acquired Company's capabilities (manufacturing, marketing, location, capacity, patents, products and registrations, reduction in cost and potential).
- The Company provided the acquired companies with its global pool of experts, making it possible to plug competency gaps in the shortest time
- The most recent acquisition of DVA Agro in Brazil made it possible for the Company to enter the largest and fastest growing agrochemical market in the world; the Company immediately acquired a portfolio of its products, plants, employees and registrations by circumventing what would otherwise have taken at least 10 years.

Result: The Company's total acquisitional investment generated revenues at corresponding margins in 2012-13.

Turnaround capability

Following liberalisation, United Phosphorus acquired MTM, based in the UK in 1994, a company with rich technical capabilities, deep presence in Europe and the US but a weak Balance Sheet. Following acquisition, UPL commissioned a team to turn MTM around through prudent investments in plants, processes and people. Within 18 months, MTM reported a surplus.

United Phosphorus responded similarly following the acquisition of the 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 plants and acquired a Colombian unit from DuPont. These initiatives enabled UPL to emerge as one of the world's largest producers of Mancozeb.

A robust Balance Sheet has helped make United Phosphorus one of the most attractive agrochemical companies in the world.



The Company's average capital cost per tonne is well below the prevailing greenfield estimate

Rs. **1.24**

revenue generated in 2012-13 for every rupee invested in the business

In the competitive business of crop protection chemicals, scaling the business at three times the global sectoral average requires a Balance Sheet that can serve as an effective foundation for sustainable growth.

At UPL, we possess an attractive and consolidated Balance Sheet that makes it possible for the Company to ride industry crests and troughs, sustain a multi-national presence, service the demanding needs of bankers and shareholders and leave an adequate surplus to address unforeseen (acquisitions).

- The Company's average capital cost per tonne is well below the prevailing greenfield estimate
- The Company is attractively capitalised; every rupee invested in the business generated a revenue of Rs.1.24 in 2012-13 compared to a much smaller peer global ratio.

- The Company possessed sound gearing (net of cash) of 0.57 (including working capital) and 0.33 (net of working capital), lower than the sectoral peer average; its interest cover of 4 represented adequate comfort
- The Company's average debt cost compared favourably with the prevailing Indian coupon rate of 9% in 2012-13
- The Company's average receivable cycle (net of Brazil) declined from 121 days of turnover equivalent in 2011-12 to 109 days in 2012-13
- The Company had Rs.1,548 cr in cash on its books as on 31 March, 2013
- The Company enjoyed a credit rating of CARE AA+ since December 2008.

Result: The Company posted an EBIDTA margin of 19 % in 2012-13.



Statement by the Global CEO



Q. How would you appraise the Company's performance in 2012-13?

A. The performance of the Company must be appraised within its sectoral context. In a weak global economy in 2012, UPL outperformed its global industry segment. The Company's revenues grew 20 % from Rs.7,764 crore in 2011-12 to Rs.9,294 crore, EBIDTA increased from Rs.1,476 crore in 2011-12 to Rs.1,762 crore and PAT increased 23 % from Rs.601 crore in 2011-12 to Rs.741 crore. What is creditable is that this growth was profitable: the EBIDTA growth was higher than revenue growth in 2012-13.

Q. What reasons helped the Company outperform its global sectoral average?

A. It was the convergence of a number of concurrent realities that translated into our superior growth in 2012-13:

- Our first full year of Brazilian operations was marked by a strong agricultural season and robust growth

in revenues; Brazilian revenues climbed up and strengthened our revenues significantly in 2012-13.

- We focused on maximising output from the more profitable units, which helped rationalise costs.

Our dedicated manufacturing teams helped reduce energy consumption, effluents generation and enhance yields, which helped reduce our carbon footprint by Rs.15 crore (targeted annual energy bill reduction by 10%).

- We consolidated our existing portfolio through an ongoing focus on successful products like SAAF and Lancer Gold
- We retained our share (50%) of a competitive herbicide market share for wheat through the launch of seven herbicidal products in four years (three patented).

- We rejuvenated our product pipeline through the successful Indian launch of Ulala (novel insecticide) translating into revenues of Rs.20 crore in only

10 months of 2012-13; we expect to treble revenues from this single product in 2013-14; we launched Atabron fungicide used in potatoes and grapes and this is expected to report revenues of Rs.25 crore in 2013-14.

Q. What is that one achievement that gave you considerable pleasure?

A. Our performance in Brazil was easily the highlight and something that will have significant implications across the foreseeable future. A few years ago, we recognised that even as we had done the more difficult job of emerging as the third largest generic agrochemical Company in the world without a commensurate Brazilian presence, we did need to enter that country to sustain our growth. As a result, our entry into Brazil was more than opportunistic; it was deeply strategic. It was the coming together of one of the fastest growing agrochemical companies and the fastest growing agrochemical market in the world.



There were two ways in which one could have addressed one's entry into this market. Enter small, grow organically and build up a decade's perspective regarding market stature. Even as this is something that we have done in other larger markets, the competitive prevailing dynamics demanded that we enter the country through the inorganic route. In view of this, UPL acquired one of the largest agrochemical companies in Brazil. What would have otherwise taken us more than a decade we achieved through timely acquisitions.

There were a number of challenges related to this acquisition. One, the acquired company needed to be culturally integrated into the UPL culture. Two, a cross-benchmarking exercise was needed to be initiated so that the acquired company could benefit from established UPL benchmarks and vice versa. Three, the management of the acquired company needed to be provided confidence that it would be business as usual with management continuity. Four, the team needed to be empowered and motivated to chase growth furiously. Five, UPL needed to respond to the differentiated dynamics of this market and weave it into its overall working as opposed to the other way around.

For starters, we streamlined the supply chain and strengthened our logistics;

we expect that the full impact of these measures will play out over the next few years in terms of revenue and margins growth.

Q. What are the principal global agriculture trends?

A. With rising population and declining arable land, the focus globally is on increasing yield and food security. However, climatic changes and drought-like conditions in various parts resulted in low food production, which strengthened food prices, farmer incomes and onward investments in improved farm practices. On the other hand, international regulatory bodies became increasingly demanding in their product registration requirements, creating a hidden barrier for new entrants and thereby benefiting an organised player like UPL to register more than 3,500 products globally.

Q. How did UPL strengthen its business in 2012-13?

A. In the five years leading to 2012-13, UPL invested a sizeable Rs.3,754 cr in its business. During the year under review, the Company focused on business consolidation: strengthening cost optimisation, global supply chain management, procurement economies and logistic expenses. We expect that these initiatives will translate

into Rs.800 cr worth of savings in the next four years as new product development drives revenues and profits.

Q. What is the Company's outlook for 2013-14?

A. The global business appears to be steady on the back of stable commodity prices, improved agricultural practices and food security concerns. We expect to generate growth from our areas of presence in the key agriculture markets of Brazil (largest in the world), the US, Europe, Africa, India and other Asian countries. This global presence derisks us from an excessive geographical dependence on a particular area.

Going ahead, we will focus on reducing production costs, strengthening product introduction and maximising revenues. At UPL, we are also convinced that we need to rationalise debt and strengthen our gearing from 0.86 in 2012-13 to 0.30 in 2014-15. We are optimistic that a relatively small Balance Sheet on the one hand and a stronger bottomline will translate into enhanced shareholder value.

Regards,

Jai Shroff
Global CEO

Knowledge.

Knowing more about more is what counts in our business.

Positioning

The Company brings to its business a global coverage and visibility. By the virtue of being a global Company, UPL is able to capitalise on deal flows, global best practices, global recruitments and global visibility. Besides, the Company has established itself as a holistic farm solutions enterprise in the minds of its customers.

Experience

The Company brings to the business a rich repository of knowledge; it is headed and managed by a strong team with a rich industry experience across decades and having grown the Company through various industry cycles.

Scale

The Company brings to the business the upside of scale; it is the largest global manufacturer of specific agrochemical products (Mancozeb, Aluminium Phosphide, Cypermethrin, Monocrotophos and Devrinol). The resulting economies of scale have resulted in a lower per unit cost of manufacture and competitive raw material sourcing.

Spread

The Company brings to its business the advantage of an extensive sales presence: 120 countries across Asia, North America, Latin America, Europe and Africa. The result is an adequate broad basing: no country (save India) accounted for more than 20% of revenues in 2012-13. Non-Indian revenues were largely derived from North America, Latin America, Europe and Africa.

Footprint

The Company brings to its business a dispersed manufacturing footprint proximate to regions with high appetite: 23 manufacturing units (nine in India, three in France and two in Argentina and one each in China, Vietnam, Colombia, the Netherlands, Italy and Spain), making it possible to leverage specific competencies and logistical advantages (especially arising out of India): nearly 81% of UPL's production in 2012-13 was routed out of India, leveraging a strong chemical industry base and extensive ancillary presence.

Brand

The Company brings to its business a complement of branded products that stand for trust, quality, consistency and efficacy. The proportion of branded revenues increased to 75 % in 2012-13, generating not only a premium over generic alternatives but also translating into repeat offtake.

Asset quality

The Company brings to its business contemporary asset quality. Nearly 40% of the Company's production capacity was established in the last five years. These assets enjoyed a corresponding capacity utilisation of 80% in 2012-13; the older capacities were refurbished periodically to report a higher utilisation on the one hand and clean processes on the other.

Swing capacity

The Company brings to its business a manufacturing youthfulness that makes it possible to report high conversion efficiencies and product quality; its flexibility makes it possible to produce multiple products, resulting in high plant utilisation on the one hand and the ability to respond effectively to evolving seasonal needs on the other. Besides, its balancing of tolling and third party outsourcing resulted in the manufacture of value-added products while outsourcing the rest.

Acquisitions

The Company brings to its business a keen eye for opportunity translating into timely acquisitions and a deep business insight helping turn these assets around with speed. The Company was among the first in India to acquire a European company in 1994, turned around in a year. The Company acquired 19 global companies in 20 years: all these acquisitions were made profitable. The acquired companies increased Company's revenues in 2012-13.



Range

The Company brings to the fore a complete agricultural solutions: from seeds and seed treatment solutions to pre-harvest and post-harvest as well as storage treatment products and farmer feed schools. Besides, the Company's product range (pesticides, herbicides, insecticides and rodenticides) represents a one-stop shop for farmers. The Company's Unimart retail format provides farmers with convenient rural solutions.

Processes

The Company brings to its business marked by hazardous processes, a sense of safety through a coming together of multi-procedural experience, cutting-edge equipment and robust infrastructure. The result is a clean industrial record over the decades.

Financials

The Company brings to its business a robust Balance Sheet, comprising a cash and bank balance of Rs.1,548 cr (as on 31st March 2013), net debt-equity ratio of 0.35:1 (as on 31st March 2013) that was considerably lower than global peers and a cash profit of Rs.1,298 cr for 2012-13.

Integration

The Company brings to its business a manufacturing integration that makes it possible for one-end product to serve as the raw material for another. The Company manufactures the building blocks of phosphorus, chloralkali and power (generation), creating a foundation of modest production costs on the one hand and high quality control on the other.

Value chain

The Company brings to its business the advantage of an extensive value chain – starting from proprietary research, an access to agencies engaged in fundamental research, direct and outsourced manufacture of active ingredients and formulations, packaging capacity and wide/deep market access (registration and products). This value chain translated into a raw material cost (50% of revenues in 2012-13) that is one of the lowest among peer global companies.

Registrations

The Company possesses registrations across a geographic spread that accounts for 90% of the world's food basket. The Company possesses more than 3,500 registrations across 120 countries of its presence, facilitating immediate and deep market access. The Company possesses a rich repository of product studies customised across countries. The Company targets more than 300 registrations a year, all of which are usually commercialised. The Company brings to its business a strong documentational discipline, helping address diverse and complex registration requirements across countries.

Research

The Company brings to its business the edge of advanced research and development process, which makes it possible to continuously generate new products, replenish revenue streams and rejuvenate the Company's business.

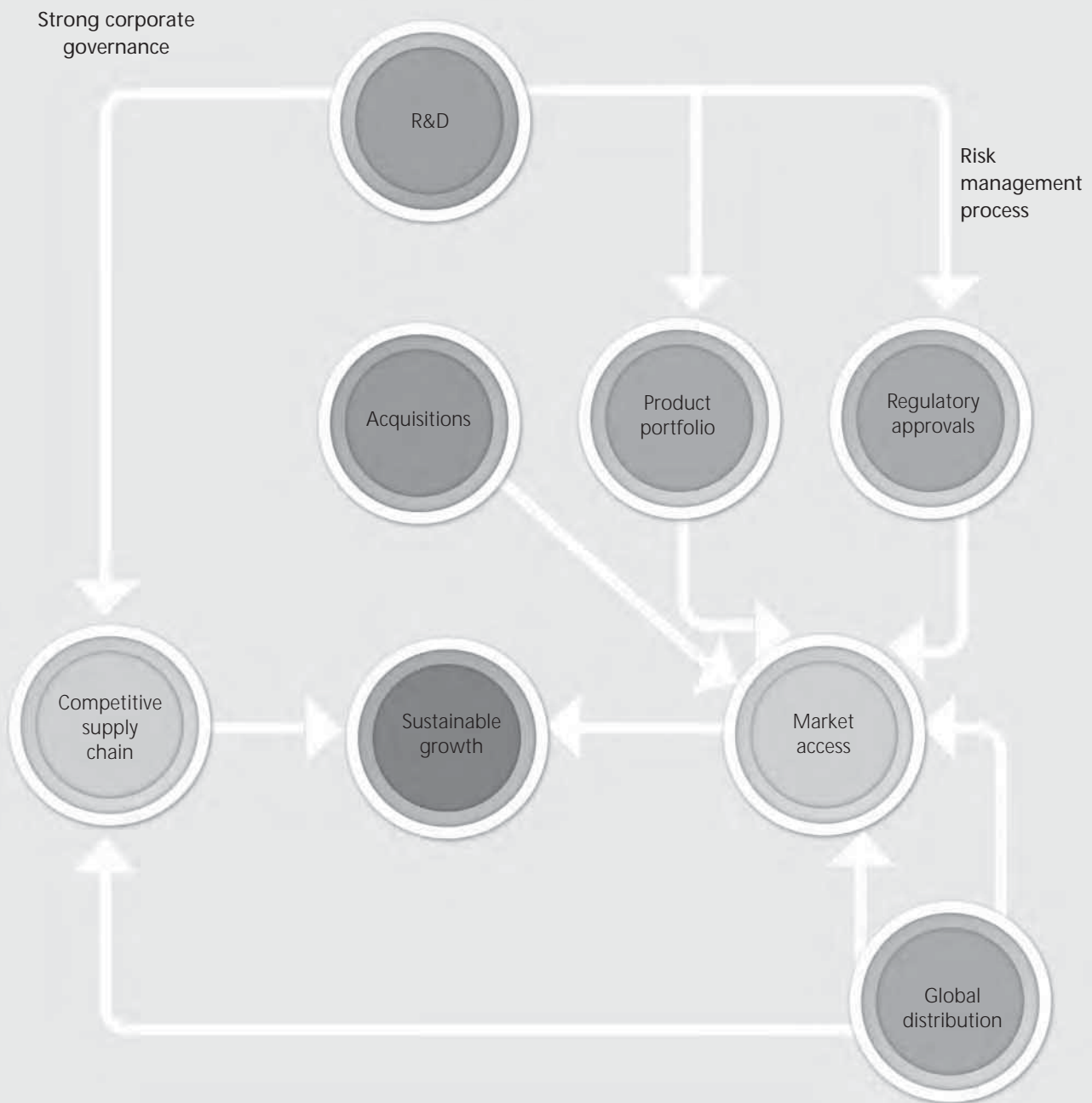
Supply chain

The Company brings to its business a high global component (81% revenues from outside India) supported by a hub-and-spoke supply chain wherein technical manufacture is conducted in Indian and European plants which is then supplied to manufacturing facilities in various countries for profitable conversion.

Governance

The Company's governance standards are in line with the demanding compliance requirements in India supported by responsible Board composition (half-independent) and transparent presentation of public disclosures.

UPL's business model



Industry characteristics	Implications and opportunities
Highly consolidated (85% controlled by large players)	Increased focus on big molecules and 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%	<ul style="list-style-type: none"> ■ With the share of off-products growing - own registrations are the key to our success ■ Generics market expected to grow significantly, resulting in organic growth opportunities
Largely controlled by distributors	Leverage existing relationship for growth in existing and new regions
Highly regulated entry barriers	<ul style="list-style-type: none"> ■ Significant upfront investment in product registration and manufacturing facilities with a long gestation period ■ Barriers to entry support consolidation

Contributing to shareholder value

The Company went public in 1986 with an issue of 14,50,000 shares. Over the years, the Company emerged as one of the most attractive wealth creators within its industry space. Hundred shares allotted in 1986 had grown to 6,000 shares at the end of 2012-13.

All along, the Company rewarded its shareholders with attractive dividends and increased value. The original allottee's shareholding of 100 shares had grown to Rs.7,03,200 by the end of the financial year under review.

The Company's market capitalisation stood at Rs.5,187.32 crore as on 31st March 2013 compared to Rs.6,003.46 crore as on 31st March 2012.

Market capitalisation

(Rs. In crore)

31st March, 2009	31st March, 2010	31st March, 2011	31st March, 2012	31st March, 2013
4,296.73	6,569.28	6,945.54	6,003.46	5,187.32

Management discussion and analysis

Global economic review

The global economy is estimated to have posted 3.2% growth in 2012, marginally lower than 3.9% in 2011. The US, the world's largest economy, is expected to have posted better numbers (2.3% in 2012 against 1.8% in 2011) while the eurozone is expected to have reported a negative growth of 0.4%. Much of this growth decline is estimated to have extended to fast-growing emerging markets: China's growth slowed from 9.3% to 7.8% in 2012. Going ahead, growth in emerging and developing economies is expected to rise to 5.5% in 2013 [Source: World Economic Outlook, January 2013].

economy worsened as the country posted a growth of 5% in 2012-13 against 6.2% in 2011-12. An erratic monsoon and drought-like situation in many parts affected the growth of the country's agriculture sector. The decelerated growth was primarily attributable to the weakness in the industrial sector (mining and quarrying, manufacturing, electricity, gas and water supply, and construction) at 3.1% while the manufacturing sector grew by 1.9%. The growth of the services sector was lower at 6.6% in 2012-13 against 8.2% in 2011-12.

The global economy is estimated to have posted 3.2% growth in 2012, marginally lower than 3.9% in 2011.

Indian economy

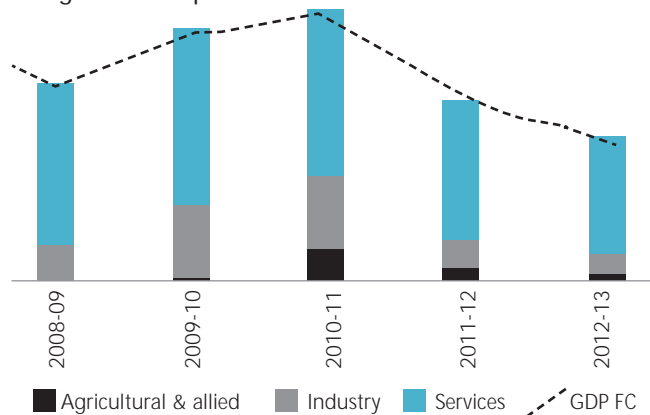
The slowdown of the Indian

Global crop protection market

As per the preliminary available data, the global crop protection market is estimated to record a growth of



GDP growth and point contribution of different sectors



[Source: Economic Survey 2012-13]

World output

(%)

	2010	2011	2012 (P)	2013 (P)	2014 (P)
World output	5.2	3.9	3.2	3.5	4.1
Advanced economies	3.2	1.6	1.3	1.4	2.2
Emerging economies	7.3	6.3	5.1	5.5	5.9

[Source: World Economic Outlook, IMF January 23, 2013]

7.4% from US\$44.01 bn in 2011 to US\$47.26 bn in 2012. Key drivers of the crop protection market in 2012 included stable prices of Glyphosate, high crop commodity prices and a strengthening of the US dollar. In Europe, the market benefited from an early end to the winter, with improved volumes and prices, although a wet summer affected Northern Europe even as South Europe was dry. Central and Eastern Europe benefited from an improved economic position, but suffered from a cold winter and dry summer. The American market got off to a good start, but drought affected the Central Corn Belt, although other parts of the country remained positive. Strong crop prices

and weaker currencies drove growth in Latin America despite a dry start to 2012 in Brazil and Argentina. Asian markets were generally positive, recovering from adverse weather in 2011, notably in Japan and Thailand, although India suffered another variable monsoon in 2012 and wet weather affected Southern China and countries in a similar latitude. Australia benefited from good growing conditions, lower pest impact and disease as well as a strong currency.

Global agrochemical market

The value of the global conventional chemical crop protection market is estimated to have increased 14.9%

in 2011 to \$44.025 bn; use of agrochemical products in non-farm sectors rose by 7% to \$6.29 bn. The total agrochemical market increased 13.8% to US\$50.31 bn in 2011.

Global crop trend

In 2012, the global planted area of maize, soybean and rapeseed increased yet again; the rice area was stable while wheat, cotton and sunflower acreage declined. Production was however less positive, with only soybeans recording an increase while rice production stayed stable, but the output of all other major commodities declined.

Market performance 2012

	2011 sales (US\$ mn)	2012 sales (US\$ mn)	Growth (%)
Crop protection chemicals	44,015	47,255	7.36
Non crop agrochemicals	6,290	6,380	1.43
Total	50,305	53,635	6.62

[Source: Phillips McDougall Agrifutura, November 2012]

Crop protection market performance

(in US\$ bn)

	2008	2009	2010	2011	2012
Offtake	40.47	37.86	38.31	44.01	47.25

[Source: Agrifutura Report]

Crop planted areas in 2012

Crop	Global area 2012 (ha. m.)	Change 2012/2011 (%)	Global production (mn tons)	Change 2012/2011(%)
Wheat	217.41	-2.0	653.05	-6.1
Maize	175.23	3.6	839.02	-4.4
Rice	158.70	-0.1	465.10	0.0
Soyabean	108.55	6.3	264.28	11
Oilseed rape	34.27	3.7	59.00	-2.6
Cotton	34.10	-4.9	25.33	-6.3
Sunflower	24.76	-3.7	34.81	-11

[Source: Phillips McDougall]

NAFTA	Europe	Latin America	Asia	Africa/Middle East
<ul style="list-style-type: none"> ■ Volatile crop prices 	<ul style="list-style-type: none"> ■ Set aside remains at zero 	<ul style="list-style-type: none"> ■ Drought in Brazil and Argentina in 2011-12 	<ul style="list-style-type: none"> ■ Stable prices in Japan 	<ul style="list-style-type: none"> ■ Modestly developing markets
<ul style="list-style-type: none"> ■ Increase in the US corn area and reduction in soyabean area 	<ul style="list-style-type: none"> ■ Improved cereal area in Western EU 	<ul style="list-style-type: none"> ■ Flooding in Argentina, drought in North Eastern Brazil in 2012-13 	<ul style="list-style-type: none"> ■ Further GM uptake in China and India 	<ul style="list-style-type: none"> ■ Specialty crops for export
<ul style="list-style-type: none"> ■ Increase in canola area in Canada 	<ul style="list-style-type: none"> ■ Reduced rapeseed area in EU 	<ul style="list-style-type: none"> ■ Crop prices drive Brazil, and real weak 	<ul style="list-style-type: none"> ■ Drive for grain production in China 	<ul style="list-style-type: none"> ■ Political and infrastructure problems
<ul style="list-style-type: none"> ■ Drought affecting the Central Corn Belt 	<ul style="list-style-type: none"> ■ Re-registration, revised criteria introduced 	<ul style="list-style-type: none"> ■ Increased GM uptake in region 	<ul style="list-style-type: none"> ■ Biodiesel sustaining palm oil demand 	<ul style="list-style-type: none"> ■ Water availability
<ul style="list-style-type: none"> ■ Increase in GM area/Stacked traits 	<ul style="list-style-type: none"> ■ Modest growth in agrochemical prices 	<ul style="list-style-type: none"> ■ Demand for biofuels – Maize for export – Sugarcane domestic 	<ul style="list-style-type: none"> ■ Increasing cotton/food demand 	<ul style="list-style-type: none"> ■ Drought in Eastern and Western Africa
<ul style="list-style-type: none"> ■ Modest improvement in agrochemical prices 	<ul style="list-style-type: none"> ■ Adverse winter affected crops in Eastern Europe 	<ul style="list-style-type: none"> ■ High sugar and coffee price 	<ul style="list-style-type: none"> ■ Improved rainfall in Australia 	
<ul style="list-style-type: none"> ■ Stable Glyphosate prices 	<ul style="list-style-type: none"> ■ Wet summer in Northern Europe 	<ul style="list-style-type: none"> ■ High inflation in Argentina 	<ul style="list-style-type: none"> ■ Improved weather in Thailand 	
<ul style="list-style-type: none"> ■ US registration review 	<ul style="list-style-type: none"> ■ Dry summer in Southern and Eastern Europe 	<ul style="list-style-type: none"> ■ High interest rates in Brazil 	<ul style="list-style-type: none"> ■ Variable monsoon in India 	
<ul style="list-style-type: none"> ■ Recovery from drought in Mexico 			<ul style="list-style-type: none"> ■ Tsunami recovery in Japan 	
<ul style="list-style-type: none"> ■ Recovery from flooding in Canada 			<ul style="list-style-type: none"> ■ Flooding in South China/Philippines 	

[Source: Phillips McDougall]

Global crop price trend

There has been a consistent annual increase in the price of crop commodities. During 2008 prices peaked due to stock reductions, and the impact of financial speculation. During 2009, crop prices declined but remained above 2006 levels. The impact of adverse weather, poor harvests and rising demand has driven crop prices higher each year since (the only exception being cotton, where overproduction and high stocks moderated prices in 2012).

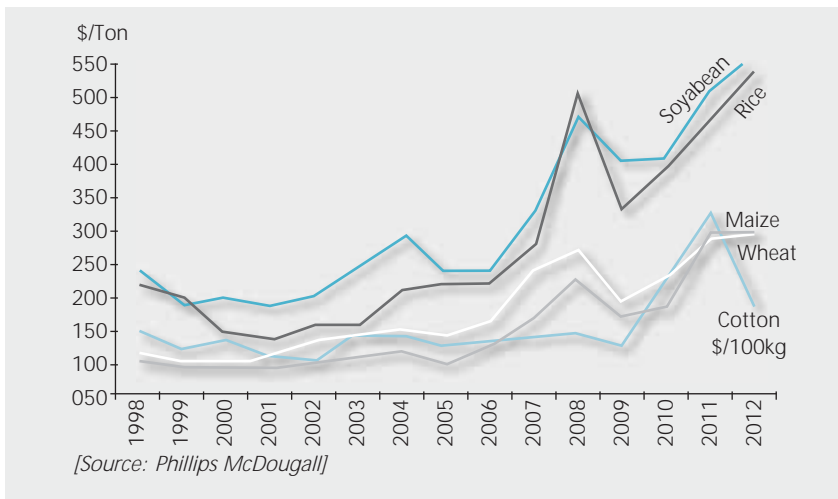
Key factors affecting the global crop protection market in 2012

- Stable Glyphosate prices.
- Strong US dollar against most major

currencies.

- Sustained crop commodity prices.
- High demand and improved economies-of-scale in Latin America
- Good corn planting season in the American Midwest but subsequent drought.
- The EU benefited from an early end to the winter, but suffered from a wet summer in the North and dryness in the South.
- East Europe suffered from a harsh winter followed by drought.
- Southern China affected by flooding; Glyphosate prices improved
- Further increase in GM crop area; adoption of stacked maize varieties.

The impact of adverse weather, poor harvests and rising demand has driven crop prices higher each year



Benefits of using pesticides

- Pesticides are the only effective means of controlling Pathogens, weeds or pests in many circumstances
- Consumers receive direct benefits from pesticides through wider selection and lower prices for not only food but clothing as well
- Pesticides protect private, public and commercial dwellings from structural damage associated with termite infestations
- Pesticides prevented disease outbreaks through the control of rodent and insect populations
- Pesticides are used to sanitise our drinking and recreational water sources
- Pesticides are used to disinfect indoor areas (kitchens, operating rooms, nursing homes) as well as dental and surgical instruments

Prominent global agriculture markets

Key market: CHINA

Value of farm production: US \$ 599.582 bn

Key agricultural products: Rice, wheat, potatoes, sorghum, peanuts, tea, millet, barley, cotton and oilseeds, among others.

Prominent pest action: *Conopomorpha sinensis* bradley (known as the Lychee stem-end borer), Hairy mite and Dog ear mite.

Industry: Agricultural output is the world's largest; only about 15% of total land area can be cultivated.

Agrochemical market: US\$ 3.5 bn

Top five agrochemical companies: Zhejiang Wynca Chemical Industry Group Co. Ltd. (Zhejiang Wynca), Jiangsu Yangnong Chemical Co. Ltd., Hubei Sanonda Co., Ltd., Yancheng, Southern Chemical Co. Ltd. and The Zhejiang DeHeng Biochemical Detection Technology Co. UPL's presence:

UPL's market share: 1 %

Number of product registrations: 10

Key brands: Vondozeb, Akito, Microthial, Blazer and Saaf

Key market: INDIA

Value of farm production: US \$ 284.524 bn

Key agricultural products: Cereals (barley, wheat, maize, rice, among others); fruit, vegetables, roots and tubers (apples, cabbages, potatoes, among others); oil crops and pulses (lentils, soyabeans, linseed, among others); sugar crops and sweeteners (represented here by raw and refined sugar expressed as raw sugar equivalent); spices and stimulants (coffee, ginger, among others); and nuts (walnuts, almonds, among others).

Prominent pest action: *Sitophilus oryzae*, *S. zeamais*, *S. granaries* (Rice weevil), *Trogoderma granarium* (khapra beetle), *Rhyzopertha dominica* (Angoumois grain moth), *Sitotroga cerealella* (Lesser grain borer),

Callosobruchus chinensis and *C. maculatus* (Pulse beetle), among others.

Industry: Multiplicity of cropping systems. Rainfed agriculture covers 92.8 million hectare (65% of cropped area). Overriding incidence of intercropping. More than 250 double-cropping systems followed.

Agrochemical market: US\$ 2 bn

Top five agrochemical companies: UPL, Bayer, BASF, Syngenta and Rallis

UPL's market share: 17%

Number of product registrations: 50+

Key brands: Lancer Gold, Ulala, Saaf, Saathi and Lagaam

Key market: USA

Value of farm production: US \$ 161.236 bn

Key agricultural products: Corn, soybeans, wheat, hay, alfalfa, tobacco, rice, among others.

Pest action: Leaf hopper, Shoot fly, Ladybug and Bedbug

Industry: Total nominal value of the American agricultural production grew from \$29.9 billion in 1949 to \$223.5 billion in 2006, equivalent to a compound growth rate of 3.6% per year. U.S. farmers and ranchers

are among the most productive in the world.

Agrochemical market: US\$ 8.5 bn

Top three agrochemical companies: Dow Agro Sciences (USA), Monsanto (USA), DuPont (USA)

UPL's market share: 5%

Number of product registrations: 50+

Key brands: Manzate, Aquathol, Microthial, Sur Flan, Asulam, Ultra Blazer and Tricor

Important global agriculture markets

Key market: **Brazil**

Value of farm production: US \$ 142.141 bn

Key agricultural products: Coffee, sugarcane, oranges, soybean, corn and other grains/horticultural products

Pest action: Johson grass, Fruit fly.

Industry: Land planted with traditional, labour-intensive plantation crops (bananas, tobacco, and citrus) redirected to crops with less-labour through technology.

Agrochemical market: US\$ 10 bn

Top four agrochemical companies: Bayer, BASF, Syngenta and FMC

UPL's presence: Through the recently acquired DVA Agro and Sipcam Isagro

UPL's market share: 3%

Number of product registrations: 50+

Key brands: Trinca, Lancer, Unimark and Vondozeb

Key market: **Indonesia**

Value of farm production: US \$ 108.130 bn

Key agricultural products: Rice, cassava (manioc), peanuts, rubber, cocoa, coffee, palm oil, copra

Pest action: BPTI, Leaf folder, Stem borer.

Industry: About 45% of Indonesian working population is engaged in agriculture (17% of GDP in 2001). Some 31 million ha (76.6 million acres) under cultivation, with 35% to 40% of the cultivated land is devoted to export crops.

Agrochemical market: US\$ 400 mn

Top five agrochemical companies: Bayer, Syngenta, DuPont, Dow and Agricon

UPL's market share: 4%

Number of product registrations: 50+

Key brands: Counter, Cynex, Fenkill, Saaf, Lancer and Starthene

Key market: **Japan**

Value of farm production: US \$ 76.424 bn

Industry: Barley, wheat, maize, rice, cabbages, potatoes, soybeans, linseed, coffee, walnuts, almonds among others.

Pest action: Leaf Hoppers, Japanese Beetle and Tarnished plant bugs.

Industry: Around 1.7 million commercial farms (defined as farming more than three-quarters of an acre or with annual sales of more than 500,000 yen). Commercial farms managed an average of only

1.9 hectares (ha), or 4.7 acres. Limited agricultural land resources. Arable land reclaimed to the greatest possible extent. Only 16 million acres (17% of total land area) usable for agricultural purposes.

Agrochemical market: US\$ 4 bn

Top two agrochemical companies: Sumitomo Chemicals and Aryasta Lifescience (Japan),

UPL's market share: 1%

Key brands: Vondozeb, Epitume, Sur Flan, Devrinol and Asulam

Prominent global agriculture markets

Key market: **Turkey**

Value of farm production: US \$ 71.218 bn

Key agricultural products: Wheat, barley, corn, chickpeas, lentil, haricot beans, fruits, among others.

Pest action: Black carpenter ants, potato beetles, boll weevils, carpet beetles.

Industry: As of 1992, cereal crops occupied 12.5 million hectares or more than half of the country's cultivated area. Wheat accounted for about nine million hectares of this area, and barley for about three million hectares. Other grain crops include rye, millet, corn, and rice. Small or subsistence farmers produce most of Turkey's grain.

Agrochemical market: US\$ 550 mn

Top three agrochemical companies: Astranova Tarim Ticaret Ve San. A.S., Menta Co. Ltd. and Agrobrest Group

UPL's market share: 6%

Number of product registrations: 50+

Key brands: Quickphos, Total Landax, Mancolaxyl, Unipic

Key market: **Europe**

Value of farm production: US \$ 51.651 bn

Key agricultural products: wheat, cereals, sugar beets, potatoes, wine grapes, sugar beets, cereals and oil seeds.

Pest action: Aphids, Potato beetle, Weevils.

Industry: Engages about 4% of the labour force; contributes about 3% of the GDP. Since the early 1970s, the agricultural labour force has diminished by about 60%. France exports more agricultural food products than any other EU nation (accounting for 22% of the EU's total agricultural output). The only country in Europe to be completely self-sufficient in basic food production. 35% of France's land area is arable. Since 1950, the number of farms has declined and the size of individual holdings has increased.

Agrochemical market: US\$ 12 bn

Top five agrochemical companies: Dow, Bayer, Syngenta, BASF and Du Pont

UPL's presence: UPL has four manufacturing units in France and is also present through subsidiaries.

UPL's market share: 3%

Number of product registrations: 50+

Key brands: Beet up and Napropamide

Indian crop protection market

The crop protection chemical/ agrochemical segment accounts for 3.5% of the total chemicals market in India. The domestic crop protection market is estimated at around US\$2 bn, whereas the exports market is estimated at around US\$1.8bn (total size US\$3.8 bn).

The crop protection industry in India is generic with around 80% of the molecules being non-patented. Distribution networks and brand image serve as catalysts. Crop protection chemicals are manufactured as technical grades and subsequently formulated for agricultural use.

Insecticides form the largest segment of the domestic crop protection chemicals market (55% of the total market). The segment is largely dependent on rice and cotton. Herbicides account for the largest growing segment (20% of the total crop protection chemicals market).

Despite agriculture being the key employment driver, the sector is faced with challenges: finite farmland availability, growing food appetite and low crop yields. India's crop yields in major crops like rice, lentils, corn and soyabean are 50% below China's. Low usage of crop protection chemicals is clearly one of the reasons for this. Every year, about USD 8.5 billion worth of crops are lost in India

because of diseases and pests, which could have been recovered through the effective use of crop protection chemicals.

The reasons for the low usage of crop protection chemicals in India can be attributed to the following: low purchasing power, lack of farmer awareness, low product accessibility, fragmented land holdings, low irrigation penetration and an excessive dependence on monsoons.

Indian agriculture sector

India's agriculture sector recorded favourable growth in the last few years despite weather and price fluctuations. India is the leading global producer of milk, pulses, jute and jute-like fibres, second in the production of rice, wheat, sugarcane, groundnut, vegetables, fruit and cotton, and a leading producer of spices and plantation crops (livestock, fisheries and poultry). The Eleventh Five Year Plan (2007-12) reported an average annual 3.6% growth in the gross domestic product (GDP) of agriculture and allied sectors (target 4%).

During the Eleventh Five Year Plan period, food grain production in the country recorded a consistent increase, except in 2009-10 when total food grain production declined to 218.1 million tons due to drought. During 2011-12, total food grain production reached an all-time high of 259.32 million tons. However, the

2

 MT/ha

India's average productivity compared to the global average of 3MT/ha

production of 2012-13 kharif crops is likely to be adversely affected by deficiency in South-West monsoons and acreage losses. The overall area coverage at 665.0 lakh ha under foodgrains during kharif 2012-13 shows a decline of 55.8 lakh ha compared to 720.86 lakh ha during kharif 2011-12 (fourth AE). The overall output is expected to decline in all major crops [Source: *Economic Survey 2012-13*].

Sectoral drivers

The Indian crop protection chemical industry is being driven by the following catalysts:

- India accounts for 16% of the global population but only 4% of its landmass. The country's population is growing 1.58 % annually, strengthening food demand and prioritising food self-sufficiency.
- Growing urbanisation is affecting agricultural growth. The country's 190 mn hectares of gross cultivated area is declining, resulting in a stronger need to improve yield per hectare.
- India's average productivity stands

Average crop protection consumption

((Kg/ Ha)

Korea	Japan	USA	Global average	Europe	India
16.5	10.8	4.5	3	3	0.58

[Source: FICCI Report]



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

at 2 MT/ha compared to 6 MT/ha in the US and a global average of 3 MT/ha. India's pesticide consumption is a low 0.60 kg/ha compared to the global average of 3 kg/ha. A correction of this under-penetration is warranted.

- National Horticulture Mission will drive the demand for fungicides.

Outlook

The outlook for 2013 remains positive, with crop prices remaining robust due to rising consumption and limited harvests in Europe and North America, in 2012.

- Wheat production in 2012 improved in Australia and Canada, but declined in Europe, the falling stocks resulting in a positive price environment for 2013.
- Maize and soybean demand remains high after a poor 2012 harvest in the US, despite a declining use of corn for ethanol manufacture.
- Dry weather affected sugarcane production in Brazil, resulting in higher sugar prices.
- Rice stocks remained low by historic standards, sustaining rice prices and profitability.
- High cotton stocks depressed prices.

The crop protection market in 2012 benefited from improved volumes and prices. Recovery from adverse weather in 2012 provided further opportunities

for volume growth in 2013, whilst continuing strong crop prices and a healthy farm economy provided an environment conducive to price improvement.

Going ahead, the Indian agrochemicals sector is expected to grow at around 11.5% annually to reach US\$6.5 bn by FY17.

Segment-wise performance

- **Agro activity:** Accounted for 84% of the total sales of the Company. Increase in the turnover of the Company is mainly on account of increased demand from Indian and global markets.
- **Non-agro activity:** This segment accounted for 16% of the Company's total sales.
- **Power:** Power generation was for captive use.
- **Exports:** Exports accounted for 56% 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 operations run on the SAP system. The operations in different geographies need to adhere to their own legal compliances and regulatory framework. The in-house internal audit team plans the audit schedule

of all 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 protected against loss. It also ensures that the transactions are authorised and recorded in the books of the Company.

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

The Audit Committee of the Board is informed regularly about the significant findings of the internal audit regarding various locations and functions to help take effective steps to ensure compliance 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 periodic report prepared by internal audit team forms 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 compliance with environmental norms. The Company maintains a high degree of adherence with pollution control norms at all times.

Area of focus

Operational excellence

Overview

UPL is engaged in the manufacture of agrochemicals and industrial chemicals. The Company has 23 manufacturing units across the world. The Company has extensively invested in various related initiatives: an integrated manufacturing process where the key raw materials (phosphorus and power) are generated through captive sources. The Company possesses the largest phosphorus manufacturing capacity in the world. These initiatives have helped UPL emerge as one of the most profitable agrochemical companies in the world.

The Company also created a 40-member process engineering team to enhance process efficiency, product quality and cost competitiveness. The team focused on ongoing value engineering through the use of different formulation bases; the Company replaced use of a solvent with powder in one instance to reduce cost and operational temperature leading to considerable savings.

The Company also extended to the profitable use of its gross block with a view to eliminate low yielding assets, engaging in judicious capex based on cost and payback tenure.

The Company invested in environmental management

infrastructure across its manufacturing units - triple effect evaporators, effluent treatment plants, incinerators, hazardous gas leakage detection systems and alarms with the objective to minimise emissions lower than the norms set by the pollution control boards. The Company made a forward-looking investment in environmental management assets; the Company was the first in its industry to install a total organic content meter, which was later made a standard by the Gujarat Pollution Control Board. As a responsible measure, all the Company's plants are equipped with effluent treatment plants.

The result is that the Company is a global leader in terms of cost for a number of products. Going ahead, the Company will focus on reducing overheads across global manufacturing locations, combine the manufacture of products within India and abroad based on respective

cost-efficiencies and move to zero liquid discharge status across all plants in India.

Highlights, 2012-13

- The Company introduced 15 new products
- Created four teams to minimise production costs (through process optimisation, reduction in energy consumption and enhanced process yields)
- Production improved across all plants
- Invested Rs.175 crore to enhance the yield of Mancozeb
- Consolidated manufacturing assets to eliminate low yielding assets

Going ahead

Going ahead, the Company expects to optimise production costs through focused teams and commercialise new products (via research and development).



UPL is engaged in the manufacture of agrochemicals and industrial chemicals. The Company has 23 manufacturing units across the world.

Area of focus

Research and development

Overview

Research and development is an integral part of UPL. The Company invests about 2% of annual revenues in research and development. The R&D team focuses on the development of products superior to existing alternatives that have become increasingly resistant to pests. The

R&D team (more than 80 scientists) works relentlessly on product and process development.

Highlights, 2012-13

- Developed 12 new products
- Received more than 3,500 registrations
- Worked closely with the

Environment Cell for Energy Conservation and enabled the Company to save substantially.

Road ahead

Going ahead, the Company will continue to focus on new product development, strengthen its pipeline and optimise processes.

Area of focus

Human resource management

A successful and sustainable business requires rich human capital. UPL created capable human capital to grow its business.

UPL had more than 3,619 global employees (as on 31st March, 2013) and 2,436 in India (as on 31st March, 2013). Of the total employees, 23% were from outside India and drawn from 25 different nations. The Company reported an increase in average per person revenue from Rs.1.79 crores in 2011-12 to Rs.2.57 crores in 2012-13.

The Company strengthened its human resource management through the following initiatives:

Recruitment: Based on its budgeted growth plan, the Company recruited management trainees from reputed business schools and engineering trainees. The Company recruited senior managers through head hunting and

web-based recruitment portals.

Training: The Company reinforced its training programme (classroom and on-the-job training) for recruits following which they were absorbed into their respective departments. Employees were trained based on their appraisals (soft skills and external programmes). Engineers and technicians were sent to premier institutes (IITs among others) to be trained in cutting-edge developments.

Leadership: The Company reinforced its leadership pipeline through the creation of the next generation of leaders. The potential candidates were sent to various management development programmes in premier management institutes.

Appraisal: The Company created three performance management systems (annual, quarterly and

monthly). The Company monitored employee performance every month, quarterly (in some locations half-yearly) as a basis for their incentivised remuneration. The Company's manufacturing units instituted Balanced Scorecards for performance appraisal.

Engagement: The Company conducted various employee engagement events. It celebrated Diwali, Christmas, Friendship Day and Women's Day, among others. UPL Vapi organised the *kutumb mela* programme. Employee families and relatives numbering more than 3,000 gathered at this *mela*, enhancing a sense of bonding.

Integration: The Company focused on cultural integration across its diverse ethnic and nationality employee mix.

Area of focus

Marketing

120

The number of countries where the Company enjoys a sales presence

At UPL, marketing makes it possible to provide products when and where customers need them. The Company had a focused marketing approach for its domestic and international businesses. The Company enjoyed a 17% market share in the domestic agrochemicals business, making it a leading player in the domestic market.

The Company was present across the key agricultural markets of Brazil, the US, Japan, China, France, Germany and India in 2012-13. The Company enjoyed a sales presence in over 120 countries supported by a multi-continental distribution network. Through brand building exercises, UPL positioned itself as an international brand providing quality products around a superior price-value.

The Company leveraged distribution partners in the US, Argentina, Mexico, Colombia, Indonesia, China, Vietnam, Turkey, Australia and other European countries. This increased the Company's ability to manufacture in one location and distribute material down to the last mile in another.

UPL's marketing success revolved around a multi-farm lifecycle, multi-crop and multi-country presence. The result is that UPL commissioned 81 marketing offices and subsidiaries and it enjoyed product registrations/product presence in 120 countries.

The success of the Company's agrochemical business was also derived from a registration competence that made it possible to enter diverse geographies. The Company had more than 3,500 registrations that made it possible to market products across multiple countries.

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.

Highlights (India), 2012-13

- Despite a weak monsoon, the Company retained its market share of 17%.

- Grew the Indian business by 7.2%
- The launch of the first specialised product (Ulala) was backed by four launch meetings, farmer meets, retailer training meets and advertisements. The product received an outstanding response.
- Various marketing initiatives (wall painting and welcome hoardings) were utilised for the launch of Lancer Gold

Highlights (global), 2012-13

- The Company retained its global market share of 13%.
- Grew the international (non-Indian) business by 81%
- Streamlined Brazilian operations with a robust distribution network
- Sustained regular marketing activities for branded products
- Launched 15 products

Road ahead

Going ahead, the Company expects to launch 50 products in five years.

Making a difference with Unimart

This retail store chain addresses a farmer's complete need of services and products. Unimart stores provide complete farming solutions related to finance, seeds, pest control products and advice. The products marketed in Unimart comprise vegetable seeds, field crop seeds, insecticides, fungicides, herbicides, micronutrients (cattle feed) and

fertilisers. Any farmer who purchases products worth Rs.500 or more is provided free advice.

UPL has 10 Unimart outlets in the farming regions of Maharashtra and Gujarat. Mobile van programmes to reach out to farmers. Unimart provides farmers with quality seeds (selectively free of cost to poor farmers) with a product buy back model.

Area of focus

Corporate Social Responsibility

United Phosphorus Limited has been a socially responsible corporate even before the term became popular. UPL's Corporate Social Responsibility stretches as far back as 1969 with the inception of its manufacturing operations at Vapi, Gujarat.

The CSR initiatives of UPL can be subdivided under the following heads: education, healthcare, rural upliftment and social welfare.

Education

- What is now the Sandra Shroff Gnyandham School with 1,600 students, began as a humble institution at Vapi as Gyandham School for the benefit of the indigenous populace and factory workers by UPL. The school became the first English medium school of the region and is currently affiliated under the CBSE board.
- UPL helped commission 25 schools

in the area to educate the tribal population in the hinterland. UPL sponsored the construction of schools at Sonpharia and Balwari villages in addition to underwriting teacher salaries and running expenses.

- UPL is actively involved with the Gattu School, which is the first as well as one of the best English medium school in Ankleshwar.
- UPL built and managed a Gujarati-medium school in Ankleshwar (Pushpavati Devidas Shroff Sanskardeep Vidyalaya). The school provides education to a thousand students and is now considered among the prominent Gujarati medium schools in the region.
- In 1990, UPL collaborated with the ROFEL Trust to establish the first college in Vapi catering exclusively to those who wanted to pursue Arts and Commerce streams. This was

followed by the introduction of a BBA course in 1996. Three years later, UPL commissioned management institute (GRIMS) at the post graduate level as well as colleges for science and pharmacy science students. UPL also collaborated with the ROFEL Trust to commission a 40-seat nursing training college for tribal girls (diploma course and a four-year degree course), and a two-year course for tribal girls in Dang for nursing.

- Originally commissioned by the Gujarat government, UPL turned the Eklavya Model Residential School (co-educational) in the Dang district into a premier educational institution, in collaboration with Gnyan Dham School.
- UPL and Rotary Club created a UPL-Rotary Community Library at Ankleshwar, which is the only public library with a dedicated children's section and thousands of technical

In 1990, UPL collaborated with the ROFEL Trust to establish the first college in Vapi catering exclusively to those who wanted to pursue Arts and Commerce streams.

books and journals reaching out to students, scholars and technologists.

- UPL also supported and financed GIDC Rajju Shroff Rofel Institute of Management Studies and Rajju Shroff Rofel Institute of BBA to develop individuals with efficient managerial capabilities and address the growing demand coming out of the chemical and industrial hubs of the Vapi-Ankleshwar region.
- In 2011, UPL collaborated with the Ankleshwar Rotary Welfare Trust to establish the first modern, state-of-the-art chemical engineering college at Ankleshwar namely Shroff S.R. Rotary Institute of Chemical Technology provides education to graduates and skilled engineers in Ankleshwar and nearby areas.
- UPL tied up with Ankleshwar Industrial Development Society to start a mobile education van

project. Mobile vans, equipped with experienced teachers, learning modules, charts computers, DVD players, etc., go to various village schools to impart quality education in rural and tribal villages.

Healthcare

- On the healthcare front, the Company was a trendsetter. It played a vital role in setting up the first public hospital in the Vapi region in the late 60s. Over the years, this has transformed into a 250-bed multispecialty hospital in collaboration with Rotary Club of Vapi. This is now known as the Haria L.G. Rotary Hospital. The hospital caters to UPL employees, provides free treatment and dialysis to the poor and monthly rations, food, fruits and medicines to the needy.
- UPL tied up with the Gujarat Government to operate a number

of primary healthcare centres in economically disadvantaged regions of Gujarat. UPL is involved in running 18 Gujarat government-sponsored healthcare centres.

- UPL also organises health check-up camps in tribal areas and carried out free veterinary camps. The Company also organised training camps in tribal areas, where villagers were trained in the basic aspects of healthcare and first-aid.
- UPL addressed the prevention and treatment of burn injuries. The Company's Vice Chairman Ms Sandra Shroff has been the 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.
- UPL initiated a mosquito eradication programme in GIDC Township (Vapi) by spraying insecticides. The Company

UPL has addressed the issue of prevention and treatment of burn injuries for a significant period of time. The Company's Vice Chairman Ms Sandra Shroff is the President of the National Association of Burn Injuries in India for over a decade

financially supported the SEWA Rural Trust in healthcare, education and basic housing provisions for adivasis.

Rural upliftment and social welfare

UPL has invested in societal upliftment and rural development for more than four decades.

- When UPL commissioned its first factory in Vapi, the infrastructural backbone of the region was for all purposes non-existent - no roads except for the highway and no drainage system to speak of. UPL chairman Mr. Rajju Shroff joined hands with the Gujarat Government to plan a network of roads for Vapi to connect it with the world at large; thereafter, the drainage system was also revamped. It was only after strenuous locational planning that Vapi developed the infrastructure to attract other companies to invest in

that region.

- UPL provided rural electrification facilities and tube wells to distribute water in villages around Vapi and Ankleshwar.

- The Company and with the State Government helped built roads, drainage systems and other basic amenities; it assisted in the construction of numerous bridges, culverts and financed gram panchayats in and around the Vapi and Ankleshwar regions.

- UPL arranged for a six month training course in collaboration with the SNDT University to teach the local populations of Vapi, Dang and Ankleshwar stitching and nursing skills backed by jobs. UPL provided training to local unemployed young villagers in brick-making supported with a timely availability of capital.

- UPL helped promote the Workers'

Cooperative Credit Society, which offered soft loans to help the Company's workers build better homes, buy more land and improve their lifestyle.

- UPL joined hands with the local governmental bodies to provide rural electrification facilities and tube wells in of Vapi, Ankleshwar and Chota Udaipur regions; it distributed free corn seeds among locals to encourage corn growing.

- At Jhagadia, the Company joined hands with Jhagadia Industries Association for the construction of RCC roads, renovation of schools, providing water purification systems in schools, organising medical camps and other activities.

- UPL commissioned a series of stores under the name of UNIMART, where farmers were provided with market-related information and guidance,

UPL arranged for a six month training course in collaboration with the SNDT University to teach the local population of Vapi, Dang and Ankleshwar, stitching and nursing skills and backed them up with jobs.

related to the use of pesticides, improved farming practices, efficient seeds treatment, organic waste and vermi-composting.

- UPL established a farmers' training school and demonstration farm (Vikram Farm) in Vapi in 1999-2000 with the objective to provide farmers hands-on training and agricultural insights. The farm provides Agricultural Diploma Training (two-month residential programme) and Agricultural Graduate Training (one-year residential programme) for farmers, in addition to food and lodging. UPL supported Rotary Club in Dang district initiatives that focused on income generation, education, improved agricultural practices and healthcare facilities. UPL took this initiative to a whole new level by providing the local populace with the money to buy seeds and technical knowhow to grow cash crops (onions,

potatoes, tomatoes, lady fingers, strawberries and cashew nuts among others).

Other initiatives

Sports: The Company promotes sports to enhance the physical and intellectual well being of the youth in the Vapi region. The Company created United Phosphorus Sports Foundation to recognise and nurture talent. In a cricket-crazy country the Company chose to promote basketball. UPL bucked the trend by reviving the prestigious Ramu Memorial Trophy after 13 years and also sponsored one of the most-respected club basketball competitions in India – the Savio Cup in Mumbai which featured three former NBA players – (Jerome Williams, Paul Grant, and Anthony Bonner).

At Ankleshwar, the Company along with Ankleshwar Industrial

Development Society, developed D.A. Anandpura Cultural & Sports Complex comprising swimming pool, joggers track, football ground, yoga centre and tennis court, etc.

Adventure club: The Company fostered the spirit of adventure, establishing an adventure club where youngsters are provided facilities and training drills in trekking, rope walking, horse riding and swimming.

Emergency team: UPL felt the need to reach out to the victims of natural catastrophes and untoward incidents. UPL trained individuals and helped to form a unique cohesive Emergency Response Team. With experience in dealing with toxic gas leakages, chemical spills, fire disasters and chemical explosions at Vapi, Ankleshwar and other locations.

UPL felt the need to reach out to the victims of natural catastrophes and untoward incidents in efficient and efficacious ways. Keeping this in mind UPL trained individuals and combined them together to form a unique cohesive unit that was christened the Emergency Response Team.

Finance review

Basis of preparation

The financial statements of the Company were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India. The financial statements were prepared in compliance to all material aspects and with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act, 1956. The financial statements were prepared under the historical cost convention on an accrual basis. The accounting policies were consistently followed with those used in the previous year.

Financial highlights, 2012-13

Particulars	2011-12 (Rs. lakhs)	2012-13 (Rs. lakhs)	% growth
Total revenue	345,949	407,376	18
PBT	30,696	29,722	(3)
PAT	22,704	20,813	(8.3)
Cash profit	37,053	36,589	(1.27)
EPS (Rs.)	4.92	4.60	(6.50)

Analysis of Profit & Loss Account

■ The Company's revenue from operations (net) increased by 13.87% from Rs.331,564 lakhs in 2011-12 to Rs.393,944 lakhs in 2012-13, due to superior realisations and introduction of new product. Other income declined 6.62% from Rs.14,385 lakhs in 2011-12 to Rs.13,432 lakhs in 2012-13 owing to reduction in interest incomes on bank deposits and dividends derived from long-term subsidiary investments compared to the previous year. Other income as a proportion of the total income stood at 3.3%, reflecting the Company's focus on core businesses.

■ Operating expenses for 2012-13 stood at Rs.351,279 lakhs as against

Rs.284,467 lakhs in 2011-12, the 23.48% increase in operating expenses attributed to a rising cost of raw materials, power, and fuel and sub-contracting. Total operating expenses as a proportion of the total income increased marginally to 86.23% in 2012-13 as against 82.23% in the previous year.

■ Owing to growing business scale, raw material expenditure increased 18% to Rs.183,839 lakhs in 2012-13 as against Rs.155,789 lakhs in 2011-12. The proportion of raw material cost as a percentage of total operating cost declined to 52.33% in 2012-13 against 54.76% in 2011-12.

■ The cost of the Company's employee benefits increased from Rs.18,465 lakhs in 2011-12 to Rs.23,746

lakhs in 2012-13, mainly owing to increase in employees and increased remuneration by 33.53%. Employee remuneration as a percentage of the total operating cost was 6.76% in 2012-13 as against 6.49% in the previous year.

■ The Company's other expenses for 2012-13 stood at Rs.112,793 lakhs, rising 28.66% from Rs.87,667 lakhs in 2011-12. The increase was largely due to an increase in sub-contracting, power and fuel expenses which rose by 69.23% and 35.4% respectively over the previous year. The Company's fuel cost per unit stood at Rs.1.28 per unit 2012-13 against Rs.1.47 per unit in 2011-12. The Company's power and fuel cost as a proportion of the total income increased by almost 99 basis points to 7.55% in 2012-13.

Analysis of Balance Sheet

Sources of funds

Particulars	2012-13 (Rs. lakhs)	% of Capital Employed	2011-12 (Rs. lakhs)	% of Capital Employed
Equity share capital	8,852	1.75	9,236	1.91
Reserves and surplus	326,917	64.63	341,366	70.75
Networth	335,769	66.38	350,602	72.66
Loan funds	140,000	27.67	110,000	22.80
Deferred tax liability	9,090	1.80	8,278	1.72
Other long-term liabilities	20,981	4.15	13,600	2.82
Capital employed	505,840	100	482,480	100

Capital employed

The total employed capital increased only 4.84% in 2012-13 as compared to the increase of 44.38% in 2011-12, due to a decline in networth by 4.23%. The decline in the networth was due to the buyback of the Equity Shares and lesser reserve and surplus. While the increase was relatively due to the rise in loan funds by 27.27% and rise in long-term liabilities by 54.27%. The return on capital employed declined from 9.59% in 2011-12 to 6.36% in 2012-13. The reduction in equity capital was the result of a buyback of 1,92,00,000 equity shares for Rs.22,349 lakhs (excluding brokerage, taxes and other charges). The face value of shares bought back amounting to Rs.384 lakhs was adjusted against the share capital and the balance amount of Rs.21,964 lakhs (and related expenses of Rs.109 lakhs) were adjusted in

the securities premium account.

The buyback was 4.15% of the total number of equity shares of the Company as on 31st March, 2012.

Net worth

■ The Company's networth was Rs.335,769 lakhs as on 31st March, 2013, which declined by 4.23% compared to the previous year's Rs.350,602 lakhs as on 31st March, 2012. The decline was due to a fall in equity share capital and reserves and surplus. Networth as a proportion of capital employed declined from 72.66% in 2011-12 to 66.38% in 2012-13.

■ **Equity:** The equity share capital declined by 4.15% to Rs.8,852 lakhs as on 31st March, 2013 from Rs.9236 lakhs as on 31st March, 2012, due to the adjustment of Rs.384 lakhs for the buy-back of shares from the open market during the financial year under

review.

■ **Reserves and surplus:** The reserves and surplus declined from Rs.341,366 lakhs as on 31st March, 2012 to Rs.326,917 lakhs as on 31st March, 2013. As a proportion of capital employed on a y-o-y basis, reserves and surplus declined from the previous year's 70.75% to 64.63% in 2012-13 following an adjustment of Rs.21,964 lakhs on account of a share buy-back, which resulted in a reduction in the closing balance of securities premium.

Loan funds

■ The long-term debt-equity ratio was 0.51 in 2012-13 against 0.37 in 2011-12, largely owing to a decline in the networth along with an increase of 29% in long-term debt. Loan funds increased 21.43% from Rs.110,000 lakhs as on 31st March, 2012 to Rs.140,000 lakhs as on 31st March, 2013 (all unsecured).

- Interest cost declined 35.5% in 2012-13 from Rs.16,437 lakhs in 2011-12 to Rs.10,599 lakhs in 2012-13, which resulted in a better interest coverage of 5.29x in 2012-13 (3.74x in 2011-12).

Application of funds

Gross block

A 4.72 % increase in gross block from Rs.233,177 lakhs as on 31st March, 2012 to Rs.244,192 lakhs as on 31st March, 2013 was largely due to the acquisition of building, plant and machinery.

Correspondingly, depreciation and amortisation increased from Rs.14,349 lakhs in 2011-12 to Rs.15,776 lakhs in 2012-13. Return on gross block declined from 37.88% in 2011-12 to 35.6% in 2012-13, as gross block investments will bear returns from the coming year. Capital work-in progress increased 107.8% in 2012-13, standing at Rs.23,615 lakhs as on 31st March, 2013 compared to Rs.11,364 lakhs as on 31st March, 2012.

Investments

Non-current investments increased 2.12% from Rs.65,712 lakhs as on 31st March, 2012 to Rs.67,106 lakhs as on 31st March, 2013 due to an investment in a subsidiary company.

Working capital management

- Current assets as on 31st March, 2013 stood at Rs.364,287 lakhs against Rs.307,057 lakhs as on 31st March, 2012, an increase of 18.63%. Current ratio was 1.86 as on 31st March, 2013 against 2.13 as on 31st March, 2012 owing to an increase in current liabilities over current assets; cash ratio was 0.067 in 2011-12 while in 2012-13 it was .096, indicating better liquidity.

- Inventories (finished and semi-finished goods along with raw materials) for 2012-13 increased 12.81% from Rs.55,003 lakhs as on 31st March, 2012 to Rs.62,054 lakhs as on 31st March, 2013. The average inventory cycle for 2012-13 stood at 54 days of turnover equivalent compared to 61 days in 2011-12.

- Debtors as on 31st March, 2013 stood at Rs.180,751 lakhs against Rs.138,999 lakhs as on 31st March, 2012, an increase of 30%. The debtors' cycle increased to 165 days of turnover equivalent in 2012-13 from 153 days in 2011-12 largely owing to longer credit being offered in new markets. Debtors outstanding for more than six months comprised 1.03% of the total debtor's position in 2012-13 compared to 2.7% in the previous year.

- Current investments increased 86% standing at Rs.23,299 lakhs as on 31st March, 2013 compared to Rs.12,500

as on 31st March, 2012, mainly on account of the Company's investments in debentures and mutual funds.

- Due to a decline in loans to subsidiaries, loan and advances fell 12.9% from Rs.81,868 lakhs as on 31st March, 2012 to Rs.71,299 lakhs as on 31st March, 2013.

- Current liabilities increased 36% from Rs.143,932 lakhs as on 31st March, 2012 to Rs.195,750 lakhs as on 31st March, 2013, mainly due to an increase in short-term borrowings and trade payables. Trade payables increased from Rs.61,866 lakhs in 2011-12 to Rs.95,876 lakhs in 2012-13, a rise of 54.97%.

Cash and bank balances

The cash and bank balance increased by 92.99% to Rs.18,822 lakhs as on 31st March, 2013 compared to Rs.9,753 lakhs as on 31st March, 2012, largely due to growing operational surpluses.

Taxation

The Company's tax liability increased 11.47% from Rs.7,992 lakhs as on 31st March, 2012 to Rs.8,909 lakhs as on 31st March, 2013. The Company's contribution towards the exchequer increased 28% from Rs.6,199 lakhs in 2011-12 to Rs.7,930 lakhs in 2012-13 at an effective tax rate of around 28%.

Risk management

Risk definition	Risk mitigation
<p>Industry risk: An industry downturn or changes in demand patterns could impact growth.</p>	<ul style="list-style-type: none"> ■ The global population is expected to grow from 7 bn to an 8 bn by 2030, strengthening food demand without a proportional increase in land availability. This will increase the demand for high-yield crops supported by a growing use of agrochemicals. ■ Globally, between 26 to 40% of the potential crop production is lost annually because of the effects of weeds, pests and diseases, which makes crop protection necessary. ■ The Company possesses a varied product range (herbicides, pesticides, fungicides and pesticides) with diverse applications (pre-harvest, post-harvest and storage) reducing its dependence on any particular segment, season, crop or country. ■ The Company responded to climate changes through changes in its supply chain, pricing and product mix, facilitated by a relatively flat management structure, porous cross-functions and seamless communication.
<p>Competition risk: The Company could yield to competition.</p>	<ul style="list-style-type: none"> ■ UPL possesses a large product basket, continuous innovation, presence in 120+ countries, subsidiaries in 41 countries and wide registration competencies. This has helped UPL evolve as one of fastest growing agrochemical companies of the world beating the average global growth by a factor of more than six. ■ Production cost control has helped the Company emerge as one of the most profitable companies in the world.
<p>Acquisition risk: Untimely or imprudent acquisition could dent the Balance Sheet.</p>	<ul style="list-style-type: none"> ■ UPL has made successful acquisitions (20 since 1994) and turned the companies around. ■ UPL recovered acquisition costs through business returns. ■ These acquisitions helped access registrations and distribution networks without gestation.
<p>Raw material risk: Inability to procure or source low cost raw materials could impact viability.</p>	<ul style="list-style-type: none"> ■ Backward integration accounts for 75% of the Company's raw material requirements. ■ The Company produces its own phosphorus, chloralkali and power. ■ A dedicated procurement team evaluates raw material costs from diverse vendors.
<p>Geographical concentration risk: Concentrated revenues from a particular geography could impact prospects following a slowdown in that geography.</p>	<ul style="list-style-type: none"> ■ UPL's wide global presence (120 countries) has helped reduce a dependence on any particular country. ■ No country accounted for more than 20% of the Company's revenue in 2012-13; no product segment accounted for a significant portion of the Company's revenues, which helped even out seasonal variations.

Risk definition	Risk mitigation
<p>Research and development risk: An inability to innovate new products could affect revenues.</p>	<ul style="list-style-type: none"> ■ UPL's 190-member research and development team catalyses continuous product and process development. ■ The Company added 35 products in its technical and formulations segment across the five years leading to 2012-13. ■ Collaborations with universities and technical universities accelerated new product formulation. ■ There are more than 60 new products waiting to be launched over the next five years.
<p>Regulatory risk: The agrochemical industry is highly regulated worldwide, requiring registrations with respective governments. Changes in government policy could require fresh compliances. Products need to go through expensive or time-consuming field trials prior to launch.</p>	<ul style="list-style-type: none"> ■ A 20-member dedicated team consisting of experienced and senior management officials study global registration requirements. ■ The Company invests in ecology and toxicology studies, a base for applications registration. ■ The Company has employed local professionals to study regulatory changes. ■ The Company possesses more than 1,000 registrations across various geographies
<p>Funding risk: Inability to mobilise adequate funds at competitive costs could affect growth.</p>	<ul style="list-style-type: none"> ■ The Company possessed a cash balance of Rs.1,548 crore (as on 31st March, 2013). ■ The Company enjoyed a modest debt-equity ratio of 0.87:1 (as on 31st March, 2013), lower than peers. ■ UPL was the only Company in India to issue unsecured and unconverted 15-year rupee bonds. ■ UPL enjoyed an interest coverage ratio of 4 (2012-13), reflecting adequate fiscal comfort. ■ UPL's average cost of debt was comparatively lower than average Indian debt cost due to its swapping of debt book across agencies, tenures and geographies.
<p>Receivables risk: A high receivables cycle would require additional working capital that could potentially affect viability.</p>	<ul style="list-style-type: none"> ■ The Company had an average receivables cycle of 109 days of turnover equivalent in 2012-13 whereas in some countries the Company's average receivable cycle varied from 90 days to in excess of 250 days. The Company selectively used a long credit cycle to capture markets and keep competition at bay by utilising cash resources.
<p>Foreign currency fluctuation risk: Foreign currency volatility could affect profits.</p>	<ul style="list-style-type: none"> ■ UPL engaged in adequate forex forward cover. ■ The Company's exports serve as a natural hedge against imports and manufacturing in international locations. ■ The Company selects local currencies for transactions in countries where it has a subsidiary presence
<p>Environmental risk: Negative impact to environment could disrupt operations</p>	<ul style="list-style-type: none"> ■ The Company invested judiciously in emission control equipment (ETP, incinerators, triple effect evaporators and gas detection alarms). ■ Emissions are well below specified norms. ■ The Company's Ankleshwar unit will soon become a zero liquid discharge facility. ■ The Company's dedicated team is engaged in process engineering and environmental impact reduction.



NOTICE

NOTICE is hereby given that 29th ANNUAL GENERAL MEETING of the Members of UNITED PHOSPHORUS LIMITED will be held on Friday, 19th July, 2013 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 31st March, 2013, Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Kalyan Banerjee, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Reena Ramachandran, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Pradip Madhavji, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. R. D. Shroff, 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, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Suresh P. Prabhu, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from some members proposing the candidature of Mr. Suresh P. Prabhu for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT subject to the approval of the Central Government pursuant to Section 21 of the Companies Act, 1956 the name of the Company be changed from 'United Phosphorus Limited' to 'UPL Limited'.

RESOLVED FURTHER THAT the name 'United Phosphorus Limited' wherever it appears in the Memorandum and Articles of Association of the Company, documents, contracts etc. be substituted by the new name, 'UPL Limited'.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such other steps as may be necessary or desirable to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Mr. Rajju D. Shroff as Chairman and Managing Director of the Company, for a period of 5 (five) years with effect from 1st October, 2013, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. Rajju D. Shroff, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between

the Board and Mr. Rajju D. Shroff.

RESOLVED FURTHER THAT where in any financial year the Company has no profits or its profits are inadequate, the said Mr. Rajju D. Shroff shall be paid the aforementioned remuneration as minimum remuneration subject however to the limits prescribed under the said Schedule XIII or any modifications thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Mr. Arun C. Ashar, as Whole-time Director designated as Director - Finance, for a period of 5 (five) years with effect from 1st October, 2013, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. Arun C. Ashar, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Arun C. Ashar.

RESOLVED FURTHER THAT where in any financial year the Company has no profits or its profits are inadequate, the said Mr. Arun C. Ashar shall be paid the aforementioned remuneration as minimum remuneration subject however to the limits prescribed under the said Schedule XIII or any modifications thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Mr. Kalyan Banerjee, as Whole-time Director, for a period of 5 (five) years with effect from 1st October, 2013, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. Kalyan Banerjee, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Kalyan Banerjee.

RESOLVED FURTHER THAT where in any financial year the Company has no profits or its profits are inadequate, the said Mr. Kalyan Banerjee shall be paid the aforementioned remuneration as minimum remuneration subject however to the limits prescribed under the said Schedule XIII or any modifications thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

13. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956 and other applicable provisions, if any, of the said Act, consent of the Company be and is hereby given to the Board of Directors of the Company for contributing on behalf of the Company to charitable and other funds not directly relating to the business of the Company or to the welfare

of its employees, any amount, the aggregate of which shall not exceed in any financial year the limit of Rs.25 crores or 5% of the average net profits as determined in accordance with the provisions of Section 349 & 350 of the said Act, during the three financial years immediately preceding the financial year in which the contribution is made, whichever is greater.”

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 29th 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, 6th July, 2013 to Friday, 19th July, 2013 (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 dividend as recommended by the Directors, if declared at the Meeting, will be made on or after 25th July, 2013 to the Members whose names stand in the Company's Register of Members on 19th July, 2013 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. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended-
 - (a) Dividend for the year 1996-97 and 2004-05 which remained unclaimed for a period of seven years from the date of transfer of same to the unpaid dividend account 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 for the years 2005-06 to 2011-12 which remain unclaimed for a period of seven years from the date of transfer of same to the unpaid dividend account 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.**

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 27th July, 2012, being the date of last Annual General Meeting, on the website of the Company i.e. www.uplonline.com and also on the website of the Ministry of Corporate Affairs.

10. 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. Kalyan Banerjee, Dr. Reena Ramachandran, Mr. Pradip Madhavji and Mr. R. D. Shroff, 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. Kalyan Banerjee is a Director of the Company since 21st October, 2003. He is a Chemical Engineer. He was associated with the Uniphos Enterprises Limited (erstwhile United Phosphorus Limited) since its inception. He has held various important positions in commercial, educational and social fields. He was past President of Rotary International and is actively associated with all the Rotary projects. He is also a Director, CII, Western Region. He is also associated with various education institutions at Vapi. Mr. Banerjee is on the Board of Uniphos International Limited.
- (b) Dr. Reena Ramachandran is a Director of the Company since 21st October, 2003. She is the Director General of Fortune Institute of Internationals Business, which is approved by the Ministry of HRD, Govt. of India. She has been member of various associations and institutions relating to education. Presently, she is also a member of the Expert Committee appointed by the Ministry of HRD to device Policy Perspectives for Management Education. She was also associated with various committees appointed by various Ministries of Government of India. She has done her Doctorate in Chemistry from University of Allahabad and Doctorate in Science (chemistry) in France. She has varied professional experience of over 40 years in Textile, Drug, Cement, Petroleum and Petro Chemical Industry.
- (c) Mr. Pradip Madhavji is a Director of the Company since 29th January, 2004. Mr. Madhavji is B.A., B.Com. and L.L.B. Mr. Madhavji has more than 49 years of experience in the fields of finance and administration.

Formerly he was chief of Thomas Cook India Ltd. Apart from this, he was Hon. Consul of New Zeland and also holds positions in various trade bodies. Prior to joining Thomas Cook, he was in Dena Bank for 18 years. Presently Mr. Madhavji is on the Board of IDFC Assets Management Company Ltd. and India Gelatine & Chemicals Ltd.

- (d) Mr. R. D. Shroff is the Director of the Company since 1st October, 1992. He is also Chairman and Managing Director of the Company. He has been associated with the group since inception. He has extensive experience in the chemical industry and has been closely involved with the Research and Development of all the Group's products. His technical expertise was instrumental in United Phosphorus Limited winning the Government's Gold Shield Award. He has held various important positions in commercial, educational and social fields. He is Hon. Consul of Mexico. He is also a Director on the Board of various other public limited companies, viz. Uniphos Enterprises Limited, Uniphos International Limited, Enviro Technology Limited, Nivi Trading Limited, Shroff United Chemicals Limited, SWAL Corporation Limited, Bharuch Enviro Infrastructure Limited, Agri Net Solutions Limited and Tatva Global Environment Limited.
- (e) Mr. Suresh P. Prabhu has joined the Board as an Additional Director of the Company. Mr. Prabhu is an eminent Chartered Accountant. He has been a Member of Parliament in the 11th, 12th, 13th and 14th Lok Sabha (from 1996-2009) and was a Cabinet Minister of Industry, Energy, Environment and Forests, Chemicals and Fertilisers, Heavy Industry & Public Enterprises. Mr. Suresh Prabhu is a well-known personality and has many years of experience in the field of Sustainable development, Banking & finance and International business. He has participated and also addressed at many invents and forums in India and abroad. He is a member of many reputed associations representing business, sports, education and social works. He is on the Board of Crompton Greaves Limited.

Mumbai
25th April, 2013
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 to 13 of the accompanying Notice set out hereinabove is as under:

Item No. 8

The Board of Directors appointed Mr. Suresh P. Prabhu as an Additional Director pursuant to Articles 124.(a) of the Articles of Association of Company. Under Section 260 of the Companies Act, 1956, Mr. Suresh P. Prabhu will hold office only up to the date of ensuing Annual General Meeting of the Company.

Notices in writing as required by Section 257 of the Companies Act, 1956, have been received from some of the members of the Company signifying their intention to propose Mr. Suresh P. Prabhu as a candidate for the office of the Director. The members who intend to appoint him as a Director have deposited with the Company a sum of Rs.500/- for the appointment.

Mr. Suresh P. Prabhu is an eminent Chartered Accountant. He has been a Member of Parliament in the 11th, 12th, 13th and 14th Lok Sabha (from 1996-2009) and was a Cabinet Minister of Industry, Energy, Environment and Forests, Chemicals and Fertilisers, Heavy Industry & Public Enterprises. Mr. Suresh Prabhu is a well-known personality and has many years of experience in the field of Sustainable development, Banking & finance and International business. He has participated and also addressed at many events and forums in India and abroad. He is a member of many reputed associations representing business, sports, education and social works. He is on the Board of Crompton Greaves Limited. Keeping in view his knowledge and experience, the Company will benefit immensely and hence it will be in the interest of the Company to appoint Mr. Suresh P. Prabhu as Director of the Company. The directors recommend this resolution for your approval.

Except Mr. Suresh P. Prabhu, none of the other Directors of the Company is, in any way, concerned or interested in this resolution.

Item No. 9

The Company is third largest generic agrochemical company and has its global presence across 120 countries through its subsidiaries and associates. The Change in the name of the Company to 'UPL Limited' is necessitated as the Company is

more popularly known as 'UPL' in India and across the globe.

Furthermore, the Company has registered Trade Mark as "UPL" vide Certificate of Registration of Trade Mark dated 25th February, 2008 issued by Trade Marks Registry, Mumbai.

Apart from this, the word "Phosphorus" in the name suggests that the Company is engaged in only phosphorus based compounds and agrochemicals, which was the position earlier. But now, the Company is manufacturing a lot of other agrochemicals not based on phosphorus. So, it is more appropriate to change the name to "UPL Limited". Considering all the aforesaid facts, the Board of Directors of the Company at its meeting held on 26th March, 2013 proposed to change the name of the Company to 'UPL Limited'. The Directors trust that this change will have the members support and approval.

Application will be made to the Registrar of Companies, Gujarat to ascertain that the new name is available for registration under section 20 of the Companies Act, 1956, and subject to the resolution being passed, an application will be made to the Central Government for approval for the change of name under section 21 of the Act.

A copy of the Memorandum and Articles of Association of the Company showing proposed alteration is available for inspection at the Registered Office of the Company during office hours on all working days except Saturdays 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 Nos. 10 to 12

Subject to shareholders' approval, the Board of Directors of the Company, at its meeting held on 25th April, 2013, have re-appointed Mr. Rajju D. Shroff as Chairman and Managing Director, Mr. Arun C. Ashar as Whole-time Director designated as Director-Finance and Mr. Kalyan Banerjee, as Whole-time Director for a period of 5 years commencing from 1st October, 2013 on the terms and conditions as stated in the draft of agreements to be entered into by the Company with the aforesaid Directors. The Remuneration Committee of the Board of Directors has approved the remuneration in respect

of each of the above Directors.

The broad particulars of remuneration payable to and the terms of the respective reappointments of Mr. Rajju D. Shroff, Mr. Arun C. Ashar and Mr. Kalyan Banerjee during the tenure of their respective reappointments are as under:

a) Salary:

Name	Designation	Salary Rs. per month including Dearness and all other allowances
Mr. Rajju D. Shroff	Chairman and Managing Director	40,00,000/-
Mr. Arun C. Ashar	Director-Finance	8,50,000/- -50,000/- - 10,00,000/-
Mr. Kalyan Banerjee	Whole-time Director	2,00,000/-

b) Commission:

Such amount of Commission not exceeding 1% (one percent) of net profits of the Company, to each of the appointees, as may be decided by the Board of Directors for each financial year.

c) Perquisites:

Perquisites as follows shall be allowed in addition to the salary and commission to each of the appointees. The perquisites will be evaluated on the basis of the cost to the Company or as provided in the Income-tax Act 1961 or rules framed thereunder, as may be applicable:

(i) Housing:

- (a) If residential accommodation is provided in a company owned house, then a deduction at 10% of the salary of the appointee shall be made;
- (b) If the Company hires residential accommodation for the appointee, the expenditure on hiring unfurnished accommodation will not exceed 60% of his salary;
- (c) If the Company does not provide residential accommodation to the appointee, the appointee shall be paid such house rent allowance not exceeding 60% of his salary as the Board may decide;

(ii) The expenditure incurred by the appointee on Gas, Electricity, Water and Furnishing shall be reimbursed by the Company as per Income-tax Rules, 1962, and the same shall not exceed 10% of the salary of the Appointee;

(iii) Reimbursement of all Medical expenses actually incurred for self and family;

(iv) Leave travel concession for self and family once in a year in accordance with the rules of the Company;

(v) Fees of clubs subject to a maximum of two clubs. However, life membership and admission fees, shall not be paid by the Company;

(vi) Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs.4,000/-;

(vii) Contribution towards Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company;

(viii) Gratuity payable at the rate of half a month's salary for each completed year of service, and the same will not be included in perquisites;

(ix) Cars with driver shall be provided for use on company's business and the same will not be considered as perquisites; use of car for private purposes shall however, be billed by the Company;

(x) Telephones at residence and mobile telephones will be provided and the same will not be considered as perquisite but personal long distance calls shall be billed by the Company;

(xi) Actual Entertainment expenses incurred for the business of the Company will be reimbursed;

(xii) Even if in any financial year, the Company has no profits or profits are inadequate, the aforesaid salary and perquisites will be payable as minimum remuneration.

The draft agreements to be entered into between the Company and each of Mr. Rajju D. Shroff, Mr. Arun C. Ashar and Mr. Kalyan Banerjee respectively incorporating the above particulars of remuneration are available for inspection by the Members of the Company at the Registered Office of the Company on all working days (except Saturdays), up to the date of the 29th Annual General Meeting between 11.00 a.m. and 1.00 p.m.

The above may be treated as an abstract of the terms of the contract/agreements proposed to be entered into between the Company and Mr. Rajju D. Shroff, Mr. Arun C. Ashar and Mr. Kalyan Banerjee respectively pursuant to Section 302 of the Companies, Act, 1956.

Mr. Rajju D. Shroff, Mr. Arun C. Ashar and Mr. Kalyan Banerjee are interested in the resolutions which pertain to their respective reappointments and remuneration payable to each of them. Further, Mrs. S. R. Shroff, Mr. J. R. Shroff and Mr. V. R. Shroff may also be deemed to be interested in the resolutions pertaining to the reappointments and remuneration payable to Mr. Rajju D. Shroff as they are related to each other. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

As per Part I (c) (ii) of Schedule XIII of the Companies, Act, 1956, the aforesaid reappointment of Mr. R. D. Shroff and the remuneration payable to him is required to be approved by the members in General Meeting by passing a special resolution as he has attained the age of 70 years and he is a relative of Mrs. S. R. Shroff, Mr. J. R. Shroff and Mr. V. R. Shroff, Directors of the Company. Similarly, aforesaid reappointment of Mr. Kalyan Banerjee and the remuneration payable to him is required to be approved by the members in General Meeting by passing a special resolution as he has attained the age of 70 years. The reappointment of Mr. Arun C. Ashar and the remuneration payable to him is required to be approved by the members in General Meeting. Your Directors commend the resolutions at Item Nos. 10 to 12 of the Notice for approval.

Item No. 13

Section 293(1)(e) of the Companies Act, 1956, inter-alia, provides that the Board of Directors of a Public Company shall not except with the consent of the Company in General Meeting, contribute to charitable and other funds not directly relating to the business of the Company or welfare of its employees, any amounts the aggregate of which exceed in any financial year Rs.50,000 or 5% of the average net profit as determined in accordance with the provisions of Sections 349 and 350 of the said Act during the three financial years immediately preceding, whichever is greater.

Since the Company in discharge of its social responsibilities is called upon to contribute and donate funds, from time to time to charitable and other funds not directly relating to the business of the Company or the welfare of its employees and the amount of such contributions may exceed the limit prescribed under Section 293(1)(e) of the said Act, consent of the Company in General Meeting is required to enable the Board of Directors of the Company to make donations in any financial year in excess of such limits.

The resolution at Item No. 13 is placed for obtaining the members' approval to enable the Board of Directors to make donations/contributions hereafter in any financial year up to the limits mentioned in the resolution, namely, up to an aggregate amount of Rs.25 crores or 5% of the average net profits of the three immediately preceding financial years, whichever is greater.

Your Directors, therefore, recommend the resolution for your approval.

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

Mumbai
25th April, 2013
Registered Office:
3-11, G.I.D.C., Vapi
Dist. Valsad, Gujarat
Pin: 396195.

By order of the Board of Directors
For UNITED PHOSPHORUS LIMITED

M. B. TRIVEDI
Company Secretary

Directors' Report

Dear members

United Phosphorus Ltd

Your Directors have the pleasure of presenting their report and audited accounts for the year ended on 31st March, 2013.

Financial Results:

(Rs. In lakhs)

	Consolidated		Standalone	
	Current Year	Previous Year	Current Year	Previous Year
Total Revenue	929,447	776,365	407,376	345,949
Earnings before interest, tax, depreciation, amortisation, exceptionals, prior period adjustments and minority interest	176,178	147,634	56,097	61,482
Depreciation/amortisation	35,372	29,238	15,776	14,349
Finance cost	42,896	41,464	10,599	16,437
Exceptional items	1,504	1,845	-	-
Prior period adjustments	2,018	2,217	-	-
Minority interest	-156	535	-	-
Profit before tax	94,544	72,335	29,722	30,696
Provision for taxation				
Current tax	22,134	11,679	7,930	6,199
MAT credit entitlements	-	-192	-	-192
Deferred tax	-84	937	940	2,046
Tax effect of earlier year	-1,733	377	39	-61
	20,317	12,801	8,909	7,992
Profit after tax	74,227	59,534	20,813	22,704
Profit / (Loss) from associates	3,233	-3,979	-	-
Net profit for the year	77,460	55,555	20,813	22,704

Operational performance:

During the year, rainfall in India was erratic. There was delay in the arrival of the monsoon, adversely affecting the kharif crops. Although in the later part, the monsoon picked up which turned out to be favourable for the rabi crops. However, in most parts of the country, there was drought-like

situation. Due to water shortage, cotton and rice acreage in the country decreased. Herbicide application in rice and soya bean came down. During the year, it was heartening to note that apart from the Northern states of the country, the Eastern states are also being classified as food baskets for the country with improved production of many food and vegetable crops.

This is a good sign for the country which can take credit for being one of the leading producers of the world for soya bean, cotton, sugarcane, rice and certain cereals.

On the global front, Latin American countries like Brazil, Argentina, Colombia, among others, witnessed higher demand for Company's agrochemicals. In the US, initial planting of corn started on a good note. However, due to droughts in later part of the season, farmers shifted the production to other crops. This had an adverse impact on sales.

The prices of most of the inputs were stable during the year. The commodity prices, except cotton, sustained or rose slightly.

During the year, the US dollar became stronger against most major currencies. In India, a very tight monetary policy with high interest rates was followed to bring down inflation but this impacted the overall economic growth very badly. However, of late, there have been signs of inflation easing out which gives hopes for reduction in rates of interest in the near future.

The economic scenario is changing. The world seems to be coming out of recession witnessed in last five years. The US economy is showing definite signs of revival. In Europe, some of the countries are still suffering and it will take more time for these countries to revive their economies.

It is heartening to note that Company's sales are going up in all parts of the world, be it the US, Europe, Africa, Asia and Australia. Latin American markets, especially Brazil, have emerged as very prospective markets and in the years to come, there is a very high potential to improve the sales in these markets.

During the year, despite sluggish conditions in most of the markets, the Company has performed very well. Some of the highlights of global performances are as under:

(a) Revenue from operations has increased by 20% to

Rs.9,294 crores.

(b) EBIDTA has gone up by 19%.

(c) Profit before taxes have gone up by 30% to Rs.945 crores.

(d) Profit for the year has gone up by 39% to Rs.775 crores.

Future outlook:

For the coming year, with a normal monsoon predicted for India the Company's performance in India is likely to improve. On the global front, the potential of Latin American market looks robust, especially Brazil. With commodity prices expected to be stable or slightly rising, offtake of agrochemicals will improve. The Company has taken many initiatives in terms of supply chain management which will reduce the overall cost of production for the Company. The Company is also entering new potential markets, such as South Africa, Phillipines, among others. Over the next five years, the Company is poised to register high growth.

Dividend:

Your Directors have recommended dividend of 125% i.e. Rs.2.50 per Equity Share of Rs.2 each for the financial year ended 31st March, 2013, 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 19th July, 2013 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.300 crores by issuing Unsecured Listed Redeemable Non-convertible Debentures.

Buy back:

During the year, the Company completed successfully the buy back programme on 17th December, 2012 by buying back

1,92,00,000 equity shares of Rs.2 each at an average rate of Rs.116.40 per equity share aggregating to Rs.223.49 crores.

Fixed deposits:

The Company has not accepted fixed deposits during the year. There are no fixed deposits outstanding as at 31st March, 2013.

Recent acquisitions:

During the year, the Company, through its overseas subsidiary, has entered into an agreement with Punjab Chemicals to acquire a 100% stake in the Dutch company, SD Agrichem Europe, a subsidiary of Punjab Chemicals and Crop Protection Limited, along with all tangible and intangible assets, IPR, product registrations, brands, distribution network and manufacturing facilities.

Agrichem based out of Oosterhaut, the Netherlands is engaged in the production, marketing and selling of crop protection products in the European agrochemicals market. Agrichem's product range includes herbicides, insecticides and fungicides registered in several European countries like the Netherlands, Belgium, the UK, France, Germany, Ireland, Denmark, Italy, Slovakia, Czech Republic, Belarus and Switzerland. It has a well-staffed crop protection registration department, in-house R&D and quality control facilities and its own formulation facilities in the Netherlands.

Agrichem will give your Company new and enhanced market access in European countries. Agrichem has an exciting registrations portfolio with products that will complement the Company's existing portfolio in Europe.

Research and development:

R&D has played an important role for the growth of the Company. To further improve the capabilities of R&D, many new equipment and instruments have been added to the R&D laboratories at Ankleshwar, Thane and Vapi.

The R&D efforts have been focused on developing manufacturing processes of off-patent agrochemical molecules and specialty chemicals. The emphasis has been to develop innovative, cost-effective and patent non-infringing processes. These efforts have resulted in the manufacturing processes of several molecules for introduction in the future. The efforts have also been mediated towards improving the processes for the manufacture of existing products in terms

of quality enhancement, raw materials cost reduction and batch cycle time reduction. Environment, Health and Safety (EHS) have been given prime importance during these process development /improvement activities.

Keeping in mind the global trends, R&D has focused its efforts to develop new safer and eco-friendly formulations. Several such formulations have been developed during the year. Many new combination formulations have been also developed to control a variety of pests.

International regulatory data requirements for product registrations are becoming stricter day by day. The capabilities have been built within R&D laboratories to fulfill these requirements. Further, to meet the growing needs for new product introductions, regulatory data generation has been aggressively pursued for both domestic and international registrations.

Subsidiary companies / associate companies:

In pursuance of Circular no. 2/2011 dated 8th January, 2011 issued by the 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, Brazil and Turkey have performed very well. Businesses of other subsidiaries like Cerexagri, Agrichem and Riceco have also been very profitable.

Apart from these subsidiaries, Advanta Limited, where the Company holds 49% of the shares, has also shown a remarkable performance. It is expected that in future also, this Company will come out with very good results.

Insurance:

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

Auditors and Auditors report:

M/s S. V. Ghatalia & Associates LLP, 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 reappointed. Your Directors recommend their appointment as the Statutory Auditors and fix their remuneration for the year 2013-14.

Cost audit:

The Board of Directors appointed M/s. RA & Co, Cost Accountants, Mumbai as Cost Auditors of the Company for conducting audit of the cost accounts maintained by the Company for FY 2013-14. They have submitted a certificate of eligibility for the appointment. For the year 2012-13, the due date for filing the Cost Audit Report is 30th September, 2013 and the same will be filed in due course. The Cost Audit Report for the year 2011-12 was filed on 8th January, 2013.

Depository system:

98.09% of the total paid-up Equity Shares of the Company were dematerialised as on 31st March, 2013.

Directors:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Kalyan Banerjee, Dr. Reena Ramachandran, Mr. Pradip Madhavji and Mr. R. D. Shroff, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible offer themselves for reappointment.

During the year, the Board of Directors has appointed Mr. Suresh P. Prabhu as an Additional Director on the Board of the Company with effect from 30th January, 2013. Mr. Prabhu is an eminent chartered accountant. He has been a Member of Parliament in the 11th, 12th, 13th and 14th Lok Sabha (from 1996-2009) and was a Cabinet Minister of Industry, Energy, Environment and Forests, Chemicals and Fertilisers, Heavy Industry & Public Enterprises at various points of time. Mr. Prabhu has many years of experience in the field of sustainable development, banking and finance and international business. He has participated and also addressed at forums in India and abroad. He is a part of many reputed associations involved in business, sports, educational and social initiatives. Mr. Prabhu has a rich and varied experience and your Company is proud to avail of his knowledge and guidance. As per Section 260 of the Companies Act, 1956, he holds the office of Director up to the date of the ensuing Annual General Meeting. Notices in writing as required under Section 257 of the Companies Act, 1956 have been received

from members proposing his appointment as Director of the Company at the ensuing Annual General Meeting. Your Directors recommend his appointment.

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the brief resume of Mr. Kalyan Banerjee, Dr. Reena Ramachandran, Mr. Pradip Madhavji, Mr. R. D. Shroff and Mr. Suresh P. Prabhu, Directors of the Company are provided in the notice convening the Annual General Meeting of the Company.

During the year Mr. Chirayu Amin has resigned from the Board of Directors of the Company with effect from 23rd October, 2012.

The Board takes this opportunity to place on record its deep sense of appreciation for the support and invaluable contribution made by Mr. Chirayu Amin during his tenure as Director 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 31st March, 2013, 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 judgments 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 31st March, 2013 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.

Mumbai
25th April, 2013
Registered Office:
3-11, G.I.D.C., Vapi
Dist. Valsad, Gujarat
Pin: 396195.

Corporate governance:

The Company and its Board has been complying with the Corporate Governance parameters 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 Discussion 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 have been no defaults in paying the annual listing fees.

Acknowledgement:

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

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 :

- 1) Non-chemical treatment (NCT) for cooling towers installed to eliminate chemical dosage
- 2) Usage of electric screw compressor-driven chilled water systems instead of vapour absorption machines (VAMs) to reduce cost of chilled water generation.
- 3) Closed loop steam condensate network enabling flash steam recovery for use in hot water generation.
- 4) Power purchase through open access
- 5) Pressurised economiser in boiler to preheat boiler feed water
- 6) Energy efficient dry vacuum pump in place of oil ring vacuum pump
- 7) Steam quality improvement through de-super heater

b) Additional/new proposals to reduce energy consumption:

- 1) Installation of VAM to recover waste heat recovery from process stream
- 2) RO plant for boiler feed water
- 3) Non-chemical treatment for boiler feed water
- 4) Automatic blow down system in boiler based on TDS
- 5) Condensing economiser in boilers to recover latent heat from flue gases
- 6) Fuel conversion in boiler from costly NG to producer gas through gasification

7) Usage of removable insulation covers for steam traps to prevent radiation losses

8) Level-based moisture drain valves on receivers and moisture separators for compressed air to prevent reduce air wastages

c) Proposed benefits :

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

B. Technology absorption, adaptation and innovation:

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

1. The manufacturing technologies of three phosphorus-based specialty chemicals developed by in-house R&D team were successfully absorbed on commercial scale with continued production of finished products with desired quality and in optimum quantity.
2. In total, twelve new formulations developed in R&D were commercialised for introduction in domestic and international markets.
3. Qualities of two technical grade active ingredients were improved and the same were implemented in the plant.
4. Qualities of two formulations were improved with respect to its physico-chemical properties and implemented for the regular production in the plant.
5. The cost reduction of five formulations was done by use of alternate excipients and formulation recipe optimisations and implemented in the plant for regular production.
6. Technology upgradation and innovation was pursued through collaborating with eminent scientists from institutes of national and international repute like ICT, CSIR Laboratories, IITs and other experts from the industry.
7. Solvent recovery improved by -

- a. Installing vent condensers with sub-zero utilities
- b. Recovery of solvents from incinerable waste through process optimisation
- c. Commissioning of solvent absorption unit

8. Incinerable waste reduction -

- a. Process optimisation in continuous distillation column to recover solvent from incinerable waste
- b. Evaporation efficiency was increased to evaporate aqueous salt solution

The above optimisation resulted in less generation of incinerable waste by approximately 500 tons/ annum.

9. Yield improvement

New process has been introduced at commercial scale for manufacturing of an agrochemical intermediate which has resulted in to yield increase from 48.5% to 50% and equivalent waste reduction.

a) Research and Development (R&D)

Specific areas in which R&D initiatives were undertaken by the Company:

- i. Innovative and cost-effective process technology development for off-patent agrochemicals, phosphorus-based specialty chemicals and intermediates.
- ii. Process improvement of existing molecules for quality improvement, cost-reduction, batch cycle time reduction, simplified operations and waste reduction.
- iii. Product / process development with principles of Green Chemistry.
- iv. New safer and eco-friendly formulation development.
- v. Development of new combination formulations for broad spectrum activity and improved bio-efficacy.
- vi. Development of formulations for improved bio-availability.
- vii. Improving existing formulations with respect to quality enhancement and cost reduction.

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

ix. Regulatory data development for global registrations.

b) Benefits derived by the Company:

- i. Twelve new formulations were commercialised and introduced in the market.
- ii. The manufacturing of three specialty chemicals was started and products were commercialised.
- iii. The improvements in the processes of existing technical grade actives resulted in better quality of products being manufactured, to meet customer expectations.
- iv. Quality enhancements due to improved formulation recipe resulted in better customer acceptability. The formulation costs were also reduced due to use of alternate excipients and optimisation measures.
- v. The innovative manufacturing process technology developed for off-patent molecules and new formulations developed during the year have strengthened the Company's product pipe line for introduction of new products in the coming years.
- vi. Regulatory data developed and generated in R&D has helped the Company to be granted registrations internationally.

c. Future plan of action:

- i. Identification of new and better potential molecules for future needs of agriculture.
- ii. Development of cost effective and non-infringing process technologies of off-patent molecules.
- iii. Development of manufacturing processes with Green Chemistry Principles.
- iv. Development of new safer and eco-friendly formulations, new combinations and agrochemical formulations with enhanced bio-availability.
- v. Continual improvement of existing processes for quality improvement and cost reduction, both for

technical active ingredients and formulations.

- vi. Registration data generation for support to global registration.
- vii. Participation and support to plant commissioning activities for process stabilisation and quality establishment.

d. Expenditure incurred on R&D:

(Rs. In lakhs)

i	Capital	161.29
	Recurring	5911.33
	Total	6072.62
ii	Total R&D expenditure – 1.59% (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:-

In what has been a commendable effort the Company's exports have continued to show an upward trend year after year even when the world

economy has been stuck in a rut. The efforts by the Company over the years, by way of investment in registrations, acquisitions, product developments and quality emphasis, have helped the Company to maintain this growth. The products of the Company are exported to over 120 different countries and it operates through its own subsidiaries in a significant number of these countries. In particular reference during the year under review, the Company's exports to Brazil has grown significantly due to completion of the acquisition process. The Company is hopeful that with the maturing of more registrations and substantial investment in customer service initiatives, exports will continue to grow in the years to come. The Company's exports during the year have grown from Rs.1,675 crores in the previous year to Rs.2,189 crores in the current year.

2. Total Foreign Exchange earned and used:-

(Rs. In lakhs)

	2012-13	2011-12
a. Total Foreign Exchange earned	223,710	174,166
b. Total Foreign Exchange used	134,052	93,019

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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	2012-13	2011-12
ELECTRICITY		
Purchased units (kwh)	66074142	56893504
Total Cost (Rs.)	482209053	375149493
Rate/Unit (Rs.)	7.30	6.59
OWN GENERATION (D G HOUSE)		
UNITS (kwh)	493870	430635
Unit per Litre of Diesel Oil	3.02	2.97
Cost/Unit (Rs.)	24.74	24.97
OWN GENERATION (POWER PLANT)		
UNITS (kwh)	207758800	232769400
Unit per M3 of Natural Gas	3.59	3.75
Cost/Unit (Rs.)	7.66	5.48
FURNACE OIL		
Quantity (Litres)	511237	206358
Total Cost (Rs.)	17989966	6195467
Rate/Litre (Rs.)	35.19	30.02
NATURAL GAS		
Quantity (M3)	80515877	87326484
Total Cost (Rs.)	2500911147	1824449376
Rate/Unit (Rs.)	31.06	20.89
CONSUMPTION PER UNIT OF PRODUCTION - ALL PRODUCTS		
	Rate/Unit	Rate/Unit
	2012-13	2011-12
Electricity	1.28/11	1.47/09
Furnace oil	0.002	0.001
Natural Gas	0.10	0.12

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On behalf of the Board of Directors

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 by undertaking the best Corporate Governance practices. The high standard of Corporate Governance is maintained by being transparent, accountable and being continuously interactive with shareholders, employees, lending institutions, banks, governmental 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 the management and the employees need to work ethically.

2. Board of Directors

The Board of Directors consists of 12 Directors as on 31st March, 2013.

Six 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: 30th April, 2012, 7th May, 2012, 20th July, 2012, 23rd October, 2012, 29th January, 2013 and 26th March, 2013.

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

Name of the Director	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	3	Absent	8	-	-
Mr. J. R. Shroff	Promoter & Non-Executive Director	3	Present	8	1	-
Mr. V. R. Shroff	Promoter & Non-Executive Director (Executive Director upto 25th March 2013 and Non executive Director w.e.f. 26th March 2013.)	4	Absent	8	3	-
Mr. A. C. Ashar	Non-Promoter & Executive Director	4	Absent	11	2	-
Dr. P. V. Krishna	Independent & Non-Executive Director	6	Present	1	-	-
Mr. Pradeep Goyal	Independent & Non-Executive Director	3	Present	5	4	2
Mr. K. Banerjee	Non-Promoter Executive Director	4	Absent	1	-	-
Dr. Reena Ramachandran	Independent & Non-Executive Director	5	Present	-	-	-
Mr. Pradip Madhavji	Independent & Non-Executive Director	6	Present	2	-	2
Mr. Vinod Sethi	Independent & Non-Executive Director	5	Present	8	3	3
Mr. Suresh P. Prabhu (Appointed w.e.f. 29th January, 2013)	Independent & Non-Executive Director	1	N.A.	1	-	-
Mr. Chirayu R. Amin (Resigned on 23rd October, 2012)	Independent & Non-Executive Director	-	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 the Company and consolidated results,
- Recommendation of payment of final dividend on equity shares,
- Buy-back of equity shares of the Company,
- Appointment / Resignation of Independent Directors,
- Change of designation of Executive Director,
- Revision of payment of remuneration to Whole-time Director,
- Commission to Executive and Non-Executive Directors,
- Inter-corporate investments, loans and guarantees,
- Material show cause notices, legal judgments among others.
- Order of the Competition Commission of India levying penalty,
- Acquisition of business, abroad,
- Approval for contracts entered into with parties covered in the register under Section 301 of the Companies Act, 1956,
- Minutes of the meetings of the Audit Committee and other committees of the Board.
- Review of the procedure for risk assessment and minimisation,
- Consideration of any disclosure made by the senior management relating to any transaction having potential conflict with interests of the Company,
- Appointment / Resignation of Cost Auditors,
- Approval of the Cost Audit Report and the Compliance Report,
- Availing / Renewing credit facilities from banks in India and abroad
- Undertaking derivative transactions with banks,
- Purchase of properties,

- Getting of an award for intellectual property from the Government of India, Department of Industrial Policy and Promotion,
- Donations towards corpus of the Trusts for their charitable objects,
- Change, subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting, the name of the Company from 'United Phosphorus Limited' to 'UPL Limited'

4. Subsidiary companies

The Company does not have a material non-listed Indian subsidiary whose turnover or networth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

5. 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 Exchanges 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 20th 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 31st March, 2013 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	257,850
Dr. P. V. Krishna	Nil
Mr. Pradeep Goyal	Nil
Mr. K. Banerjee	346,204
Dr. Reena Ramachandran	Nil
Mr. Pradip Madhavji	Nil
Mr. Vinod Sethi	Nil
Mr. Suresh P. Prabhu	Nil

6. 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.

7. Audit Committee

The Board of the Company has constituted an Audit Committee, comprising of three Independent & Non-Executive Directors. Five meetings of the Audit Committee were held on 30th April, 2012, 20th July, 2012, 23rd October, 2012, 29th January, 2013 and 26th March, 2013.

Composition of members of Audit Committee is as follows:

Composition	Mr. Pradip Madhavji, <i>Chairman</i>	Mr. Pradeep Goyal	Dr. P. V. Krishna
Meetings attended during the year	5	2	5

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.

8. 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 their performance and predefined criteria. One meeting of the Remuneration Committee was held on 30th April, 2012.

Composition of members of Remuneration Committee is as follows:

Composition	Dr. (Mrs.) Reena Ramachandran, <i>Chairman</i>	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 31st March, 2013 to four Whole-time Directors is as follows:

(Rs. In lakhs)

Name of Director	Salary	Perquisites	Retirement Benefits	Commission	Total
Mr. R. D. Shroff (<i>Chairman & Managing Director</i>)	264	78	84	170	596
Mr. Vikram R. Shroff (<i>Executive Director upto 25th March, 25, 2013 and Non-executive Director w.e.f. 26th March, 2013.</i>)	252	37	80	150	519
Mr. Kalyan Banerjee (<i>Whole-time Director</i>)	18	6	6	11	41
Mr. A. C. Ashar (<i>Whole-time Director</i>)	85	30	27	19	161

The Company has paid the sitting fees for the year ended 31st March, 2013 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.1,90,000/-; Mr. Pradeep Goyal Rs.90,000/, Dr. Reena Ramachandran Rs.1,10,000/-, Mr. Pradip Madhavji Rs.1,90,000/-, Mr. Vinod R. Sethi Rs.100,000/- and Mr. Suresh P. Prabhu Rs.20,000/-

In addition, the Company has paid a commission to Independent and 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. Suresh P. Prabhu.

9. 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 29th January, 2013.

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

Composition	Mr. Pradip Madhavji, <i>Chairman</i>	Mr. Pradeep Goyal	Dr. P. V. Krishna
Meetings attended during the year	1	0	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/thrice a month to approve transfer of shares, issue of duplicate certificates, redressal of Shareholders' and Investors' Grievances, among others. Share certificates submitted for dematerialisation and request for rematerialisation were also approved by the committee.

The total numbers of complaints received during the year under review were 227 and all the complaints were replied to the satisfaction of shareholders on or before 31st March, 2013.

Two requests for transfers were pending for approval as on 31st March, 2013, which were approved and dealt with by 15th April, 2013.

10. General Body Meetings

(A) Annual General Meetings:

Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
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.
2011-2012	28th AGM	Hotel Green View Hall, N. H. No. 8, Vapi, Gujarat - 396 195.	27/07/2012	10.00 a.m.

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

2009-2010

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

2010-2011

- Alteration of Articles of Association of the Company.

2011-2012

- Alteration of Articles of Association of the Company.

No special resolution was passed through Postal Ballot during the year 2012-2013.

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

11. (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, among others that may have potential conflict with the interests of the Company at large.

During the year, the Company had no materially significant related party transactions, which were considered to have potential conflict with the interests 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.

12. 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 called 'Investors' wherein shareholder-related information like the Annual Report of the Company, shareholding pattern among others, are 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.

13. General Shareholder Information

13.1.	Annual General Meeting	
	- Date	19th July, 2013 at 10.00 a.m.
	- Venue	Hotel Green View Hall, N. H. No. 8, Vapi - 396195, Gujarat.
13.2.	Financial calendar	Annual General Meeting – 19th July, 2013 Results for quarter ending 30th June, 2013- On or before 14th August, 2013 Results for quarter ending 30th September, 2013- On or before 14th November, 2013 Results for quarter ending 31st December, 2013- On or before 14th February, 2014 Results for quarter/ year ending 31st March, 2014 - Last week of April, 2014 / May, 2014.
13.3.	Book closure date	6th July, 2013 to 19th July, 2013 (Both days inclusive)
13.4.	Dividend payment date	On or after 25th July, 2013
13.5.	(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
13.6	(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

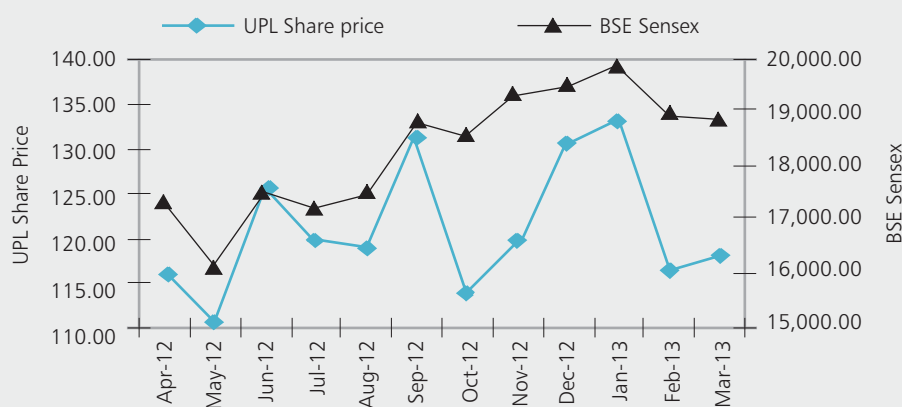
13.7 Stock Market Data

Month	BSE Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High Price (In Rs.)	Month's Low Price (In Rs.)	Month's High Price (In Rs.)	Month's Low Price (In Rs.)
April 2012	136.60	108.10	136.75	108.00
May 2012	130.50	109.25	130.30	109.75
June 2012	128.70	105.00	128.75	104.10
July 2012	129.80	116.60	129.70	116.80
August 2012	124.80	107.00	123.40	106.70
September 2012	134.40	118.40	134.30	118.60
October 2012	134.80	112.70	135.00	108.20
November 2012	121.00	108.00	121.65	101.55
December 2012	132.40	119.40	132.45	119.00
January 2013	144.10	130.40	144.20	128.25
February 2013	135.70	114.30	135.75	114.45
March 2013	129.90	114.80	129.95	111.00

13.8. 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.

RELATIVE PERFORMANCE OF UNITED PHOSPHORUS LTD. (UPL)

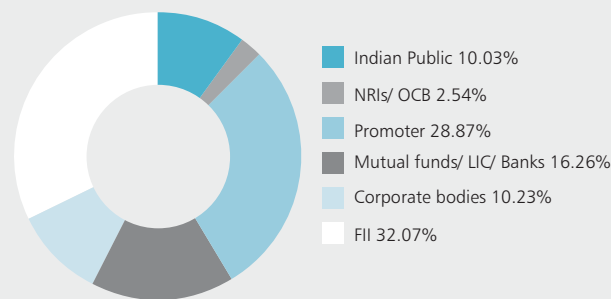


13.9.	Registrar and Share Transfer Agent (Share transfer and communication regarding share certificate, dividends and change of address).	Sharepro Services (India) Pvt. Ltd. Unit : United Phosphorus Limited 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri 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.
13.10.	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.

13.11. Distribution of shareholdings as on 31st March, 2013:

Shareholding of Nominal Value of (Rs.)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (Rs.)	% of Total Amt.
1 – 5,000	78,852	95.40	455,62,478	5.15
5,001 – 10,000	1,838	2.22	137,209,04	1.55
10,001 – 20,000	1,115	1.35	157,735,34	1.78
20,001 – 30,000	251	0.30	62,67,632	0.71
30,001 – 40,000	129	0.16	44,95,458	0.51
40,001 – 50,000	57	0.07	25,92,616	0.29
50,001 – 1,00,000	128	0.15	94,68,280	1.07
1,00,001 and above.	287	0.35	787,327,646	88.94
Total	82,657	100	885,208,548	100

13.12. Shareholding pattern as on 31st March, 2013:



13.13.	Dematerialisation of shares	98.09% of the outstanding shares have been dematerialised up to 31st March, 2013. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28th August, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).
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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 2012 – 2013 is given below:

	BSE Ltd. (BSE)	National Stock Exchange of India Ltd. (NSE)	BSE + NSE
In no. of shares (in thousand)	221.73	1504.03	1725.76

(Source: This information is compiled from the data available from the websites of BSE and NSE)

13.14.	Outstanding GDR/ Warrants and Convertible Bonds, their conversion dates and their likely impact on the equity	Outstanding GDRs as on 31st March, 2013 represent 370720 shares (0.08 %). There are no further outstanding instruments, which are convertible into equity in the future.
13.15	Plant locations	The Company's plants are located at Vapi, Ankleshwar, Jhagadia, Halol, Jammu, Haldia and Hyderabad.

13.16 Address for Correspondence

(i) Investor correspondence	<p>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.</p> <p>Also, for the benefit of the Shareholders, the documents will continue to be accepted at the following office of the Company:</p> <p>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.</p> <p>For Shares held in Demat form To the Depository Participant(s)</p>
(ii) Any query on Annual Report	<p>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</p>
(iii) Exclusive e-mail ID of the grievance redressal division	upl.investors@uniphos.com
(iv) Corporate website	www.uplonline.com

Mumbai
25th April, 2013
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 31st March, 2013

Mumbai
25th April, 2013
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

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 March 31, 2013, 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 LLP
Chartered Accountants
ICAI Firm registration number: 103162W

Mumbai
25th April, 2013

per Sudhir Soni
Partner
Membership No.: 41870

Financial Section

INDEPENDENT AUDITOR'S REPORT

To

The Members of United Phosphorus Limited

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of United Phosphorus Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

5. In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act 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, 2013;
- (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 the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

7. As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) 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;
- (c) 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;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.V. Ghatalia & Associates LLP
Chartered Accountants
Firm's Registration Number: 103162W

per Sudhir Soni
Partner
Membership Number: 41870
Place: Mumbai
Date: April 25, 2013

Annexure referred to in paragraph 6 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 a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,650 lacs and the year- end balance of loan granted to such party 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 a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 179 lacs and the year-end balance of loan taken from such party was Nil.
- (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 loan taken, repayment of the principal amount is as stipulated and payments of interest have 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, the 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 because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether those 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 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 Act, 1961	Income-tax demends	39	1995-96, 1997-98 & 2004-2005	Income-tax Appellate Tribunal
Sales Tax Act	Sales Tax demands	1,604	1997-98 to 2007-08 & 2011-12 to 2012-13	Supreme Court, Commissioner Of Sales Tax, Baroda Sales Tax Tribunal, Ahmadabad
Central Exice Act/ Finance Act	Excise duty/ Service tax demands	4,840	1994 to 2012-13	Commissioner (Apeals) Central Excise and Service Tax Appellate Tribunal
Customs Act	Custom Duty demand	3,419	2000, 2001 and 2004	Commissioner (Apeals) Central Excise and Service Tax Appellate Tribunal, Mumbai
Foreign Trade (Development and Regulation) Act	Fiscal penalty	3348	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) The Company 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 issues 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 LLP
Chartered Accountants
Firm's Registration Number: 103162W

per Sudhir Soni
Partner
Membership Number: 41870
Place: Mumbai
Date: April 25, 2013

Balance Sheet as at 31 March 2013

	NOTES	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	8,852	9,236
Reserves and surplus	4	326,917	341,366
		335,769	350,602
Non-current liabilities			
Long-term borrowings	5	140,000	110,000
Deferred tax liability (net)	13	9,090	8,278
Other long-term liabilities	6	20,981	13,600
		170,071	131,878
Current liabilities			
Short-term borrowings	8	63,811	35,158
Trade payables	37	95,876	61,866
Other current liabilities	9	20,195	31,392
Short-term provisions	7	15,868	15,516
		195,750	143,932
TOTAL		701,590	626,412
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	10	83,388	81,037
- Intangible assets	11	51,662	56,505
- Capital work-in-progress		23,615	11,364
Non-current investments	12	67,106	65,712
Long-term loans and advances	14	111,532	104,737
		337,303	319,355
Current assets			
Current investments	16	23,299	12,500
Inventories	17	62,054	55,003
Trade receivables	15.1	180,751	138,999
Cash and bank balances	18	18,822	9,753
Short-term loans and advances	14	71,299	81,868
Short term other current assets	15.2	8,062	8,934
		364,287	307,057
TOTAL		701,590	626,412
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 LLP
Firm registration number:103162W
Chartered Accountants

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

per Sudhir Soni
Partner
Membership no.: 41870

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: 25th April, 2013

Place: Mumbai
Date: 25th April, 2013

Statement of Profit and Loss for the year ended 31 March 2013

	NOTES	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
INCOME			
Revenue from operations (gross)	19	413,602	348,156
Less: excise duty		(19,658)	(16,592)
Revenue from operations (net)		393,944	331,564
Other income	20	13,432	14,385
Total revenue (I)		407,376	345,949
EXPENSES			
Cost of raw material consumed	21	183,839	155,789
Purchase of traded goods	22	34,721	34,231
(Increase)/ decrease in inventories of finished goods, by-products, work-in-progress and traded goods	22	(3,820)	(11,685)
Employee benefits expense	23	23,746	18,465
Other expenses	24	112,793	87,667
Total (II)		351,279	284,467
Profit before interest, tax, depreciation and amortization (I) – (II)		56,097	61,482
Depreciation and amortization expenses	25	15,776	14,349
Finance costs	26	10,599	16,437
Profit before tax		29,722	30,696
TAX EXPENSES			
Current tax		7,930	6,199
Tax effect of earlier years		39	(61)
Mat credit entitlement		-	(192)
Deferred tax		940	2,046
Total tax expense		8,909	7,992
Profit for the year		20,813	22,704
Earnings per share			
Basic and diluted earning per share (Rs.)	27	4.60	4.92
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 LLP
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 25th April, 2013

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

R.D.Shroff
Chairman & Managing Director
S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 25th April, 2013

A.C.Ashar
Whole-time Director
M.B.Trivedi
Company Secretary

Cash flow statement for the year ended 31 March 2013

	FOR THE YEAR ENDED 31-Mar-13		FOR THE YEAR ENDED 31-Mar-12	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
(1) Net profit before tax		29,722		30,696
(2) Adjustments for :				
Depreciation and amortization expense	15,776		14,349	
Loss /(profit) on sale of fixed assets	8		32	
Assets written off	507		1,013	
Provisions for diminution in value of investments (net)	181		164	
Provision for doubtful debts and advances (net)	2,155		932	
Bad debts/advances written off	644		3	
Sundry debit/(credit) balances written off/(back) (net)	(711)		110	
Finance costs	10,599		16,437	
Profit on sale of investments	(1,455)		(656)	
Excess provisions in respect of earlier years written back (net)	(533)		(764)	
Dividend income	(544)		(1,970)	
Interest income	(7,322)		(9,301)	
Manufacturing expenses capitalised	(133)		(103)	
		19,172		20,246
Operating profit before working capital changes		48,894		50,942
(3) Adjustments for :				
Decrease/(increase) in trade receivables	(44,551)		(37,436)	
Decrease/(increase) in inventories	(7,051)		(14,099)	
Decrease/(increase) in long term and short term loans and advances	(9,677)		4,917	
Decrease/(increase) in other current assets	968		774	
Increase/(decrease) in trade payables	35,254		3,606	
Increase/(decrease) in long term and short term provisions	824		625	
Increase/(decrease) in other liabilities	1,691		(210)	
		(22,542)		(41,823)
Cash generated from operations		26,352		9,119
(4) Taxes paid (net)		(6,887)		(7,104)
Net cash from operating activities	A	19,465		2,015
B. CASH FLOW FROM FINANCING ACTIVITIES				
(1) Purchase of fixed assets	(24,649)		(19,771)	
(2) Purchase of intangible assets	(873)		(3,263)	
(3) Sale / disposal of fixed assets	84		17	
(4) Investments in associates	(118)		-	
(5) Purchase of current and non current investments	(13,670)		(73,437)	
(6) Proceeds from sale of current and non current investments	4,462		84,146	
(7) Profit on sale of investments	1,364		1,447	
(8) Dividend on investments	544		1,970	
(9) Interest received	7,226		8,768	
(10) Sundry loans - Given	(33,196)		(15,198)	
(11) Sundry loans - Repaid	34,784		13,617	
(12) Fixed deposits and margin money	(31)		28,488	
(13) Advances and loans to subsidiaries - Given	(13,167)		(141,560)	
(14) Advances and loans to subsidiaries - Repaid	30,897	(6,343)		221,352
Net cash from/(used in) investing activities	B	(6,343)		106,576

Cash flow statement for the year ended 31 March 2013

	FOR THE YEAR ENDED 31-Mar-13	FOR THE YEAR ENDED 31-Mar-12
	Rs. in Lacs	Rs. in Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
(1) Interest and finance cost paid	(10,450)	(11,994)
(2) Proceeds from borrowings	146,206	34,464
(3) Repayments of borrowings	(102,143)	(137,172)
(4) Debenture issue expenses	(396)	(231)
(5) Buy-back of shares	(22,348)	-
(6) Expenses on buy-back of shares	(109)	-
(7) Dividends paid	(11,475)	(9,201)
(8) Tax on distributed profits	(1,869)	(1,498)
Net cash from / (used in) financing activities	C (2,584)	(125,632)
Net increase in cash and cash equivalents	(A + B + C) 10,538	(17,041)
Cash and cash equivalents as at the beginning of the year	22,004	39,045
Add: Cash and cash equivalents taken over on amalgamation	-	8
Cash and cash equivalents as at the close of the year	32,542	22,004
Cash and its components:		
Cash on hand	24	13
Bank balances	18,798	9,740
Cash & bank balances as per Note 18	18,822	9,753
Less: In fixed deposit account	280	249
	18,542	9,504
Add: Investments in mutual funds	14,000	12,500
	32,542	22,004

- Notes: 1. Cash and Cash equivalents at the end of the year are after adjustments of foreign exchange loss/(gain) of Nil (Previous Year: Rs. (3) lacs)
- 2 Bank balances include unclaimed dividend of Rs. 220 lacs (Previous Year: Rs. 171 lacs) which is not available for use by the Company as they represent corresponding unpaid dividend liability.

As per our attached report of even date

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

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 25th April, 2013

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

R.D.Shroff
Chairman & Managing Director

S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 25th April, 2013

A.C.Ashar
Whole-time Director

M.B.Trivedi
Company Secretary

Notes to financial statements for the year ended 31st March 2013

1 | 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.

2 | 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 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.

b 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.

c Intangible Assets:

Intangible assets are stated at cost less accumulated amortization.

d 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.

Notes to financial statements for the year ended 31st March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (CONTD.):

e 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.

f 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 and net realizable value.

g 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.

h 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.

i 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 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.

j 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.

k 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 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (CONTD.):

I 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.

m 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.

n 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.
- (iii) Applicable net gain/loss on foreign currency loans given/taken together with related derivative instruments is included as 'exchange difference (net)' under the head 'finance costs'.

o 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.

Notes to financial statements for the year ended 31st March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (CONTD.):

p 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.

q Assets taken on Lease:

(i) Operating Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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.

r 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.

s 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.

t 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.

u 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

Notes to financial statements for the year ended 31st March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (CONTD.):

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. 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.

v 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 outflow 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.

3 | SHARE CAPITAL

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Authorised shares		
1,27,50,00,000 (Previous Year: 1,27,50,00,000) Equity Shares of Rs.2 each	25,500	25,500
1,40,00,00,000 (Previous Year: 1,40,00,00,000) Preference Shares of Rs.100 each	14,000	14,000
50,00,00,000 (Previous Year: 50,00,00,000) Preference Shares of Rs.10 each	500	500
	40,000	40,000
Issued, subscribed and fully paid-up shares		
44,26,04,274 (Previous Year: 46,18,04,274) Equity Shares of Rs. 2 each fully paid-up	8,852	9,236
Total issued, subscribed and fully paid-up share capital	8,852	9,236

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

Equity shares	31-Mar-13 Rs. Lacs		31-Mar-12 Rs. Lacs	
At the beginning of the year	4,618	9,236	4,618	9,236
Buy-back during the year (Refer note 46)	192	384	-	-
Outstanding at the end of the year	4,426	8,852	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.

During the year ended 31st March, 2013, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 2.50 (31st March, 2012: Rs. 2.50)

Notes to financial statements for the year ended 31st March 2013

3 | SHARE CAPITAL (CONTD.):

(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-Mar-13 No. in Lacs	31-Mar-12 No. in Lacs
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	2,198	2,198
Equity shares bought back by the Company.	192	-

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

Name of the shareholders	31-Mar-13		31-Mar-12	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Nerka Chemicals Private Limited	986	22.28	986	21.36
Uniphos Enterprises Limited	253	5.72	253	5.48

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.

4 | RESERVES AND SURPLUS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
1 Capital reserve		
Balance as per last financial statements	8,531	8,528
Add: Adjustment on account of amalgamation of the subsidiary company	-	3
Closing balance	8,531	8,531
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	131,555	131,711
Less: Adjustment on account of buy-back of equity shares (Refer note 46)	21,964	-
Less: Expenses on buy-back of equity shares (Refer note 46)	109	-
Less: Expenses incurred on issue of Debentures (net of tax)	268	156
Closing balance	109,214	131,555
4 Debenture redemption reserve		
Balance as per the last financial statements	10,789	10,680
Add: Amount transferred from surplus balance in the statement of profit and loss	4,763	4,359
Less: Amount transferred to surplus balance in the statement of profit and loss	3,375	4,250
Closing balance	12,177	10,789

Notes to financial statements for the year ended 31st March 2013

4 | RESERVES AND SURPLUS (CONTD.)

		31-Mar-13	31-Mar-12
		Rs. Lacs	Rs. Lacs
5	General reserve		
	Balance as per the last financial statements	177,332	65,019
	Add: Amount transferred from surplus balance in the statement of profit and loss	2,500	3,000
	Add: Adjustment on account of amalgamation of the subsidiary company	-	109,313
	Closing balance	179,832	177,332
6	Foreign Currency Translation Reserve:		
	Balance as per the last financial statements	-	(6,348)
	Add: Exchange difference in respect of non-integral foreign operation	-	6,348
	Closing balance	-	-
7	Surplus in the statement of profit and loss		
	Balance as per last financial statements	9,847	3,670
	Add: Profit for the year	20,813	22,704
	Add: Debenture redemption reserve written back	3,375	4,250
	Less: Appropriations		
	Interim Dividend on Equity Shares	-	9,236
	Final Dividend on Equity Shares [net of excess provision of earlier year: Rs.21 lacs (Previous Year: Nil)]	11,044	2,309
	Tax on equity dividend [net of excess provision of earlier year: Rs. 4 lacs (Previous Year: Nil)]	1,877	1,873
	Transfer to debenture redemption reserve	4,763	4,359
	Transfer to general reserve	2,500	3,000
	Total appropriations	20,184	20,777
	Net surplus in the statement of profit and loss	13,851	9,847
	Total reserves and surplus	326,917	341,366

5 | LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Debentures				
Unsecured Redeemable Non-convertible Debentures:	140,000	110,000	-	13,500
(Refer Note a below)				
Term loans				
<i>From Other Financial Institutions</i>				
External Commercial Borrowing from a Multilateral Finance Corporation (Secured) (Refer Note b below)	-	-	-	712
	140,000	110,000	-	14,212
The above amount includes				
Secured borrowings	-	-	-	712
Unsecured borrowings	140,000	110,000	-	13,500
Amount disclosed under the head "other current liabilities" (note 9)			-	(14,212)
Net amount	140,000	110,000	-	-

Notes to financial statements for the year ended 31st March 2013

5 | LONG-TERM BORROWINGS (CONTD.)

Notes

a) Unsecured Redeemable Non-Convertible Debentures

- (i) NCDs amounting to Rs. 30,000 lacs (Previous Year: Rs. Nil) are redeemable at par at the end of 10th year (Rs. 15,000 lacs) i.e. June, 2022 and at the end of 7th year (Rs. 15,000 Lacs) i.e. June, 2019 from the date of allotment.
- (ii) NCDs amounting to Rs. 25,000 lacs (Previous Year: Rs 25,000 lacs) 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.
- (iii) 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.
- (iv) 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.
- (v) 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 .
- (vi) NCDs amounting to Rs. Nil (Previous Year: Rs 13,500 lacs) were redeemed 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.
- (vii) NCDs mentioned above carry a coupon rate ranging from 9.50% to 10.70%.

b External Commercial Borrowing from a Multilateral Financial Institution amounting to Rs. Nil (Previous Year: Rs 712 lacs) was 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 carried Interest rate at Libor plus 210 basis points.

6 | OTHER LONG-TERM LIABILITIES

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Provision for mark to market losses on derivatives (net)	20,981	13,600
	20,981	13,600

7 | PROVISIONS

	SHORT-TERM	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Provision for employee benefits		
Provision for leave benefits (net)	2,755	2,097
Provision for gratuity (net)	167	1
	2,922	2,098
Other provisions		
Interim equity dividend	-	9,236
Proposed final equity dividend	11,065	2,309
Provision for tax on equity dividend	1,881	1,873
	12,946	13,418
	15,868	15,516

Notes to financial statements for the year ended 31st March 2013

8 | SHORT-TERM BORROWINGS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
(a) On cash credit, packing credit and working capital demand loan accounts from banks		
(i) Secured (Refer note a and b below)	5,342	26
(ii) Unsecured (Refer note a below)	19,128	25,860
(b) Buyers credit from banks (Unsecured) (Refer Note c below)	38,841	9,093
(c) Loans from related parties (Unsecured) (Refer Note d below and Note 34)	-	179
(d) Loans from others (Unsecured) (Refer Note d below)	500	-
	63,811	35,158
The above amount includes		
Secured borrowings	5,342	26
Unsecured borrowings	58,469	35,132

Note

- Outstanding loans carry an interest rate of Base Rate/Libor plus margin ranging from 70 bps to 400 bps
- 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.
- Short term buyers credit are unsecured and the outstanding loan carry an interest rate ranging from Libor plus 60 bps to 120 bps.
- Unsecured short term demand loan carrying an interest rate of 12.50% p.a.

9 | OTHER CURRENT LIABILITIES

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Current maturities of long-term borrowings (Refer note 5)	-	14,212
Interest accrued but not due on borrowings	10,578	9,442
Investor Education and Protection Fund will be credited by following amounts (as and when due):		
Unpaid dividend	220	171
Other Payable		
Advance against orders	5,041	4,795
Trade Deposits	2,402	1,339
Capital goods creditors	775	592
Statutory liabilities	1,026	640
Others	153	201
	20,195	31,392

Notes to financial statements for the year ended 31st March 2013

10 | TANGIBLE ASSETS

Rs. Lacs

SR. NO	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 1.04.2012 (1.04.2011)	Additions during the year	Deductions during the year	As at 31.03.2013 (31.03.2012)	Provided during the year	Deductions during the year	As at 31.03.2013 (31.03.2012)	As at 31.03.2012 (31.03.2011)
1	Land - Freehold.	9,226	-	-	9,226	-	-	9,226	9,226
		(9,226)	(-)	(-)	(9,226)	(-)	(-)	(9,226)	(9,226)
2	Land - Leasehold	5,103	54	-	5,157	-	-	5,157	5,103
		(2,686)	(2,417)	(-)	(5,103)	(-)	(-)	(5,103)	(2,686)
3	Leasehold Improvement Asset	2,466	1	-	2,467	523	-	153	675
		(2,189)	(277)	(-)	(2,466)	(511)	(-)	(675)	(909)
4	Building	8,237	1,135	16	9,356	256	9	7,076	6,204
		(8,025)	(256)	(44)	(8,237)	(226)	(8)	(6,204)	(6,210)
5	Plant & Machinery	124,581	10,624	2,623	132,582	8,630	2,051	58,450	57,028
		(120,871)	(6,778)	(3,068)	(124,581)	(8,257)	(2,163)	(57,028)	(59,412)
6	Laboratory Equipments	353	37	2	388	18	1	282	264
		(254)	(100)	(1)	(353)	(15)	(-)	(264)	(180)
7	Office Equipments	2,386	185	46	2,525	158	42	588	565
		(2,210)	(192)	(16)	(2,386)	(137)	(10)	(565)	(516)
8	Furniture, Fixture & Equipments	2,873	281	22	3,132	268	18	1,482	1,473
		(2,498)	(375)	(-)	(2,873)	(253)	(-)	(1,473)	(1,351)
9	Vehicles	1,522	693	159	2,056	207	148	974	499
		(1,447)	(143)	(68)	(1,522)	(126)	(61)	(499)	(489)
	Total 2012-13	156,747	13,010	2,868	166,889	10,060	2,269	83,388	81,037
	Total 2011-12	(149,406)	(10,538)	(3,197)	(156,747)	(9,525)	(2,242)	(81,037)	(80,979)

Note:

Figures in brackets represents amounts pertaining to previous years.

Notes to financial statements for the year ended 31st March 2013

11 | INTANGIBLE ASSETS

Rs. Lacs

SR. NO	DESCRIPTION OF ASSETS	GROSS BLOCK						AMORTISATION				NET BLOCK	
		As at 1.04.2012 (1.04.2011)	Additions on account of Merger	Additions during the year	Deductions during the year	As at 31.03.2013 (31.03.2012)	As at 1.04.2012 (1.04.2011)	Accumulated amortisation transferred on account of Merger	Provided during the year	As at 31.03.2013 (31.03.2012)	As at 31.03.2012 (31.03.2011)		
1	Data Access Fees	9,438	-	-	-	9,438	8,777	-	498	9,275	163	661	
		(9,438)	(-)	(-)	(-)	(9,438)	(8,104)	(-)	(673)	(8,777)	(661)	(1,334)	
2	Task Force Expenses	810	-	-	-	810	808	-	2	810	-	2	
		(810)	(-)	(-)	(-)	(810)	(808)	(-)	(-)	(808)	(2)	(2)	
3	Product Registrations	7,140	-	448	-	7,588	2,923	-	1,201	4,124	3,464	4,217	
		(4,020)	(-)	(3,120)	(-)	(7,140)	(1,962)	(-)	(961)	(2,923)	(4,217)	(2,058)	
4	Product Acquisitions	58,542	-	-	-	58,542	7,149	-	3,902	11,051	47,491	51,393	
		(11,664)	(46,878)	(-)	(-)	(58,542)	(2,410)	(1,617)	(3,122)	(7,149)	(51,393)	(9,254)	
5	Software	500	-	425	-	925	268	-	113	381	544	232	
		(357)	(-)	(143)	(-)	(500)	(200)	(-)	(68)	(268)	(232)	(157)	
	Total (2012-13)	76,430	-	873	-	77,303	19,925	-	5,716	25,641	51,662	56,505	
	Total (2011-12)	(26,289)	(46,878)	(3,263)	(-)	(76,430)	(13,484)	(1,617)	(4,824)	(19,925)	(56,505)	(12,805)	

Notes:

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

Notes to financial statements for the year ended 31st March 2013

12 | NON-CURRENT INVESTMENTS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
NON CURRENT INVESTMENTS (Valued at cost unless stated otherwise):		
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)	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	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 II	702	702
Total A (I + II)	63,540	63,540
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	186
(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) 33,50,000 (Previous Year: 26,00,000) Equity Shares of Rs.10 each fully paid-up in Kerala Enviro Infrastructure Limited	335	260
	650	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	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	448
	684	684
Total (iii)	774	774
Total I	1,610	1,535
(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	-	-

Notes to financial statements for the year ended 31st March 2013

12 NON-CURRENT INVESTMENTS (CONTD.)	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
(III) Investments in debentures or bonds (Unquoted)		
(i) In Subsidiary Company		
1,500 (Previous Year: Nil) Compulsorily Convertible Bonds of Rs.1,00,000 each in UPL Investment Private Limited	1,500	-
(ii) In Others		
1,855 (Previous Year: 1,855) Compulsorily Convertible Bonds of Rs.1,00,000 each in Tatva Global Environment Limited	1,855	1,855
Total III	3,355	1,855
(IV) Investment in Limited Liability Partnership (LLP):		
(a) UPL(India) LLP - Capital Contribution in LLP	9	9
(b) UPL(Global) LLP - Capital Contribution in LLP	10	10
Total IV	19	19
Total B (I + II + III + IV)	4,984	3,409
Total A + B	68,524	66,949
Less: Provision for diminution in value of Investments	1,418	1,237
Total Non-Current Investment	67,106	65,712
Notes		
(i) Aggregate amount of quoted investments (Market value:Rs. 85,929 Lacs (31 March 2012: Rs. 37,145 Lacs))	23,739	23,739
(ii) Aggregate amount of unquoted investments	44,785	43,210
(iii) Aggregate provision for diminution in value of investments	1,418	1,237

13 | DEFERRED TAX LIABILITY (NET)

Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	12,611	10,677
Gross deferred tax liability	12,611	10,677
Deferred tax asset		
Provision for doubtful debts and advances	2494	1,682
Others	1,027	717
Gross deferred tax asset	3,521	2,399
Net deferred tax liability	9,090	8,278

14 | LOANS AND ADVANCES

	Non-current		Current	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Advances and loans to subsidiaries				
Unsecured, considered good (Refer note 34)	89,215	81,081	51,642	69,897
A	89,215	81,081	51,642	69,897
Capital advances				
Unsecured, considered good	3,010	2,170	-	-
B	3,010	2,170	-	-
Sundry deposit				
Unsecured, considered good	3,290	3,268	2,824	600
Doubtful	137	133	-	-
	3,427	3,401	2,824	600
Provision for doubtful sundry deposit	(137)	(133)	-	-
C	3,290	3,268	2,824	600
Advances recoverable in cash or kind				
Unsecured considered good	6,692	6,147	10,780	4,979
Doubtful	612	511	290	262
	7,304	6,658	11,070	5,241
Provision for doubtful advances	(612)	(511)	(290)	(262)
D	6,692	6,147	10,780	4,979
Other loans and advances (Unsecured)				
Advance income-tax/wealth tax (net of provision for taxation)	3,846	3,352	-	-
Bond Application Money	-	1,500	-	-
Minimum alternative tax credit entitlement	5,337	6,913	-	-
Prepaid expenses	-	-	975	657
Loans to employees	142	165	176	243
Deposits with the Collectorate of Central Excise and Customs	-	-	4,902	3,904
E	9,325	11,930	6,053	4,804
Sundry Loans				
Unsecured, considered good	-	141	-	1,588
Doubtful	217	76	-	-
	217	217	-	1,588
Provision for doubtful	(217)	(76)	-	-
F	-	141	-	1,588
Total (A+B+C+D+E+F)	111,532	104,737	71,299	81,868

Notes to financial statements for the year ended 31st March 2013

14 | LOANS AND ADVANCES (CONTD.)

	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Loans and advances due by directors or other officers of the Company.				
Sundry deposits				
Dues from directors	23	23	-	-

15 | TRADE RECEIVABLES AND OTHER ASSETS

15.1 Trade receivables:	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,862	3,748
Doubtful	5,877	3,996
	7,739	7,744
Provision for doubtful receivables	(5,877)	(3,996)
	1,862	3,748
Other receivables		
Unsecured, considered good	178,889	135,251
Total	180,751	138,999

15.2 Other Assets:	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Unsecured, considered good unless stated otherwise				
Export Benefits Receivable	-	-	5,381	5,683
Interest Receivable	A	-	5,381	5,683
Considered Good	-	-	2,412	2,316
Considered Doubtful	-	-	5	5
			2,417	2,321
Less: Provision	-	-	(5)	(5)
	B	-	2,412	2,316
Others				
Considered Good	-	-	269	935
Considered Doubtful	201	201	-	-
	201	201	269	935
Less: Provision	(201)	(201)	-	-
	C	-	269	935
Total Other Current Assets (A+B+C)			8,062	8,934

16 | CURRENT INVESTMENTS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Current investments (value at lower of cost and fair values unless stated otherwise)		
Investments in debentures: (Quoted)		
Investment in Associates		
950 (Previous Year: Nil) Non-Convertible Debentures of Rs.10,00,000 each in Advanta India Limited	9,299	-
Investments in Mutual Funds: (Unquoted)		
(a) 2,10,685 (Previous year: 1,54,92,923) units of Reliance Liquidity Fund - Growth option of Rs. 1,000 each (Previous year: Rs. 10 each) (Net Assets Value: Rs. 6,020 Lacs (Previous Year: Rs. 2,503 Lacs)	6,000	2,500
(b) 10,65,534 (Previous year: 43,71,949) units of Birla Sun Life Cash Plus Institutional Premium - Growth of Rs.100 each. (Net Assets Value: Rs. 2002 Lacs (Previous Year: Rs 7,509 Lacs)	2,000	7,500
(c) 1,62,885 (Previous year: 1,48,450) units of SBI Premier Liquid Fund Super I. P. Growth of Rs. 1000 each. (Net Assets Value: Rs. 3,003 Lacs (Previous Year: Rs 2,504 Lacs)	3,000	2,500
(d) 17,31,312 (Previous Year: Nil) Units of ICICI Prudential Liquid - Regular Plan - Growth of Rs. 100 each	3,000	-
[Net Asset Value: Rs. 3,003 Lacs (Previous Year: Rs. Nil)]		
Total Current Investments	23,299	12,500
Aggregate amount of unquoted investments	14,000	12,500

Notes to financial statements for the year ended 31st March 2013

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

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Raw materials and components [includes goods in transit: Rs. 25 Lacs (Previous year: Rs. 879 Lacs)]	18,666	15,838
Packing material [includes goods in transit: Nil (Previous year: Rs. 39 Lacs)]	2,164	1,875
Semi-finished goods	8,925	6,533
Finished goods	28,709	25,119
Traded goods [includes goods-in-transit: Nil (Previous year: Rs. 31 Lacs)]	871	3,236
Stores and spares (including fuel)	1,607	1,559
By-products	1,112	843
Total Inventories	62,054	55,003

18 | CASH AND BANK BALANCES

	Current	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Cash and cash equivalents		
Balances with banks:		
– On current accounts	18,298	9,263
– On unpaid dividend account	220	171
Foreign currency accounts	-	57
Cash on hand	24	13
	18,542	9,504
Other bank balances		
– Margin money deposit *	280	249
	280	249
Total	18,822	9,753

* Margin money deposits given as security against Bank Guarantee

19 | REVENUE FROM OPERATIONS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Revenue from operations		
Sale of products		
(Including sale of raw materials Rs. 25,579 lacs (Previous year: Rs. 13,110 lacs))"	400,585	336,917
<i>Sales of services</i>		
Job-work income	1,085	846
Management service fees	517	440
Others	98	92
	1,700	1,378
<i>Other operating revenue</i>		
Export incentives	5,926	4,975
Refund of excise duty	3,589	3,445

Notes to financial statements for the year ended 31st March 2013

19 | REVENUE FROM OPERATIONS (CONTD.)

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Excess provisions in respect of earlier years written back (net)	533	764
Discount received	271	165
Miscellaneous receipts	998	512
	11,317	9,861
Revenue from operations (gross)	413,602	348,156
Detail of products sold		
Finished goods sold		
Speciality Chemicals	278	188
Chloro-Alkaline Products	11,614	11,479
Industrial Chemicals	13,684	10,375
Pesticides	274,588	248,075
Pesticides Intermediates	11,136	10,868
Hybrid Seeds	14,996	-
Others	2,166	2,020
	328,462	283,005
Traded goods sold		
Pesticides	46,169	29,238
Industrial Chemicals	48	294
Hybrid Seeds	107	10,995
Others	220	275
	46,544	40,802
Raw material sales	25,579	13,110
	400,585	336,917

20 | OTHER INCOME

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Interest income on		
Bank deposits	219	1,763
Others	7,103	7,538
Dividend income on		
Long-term investments in Subsidiary	544	1,970
Net gain on sale of current investments	1,455	656
Rent received	186	177
Exchange difference (net)	2,939	2,281
Sundry credit balances written back (net)	711	-
Miscellaneous receipts	275	-
	13,432	14,385

Notes to financial statements for the year ended 31st March 2013

21 | COST OF RAW MATERIAL CONSUMED

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Inventory at the beginning of the year	15,838	14,169
Add: Purchases	186,667	157,458
	202,505	171,627
Less: inventory at the end of the year	18,666	15,838
Cost of raw material consumed	183,839	155,789
[Including cost of raw material sold: Rs. 22,559 lacs (Previous year Rs: 12,288 lacs)]		
Details of raw material consumed		
Pesticides Intermediates	59,067	52,345
Inorganic Chemicals	37,168	32,622
Solvents	12,823	13,136
Phosphorus & Compounds	12,904	10,607
Organic Chemicals	11,675	10,308
Technical Pesticides	14,154	9,439
Others	13,489	15,044
	161,280	143,501
Raw material sales	22,559	12,288
	183,839	155,789
Details of raw material inventory		
Pesticide Intermediates	8,475	8,722
Phosphorus & Compounds	476	1,211
Inorganic Chemicals	1,890	1,202
Solvents	1,636	953
Technical Pesticides	2,971	997
Organic Chemicals	917	658
Others	2,301	2,095
	18,666	15,838

22 | (INCREASE)/ DECREASE IN INVENTORIES

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs	Increase/ decrease Rs. Lacs
Inventories at the end of the year			31-Mar-13
Finished goods	28,709	25,119	(3,590)
By-products	1,112	843	(269)
Semi-finished goods	8,925	6,533	(2,392)
Traded goods	871	3,236	2,365
	39,617	35,731	(3,886)
Inventories at the beginning of the year			31-Mar-12
Finished goods	25,119	15,332	(9,787)
By-products	843	800	(43)

Notes to financial statements for the year ended 31st March 2013

22 | (INCREASE)/ DECREASE IN INVENTORIES (CONTD.)

	31-Mar-13	31-Mar-12	Increase/ decrease
	Rs. Lacs	Rs. Lacs	Rs. Lacs
Semi-finished goods	6,533	6,500	(33)
Traded goods	3,236	415	(2,821)
	35,731	23,047	(12,684)
	(3,886)	(12,684)	
Less: Excise duty on stocks	66	999	
	(3,820)	(11,685)	
Details of purchase of traded goods			
Pesticides	34,609	21,590	
Industrial chemicals	108	234	
Hybrid seeds	4	12,407	
	34,721	34,231	
Details of inventory			
Traded goods			
Pesticides	442	492	
Hybrid Seeds	415	2,724	
Industrial chemicals	14	20	
	871	3,236	
Finished goods			
Pesticides	22,801	19,320	
Hybrid Seeds	5,187	5,057	
Industrial chemicals	351	446	
Others	370	296	
	28,709	25,119	
Semi-finished goods			
Agro chemicals	7,574	4,256	
Industrial chemicals	668	1,307	
Hybrid Seeds	683	970	
	8,925	6,533	
By - products			
Agro chemicals	834	603	
Industrial chemicals	278	240	
	1,112	843	

23 | EMPLOYEE BENEFITS EXPENSE

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Salaries, wages and bonus	19,437	14,556
Contribution to provident and other funds	1,300	1,085
Retirement Benefits (Refer note 28)	1,073	1,073
Staff welfare expenses	1,936	1,751
	23,746	18,465

Notes to financial statements for the year ended 31st March 2013

24 | OTHER EXPENSES

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Consumption of stores and spares	2,903	2,745
Sub-contracting expenses	10,115	5,977
Power and fuel	30,746	22,707
Rent	3,740	2,457
Rates and taxes	1,059	999
Insurance	1,014	1,012
Repairs and maintenance		
- Plant and machinery	1,892	1,381
- Buildings	274	261
- Others	1,049	763
Advertising and sales promotion	2,348	2,049
Sales commission	7,317	5,251
Travelling and conveyance	5,046	4,442
Charity & donations	1,632	1,138
Effluent disposal charges	3,502	3,134
Legal and professional fees	2,588	2,008
Directors' sitting fees	7	7
Payment to auditor (Refer details below)	122	111
Provision for diminution in value of investment	181	164
Containers & packing materials consumed	14,877	14,602
Transport charges	11,957	10,830
Bad debts / advances written off	644	3
Loss on sale of assets	8	32
Sundry debit balances write off (net)	-	110
Assets written off	507	1,013
Provision for doubtful debts and advances (net)	2,155	932
Other expenses	7,110	3,539
	112,793	87,667
Payment to auditor		
As auditor:		
Audit fee	107	102
Others	2	4
Other services (certification fees)	10	3
Reimbursement of expenses	3	2
	122	111

Note: Audit Fees includes fees for auditing consolidated financial statements amounting to Rs. 25 lacs (Previous Year: Rs.20 lacs) and Rs. 22 lacs (Previous Year: Rs. 17 lacs) for quarterly limited reviews.

Notes to financial statements for the year ended 31st March 2013

25 | DEPRECIATION AND AMORTIZATION EXPENSE

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Depreciation of tangible assets	10,060	9,525
Amortization of intangible assets	5,716	4,824
	15,776	14,349

26 | FINANCE COSTS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Interest		
On Debentures	13,210	12,521
On Term Loans	5	1,593
On Cash Credit and Working Capital Demand Loan Accounts	1,022	1,045
On Fixed Loans	87	1,442
Other Interest	681	869
Cash Discount	1,486	1,190
Exchange Difference (Net)	(6,486)	(3,016)
Other Financial Charges	594	793
	10,599	16,437

27 | EARNING PER SHARE

		31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Basic and diluted earning per share:			
Profit after taxation as per statement of profit and loss	(A)	20,813	22,704
Weighted number of equity shares outstanding	(B)	452,349,911	461,804,274
Basic and diluted earning per share (in Rupees)	(A)/(B)	4.60	4.92
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:

Notes to financial statements for the year ended 31st March 2013

28 RETIREMENT BENEFITS (CONTD.)

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

i) Defined Benefit Plan	Gratuity	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Current service cost	241	187
Interest cost on benefit obligation	143	122
Expected return on plan assets	(168)	(192)
Net actuarial (gain)/loss recognised during the year	65	96
Amount included under the head Employee Benefit Expense in Note 23	281	213
Actual return on plan assets	192	165
<hr/>		
ii) Defined Contribution Plan	Provident Fund	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Current service cost included under the head Employee Benefit Expense in Note 23	746	612
<hr/>		
iii) Defined Contribution Plan	Superannuation Fund	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Current service cost included under the head Employee Benefit Expense in Note 23	516	425
<hr/>		
b) The amounts recognised in the Balance Sheet are as follows:	Defined Benefit Plan - Gratuity	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Present value of funded obligation	2,126	1,768
Less: Fair value of plan assets	1,959	1,767
Net Liability is included in Note 7 - Provisions	167	1
<hr/>		
c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:	Gratuity	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Opening defined benefit obligation	1,768	1,435
Interest cost	143	122
Current service cost	241	187
Liability transferred in	-	60
Benefits paid	(115)	(105)
Actuarial (gains)/loss on obligation	89	69
Closing defined benefit obligation	2,126	1,768
<hr/>		
d) Changes in the fair value of plan assets are as follows:	Gratuity	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Opening fair value of plan assets	1,767	1,602
Expected return	168	192
Actuarial Gain/(Loss) on plan assets	24	(27)
Closing fair value of plan assets	1,959	1,767
<hr/>		
e) Expected contribution to defined benefit plan for the year 2013 - 14	167	100

Notes to financial statements for the year ended 31st March 2013

28 | RETIREMENT BENEFITS (CONTD.)

f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	Gratuity	
	31-Mar-13 %	31-Mar-12 %
Investments with insurer under:		
(a) Funds Managed by Insurer	100	100
g) The principal actuarial assumptions at the Balance Sheet date.	31-Mar-13	31-Mar-12
Discount rate	8.10%	8.50%
Expected rate of return on plan assets	9.50%	8.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult.	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	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Experience adjustments on plan liabilities (Gain)/Loss	15	67
Experience adjustments on plan Assets (Gain)/Loss	24	(27)

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

	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Gratuity					
Defined benefit obligation	2,126	1,768	1,435	1,098	1,081
Plan assets	1,959	1,767	1,602	1,402	903
Surplus / (deficit)	(167)	(1)	167	304	(178)
Experience adjustments on plan liabilities	15	67	(138)	(143)	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.

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Employee cost & other expenses	133	103
Finance costs	1,138	482
	1,271	585

30 | DETAILS OF DONATIONS TO POLITICAL PARTIES

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Bhartiya Janata Party	10	22

Notes to financial statements for the year ended 31st March 2013

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, 2012 is as under:

	31-Mar-12 Rs. Lacs	31-Mar-11 Rs. Lacs
Assets	318	329
Liabilities	180	213
Income	252	260
Expenses	245	255

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. 939 lacs (Previous Year: Rs 1,252 lacs) though overall, there is no impact on the aggregate of Reserves and Surplus of the Company.

33 | SEGMENT INFORMATION

1. Information about Primary Business Segments (Rs. in lacs)

PARTICULARS	31-Mar-13				31-Mar-12			
	Agro Activity	Non Agro Activity	Unallocated	Total	Agro Activity	Non Agro Activity	Unallocated	Total
Revenue								
External	351,987	41,319	638	393,944	295,876	34,373	1,315	331,564
Inter segment	(21,638)	21,638	-	-	(31,445)	31,445	-	-
Total revenue	330,349	62,957	638	393,944	264,431	65,818	1,315	331,564
Segment Results								
Contribution	52,264	2,576	-	54,840	48,011	5,118	-	53,129
Add: Inter segment profit	(3,713)	3,713	-	-	(5,852)	5,852	-	-
Total segment results	48,551	6,289	-	54,840	42,159	10,970	-	53,129
Unallocated expenses net of unallocated income	-	-	-	14,519	-	-	-	5,996
Interest	-	-	-	10,599	-	-	-	16,437
Profit before taxation	-	-	-	29,722	-	-	-	30,696
Provision for taxation :								
Current	-	-	-	7,930	-	-	-	6,199
Mat credit entitlement	-	-	-	-	-	-	-	(192)
Deferred	-	-	-	940	-	-	-	2,046
Tax effect of earlier years	-	-	-	39	-	-	-	(61)
Net profit after tax	-	-	-	20,813	-	-	-	22,704
Other information								
Segment assets	353,604	34,332	313,654	701,590	291,881	36,787	297,744	626,412
Segment liabilities	96,003	2,132	267,686	365,821	63,207	2,669	209,934	275,810
Capital expenditure	22,749	1,592	2,633	26,974	18,289	957	3,779	23,025
Depreciation	5,454	3,567	1,039	10,060	5,070	3,534	921	9,525
Amortisation	5,623	-	93	5,716	4,759	-	65	4,824
Non cash expenses other than depreciation	2,982	245	259	3,487	1,647	321	327	2,295

Notes to financial statements for the year ended 31st March 2013

33 | SEGMENT INFORMATION (CONTD.)

2. Information about Secondary Business Segments (Rs. in lacs)

	Current Year			Previous Year		
	India	Outside India	Total	India	Outside India	Total
Revenue by Geographical Market	173,627	220,317	393,944	161,148	170,416	331,564
External						
Carrying amount of Segment Assets	556,245	145,345	701,590	522,502	103,910	626,412
Additions to Fixed Assets (including Intangible assets)	13,883	-	13,883	13,801	-	13,801

3. Notes

- (1) The business of the Company is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
 - a) Agro activity – This is the main area of the Company's operation and includes the manufacture and marketing of conventional agrochemical products, seeds and other agricultural related products.
 - b) Non-agro activity – Non agro activities includes manufacture and marketing of industrial chemical and other non agricultural related 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.
- (6) During the year, there has been a reorganization of business segments. Figures for the year ended March 31, 2012 have been regrouped to make them comparable.

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

(a) Relationship:

(i) Name of the Subsidiary Companies:

Uniphos Limited, Mauritius	United Phosphorus Inc., U.S.A.
United Phosphorus (Korea) Limited	United Phosphorus Italy S.R.L. (Merged during the year with Cerexagri Italia S.R.L.)
United Phosphorus (Shanghai) Company Limited	United Phosphorus Limited Mauritius (Amalgamated with the Company w.e.f. July 1, 2011)
United Phosphorus (Taiwan) Limited	United Phosphorus Limited, Australia
United Phosphorus Cayman Limited	United Phosphorus Limited, Belgium S P R L
United Phosphorus de Mexico, S.A. de C.V.	United Phosphorus Limited, Colombia (Merged during the year with Evofarm Colombia SA)
United Phosphorus do Brasil Ltda	United Phosphorus Limited, Gibraltar
United Phosphorus GMBH, Germany	United Phosphorus Limited, Hongkong
United Phosphorus Holdings B.V., Netherlands	
United Phosphorus Holdings Cooperatief U.A.	

Notes to financial statements for the year ended 31st March 2013

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United Phosphorus Limited, Japan	January 1, 2013)
United Phosphorus Limited, New Zealand	Icona S A - Argentina
United Phosphorus Limited, U.K.	Icona Sanluis S A - Argentina
United Phosphorus Limited, Zambia (Upto December 5, 2011)	Jiangsu Kaznam Chemical Group., Panama (Dissolved on March 18, 2013)
United Phosphorus Polska Sp.z o.o - Poland	JSC United Phosphorus Limited, Russia
United Phosphorus Sole Partner Limited, Greece (Upto March 23, 2012)	Phosfonia, S.L., Spain
United Phosphorus Switzerland Limited.	Prime Agri Centre Zambia Limited (Upto April 01, 2011)
United Phosphorus Vietnam Co., Limited	PT Catur Agrodaya Mandiri, Indonesia
UPL Investment Private Limited	PT. United Phosphorus Indonesia
Agri pack Zambia Limited (Upto April 01, 2011)	United Phosphorus Holding, Brasil B.V.
Agrindustrial, S.A., Spain	RiceCo LLC
Agrodan, ApS	Safepack Products Limited
Anning Decco Fine Chemical Co. Limited, China	Samma International S.R.L., Italy (Upto February 29, 2012)
Bio-win Corporation Limited, Mauritius	Samrod Chemicals (Pty) Ltd
Canegrass LLC, USA	Shroffs United Chemicals Limited
Cerexagri B.V. - Netherlands	SWAL Corporation Limited
Cerexagri Costa Rica, S.A.	Transterra Invest, S. L. U., Spain
Cerexagri Delaware, Inc., USA	Tatva Global Environment (Deonar) Limited
Cerexagri Italia S.R.L.	RiceCo International Inc., Bahamas
Cerexagri S.A.S., France	Uniphos Limited, Gibraltar
Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey	Decco Jefkins Mexico Sapi, Mexico
Cerexagri, Inc. (PA)	UPL Aviation Limited
Citrashine (Pty) Ltd, South Africa	United Phosphorus Indústria e Comércio de Produtos Químicos Ltda.
Compania Espanola Industrial Quimica de Productos Agrícolas Y Domesticos, S.A.U., Spain	Uniphos Indústria e Comércio de Produtos Químicos Ltda.
Cropserve Zambia Limited (Upto April 01, 2011)	Upl do Brasil Indústria e Comércio de Insumos Agropecuários S.A. (Formerly known as DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A.)
Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica)	DVA Technology Argentina S.A. (w.e.f. July 25, 2011)
Decco Italia SRL, Italy	United Phosphorus Bolivia S.R.L (w.e.f. December 27, 2011)
Decco US Post-Harvest Inc (US)	Decco Chile SpA
Decco Worldwide Post-Harvest Holdings B.V.	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S. (w.e.f. October 12, 2011)
Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	UPI Finance LLC
Desarrollo Quimico Industrial, S.A., Spain	United Phosphorus Corp. Philippines
Eddyville Consultants Group, Inc. Panama (Dissolved on March 18, 2013)	United Phosphorus Limited de Guatemala S.A (Ceased to be subsidiary w.e.f. March 8, 2013)
Evo farms Colombia SA	
Evo farms S.A. - Colombia (Merged during the year with Evofarm Colombia SA)	
Friedshelf 1114 (Pty) Ltd	
Global Chem Trade Corp., Panama (Dissolved on	

Notes to financial statements for the year ended 31st March 2013

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United Phosphorus Global LLP
United Phosphorus (India) LLP
Pro Long Limited (w.e.f. August 24, 2011)
Phoenix Environmental Care LLC (w.e.f. August 12, 2011 and amalgamated with United Phosphorus Inc. on September 30, 2011)
AgriChem B.V. (acquired during the year)
AgriChem Helvetia GmbH., (acquired during the year)
AgriChem Polska Sp.Z.O.O. (acquired during the year)
Agricultural Chemicals N.V. (acquired during the year)
Aspen Holding SAS (Incorporated during the year)
Aspen SAS (Incorporated during the year)
SD Agchem (Netherlands) B.V.
Blue star BV (acquired during the year)

(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)
Universal Pestochem Industries Limited

b) Joint Venture Companies:

United Phosphorus (Bangladesh) Limited.
Hodogaya UPL Co. Limited, Japan
Nisso TM LLC (Ceased to be a Joint Venture w.e.f. September 30, 2012)

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 Environment Limited
Ultima Search
Uniphos International Limited
Uniphos Enterprises Limited
UPL Environmental Engineers Limited
Vikram Farm
Accolade Properties Private Limited (Upto September 27, 2012)
Sadafuli Finvest Private Limited (Upto September 27, 2012)
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. Namrata Shroff *
Mrs. Shilpa Sagar *
Mrs. Asha Ashar *
Mr. Navin Ashar *

* Relatives of Key management personnel.

Notes to financial statements for the year ended 31st March 2013

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

RELATIONSHIP	NATURE OF TRANSACTIONS	SUBSIDIARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL		
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
1	<u>INCOME</u>											
(A)	SALES:											
	(i) GOODS	183,342	126,931	3,880	312	110	121	646	475	187,978	127,839	
	Bio-win Corporation Limited	24,681	22,890	-	-	-	-	-	-	24,681	22,890	
	United Phosphorus Limited, Gibraltar	-	21,342	-	-	-	-	-	-	-	21,342	
	SWAL Corporation Limited	26,527	26,226	-	-	-	-	-	-	26,527	26,226	
	Uniphos Ltd. - Gibraltar	83,103	33,214	-	-	-	-	-	-	83,103	33,214	
	United Phosphorus do Brasil Ltd	27,181	3,803	-	-	-	-	-	-	27,181	3,803	
	Others	21,850	19,456	3,880	312	110	121	646	475	26,486	20,364	
	(ii) FIXED ASSETS	-	1	-	-	-	-	18	-	18	1	
	United Phosphorus Inc. USA	-	1	-	-	-	-	-	-	-	1	
	Bharuch Enviro Infrastructure Ltd	-	-	-	-	-	-	18	-	18	-	
(B)	DIVIDEND RECEIVED	544	1,970	-	-	-	-	-	-	544	1,970	
	Bio-win Corporation Limited	544	1,970	-	-	-	-	-	-	544	1,970	
(C)	MANAGEMENT FEES / OTHER SERVICES	-	-	-	-	-	-	581	485	581	485	
	Tatva Global Environment Ltd.	-	-	-	-	-	-	506	485	506	485	
	Others	-	-	-	-	-	-	75	-	75	-	
(D)	QUANTITY DISCOUNT RECEIVED	-	-	-	-	-	-	126	-	126	-	
	Uniphos International Limited	-	-	-	-	-	-	126	-	126	-	
(E)	RENT RECEIVED	-	-	-	-	-	-	25	18	25	18	
	Uniphos Envirotronic Pvt. Ltd.	-	-	-	-	-	-	24	18	24	18	
	Others	-	-	-	-	-	-	1	-	1	-	

Notes to financial statements for the year ended 31st March 2013

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

RELATIONSHIP	NATURE OF TRANSACTIONS	SUBSIDIARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL		
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
2	EXPENSES											
(A)	PURCHASES											
	(i)	7,482	9,685	1,095	17,959	-	-	2,576	2,978	11,153	30,622	
		-	-	1,095	16,707	-	-	-	-	1,095	16,707	
		4,302	5,888	-	-	-	-	-	-	4,302	5,888	
		1,285	2,357	-	-	-	-	-	-	1,285	2,357	
		-	-	-	-	-	-	1,382	1,199	1,382	1,199	
		1,895	1,440	-	1,252	-	-	1,194	1,779	3,089	4,471	
		91	-	54	-	-	-	32	431	177	431	
(ii)	FIXED ASSETS											
		-	-	-	-	-	-	-	405	-	405	
		91	-	-	-	-	-	-	-	91	-	
		-	-	54	-	-	-	-	-	54	-	
		-	-	-	-	-	-	32	26	32	26	
		3	2,532	-	-	-	-	412	520	415	3,052	
(iii)	INTANGIBLE ASSETS											
		-	-	-	-	-	-	412	520	412	520	
		3	347	-	-	-	-	-	-	-	2,185	
		-	-	-	-	-	-	-	-	3	347	
		-	-	-	-	-	-	-	-	-	-	
(iv)	OTHERS											
		-	-	-	-	-	-	21	10	21	10	
		-	-	-	-	-	-	21	10	21	10	

Notes to financial statements for the year ended 31st March 2013

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

RELATIONSHIP	SUBSIDIARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL			
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12		
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs		
(B)	NATURE OF TRANSACTIONS											
	SERVICES	-	-	7	321	-	-	3,314	3,215	3,321	3,536	
	Chemiesynth (Vapi) Limited	-	-	-	321	-	-	-	-	-	321	
	Bharuch Enviro Infrastructure Limited	-	-	-	-	-	-	3,189	3,076	3,189	3,076	
	Others	-	-	7	-	-	125	139	132	139		
(C)	NATURE OF TRANSACTIONS											
	RENT	-	-	169	-	-	-	345	39	514	39	
	Bloom Packaging Private Limited	-	-	-	-	-	-	7	6	7	6	
	Sanguine Holdings Private Limited	-	-	-	-	-	-	7	12	7	12	
	Demuric Holdings Pvt Ltd	-	-	-	-	-	-	0	5	0	5	
	Ultima Search	-	-	-	-	-	-	9	9	9	9	
	Advanta India Limited	-	-	169	-	-	-	-	-	169	-	
	Sadafuli Finvest Pvt. Ltd	-	-	-	-	-	-	154	-	154	-	
	Accolade Properties Pvt Ltd.	-	-	-	-	-	-	160	-	160	-	
	Others	-	-	-	-	-	-	8	8	8	8	
	(D)	NATURE OF TRANSACTIONS										
		COMMISSION ON EXPORTS (Including amount pertaining to earlier years)	5,902	4,775	-	487	-	-	2	-	5,904	5,262
Bio-win Corporation Limited		5,801	3,401	-	-	-	-	-	-	5,801	3,401	
Advanta India Limited		-	-	-	487	-	-	-	-	-	487	
UPL Do Brasil Ltd		-	1,042	-	-	-	-	-	-	-	1,042	
	Others	101	332	-	-	-	2	-	103	332		

Notes to financial statements for the year ended 31st March 2013

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

RELATIONSHIP	NATURE OF TRANSACTIONS	SUBSIDIARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL		
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
(E)	ROYALTY	-	-	889	-	-	-	-	-	-	889	-
	Advanta India Limited	-	-	889	-	-	-	-	-	-	889	-
(F)	RESEARCH & DEVELOPMENT EXPENSES	-	-	1,538	-	-	-	-	-	-	1,538	-
	Advanta India Limited	-	-	1,538	-	-	-	-	-	-	1,538	-
(G)	WRITE BACK OF PAYABLES	-	4	-	-	-	-	-	-	-	-	4
	United Phosphorus Ltd. Hong Kong	-	3	-	-	-	-	-	-	-	-	3
	United Phosphorus Ltd. Japan	-	1	-	-	-	-	-	-	-	-	1
	Others	-	-	-	-	-	-	-	-	-	-	-
(H)	CAPITAL ADVANCE	20	-	-	-	-	-	-	-	1,020	-	-
	UPL Environmental Engineers Ltd	-	-	-	-	-	-	-	-	1,000	-	-
	Others	20	-	-	-	-	-	-	-	-	20	-
3	TRANSFER OF SECURITY DEPOSITS FROM	-	-	2	3	-	-	-	-	-	-	-
	Advanta India Limited	-	-	2	3	-	-	-	-	-	2	3
4	TRANSFER OF CUSTOMER BALANCES FROM	-	-	15	3	-	-	-	-	-	-	-
	Advanta India Limited	-	-	15	3	-	-	-	-	-	15	3
5	TRANSFER OF ADVANCES FROM	-	-	-	203	-	-	-	-	-	-	203
	Advanta India Limited	-	-	-	195	-	-	-	-	-	-	195
	Others	-	-	-	8	-	-	-	-	-	-	8
6	TRANSFER OF EMPLOYER LIABILITY	-	-	-	103	-	-	-	-	-	-	103
	Advanta India Limited	-	-	-	75	-	-	-	-	-	-	75
	Unicorn Seeds Private Limited	-	-	-	28	-	-	-	-	-	-	28

Notes to financial statements for the year ended 31st March 2013

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

RELATIONSHIP	NATURE OF TRANSACTIONS	SUBSIDIARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL		
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
(D)	PURCHASE OF SHARES/ NCD/ COMMERCIAL PAPERS/ CAPITAL CONTRIBUTION	-	154	3,875	3,014	-	-	9,870	15,626	13,745	18,794	
	Advanta India Limited	-	-	3,800	3,014	-	-	-	-	3,800	3,014	
	UPL Investment Private Limited	-	135	-	-	-	-	-	-	-	135	
	Demurric Holding Pvt. Ltd.	-	-	-	-	-	-	9,870	15,626	9,870	15,626	
	Others	-	19	75	-	-	-	-	-	75	19	
(E)	ALLOTMENT OF BONDS	1,500	-	-	-	-	-	-	-	1,500	-	
	UPL Investment Private Limited	1,500	-	-	-	-	-	-	-	1,500	-	
(F)	SALE/REDEMPTION OF SHARES/NCD/ COMMERCIAL PAPERS	-	-	4,431	23,570	-	-	-	9,522	4,431	33,092	
	Advanta India Limited	-	-	4,431	23,570	-	-	-	-	4,431	23,570	
	Demurric Holdings Pvt. Ltd.	-	-	-	-	-	-	-	9,522	-	9,522	
(G)	LOANS / INTER COMPANY DEPOSITS TAKEN DURING THE YEAR	-	-	-	-	-	-	-	10,254	-	10,254	
	Demurric Holdings Pvt Ltd	-	-	-	-	-	-	-	8,920	-	8,920	
	Others	-	-	-	-	-	-	-	1,334	-	1,334	
(H)	REPAYMENT OF LOAN GIVEN	33,267	225,946	2,650	3,140	-	-	13,467	17,884	49,384	246,970	
	Bio-win Corporation Limited	27,307	224,646	-	-	-	-	-	-	27,307	224,646	
	SWAL Corporation Limited	5,960	1,300	-	-	-	-	-	-	5,960	1,300	
	Uniphos Enterprise Limited	-	-	-	-	-	-	9,395	14,335	9,395	14,335	
	Others	-	-	2,650	3,140	-	-	4,072	3,549	6,722	6,689	

Notes to financial statements for the year ended 31st March 2013

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RELATIONSHIP	NATURE OF TRANSACTIONS	SUBSIDIARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL		
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
11	OUTSTANDING AT THE YEAR END											
(A)	PAYABLES	12,115	8,498	605	6,468	-	-	207	1,054	12,927	16,020	
	Bio-win Corporation Limited	4,988	1,734	-	-	-	-	-	-	4,988	1,734	
	United Phosphorus Limited, Hong Kong	3,722	3,062	-	-	-	-	-	-	3,722	3,062	
	Advanta India Limited	-	-	530	5,849	-	-	-	-	530	5,849	
	Others	3,405	3,702	75	619	-	-	207	1,054	3,687	5,375	
(B)	RECEIVABLE	135,190	98,186	2,687	523	25	23	52	57	137,954	98,789	
	United Phosphorus Limited, Gibraltar	188	16,016	-	-	-	-	-	-	188	16,016	
	SWAL Corporation Limited	10,443	11,667	-	-	-	-	-	-	10,443	11,667	
	Bio-win Corporation Limited	21,980	22,237	-	-	-	-	-	-	21,980	22,237	
	Uniphos Ltd. - Gibraltar	67,030	33,027	-	-	-	-	-	-	67,030	33,027	
	United Phosphorus Do Brasil Ltd	26,709	-	-	-	-	-	-	-	26,709	-	
	Others	8,840	15,239	2,687	523	25	23	52	57	11,604	15,842	
(C)	LOANS AND ADVANCES GIVEN	140,857	150,978	-	-	-	-	-	1,581	140,857	152,559	
	Bio-win Corporation Limited	133,651	150,971	-	-	-	-	-	-	133,651	150,971	
	Others	7,206	7	-	-	-	-	-	1,581	7,206	1,588	
(D)	INTEREST RECEIVABLE	1,684	1,684	465	501	-	-	102	53	2,251	2,238	
	Bio-win Corporation Limited	948	1,682	-	-	-	-	-	-	948	1,682	
	Advanta India Ltd.	-	-	465	501	-	-	-	-	465	501	
	SWAL Corporation Limited	735	2	-	-	-	-	-	-	735	2	
	Others	1	-	-	-	-	-	102	53	103	53	

Notes to financial statements for the year ended 31st March 2013

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

RELATIONSHIP	NATURE OF TRANSACTIONS	SUBSIDIARIES		ASSOCIATES		JOINT VENTURE		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL HAVE SIGNIFICANT INFLUENCE		GRAND TOTAL		
		31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
(E)	LOANS PAYABLE	-	-	-	-	-	-	-	-	-	-	-
	Demuric Holdings Pvt Ltd	-	-	-	-	-	-	-	179	-	-	179
									179	-	-	179
(F)	MANAGEMENT FEES RECEIVABLE	-	-	-	-	-	-	-	935	270	270	935
	Tatva Global Environment Limited	-	-	-	-	-	-	-	935	251	251	935
	Others	-	-	-	-	-	-	-	19	19	19	-
(G)	BOND APPLICATION MONEY	-	1,500	-	-	-	-	-	-	-	-	1,500
	UPL Investment Private Limited	-	1,500	-	-	-	-	-	-	-	-	1,500
(H)	GUARANTEES GIVEN ON BEHALF OF COMPANIES.	245,119	202,235	27,143	25,438	-	-	-	-	272,262	227,673	-
	Bio-win Corporation Limited	154,369	132,676	-	-	-	-	-	-	154,369	132,676	-
	Advanta India Ltd.	-	-	27,143	25,438	-	-	-	-	27,143	25,438	-
	Others	90,750	69,559	-	-	-	-	-	-	90,750	69,559	-
(I)	DEPOSIT GIVEN	-	-	-	-	-	-	-	510	-	510	-
	Bloom Packaging Private Limited	-	-	-	-	-	-	-	75	-	75	-
	Daman Ganga Pulp & Papers	-	-	-	-	-	-	-	400	-	400	-
	Others	-	-	-	-	-	-	-	35	-	35	-
(J)	CAPITAL ADVANCES GIVEN	19	-	-	-	-	-	-	1,000	1,019	1,019	-
	UPL Environmental Engineers Limited	-	-	-	-	-	-	-	1,000	1,000	1,000	-
	Others	19	-	-	-	-	-	-	-	19	19	-

Notes to financial statements for the year ended 31st March 2013

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c. Transactions with Directors and their Relatives

NATURE OF TRANSACTIONS:	31-Mar-13	31-Mar-13
	Rs. Lacs	Rs. Lacs
Remuneration	1,317	1,212
Rent Paid	155	150
Professional Fees	13	19
Guarantee received	-	15,075
Outstandings as at the Balance Sheet Date:		
Remuneration Payable	309	329
Sundry Deposits given	53	53
Professional Fees Payable/(Receivable)	1	1
Guarantee Received	-	15,075

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"

NATURE OF RELATIONSHIP	APRIL 2012 - MARCH 2013		APRIL 2011 - MARCH 2012	
	Rs. lacs		Rs. lacs	
	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	133,651	161,639	150,971	218,262
SWAL Corporation Limited	7,200	9,300	-	-
Advanta India Limited	-	2,650	-	2,200
(**) There is no repayment schedule in respect of these loans.				

35 | CONTINGENT LIABILITIES

Particulars	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
(a) Disputed Income-Tax Liability (excluding interest)	179	151
(b) Disputed Excise Duty / Service Tax liability (excluding interest)	10,253	9,146
(c) Disputed Sales Tax liability	2,512	2,417
(d) Disputed Custom Duty liability	3,558	3,558
(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	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	602	816
(i) Gurantees given by Company's bankers on behalf of the Company to third parties	4,605	4,129
(j) Corporate guarantees given on behalf of subsidiary companies:		

Notes to financial statements for the year ended 31st March 2013

35 | CONTINGENT LIABILITIES

Particulars	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
(i) United Phosphorus Limited, U.K.	18,256	17,936
(ii) United Phosphorus Limited, Hong Kong	4,614	4,324
(iii) United Phosphorus Inc. USA	6,636	6,219
(iv) United Phosphorus Inc. USA/ Decco US Post Harvest	1,357	1,272
(v) UPL Columbia SAS	2,171	2,035
(vi) United Phosphorus Limited, Australia	1,900	1,781
(vii) Bio-Win Corporation Limited, Mauritius	154,369	132,676
(viii) Cerexagri Italia, SRL, Italy	8,336	8,149
(ix) Ceraxagri SAS., France	13,893	13,582
(x) Ceraxagri B.V., Netherlands	14,587	14,261
(xi) Icona S.A. Argentina	10,857	-
(xii) United Phosphorus Cayman Ltd, Cayman Islands	8,143	-
(xiii) Advanta India Limited	27,143	25,438
(k) Claims against the Company not acknowledged as debts	489	532

36 | COMMITMENTS

(a) Put option on purchase of debentures of a company exercisable 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)	3,613	9,498
(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.		
(d) The Company has undertaken an export obligation of 6 to 8 times the duty saved on CIF machinery imported by the Company to be fulfilled over a period of 6 to 8 years. The obligation outstanding as on the date of the balance sheet is Rs.5,899 lacs (Previous Year: Rs. 94 lacs)		

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".

Notes to financial statements for the year ended 31st March 2013

38 | DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

NATURE OF INSTRUMENT	Currency	31-Mar-13	31-Mar-12	Purpose - Hedging/ Speculation
		Amount outstanding (in '000)	Amount outstanding (in '000)	
1) Forward contract - Sell	USD	34,000	46,000	Hedging
2) Derivative contracts				
Full Currency Interest Rate Swap contracts - payable	USD	233,853	189,994	Hedging
3) Un-hedged Foreign Currency balances:				
(i) Payable				
	USD	176,726	294,021	
	EUR	12,648	1,220	
	GBP	187	190	
	JPY	5,252	1,747	
	AUD	1	-	
	CHF	-	2	
(ii) Receivable				
	USD	398,461	392,355	
	EUR	68,418	52,099	
	AUD	1,711	3,323	
	AED	-	21	

39 | CONSUMPTION OF RAW MATERIALS, COMPONENTS AND SPARE PARTS.

	31-Mar-13		31-Mar-12	
	Rs.Lacs	Percentage	Rs.Lacs	Percentage
A Raw Materials:				
Imported	119,334	65	90,237	58
Indigenous	64,505	35	65,552	42
TOTAL	183,839	100	155,789	100
B Components and Spare Parts:				
Imported	92	3	88	3
Indigenous	2,811	97	2,657	97
TOTAL	2,903	100	2,745	100

40 | VALUE OF IMPORTS CALCULATED ON CIF BASIS

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Raw materials	90,935	71,241
Traded Goods	22,410	6,971
Components and spare parts	92	88
Capital goods	4,114	1,289
	117,551	79,589

Notes to financial statements for the year ended 31st March 2013

41 | EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Commision on export sales	6,334	4,716
Foreign travelling expenses	697	601
Interest and bank charges	749	1,512
Legal and professional charges	493	286
Product registration and data access fees	255	269
Freight and forwarding charges	6,776	5,446
Others	1,192	596
	16,496	13,426

42 | EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Exports of goods calculated on F.O.B. basis [including exports through Export Houses: Rs. 3,095 lacs (Previous Year: Rs.21 lacs)]	218,843	167,479
Interest	4,253	4,665
Dividend	544	1,970
Others	70	52

43 | NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Period to which it relates	2011-12	2010-11
Number of non-resident shareholders		
Interim dividend	121	-
Final dividend	119	125
Number of equity shares held on which dividend was due		
Interim dividend	217,715	-
Final dividend	212,385	223,195
Face value per share (Rs.)	2	2
Amount remitted (in Rs. Lacs)		
Interim dividend	4	-
Final dividend	1	4

44 | OPERATING LEASES

Lease rent debited to statement of profit and loss is Rs. 3,740 lacs (Previous Year: Rs. 2,457 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.

Notes to financial statements for the year ended 31st March 2013

45 | RESEACH & DEVELOPMENT

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
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.	3,087	1,291
b) Depreciation on Research and Development Assets	98	100

46 | BUY BACK OF SHARES

During the year, the Company has completed the process of the buy back and has accepted a total of 1,92,00,000 equity shares at a total consideration of Rs. 22,349 lacs (excluding brokerage, taxes and other charges). Accordingly, the face value of shares bought back amounting to Rs. 384 lacs has been adjusted against share capital and the balance amount of Rs. 21,964 lacs and related expenses amounting to Rs. 109 lacs have been adjusted in securities premium.

47 | PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date

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

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 25th April, 2013

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

R.D.Shroff
Chairman & Managing Director

S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 25th April, 2013

A.C.Ashar
Whole-time Director

M.B.Trivedi
Company Secretary

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

Sr. No.	Name of the Subsidiary Company	Financial Year	Note No.	No. of Shares held by United Phosphorus Ltd. in the Subsidiary Company at 31.03.2013	% 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 31.03.2013	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company as on 31.03.2012	
1	Shroffs United Chemicals Limited, India	31/03/2013	-	50,007 Shares	100	Rs. 105,077	Rs. 2,026,330	-
2	SWAL Corporation Limited, India	31/03/2013	-	1,000,007 Shares	100	Rs. 109,501,195	Rs. 108,801,569	-
3	United Phosphorus (India) LLP, India	31/03/2013	1	-	95	Rs. 48,146	Rs. (92,513)	-
4	United Phosphorus Global LLP, India	31/03/2013	1	-	95	Rs. 51,477	Rs. (35,354)	-
5	United Phosphorus Limited, U.K.	31/03/2013	2	-	-	Pounds 1,485,000	Pounds 775,704	-
6	United Phosphorus GMBH - Germany	31/03/2013	3	-	-	EUR 572,922	EUR 220,375	-
7	AgriChem B.V.	31/03/2013	38	-	-	EUR 1,330,000	-	-
8	SD Agchem (Netherlands) B.V.	31/03/2013	5	-	-	EUR (121,861)	-	-
9	Agricultural Chemicals N.V.	31/03/2013	39	-	-	EUR 176,354	-	-
10	AgriChem Helvetia GmbH,	31/03/2013	39	-	-	CHF 1,663	-	-
11	AgriChem Polska Sp.Z.O.O.	31/03/2013	39	-	-	PLN (116,226)	-	-
12	United Phosphorus Polska Sp.z o.o - Poland	31/03/2013	3	-	-	PLN (86,624)	PLN 927	-
13	Cerexagri B.V. - Netherlands	31/03/2013	5	-	-	EUR 1,402,000	EUR 1,337,105	-
14	United Phosphorus Holdings Cooperatief U.A.	31/03/2013	6	-	-	EUR (120,544)	EUR (70,456)	-
15	United Phosphorus Holdings B.V., Netherlands	31/03/2013	7	-	-	EUR (535,951)	EUR (1,828,648)	-
16	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	31/03/2013	8	-	-	EUR (8,131)	EUR (10,981)	-
17	Decco Worldwide Post-Harvest Holdings B.V.	31/03/2013	9	-	-	EUR (569,535)	EUR (343,086)	-
18	United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.)	31/03/2013	5	-	-	EUR (3,360,221)	EUR (4,474,418)	-
19	Desarrollo Quimico Industrial, S.A., Spain	31/03/2013	11,A	-	-	-	-	-
20	Cerexagri Italia S.R.L.	31/03/2013	5	-	-	EUR 435,224	EUR 119,289	-
21	Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U.,Spain	31/03/2013	12,A	-	-	EUR 448,176	EUR 1,149,123	-
22	Agrindustrial, S.A., Spain	31/03/2013	13,A	-	-	-	-	-
23	Phosfonía, S.L.,Spain	31/03/2013	13,A	-	-	-	-	-
24	Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica)	31/03/2013	14	-	-	EUR (113,920)	EUR 1,044,337	-
25	Transterra Invest, S. L. U., Spain	31/03/2013	3	-	-	EUR (897,099)	EUR (725,726)	-

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

Sr. No.	Name of the Subsidiary Company	Financial Year	Note No.	No. of Shares held by United Phosphorus Ltd. in the Subsidiary Company at 31.03.2013	% 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 year ended as on 31.03.2013	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company as on 31.03.2012	Dealt within the accounts of United Phosphorus Ltd. for the subsidiary financial year ended as on 31.03.2013	
26	Cerexagri S.A.S.	31/03/2013	3	-	-	EUR 442,000	EUR 809,897	-	-
27	Aspen SAS	31/03/2013	37	-	-	-	-	-	-
28	Aspen Holding SAS	31/03/2013	3	-	-	EUR (300)	-	-	-
29	United Phosphorus Switzerland Limited.	31/03/2013	7	-	-	CHF (1,276)	CHF 63,603	-	-
30	Agrodan, ApS	31/03/2013	3	-	-	DKK 437,056	DKK 427,099	-	-
31	United Phosphorus Limited, Belgium S P R L	31/03/2013	3	-	-	EUR (9,658)	EUR (9,800)	-	-
32	Decco Italia SRL, Italy	31/03/2013	14	-	-	EUR 17,551	EUR 598,143	-	-
33	JSC United Phosphorus Limited, Russia	31/03/2013	3	-	-	Rbls 5,268,499	Rbls 719,593	-	-
34	United Phosphorus Inc., U.S.A. & Subsidiaries	31/03/2013	3.B	-	-	US \$ 10,506,000	US \$ 9,530,000	-	-
35	UPI Finance LLC	31/03/2013	32.B	-	-	-	-	-	-
36	Cerexagri, Inc. (PA)	31/03/2013	33.B	-	-	-	-	-	-
37	Cerexagri Delaware, Inc., USA	31/03/2013	32.B	-	-	-	-	-	-
38	Canegrass LLC, USA	31/03/2013	16.B	-	-	-	-	-	-
39	Decco US Post-Harvest Inc (US)	31/03/2013	14	-	-	US\$ 1,108,270	US\$ 2,014,142	-	-
40	Riceco LLC	31/03/2013	32.B	-	-	-	-	-	-
41	Riceco International Inc	31/03/2013	35	-	-	US \$ 8,291,000	US \$ 9,986,276	-	-
42	Bio-win Corporation Limited, Mauritius	31/03/2013	-	836,000 shares	100	US \$ 26,326,732	US \$ 33,465,710	US \$ 1,000,000	US \$ 4,000,000
43	Uniphos Limited, Mauritius	31/03/2013	2	-	-	US \$ 36,441,789	US \$ 29,381,943	-	-
44	United Phosphorus Limited, Gibraltar	31/03/2013	35	-	-	US\$ 14,949,025	US\$ 27,291,048	-	-
45	Uniphos Limited, Gibraltar	31/03/2013	25	-	-	US \$ 53,532,678	US \$ 29,381,943	-	-
46	United Phosphorus de Mexico, S.A. de C.V.	31/03/2013	19	-	-	Mex. Pesos 10,871,351	Mex. Pesos 4,684,887	-	-
47	Decco Jifkins Mexico Sapi	31/03/2013	29	-	-	Mex. Pesos (468,821)	Mex. Pesos (854,307)	-	-
48	United Phosphorus do Brasil Ltda	31/03/2013	40	-	-	BRL 108,000	BRL (64,272)	-	-

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

Sr. No.	Name of the Subsidiary Company	Financial Year	Note No	No. of Shares held by United Phosphorus Ltd. in the Subsidiary Company at 31.03.2013	% 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 31.03.2013	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company as on 31.03.2012	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company as on 31.03.2012	Dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company as on 31.03.2012	
49	Uniphos Indústria e Comercio de Produtos Químicos Ltda.	31/03/2013	20	-	-	BRL (30,674,983)	BRL (36,471,908)	-	-	
50	United Phosphorus Indústria E Comércio de Produtos Químicos Ltda.	31/03/2013	21	-	-	BRL (6,456,695)	BRL (898,428)	-	-	
51	UPL do Brasil Indústria e Comércio de Insumos Agropecuários S.A. (Formerly known as DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A.)	31/03/2013	22,C	-	-	BRL (1,611,000)	BRL (2,366,280)	-	-	
52	Cerexagri Costa Rica, S.A.	31/03/2013	17	-	-	CRC (137,223,467)	CRC (341,526,326)	-	-	
53	UP Bolivia S.A.	31/03/2013	30	-	-	BOB. (993,372)	BOB. (272,311)	-	-	
54	Icona Sanluis S A - Argentina	31/03/2013	18	-	-	ARS 767,250	ARS 34,287	-	-	
55	DVA Technology Argentina	31/03/2013	23,C	-	-	-	-	-	-	
56	Icona S A - Argentina	31/03/2013	28	-	-	ARS (17,859,106)	ARS (20,941,506)	-	-	
57	Decco Chile SpA	31/03/2013	14	-	-	CLP. (35,968,248)	CLP. (1,438,749)	-	-	
58	UPL Colombia S.A.S (Formerly known as Evofarms Colombia SA)	31/03/2013	41	-	-	COP. (1,068,736,063)	COP. 538,320,584	-	-	
59	United Phosphorus Cayman Limited	31/03/2013	2	-	-	US \$ 5,449,314	US \$ (2,831,120)	-	-	
60	UP Aviation Limited	31/03/2013	35	-	-	US \$ 1,185,075	US \$ (184,848)	-	-	
61	United Phosphorus Limited, Australia	31/03/2013	2	-	-	AUS \$ 298,175	AUS \$ 724,510	-	-	
62	United Phosphorus Limited, New Zealand	31/03/2013	2	-	-	NZD 39,511	NZD 48,841	-	-	
63	United Phosphorus (Shanghai) Company Limited	31/03/2013	36,E	-	-	-	-	-	-	
64	United Phosphorus (Korea) Limited	31/03/2013	15	-	-	Won 46,651,451	Won (220,248,684)	-	-	
65	United Phosphorus (Taiwan) Limited	31/03/2013	2	-	-	TWD (311,927)	TWD (463,616)	-	-	
66	PT. United Phosphorus Indonesia	31/03/2013	4	-	-	IDR (1,353,453,109)	IDR 605,810,623	-	-	
67	PT Catur Agrodarya Mandiri, Indonesia	31/03/2013	34	-	-	IDR (2,455,267,365)	IDR (255,088,782)	-	-	
68	United Phosphorus Limited, Hongkong	31/03/2013	2,E	-	-	US \$ 1,456,470	US \$ 1,464,446	-	-	
69	United Phosphorus Corp. Philippines	31/03/2013	5	-	-	PHP. (423,451)	PHP. (55,838)	-	-	

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

Sr. No.	Name of the Subsidiary Company	Financial Year	Note No.	No. of Shares held by United Phosphorus Ltd. in the Subsidiary Company at 31.03.2013	% holding in Subsidiary 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 year ended as on 31.03.2013	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company as on 31.03.2012	Net aggregate of Profits / (Losses) of the Subsidiary company so far as it concerns the members of the company :
70	United Phosphorus Vietnam Co., Limited	31/03/2013	2	-	-	VND 20,478,600,000	VND 15,803,953,000	-
71	United Phosphorus Limited, Japan	31/03/2013	2	-	-	Yen (16,211,074)	Yen 11,596,197	-
72	Anning Decco Fine Chemical Co. Limited, China	31/03/2013	27	-	-	RMB 1,806,294	RMB (1,644,756)	-
73	UPL Agromed Tohumculuk Sanayi ve Ticaret	31/03/2013	26	-	-	TRY 2,665,448	TRY 1,430,805	-
74	Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey	31/03/2013	31	-	-	TRY 3,259,291	TRY 1,683,554	-
75	Safepack Products Limited	31/03/2013	14	-	-	ILS 3,259,000	ILS 3,497,484	-
76	Citrashine (Pty) Ltd, South Africa(formerly known as Friedshelf 1114 (Pty) Ltd)	31/03/2013	14	-	-	ZAR 774,089	ZAR (1,276,170)	-
77	Friedshelf 1114 (Pty) Ltd (formerly known as Citrashine (Pty) Ltd, South Africa)	31/03/2013	10	-	-	ZAR (1,543,859)	ZAR 6,024,621	-
78	Prolong Limited	31/03/2013	24.D	-	-	ILS (302,000)	-	-
79	Blue star BV	31/03/2013	5	-	-	-	-	-
80	United Phosphorus Holding, Brazil Plus B.V.(Refer Note : 1)	31/03/2013	-	-	-	EUR (9,001)	EUR (9,299)	-
81	Global Chem Trade Corp., Panama (Refer Note : 1)	31/03/2013	-	-	-	US \$ (4,307,176)	US \$ 15,315	-
82	Eddyville Consultants Group, Inc. Panama (Refer Note : 1)	31/03/2013	-	-	-	US \$ (140,423)	US \$ (5,000)	-
83	United Phosphorus Limited de Guatemala (Refer Note : 1)	31/03/2013	-	-	-	-	-	-
84	Jiangsu Kaznam Chemical Group.,Panama (Refer Note : 1)	31/03/2013	-	-	-	US \$ 9,966	US \$ (3,500)	-
87	Samrod Chemicals (Pty) Ltd (Refer Note : 1)	31/03/2013	-	-	-	ZAR (81,461)	ZAR (3,160,450)	-
88	United Phosphorus Italy S.R.L.(Refer note : 2)	31/03/2013	-	-	-	-	EUR 93,004	-
85	Evo farms S.A. - Colombia (Refer Note : 3)	31/03/2013	-	-	-	-	COP. 88,249,174	-
86	United Phosphorus Limited, Colombia (Refer Note : 3)	31/03/2013	-	-	-	-	-	-

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

Sr. No.	Name of the Subsidiary Company	Financial Year	Note No.	No. of Shares held by United Phosphorus Ltd. in the Subsidiary Company at 31.03.2013	% holding in Subsidiary 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 financial year ended as on 31.03.2013	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company as on 31.03.2012	Dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company as on 31.03.2012
93	United Phosphorus Limited Mauritius. (Refer note 4)	31/03/2013	-	-	-	US \$ (802,478)	-	-
90	Phoenix Environmental Care (Refer note 5)	31/03/2013	-	-	-	US \$ (168,342.30)	-	-
89	United Phosphorus Limited, Zambia (Refer note 6)	31/03/2013	-	-	-	ZMK (33,875,696)	-	-
91	United Phosphorus Sole Partner Limited, Greece (Refer note 6)	31/03/2013	-	-	-	US \$ (5208)	-	-
92	Samma International S.R.L., Italy (Refer note 6)	31/03/2013	-	-	-	EUR (156,250)	-	-

- 1 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
- 2 All the shares of the Company are held by Bio-win Corporation Limited.
- 3 All the shares of the Company are held by United Phosphorus Limited, U.K.
- 4 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.
- 5 All the shares of the Company are held by United Phosphorus Holdings B.V.
- 6 99% shares of the Company are held by Bio-win Corporation Limited and 1% shares of the Company are held by Uniphos Limited, Mauritius
- 7 All the shares of the Company are held by United Phosphorus Holdings Cooperatief U.A.
- 8 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 .
- 9 All the shares of the Company are held by Decco Worldwide Post-Harvest Holdings Cooperatief U.A.
- 10 All the shares of the Company are held by Citrashine (Pty) Ltd, South Africa (formerly known as Friedshelf 1114 (Pty) Ltd)
- 11 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 Cereagri Iberica S.A.U.
- 12 All the shares of the Company are held by Transterra Invest, S. L. U.
- 13 All the shares of the Company are held by Compania Espanola Industrial Quimica de Productos Agricolas y Domesticos, S.A.
- 14 All the shares of the Company are held by Decco Worldwide Post-Harvest Holdings B.V.

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

15	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.
16	70% shares of the company are held by United Phosphorus Inc.
17	All the shares of the Company are held by Cerexagri B.V.
18	All the shares of the Company are held by Icona S.A.
19	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.
20	All the shares of the Company are held by United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.).
21	All the shares of the Company are held by Uniphos Empreendimentos E Participações Ltda, Brazil.
22	51% shares of the company are held by United Phosphorus Empreendimentos E Participações Ltda, Brazil.
23	All the shares of the Company are held by UPL do Brasil Industria e Comércio de Insumos Agropecuários S.A. (Formerly known as DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A.)
24	50% shares of the company are held by Safepack Products Limited.
25	All the shares of the Company are held by United Phosphorus Switzerland Limited
26	51% shares of the company are held by United Phosphorus Holdings Cooperatief U.A.
27	55% shares of the Company are held by Decco Worldwide Post-Harvest Holdings B.V.
28	68% shares of the Company are held by United Phosphorus Limited, UK and 32% shares of the Company are held by Transterra Invest.
29	51% shares of the Company are held by Decco Worldwide Post-Harvest Holdings B.V.
30	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
31	99% shares of the Company are held by Cerexagri B.V. and 1% shares of the Company are held by Cerexagri S.A
32	All the shares of the company are held by United Phosphorus Inc.
33	All the shares of the Company are held by Cerexagri Delaware, Inc.
34	93.38 % shares of the Company are held by Bio-win Corporation Limited & 6.62 % by United Phosphorus Limited, Australia
35	All the shares of the Company are held by Uniphos Limited, Mauritius
36	All the shares of the Company are held by United Phosphorus Limited, Hongkong.
37	All the shares of the Company are held by Cerexagri S.A.S., France
38	All the shares of the Company are held by SD Agrichem (Netherlands) B.V.
39	All the shares of the Company are held by Agrichem B.V.
40	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.
41	88.94% shares of the Company are held by Transterra Invest, S. L. U., Spain, and 5.53% by United Phosphorus Limited, U.K. shares and 5.53% by Bio-win Corporation Limited, Mauritius.

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

A	Compania Espanola Industrial Quimica de Productos Agricolas y Domesticos, S.A. results include the results of Desarrollo Quimico Industrial,S.A. Spain ; Agricultural, S.A.; and Fosfonia, S.L.
B	United Phosphorus Inc., U.S.A. results include the results of Cerexagri Delaware, Inc.; Cerexagri Inc. and Canegrass LLC, Riceco LLC & UPI Finance LLC.
C	UPL do Brasil Industria e Comércio de Insumos Agropecuários S.A. (Formerly known as DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A.) results include the result DVA Technology Argentina
D	Safepack Products Ltd . results includes result of Prolong Ltd
E	United Phosphorus Limited, Hongkong results include the results of United Phosphorus (Shanghai) Company Limited
Note:	
1	Subsidiaries Dissolved during the year.
2	During the year, United Phosphorus Italy S.R.L. was merged with Cerexagri Italia S.R.L..
3	During the year, United Phosphorus Limited, Colombia & Evofarms S.A. - Colombia was merged with UPL Colombia S.A.S (Formerly known as Evofarms Colombia SA)
4	Previous year, United Phosphorus Ltd Mauritius was merged with Holding Company.
5	Previous year, Phoenix Environmental Care LLC was acquired and subsequently merged with United Phosphorus Inc.
6	Subsidiaries dissolved during the year.

R.D. SHROFF

Chairman and Managing Director

A.C. ASHAR

Whole-time Director

M.B. TRIVEDI

Company Secretary

Place: Mumbai

Date: 25th April, 2013

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of United Phosphorus Limited

We have audited the accompanying consolidated financial statements of United Phosphorus Limited ("the Company") and its subsidiaries, associates and the joint venture companies (together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, 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, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

OTHER MATTER

We did not audit the financial statements of certain subsidiaries and joint ventures, 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.746,915 Lacs as at March 31, 2013 and the total revenue from operations of Rs. 546,823 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 and joint ventures 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.

For S.V. Ghatalia & Associates LLP

Chartered Accountants

Firm's Registration Number: 103162W

per Sudhir Soni

Partner

Membership Number: 41870

Place of Signature: Mumbai

Date: April 25, 2013

Consolidated Balance Sheet as at 31 March 2013

	NOTES	31 -Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Equity and liabilities			
Shareholders' funds			
Share capital	3	8,852	9,236
Reserves and surplus	4	455,670	408,075
		464,522	417,311
Minority Interest		23,423	24,990
Non-current liabilities			
Long-term borrowings	5	281,232	237,721
Deferred tax liabilities	13	11,703	9,395
Other long-term liabilities	6	39,454	30,086
Long-term provisions	7	5,140	5,084
		337,529	282,286
Current liabilities			
Short-term borrowings	8	111,470	77,029
Trade payables		211,755	150,350
Other current liabilities	9	70,573	67,582
Short-term provisions	7	26,034	17,342
		419,832	312,303
	TOTAL	1,245,306	1,036,890
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	132,171	126,131
Intangible assets	11	216,750	196,163
Capital work-in-progress		24,509	13,383
Intangible assets under development		13,253	17,182
Non-current investments	12	74,145	66,952
Deferred tax assets	13	13,008	9,968
Long-term loans and advances	14	26,909	25,978
Trade receivables	15.1	812	6,129
		501,557	461,886
Current assets			
Current investments	16	28,370	12,500
Inventories	17	206,870	187,786
Trade receivables	15.1	268,499	244,534
Cash and bank balances	18	154,823	70,018
Short-term loans and advances	14	78,615	52,857
Other current assets	15.2	6,572	7,309
		743,749	575,004
	TOTAL	1,245,306	1,036,890
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 LLP
Firm registration number:103162W
Chartered Accountants

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

per Sudhir Soni
Partner
Membership no.: 41870

R.D.Shroff
Chairman & Managing Director

A.C.Ashar
Whole-time Director

S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 25th April, 2013

Place: Mumbai
Date: 25th April, 2013

Consolidated Statement of Profit and Loss for the year ended 31 March 2013

	NOTES	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Income			
Revenue from operations (net)	19	919,452	767,132
Other income	20	9,995	9,233
Total revenue		929,447	776,365
Expenses			
Cost of material and components consumed		468,736	405,800
Employee benefits expense		85,262	68,296
Other expenses	21	199,271	154,635
Total		753,269	628,731
Profit before interest, tax, depreciation and amortization, exceptional items, prior period adjustments and taxation		176,178	147,634
Depreciation and amortization expense	22	35,372	29,238
Finance costs	23	42,896	41,464
Profit before exceptional item, prior period adjustments and taxation		97,910	76,932
Prior period adjustments (Refer Note: 31)	24	2,018	2,217
Exceptional items	25	1,504	1,845
Profit before taxation		94,388	72,870
Tax expenses			
Current tax		22,134	11,679
Minimum alternative tax credit entitlement		-	(192)
Tax effect of earlier year		(84)	377
Deferred tax		(1,733)	937
Total tax expense		20,317	12,801
Profit after tax but before minority interest for the year		74,071	60,069
Minority interest		(156)	535
Profit after tax and minority interest for the year		74,227	59,534
Profit / (Loss) from associates		3,601	(3,512)
Prior period adjustments-associate (Refer Note: 30)		(368)	(467)
Net profit for the year		77,460	55,555
Earnings per equity share	29		
Basic & diluted earning per share after exceptional items (Rs.)		17.12	12.03
Basic & diluted earning per share before exceptional Items (Rs.)		17.46	12.43
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 LLP
Firm registration number:103162W
Chartered Accountants

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

per Sudhir Soni
Partner
Membership no.: 41870

R.D.Shroff
Chairman & Managing Director
S.Krishnan
Chief Financial Officer

A.C.Ashar
Whole-time Director

Place: Mumbai
Date: 25th April, 2013

Place: Mumbai
Date: 25th April, 2013

Consolidated Cash flow statement for the year ended 31 March 2013

Sl. No.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-13		FOR THE YEAR ENDED 31-Mar-12	
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
A	Cash Flow from Operating Activities				
	Profit Before Taxation, Prior Period And Exceptional Items		97,910		76,932
	Adjustments for:				
	Depreciation & Amortization expense	35,372		29,238	
	Finance Costs	42,896		41,464	
	Provision for Doubtful Debts and Advances	11,517		1,407	
	Assets written off	561		1,041	
	Bad Debts Written Off	1,149		1,015	
	Provisions for Diminution in Value of Long-Term Investments	70		174	
	(Profit) / Loss on sale of assets (Net)	(2,530)		82	
	Interest Income	(5,204)		(5,092)	
	Manufacturing Expenses Capitalised	(133)		(103)	
	Exchange Difference & Finance charges	-		0	
	Excess Provisions in respect of earlier years Written Back (net)	(2,556)		(1,660)	
	Profit on sale/ liquidation of subsidiaries/joint ventures	(67)		(556)	
	Net gain on Sale of Current Investments	(1,613)		(656)	
			79,462		66,354
	Operating Profit before Working Capital Changes		177,372		143,286
	Adjustments for :				
	Decrease / (increase) in inventories	(11,142)		(29,378)	
	Decrease / (increase) in trade receivables	(26,102)		(76,002)	
	Decrease / (increase) in other current assets	967		3,897	
	Decrease / (increase) in long term & short term loans & advances	(8,613)		(9,951)	
	(Decrease) / increase in trade payables	56,677		13,983	
	(Decrease) / increase in long term & short term provisions	1,684		4,289	
	(Decrease) / increase in other liabilities	(3,038)		(19,549)	
	Cash Generated from Operations		10,433		(112,711)
			187,805		30,575
	Taxes (Paid) / Refund				
	Cash Flow Before Prior Period & Exceptional Items		(14,384)		(12,421)
	Exceptional Items		173,421		18,154
	Prior Period Adjustments		(1,504)		(1,845)
	Net Cash from/(used in) Operating Activities		(1,994)		(113)
			169,923		16,196
B	Cash flow from Investing Activities				
	Purchase of Fixed Assets		(47,618)		(56,886)
	Sale of Fixed Assets		3,046		232
	Acquisition of Subsidiaries		(2,654)		(17,428)
	Proceeds from sale of Subsidiaries/Joint ventures		72		150
	Acquisition/Investment in Associates		(2,597)		(19,552)
	Purchase of Investments		(21,840)		(73,384)
	Sale of Investments		4,462		84,124
	Sundry Loans		(20,767)		(18,667)
	Fixed deposit and margin money		(72)		28,488
	Dividend Received		-		-
	Income from Current Investment		1,522		1,447
	Interest Income		4,975		5,491
	Net cash from / (used in) Investing activities		(81,471)		(65,985)

Consolidated Cash flow statement for the year ended 31 March 2013

Sl. No.	PARTICULARS	FOR THE YEAR ENDED 31-Mar-13		FOR THE YEAR ENDED 31-Mar-12	
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
C	Cash Flow from Financing Activities				
	Borrowings (Net)		63,716		21,797
	Interest paid and other financial charges		(33,790)		(27,825)
	Dividend paid to Minority Shareholders by subsidiary		(928)		(862)
	Dividends Paid		(11,475)		(9,201)
	Tax on distributed Profits		(1,869)		(1,498)
	Buy-back of shares		(22,348)		-
	Expenses on buy-back of shares		(109)		-
	Debenture Issue Expenses		(396)		(231)
	Net Cash from Financing Activities		(7,199)		(17,820)
D	Exchange Difference arising on conversion debited to Foreign Currency Translation Reserve		(972)		(4,995)
	Net Increase in Cash and Cash Equivalents (A +B + C+D)		80,281		(72,604)
	Cash and Cash Equivalents as at the Beginning of the Year		82,269		151,849
	Add: Cash and Cash Equivalents on acquisition of subsidiary		5,952		3,024
	Cash and Cash Equivalents as at the Close of the Year		168,502		82,269
	Note :				
	Cash and Cash Equivalents as at the year end includes:				
	Cash and Bank Balances as per Balance sheet *		154,823		70,018
	Less: in Fixed Deposit account		40		-
	Less: Margin Money		281		249
			154,502		69,769
	Add: Short-term investments		14,000		12,500
			168,502		82,269

* Bank balances include unclaimed dividend of Rs. 220 lacs(Previous Year: Rs. 171 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 LLP
Firm registration number:103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 25th April, 2013

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

R.D.Shroff
Chairman & Managing Director

S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 25th April, 2013

A.C.Ashar
Whole-time Director

Notes to Consolidated financial statements for the year ended 31 March 2013

1 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.

2 CONSOLIDATION

- (a) The consolidated financial statements comprise of the financial statements of United Phosphorus Limited (hereinafter referred to as "the Holding Company") its subsidiaries, associates and joint venture companies (hereinafter referred as "the Group") other than joint venture company referred to in note 2(b) below.
- (b) Proportionate consolidation in respect of investment in Joint Venture Company, United Phosphorus Limited, Bangladesh has not been considered in the consolidated financial statements, the effect of which is not expected to be material to the Group.
- (c) UPL Investment Private Limited, a subsidiary of Holding Company as per the definition under the Companies Act, 1956, incorporated in India has been considered as an associate as per the definition of Accounting Standard (AS)-23 Accounting for investment in associates in consolidated financial statement.
- (d) The list of subsidiaries, associates and joint venture 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-Mar-13 % of Group Holding	31-Mar-12 % of Group Holding
1	Shroffs United Chemicals Limited		India	100%	100%
2	SWAL Corporation Limited		India	100%	100%
3	United Phosphorus (India) LLP		India	100%	100%
4	United Phosphorus Global LLP		India	100%	100%
5	United Phosphorus Limited		United Kingdom	100%	100%
6	United Phosphorus GMBH		Germany	100%	100%
7	United Phosphorus Polska Sp.z o.o		Poland	100%	100%
8	AgriChem B.V.	@	Netherlands	100%	-
9	SD Agchem (Netherlands) B.V.	@	Netherlands	100%	-
10	Agricultural Chemicals N.V.	@	Netherlands	100%	-
11	AgriChem Polska Sp.Z.O.O.	@	Poland	100%	-
12	AgriChem Helvetia GmbH.,	@	Switzerland	100%	-
13	Cerexagri B.V.		Netherlands	100%	100%
14	United Phosphorus Holdings Cooperatief U.A.		Netherlands	100%	100%
15	United Phosphorus Holdings B.V.		Netherlands	100%	100%
16	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.		Netherlands	100%	100%
17	Decco Worldwide Post-Harvest Holdings B.V.		Netherlands	100%	100%
18	United Phosphorus Holding, Brazil B.V.		Netherlands	100%	100%
19	United Phosphorus Holding, Brazil Plus B.V.	#	Netherlands	100%	100%
20	Desarrollo Quimico Industrial, S.A.		Spain	100%	100%
21	Cerexagri Italia S.R.L.		Italy	100%	100%
22	United Phosphorus Italy S.R.L.	#1	Italy	100%	100%
23	Compania Espanola Industrial Quimica de Productos Agrícolas Y Domesticos, S.A.U.		Spain	100%	100%
24	Agrindustrial, S.A.		Spain	100%	100%
25	Phosfonia, S.L.		Spain	100%	100%

Notes to Consolidated financial statements for the year ended 31 March 2013

2 | CONSOLIDATION

I Subsidiaries (Contd.)

Sr. No.	Name of the Subsidiary		Country of Incorporation	31-Mar-13 % of Group Holding	31-Mar-12 % of Group Holding
26	Decco Iberica Postcosecha, S.A.U. (formerly Cerexagri Iberica)		Spain	100%	100%
27	Transterra Invest, S. L. U.		Spain	100%	100%
28	Cerexagri S.A.S.		France	100%	100%
29	Aspen S.A.S	**	France	100%	-
30	Aspen Holding S.A.S	**	France	100%	-
31	United Phosphorus Switzerland Limited		Switzerland	100%	100%
32	Agrodan, ApS		Denmark	100%	100%
33	United Phosphorus Limited, Belgium S P R L		Belgium	100%	100%
34	Decco Italia SRL		Italy	100%	100%
35	JSC United Phosphorus Limited		Russia	100%	100%
36	United Phosphorus Inc.		USA	100%	100%
37	Cerexagri, Inc. (PA)		USA	100%	100%
38	Cerexagri Delaware, Inc.		USA	100%	100%
39	Canegrass LLC		USA	70%	70%
40	Decco US Post-Harvest Inc		USA	100%	100%
41	RiceCo LLC		USA	100%	100%
42	Riceco International, Inc.		Bahamas	100%	100%
43	UPI Finance LLC		USA	100%	100%
44	Bio-win Corporation Limited		Mauritius	100%	100%
45	Uniphos Limited		Mauritius	100%	100%
46	United Phosphorus Limited		Gibraltar	100%	100%
47	Uniphos Limited		Gibraltar	100%	100%
48	United Phosphorus de Mexico, S.A. de C.V.		Mexico	100%	100%
49	Decco Jifkins Mexico Sapi		Mexico	51%	51%
50	Global Chem Trade Corp.(upto 10th January, 2013)	#	Panama	100%	100%
51	United Phosphorus do Brasil Ltda		Brazil	100%	100%
52	Uniphos Indústria e Comércio de Produtos Químicos Ltda.		Brazil	100%	100%
53	United Phosphorus Indústria e Comércio de Produtos Químicos Ltda.		Brazil	100%	100%
54	Upl do Brasil Indústria e Comércio de Insumos Agropecuários S.A. (Formerly known as DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A.)		Brazil	51%	51%
55	DVA Technology Argentina S.A.		Argentina	51%	51%
56	United Phosphorus de Colombia Limited (upto 30th November, 2012)	#2	Colombia	100%	100%
57	Eddyville Consultants Group, Inc. (upto 18th March, 2013)	#	Panama	100%	100%
58	Cerexagri Costa Rica, S.A.		Costa Rica	100%	100%
59	United Phosphorus Limited de Guatemala S.A (upto 8th March, 2013)	#3	Guatemala	100%	100%
60	Jiangsu Kaznam Chemical Group. (upto 18th March, 2013)	#	Panama	100%	100%
61	United Phosphorus Bolivia S.R.L		Bolivia	100%	100%
62	Icona Sanluis S A		Argentina	100%	100%

Notes to Consolidated financial statements for the year ended 31 March 2013

2 | CONSOLIDATION (Contd.)

I Subsidiaries (Contd.)

Sr. No.	Name of the Subsidiary		Country of Incorporation	31-Mar-13 % of Group Holding	31-Mar-12 % of Group Holding
63	Icona S A		Argentina	100%	100%
64	Decco Chile SpA		Chile	100%	100%
65	UPL Colombia S.A.S (Formerly known as Evofarms Colombia SA)		Colombia	100%	100%
66	Evofarms S.A. (upto 30th November,2012)	#2	Colombia	100%	100%
67	United Phosphorus Cayman Limited		Cayman Islands	100%	100%
68	UP Aviation Limited		Cayman Islands	100%	100%
69	United Phosphorus Limited		Australia	100%	100%
70	United Phosphorus Limited		New Zealand	100%	100%
71	United Phosphorus (Shanghai) Company Limited		China	100%	100%
72	United Phosphorus (Korea) Limited		Korea	100%	100%
73	United Phosphorus (Taiwan) Limited		Taiwan	100%	100%
74	PT. United Phosphorus Indonesia		Indonesia	100%	100%
75	PT Catur Agrodaya Mandiri		Indonesia	100%	100%
76	United Phosphorus Limited		Hong Kong	100%	100%
77	United Phosphorus Corp		Philippines	100%	100%
78	United Phosphorus Vietnam Co., Limited		Vietnam	100%	100%
79	United Phosphorus Limited, Japan		Japan	100%	100%
80	Anning Decco Fine Chemical Co. Limited		China	55%	55%
81	Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi		Turkey	100%	100%
82	UPL Agromed Tarim Ilaclari ve Tohumculuk Sanayi ve Ticaret A.S.		Turkey	51%	51%
83	Safepack Products Limited		Israel	100%	100%
84	Citrashine (Pty) Ltd (Formerly Friedshelf 1114 (Pty) Ltd)		South Africa	100%	100%
85	Friedshelf 1114 (Pty) Ltd (Formerly Citrashine (Pty) Ltd)		South Africa	100%	100%
86	Samrod Chemicals (Pty) Ltd (upto 31st March, 2013)	#	South Africa	100%	100%
87	Pro Long Limited		Israel	50%	50%
88	Blue Star B.V.	**	Netherlands	100%	-

** Subsidiaries incorporated during the year

@ Subsidiaries acquired during the year

Subsidiaries dissolved during the year

#1 During the year, United Phosphorus Italy S.R.L. was merged with Cerexagri Italia S.R.L.

#2 During the year, Evofarms S.A and United Phosphorus de Colombia Limited were merged in UPL Colombia S.A.S (Formerly known as Evofarms Colombia S.A)

#3 During the year, United Phosphorus Limited de Guatemala S.A ceased to be a subsidiary

Notes to Consolidated financial statements for the year ended 31 March 2013

2 | CONSOLIDATION (Contd.)

II Associates

Sr. No.	Associate Companies		Country of Incorporation	31-Mar-13 % of Group Holding	31-Mar-12 % of Group Holding
1	Advanta India Limited		India	49.81%	49.85%
2	Advanta Finance B.V.		Netherlands	*	*
3	Advanta International B.V.		Netherlands	*	*
4	Advanta Netherlands Holding 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%	50.00%
19	Agrinet Solutions Limited		India	49.98%	49.98%
20	Kerala Enviro Infrastructure Limited		India	27.52%	27.52%
21	UPL Investment Private Limited		India	66.67%	66.67%
22	Nedab ApS	#	Denmark	50.00%	-
23	Kapchem (Ireland) Limited	#	Ireland	50.00%	-
24	Polycot Technologies 2010 Ltd		Israel	20.00%	20.00%

* These are 100% Subsidiaries of Advanta India Limited

** This is 70% step-down Subsidiary of Advanta India Limited

Associates acquired during the year

@ During the year ended March 31, 2013 Unicorn Seeds Private Limited was merged with Advanta India Limited

III Joint Venture

Sr. No.	Joint Venture Company	Country of Incorporation	31-Mar-13 % of Group Holding	31-Mar-12 % of Group Holding
1	Hodogaya UPL Co. Limited	Japan	40.00%	40.00%

Notes to Consolidated financial statements for the year ended 31 March 2013

2 | CONSOLIDATION (Contd.)

(e) 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. 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 and joint venture company's like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits / losses on intra-group transactions.

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.

- (f) 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 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
- (g) The financial statements of each of the subsidiary, associate and joint venture, other than Advanta Group, SIPCAM UPL Brasil S.A., Nadab Aps and Kapchem (Ireland) Limited are drawn upto the same reporting date i.e year ended March 31, 2013, and have been used for the purpose of consolidation. The audited consolidated financial statements of Advanta Group for the year ended December 31, 2012 and audited financial statements of SIPCAM UPL Brasil S.A, Nedab Aps and Kapchem (Ireland) Limited for year ended December 31, 2012 have been used for the purpose of consolidation.
- (h) 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)
- (i) 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 monthly average rate of exchange.
 - (3) Exchange difference arising on translation of financial statements as specified above is recognised in the Foreign Currency Translation Reserve.
- (j) Goodwill arising on consolidation is tested for impairment as at the balance sheet date.

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 any company in the Group, the same, as disclosed in the audited financial statements of the said company, has been reproduced, if material.

Notes to Consolidated financial statements for the year ended 31 March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(a) Tangible fixed assets and depreciation:

1) 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.

2) Depreciation:

(i) Leasehold land :

United Phosphorus Limited (India) :

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.

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

Sr. No.	Name of the Company and Description of Assets	Method	Useful Life of Assets/ Depreciation rates	Proportion to Gross Block
1.	<u>United Phosphorus Limited, India</u>			
	Gas Turbine Engine in Power Plant	S.L.M.	16.67%	0.66%
	Membrane used in Caustic Chlorine Plant	S.L.M.	20.00%	0.24%
	Hot Section in Power Plant	S.L.M.	33.33%	0.35%
	Other Assets	*	*	51.64%
2.	<u>Cerexagri B.V., Netherlands</u>			
	Buildings	S.L.M.	18-30 Years	
	Machinery and Equipment	S.L.M.	10-15 Years	10.98%
	Other Assets	S.L.M.	3-10 Years	
3.	<u>Cerexagri S.A.S., France</u>			
	Buildings	S.L.M.	20 Years	
	Plant and Machinery	S.L.M.	10 Years	
	Motor Vehicles	S.L.M.	5 Years	8.85%
	Office Materials	S.L.M.	3 - 5 Years	
4.	<u>Upl do Brasil Industria e Comércio de Insumos Agropecuários S.A.</u>			
	Buildings	S.L.M.	4%	
	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%	3.53%

Notes to Consolidated financial statements for the year ended 31 March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(iii) Other Assets (Contd.)

Sr. No.	Name of the Company and Description of Assets	Method	Useful Life of Assets/ Depreciation rates	Proportion to Gross Block
5.	<u>United Phosphorus Limited, U.K.</u>			
	Freehold Buildings	S.L.M.	50 Years	2.96%
	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	<u>UP Aviation Limited</u>			
	Aircraft	S.L.M.	7.70%	2.31%
7	<u>AgriChem B.V.</u>			
	Buildings	S.L.M.	5 Years	2.27%
	Machinery and Equipments	S.L.M.	5 - 10 Years	
	Other Assets	S.L.M.	5 years	
8.	<u>Desarrollo Quimico Industrial S.A.</u>			
	Buildings	S.L.M.	50 Years	1.5%
	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 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.

(b) Intangible Assets and Amortisation:

1) Intangible Assets:

Intangible assets are stated at cost less accumulated amortisation.

2) 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.

Notes to Consolidated financial statements for the year ended 31 March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (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 88% of the total finished goods and semi-finished goods inventory as at March 31, 2013, 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 receivables 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.

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 Group'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

Notes to Consolidated financial statements for the year ended 31 March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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.

(iii) Applicable net gain/loss on foreign currency loans given/taken together with related derivative instruments is included as 'exchange difference (net)' under the head 'finance costs'.

(i) 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.

(j) Retirement Benefits:

1. United Phosphorus Limited (India) and SWAL Corporation Limited

(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").

(ii) Actuarial gains/ losses are recognised immediately to the statement of profit and loss .

3. 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.

Notes to Consolidated financial statements for the year ended 31 March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(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) **Segment Reporting Policies**

The Group'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

Notes to Consolidated financial statements for the year ended 31 March 2013

2.1 | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

of geographical segments is based on the areas in which major operating divisions of the Group operate. The Group 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 Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

r) 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.

(s) 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 outflow 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.

3 | SHARE CAPITAL

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Authorised shares		
1,27,50,00,000 (Previous Year: 1,27,50,00,000) Equity Shares of Rs.2 each	25,500	25,500
1,40,00,00,000 (Previous Year: 1,40,00,00,000) Preference Shares of Rs.100 each	14,000	14,000
50,00,00,000 (Previous Year: 50,00,00,000) Preference Shares of Rs.10 each	500	500
	40,000	40,000
Issued, subscribed and fully paid-up shares		
44,26,04,274 (Previous Year: 46,18,04,274) Equity Shares of Rs. 2 each fully paid-up	8,852	9,236
Total issued, subscribed and fully paid-up share capital	8,852	9,236

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

Equity shares

	31-Mar-13		31-Mar-12	
	No. Lacs	Rs. Lacs	No. Lacs	Rs. Lacs
At the beginning of the year	4,618	9,236	4,618	9,236
Buy back during the year (Refer note 40)	192	384	-	-
Outstanding at the end of the year	4,426	8,852	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. During the year ended 31st March, 2013, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 2.50 (31st March, 2012: Rs. 2.50)

Notes to Consolidated financial statements for the year ended 31 March 2013

3 | SHARE CAPITAL (Contd.)

(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-Mar-13 No. Lacs	31-Mar-12 No. Lacs
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	2,198	2,198
Equity shares bought back by the Company.	192	-

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

Name of the shareholders	AS AT 31-Mar-13		AS AT 31-Mar-12	
	No. Lacs	% holding in the class	No. Lacs	% holding in the class
Nerka Chemicals Private Limited	986	22.28	986	21.36
Uniphos Enterprises Limited	253	5.72	253	5.49

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.

4 | RESERVES AND SURPLUS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
1 Capital reserve		
Balance as per the last financial statements	16,176	16,272
Less: Foreign exchange adjustment	694	-
Add: Adjustment by associate Advanta India Limited on account of amalgamation of its subsidiary, Unicorn Seeds Private Limited	68	-
Add: Share of capital reserve created by associate Kerala Enviro Infrastructure Limited	110	-
Less: Transferred to statement of profit and loss on disposal/ liquidation of subsidiaries	-	96
Closing Balance	15,660	16,176
2 Capital redemption reserve		
Balance as per the last financial statements	3,312	3,312
Add: Adjustment by associate Advanta India Limited on account of amalgamation of its subsidiary, Unicorn Seeds Private Limited	12	-
	3,324	3,312
3 Securities premium		
Balance as per the last financial statements	131,212	131,711
Less: Adjustment on account of buy back of equity shares (Refer note 40)	21,964	-
Less: Expenses on buy back of equity shares (Refer note 40)	109	-
Less: Expenses incurred on issue of Debentures (net of tax)	268	156
Less: Adjustment by associate Advanta India Limited on account of amalgamation of its subsidiary, Unicorn Seeds Private Limited	2,459	-
Less: Expenses incurred by associates on issue of debentures	-	343
Closing Balance	106,412	131,212

Notes to Consolidated financial statements for the year ended 31 March 2013

4 RESERVES AND SURPLUS (Contd.)

	31-Mar-13		31-Mar-12	
	Rs. Lacs		Rs. Lacs	
4 Debenture redemption reserve				
Balance as per the last financial statements		10,789		10,680
Add: Amount transferred from surplus balance in the statement of profit and loss		4,763		4,359
Less: Amount transferred to surplus balance in the statement of profit and loss		3,375		4,250
Closing Balance		12,177		10,789
5 General reserve				
Balance as per the last financial statements		177,332		65,019
Add: Adjustment by associate Advanta India Limited on account of amalgamation of its subsidiary, Unicorn Seeds Private Limited		18		-
Add: Amount transferred from surplus balance in the statement of profit and loss		2,500		3,000
Add: Adjustment on account of amalgamation of the subsidiary company		-		109,313
Closing Balance		179,850		177,332
6 Foreign Currency Translation Reserve				
Balance as per the last financial statements		(25,496)		(28,660)
Add: Exchange difference in respect of non-integral foreign operation		8,271		3,164
Closing Balance		(17,225)		(25,496)
7 Surplus in the statement of profit and loss				
Balance as per last financial statements		94,750		165,035
Add: Profit for the year		77,460		55,555
Add: Adjustment by associate Advanta India Limited on account of amalgamation of its subsidiary, Unicorn Seeds Private Limited		71		-
Add: Debenture Redemption Reserve written back		3,375		4,250
Less: Appropriations:				
Interim Dividend on Equity Shares		-		9,236
Final Dividend on Equity Shares [net of excess provision of earlier year: Rs.21 lacs (Previous Year: Nil)]		11,044		2,309
Tax on equity dividend [net of excess provision of earlier year: Rs. 4 lacs (Previous Year: Nil)]		1,877		1,873
Adjustment on account of amalgamation of the subsidiary company		-		109,313
Transfer to debenture redemption reserve		4,763		4,359
Transfer to general reserve		2,500		3,000
Total appropriations		20,184		130,090
Net surplus in the statement of profit and loss		155,472		94,750
Total reserves and surplus		455,670		408,075

5 LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Debentures				
Unsecured Redeemable Non convertible Debentures (Refer Note a below)	140,000	110,000	-	13,500
Term loans				
Foreign currency loan from banks (Unsecured) (Refer Note b below)	139,133	120,833	23,217	3,321
Foreign currency loan from banks (Secured) (Refer Note c below)	1,700	6,271	4,154	5,975
From others (Secured) ((Refer Note d below)	-	-	-	1,131
From others (Unsecured) (Refer Note e below)	399	617	259	234
	281,232	237,721	27,630	24,161

Notes to Consolidated financial statements for the year ended 31 March 2013

5 | LONG-TERM BORROWINGS (Contd.)

	Non-current portion		Current maturities	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
The above amount includes				
Secured borrowings	1,700	6,271	4,154	7,106
Unsecured borrowings	279,532	231,450	23,476	17,055
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(27,630)	(24,161)
Net amount	281,232	237,721	-	-

a Unsecured Redeemable Non-Convertible Debentures

- (i) NCDs amounting to Rs. 30,000 lacs (Previous Year: Rs. Nil) are redeemable at par at the end of 10th year (Rs. 15,000 lacs) i.e June, 2022 and at the end of 7th year (Rs. 15,000 Lacs) i.e June, 2019 from the date of allotment.
- (ii) NCDs amounting to Rs. 25,000 lacs (Previous Year: Rs 25,000 lacs) 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.
- (iii) 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.
- (iv) 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.
- (v) 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 .
- (vi) NCDs amounting to Rs. Nil (Previous Year: Rs 13,500 lacs) were 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.
- (vii) NCDs mentioned above carry a coupon rate ranging from 9.50% to 10.70%.

b Foreign currency loan from banks (Unsecured)

- (i) Unsecured loan from banks bears interest at the rate between LIBOR + 2.1% to 2.7% amounting to Rs. 145,633 lacs (Previous year: Rs.116,135 lacs) i.e. repayable within 1-5 year is Rs.131,618 lacs (Previous Year : Rs. 72,906 lacs) and after five years Rs.14,015 Lacs (Previous Year Rs. 43,229 lacs).
- (ii) Unsecured loan from banks bears interest rate ranging from 8.94% to 12.6% amounting to Rs.16,717 lacs (Previous year: 8,019 lacs) repayable within 1-3 years.

c Foreign currency loan from banks (secured)

- (i) Foreign currency loan from banks includes Rs.5,250 lacs (Previous year : Rs.10,973 lacs) secured by way of collateral of accounts receivable and inventory carrying interest rate of 3.08%-19.98% per annum payable within 2-3 years.
- (i) Foreign currency loan from banks includes Rs.1,683 lacs (Previous year : Rs. 5,620 lacs) secured by way of collateral of Accounts receivable and Inventory carrying interest rate of 3.08%-19.98% per annum payable till October 2015.
- (ii) Foreign currency loan from banks includes Rs. 604 lacs (Previous year : 1,273 lacs) secured by way of collateral of Investment securities carrying interest rate of TIBOR + 1% per annum.

d From others (Secured)

- (i) External Commercial Borrowing from a Multilateral Financial Institution amounting to Rs. Nil (Previous Year: Rs 712 lacs) was secured by pari-passu first charge by way of hypothecation of specific movable assets, present and future, situated

Notes to Consolidated financial statements for the year ended 31 March 2013

5 | LONG-TERM BORROWINGS (Contd.)

at Jhagadia Unit of the Company and carried Interest rate at Libor plus 210 basis points.

- (ii) Loan repayable on demand from others amounting to Rs.Nil (Previous Year: Rs. 419 lacs) secured by receivables carrying interest rate of CDI+ 11.35% per annum

e From others (Unsecured)

Unsecured notes payable to a company amounting to Rs. 658 lacs (Previous year Rs. 851 lacs) at interest rates ranging from 0.00% to 7.07% subordinated to revolving line of credit in monthly installments at interest rates ranging from 0.00% to 8.99% with final maturity of February 2018.

6 | OTHER LONG-TERM LIABILITIES

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Provision for mark to market losses on derivatives (net)	21,824	13,600
Other long term liabilities	17,630	16,486
	39,454	30,086

7 | PROVISIONS

	Long-term		Short-term		
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs	
Provision for employee benefits					
Provision for post-employment benefits	2,312	2,221	-	-	
Jubilee Provision	52	66	-	-	
Provision for gratuity (note 36)	-	-	122	-	
Provision for leave benefits	-	-	3,070	2,295	
	(A)	2,364	2,287	3,192	2,295
Other provisions					
Provision for Tax (net)	-	-	7,670	1,597	
Environmental Provision	918	898	-	-	
Provision for contingencies	-	-	2,171	-	
Reorganisation Provision	332	324	55	32	
Labour/ Employee claim Provision	1,526	1,575	-	-	
Interim equity dividend	-	-	-	9,236	
Proposed final equity dividend	-	-	11,065	2,309	
Provision for tax on proposed final equity dividend	-	-	1,881	1,873	
	(B)	2,776	2,797	22,842	15,047
	(A+B)	5,140	5,084	26,034	17,342

8 | SHORT-TERM BORROWINGS

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
a) Loans repayable on demand		
<i>From banks</i>		
Secured (Refer Note a below)	20,261	14,522
Unsecured:		
Cash credit, packing credit and working capital demand loan	40,526	44,650
accounts (Refer Note b below)"	48,057	14,135
Short Term Buyers Credit (Refer Note c below)		
<i>From others</i>		
Secured (Refer Note d below)	-	3,543
Unsecured (Refer Note e below)	539	-
	109,383	76,850

Notes to Consolidated financial statements for the year ended 31 March 2013

8 | SHORT-TERM BORROWINGS (Contd.)

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
b) Loans and advances from related parties		
Unsecured (Refer Note f below)	2,087	179
	2,087	179
	111,470	77,029
The above amount includes		
Secured borrowings	20,261	18,065
Unsecured borrowings	91,209	58,964

Note :

a Loan repayable on demand from Banks (Secured):

Loan repayable on demand (Secured) of Rs.20,261 lacs (Previous year: 14,522 lacs) from banks having charge over inventories and/or Accounts receivable and/or book debts and/or all movable assets of the Group and/or Freehold land and building and/or other fixed assets or investment securities carrying interest rate ranging from 3.91% to 10.73% p.a. and base rate/LIBOR/EURIBOR/TIBOR plus 0.7% to 4% p.a.

b Working Capital Loan repayable on demand from Banks (Unsecured):

Unsecured working capital loan from banks of Rs. 40,526 lacs (Previous year: Rs. 44,650 lacs) carrying interest rate varying from 0.5% to 9.75% p.a. and base rate/LIBOR plus 0.70% to 4% p.a.

c Short Term Buyers Credit from bank (Unsecured) :

Unsecured short term buyers credit of Rs. 48,057 lacs (Previous year: Rs. 14,135 lacs) carrying interest rate of 5% p.a. and ranging from LIBOR plus 0.60% to 1.20%

d Loan repayable on demand from others amounting to Rs.Nil (Previous year: Rs. 3,543 lacs) secured by receivables carrying interest rate of CDI+11.35% per annum

e Unsecured Short term loan carrying an interest rate 0% to 12.50% p.a.

f Loans and advances from Related parties:

Unsecured loan from related parties Rs. 2,087 lacs (Previous year: Rs. 179 lacs) carrying interest rate of LIBOR+4% p.a.

9 | OTHER CURRENT LIABILITIES

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Other Current liabilities		
Current maturities of long-term borrowings (note 5)	27,630	24,161
Interest accrued but not due on borrowings	12,560	11,365
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	220	171
Other Payables		
Advances against Orders	9,941	10,197
Trade Deposits	2,891	1,770
Capital Goods creditors	774	592
Statutory Liabilities	1,027	640
Other liabilities	15,530	18,686
	70,573	67,582

Notes to Consolidated financial statements for the year ended 31 March 2013

10 TANGIBLE ASSETS

(Rs. Lacs)

SR. NO	DESCRIPTION OF ASSETS	GROSS BLOCK						DEPRECIATION						NET BLOCK		
		As at 1st April, 2012	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 Adjustments	As at 31st March, 2013	As at 1st April, 2012	Provided during the year	Deductions during the year	Adjustments during the year (refer note 2 below)	Foreign Exchange Adjustments	As at 31st March, 2013	As at 1st April, 2012	
1	LAND - FREEHOLD	16,941 (11,354)	1,459 (1,598)	(4,314)	-	358 (-539)	322 (222)	19,080 (16,941)	-	(-)	-	-	-	-	19,080 (16,941)	16,941 (11,354)
2	LAND - LEASEHOLD	5,416 (3,046)	-	109 (2,416)	(8)	-	16 (33)	5,541 (5,416)	6	(6)	-	2	41 (33)	5,500 (5,383)	5,383 (3,014)	
3	BUILDING	28,742 (19,894)	2,873 (5,831)	2,613 (2,126)	145 (85)	-630 (36)	136 (940)	33,589 (28,742)	530 (190)	75 (177)	-376 (43)	266 (486)	16,096 (13,643)	17,493 (15,099)	15,099 (6,958)	
4	BUILDING - LEASEHOLD	1,972 (1,840)	-	220 (-)	-	-	46 (132)	2,238 (1,972)	100 (100)	-	-	26 (68)	1,240 (1,114)	998 (858)	858 (894)	
5	PLANT AND MACHINERY	193,738 (174,926)	3,503 (2,384)	13,386 (14,216)	3,436 (3,824)	36 (1,402)	1,417 (4,634)	208,644 (193,738)	12,141 (11,387)	2,835 (2,920)	743 (926)	1,108 (3,724)	132,847 (118,714)	75,797 (75,024)	75,024 (69,765)	
6	LABORATORY EQUIPMENTS	2,793 (2,460)	-	273 (172)	195 (8)	-	65 (169)	2,936 (2,793)	87 (72)	193 (6)	3	54 (142)	2,118 (2,167)	818 (626)	626 (501)	
7	FURNITURE AND FIXTURES	9,388 (7,089)	329 (674)	874 (894)	530 (150)	-	106 (289)	10,167 (9,388)	746 (652)	501 (100)	6	69 (182)	6,498 (5,880)	3,669 (3,508)	3,508 (1,730)	
8	OFFICE EQUIPMENTS	228 (217)	-	17 (11)	119 (-)	-	-	126 (228)	17 (23)	117 (-)	-	-	91 (191)	35 (37)	37 (49)	
9	VEHICLES	3,800 (2,742)	34 (373)	1,499 (851)	413 (275)	-	38 (109)	4,958 (3,800)	641 (372)	276 (164)	1	21 (63)	2,578 (2,174)	2,380 (1,626)	1,626 (1,023)	
10	ASSETS TAKEN ON LEASE:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	(A) FURNITURE, FIXTURES AND EQUIPMENTS	(2,050)	(-)	(-)	(-)	(-2050)	(-)	(-)	(-)	(-)	(-527)	(-)	(-)	(-)	(1,523)	
	(B) VEHICLE	25 (51)	(-)	(-)	10 (31)	(-)	1 (5)	16 (25)	(-)	(-)	(-)	(-)	(-)	16 (25)	25 (49)	
11	LAND IMPROVEMENTS	898 (838)	349 (-)	1 (-)	-	487 (-)	21 (60)	1,756 (898)	308 (2)	486 (3)	21 (-)	1,711 (892)	45 (6)	6 (4)	6 (4)	
12	LEASEHOLD IMPROVEMENTS	2,848 (2,581)	-	13 (283)	-	-251 (-36)	-40 (20)	2,570 (2,848)	528 (516)	-	-269 (-36)	-14 (8)	2,179 (1,934)	391 (914)	914 (1,135)	
13	AIRCRAFT	6,460 (-)	(-)	(6,460)	(-)	(-)	433 (-)	6,893 (6,460)	543 (376)	(-)	(-)	25 (-)	944 (376)	5,949 (6,084)	6,084 (-)	
	PREVIOUS YEAR	273,249 (229,088)	8,547 (10,860)	19,005 (31,743)	4,848 (4,460)	-	2,561 (6,613)	298,514 (273,249)	15,343 (13,699)	3,997 (3,383)	594 (-46)	1,578 (4,735)	166,343 (147,118)	132,171 (126,131)	126,131 (97,999)	

Notes: 1 Figures in brackets represents amounts pertaining to previous year
2 Adjustments during the year include regrouping of certain assets into other class of assets.

Notes to Consolidated financial statements for the year ended 31 March 2013

11 INTANGIBLE ASSETS (Rs. Lacs)

SR. NO	DESCRIPTION OF ASSETS	GROSS BLOCK						AMORTIZATION						NET BLOCK			
		As at 1st April, 2012	Taken over in respect of acquisitions during the year	Additions during the year	Deductions during the year	Adjustments during the year	Foreign Exchange Adjustments	As at 31st March, 2013	As at 1st April, 2012	Taken over in respect of acquisitions during the year	Provided during the year	Deductions during the year	Adjustments during the year	Foreign Exchange Adjustments	As at 31st March, 2013	As at 31st March, 2013	As at 1st April, 2012
1	Goodwill	114,103	-	5,214	229	-	8,581	127,669	-	-	-	-	-	-	-	127,669	114,103
		(54,822)	(-)	(60,731)	(1,463)	(-)	(13)	(114,103)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(114,103)	(54,822)
2	Technical know how	16,567	-	-	-	-	478	17,045	-	499	-	-	479	16,887	158	158	658
		(15,687)	(-)	(-)	(-)	(-)	(880)	(16,567)	(-)	(1,817)	(-)	(-)	(739)	(15,909)	(658)	(658)	(2,334)
3	Product Registrations / Acquisitions	173,804	25,248	22,130	8,284	-	4,677	217,575	93,409	20,060	8,284	-	4,061	129,890	87,685	80,395	
		(145,573)	(1,445)	(16,398)	(721)	(-)	(11,109)	(173,804)	(69,458)	(15,163)	(565)	(-)	(8,702)	(93,409)	(80,395)	(76,115)	
4	Task Force Expenses	811	-	-	-	-	-	811	-	-	-	-	-	811	-	-	-
		(811)	(-)	(-)	(-)	(-)	(-)	(811)	(810)	(1)	(-)	(-)	(-)	(811)	(-)	(-)	(1)
5	Software / Licence Fees	3,500	76	707	512	-	60	3,831	3,078	358	419	-	59	3,113	718	422	
		(2,842)	(250)	(182)	(19)	(56)	(189)	(3,500)	(2,584)	(133)	(6)	(46)	(187)	(3,078)	(422)	(258)	
6	Customer Contracts	763	-	-	-	-	51	814	178	104	-	-	12	294	520	585	
		(668)	(-)	(-)	(-)	(-)	(95)	(763)	(112)	(51)	(-)	(-)	(15)	(178)	(585)	(556)	
	Total	309,548	25,324	28,051	9,025	-	13,847	367,745	113,385	21,021	8,703	-	4,611	150,995	216,750	196,163	
	PREVIOUS YEAR	(220,403)	(1,695)	(77,311)	(2,203)	(56)	(12,286)	(309,548)	(86,317)	(17,165)	(571)	(46)	(9,643)	(113,385)	(196,163)	(134,086)	

Note: Figures in brackets represents amounts pertaining to previous year.

Notes to Consolidated financial statements for the year ended 31 March 2013

12 | NON-CURRENT INVESTMENTS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
A Trade Investment:		
Investments in Equity Instruments:		
(i) 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) (includes goodwill of Rs. 5,626 lacs(Previous year: Rs. 5,626 lacs))	30,670	30,140
(b) 9,21,000 (Previous Year: 9,21,000) Equity Shares of Rs 10 each fully paid-up in Chemisynth (Vapi) Limited (Unquoted) (Refer Note 5 below)	-	421
(c) 800,977,779 (Previous year :649,701,817) Equity Shares fully paid up in Sipcam UPL Brasil S.A. (Unquoted) (includes goodwill of Rs. 12,607 lacs (Previous year: Rs. 11,277 lacs))	21,057	16,820
(d) Investment in Nadab Aps	8	-
(e) Investment in Kapchem (Ireland) Limited	235	-
	51,970	47,381
(ii) Investment in Joint Ventures (Unquoted)		
(a) 1,627 (Previous Year: 1,627) Equity Shares of Tk.1,000 each fully paid-up in United Phosphorus (Bangladesh) Limited (Refer Note 2(b))	4	4
(b) Nil (Previous year: 500) Equity Shares fully paid up in Hodogaya UPL Co. Ltd. (Refer Note 31)	-	1,231
(c) Nil (Previous year: 49%) capital contribution in Nisso TM LLC (disposed off during the year)	-	5
	4	1,240
(iii) Investment in Others		
(a) 57 (Previous Year: 57) Ordinary Shares of 1 Rand each fully paid-up in Cropserve (PTY) Limited (Unquoted)	289	289
(b) 11,700,000 (Previous Year: 11,700,000) Equity shares fully paid up in Ishihara Sangyo Kaisha Ltd. At JPY 107.52 each (Quoted) (Also Refer Note 4 below)	13,416	14,464
(c) 34,13,388 (Previous Year: 34,13,388) Equity Shares of Rs.10 each fully paid-up in Narmada Clean Tech Limited (Unquoted)	341	341
	14,046	15,094
Total A	66,020	63,715
B Other Investment:		
Investment Property (Land)	552	539
Investments in Equity Instruments:		
(i) Investment in Subsidiary Company (Unquoted)		
(a) 2,40,000 (Previous Year: 2,40,000) Equity shares of Rs. 10 each fully paid-up in UPL Investment Private Limited (Refer Note 30 and 2(c))	195	186
(b) 18,130 (Previous year: 18,130) Equity shares of Rs. 100 each of Universal Pestochem (Industries) Pvt. Ltd.(Refer Note 5 below)	-	18
(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 (Refer Note 30) (includes capital reserve of Rs. 75 lacs (Previous year: Nil)"	98	315
(b) 26,00,000 (Previous Year: 26,00,000) Equity Shares of Rs.10 each fully paid-up in Kerala Enviro Infrastructure Limited (Refer Note 30)	344	260
(c) Polycot Technologies 2010 Ltd. [Face Value: Nil (Previous Year Rs. 0.06 lac.)] (Refer Note 30)	-	0
	1,189	1,318

Notes to Consolidated financial statements for the year ended 31 March 2013

12 | NON-CURRENT INVESTMENTS (Contd.)

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
(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	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	448
(e) 100 (Previous year : 33) Equity Shares of Natural Art KK	21	18
(f) 20,482 (Previous year : 20,842) Equity Shares of Villa crop protection pty Ltd.	540	506
(g) Others	1	3
	1,246	1,211
(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.	-	-
(b) 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
(b) 1,500 (Previous Year: Nil) Compulsarily Convertible Bonds of Rs. 1,00,000 each in UPL Investment Private Limited	1500	-
(c) 31 (Previous Ysar: Nil) Redeemable Optionally Convertible Debentures of Rs. 1,00,00,000 each in Gowal Consulting Pvt. Ltd.	3,100	-
	75,000	68,189
Less: Provision for diminution in Investments	(855)	(1,237)
Total Non-Current Investment	74,145	66,952
Notes		
1 Agreegate amount of quoted investment cost [Market Value: Rs. 91,316 lacs (Previous Year: Rs. 43,031 lacs)]	44,176	44,694
2 Agreegate amount of unquoted investment cost	30,824	23,495
3 Provision for diminution in investments	(855)	(1,237)
4 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 c(ii) in Note 5 Long term borrowings) United Phosphorus Limited, Japan has made a strategic long-term investment in earlier years, the fair market value of which has gone down below its cost as on the balance sheet date. The management is of the view that this is temporary decline in the value of investment and hence the same is carried at cost and no diminution has been provided.		
5 Share of losses has been restricted to the extent of carrying value of investment.		

Notes to Consolidated financial statements for the year ended 31 March 2013

13 DEFERRED TAX LIABILITIES & ASSETS

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
a) Deferred Tax Assets:		
Provision for Doubtful debts and advances	10,624	5,335
Others	6,143	7,131
Gross Deferred Tax Assets	16,767	12,466
b) Deferred Tax Liabilities:		
Depreciation	12,814	10,681
Others	2,648	1,212
Gross Deferred Tax Liabilities	15,462	11,893
The above has been reflected in the Consolidated Balance Sheet as follows:		
Deferred Tax Assets	13,008	9,968
Deferred Tax Liabilities	11,703	9,395

14 LOANS AND ADVANCES

	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Capital advances				
Unsecured, considered good	3,010	2,170	-	-
	A	3,010	2,170	-
Sundry deposit				
Unsecured, considered good	3,993	3,930	2,862	971
Doubtful	137	133	-	-
		4,130	4,063	2,862
Provision for doubtful sundry deposit	(137)	(133)	-	-
	B	3,993	3,930	2,862
Advances recoverable in cash or kind				
Unsecured, considered good	10,350	7,650	29,296	25,979
Doubtful	860	511	290	304
		11,210	8,161	29,586
Provision for doubtful advances	(860)	(511)	(290)	(304)
	C	10,350	7,650	29,296
Sundry loans				
Unsecured, considered good	-	141	39,593	18,685
Doubtful	217	76	-	-
		217	39,593	18,685
Provision for doubtful sundry loan	(217)	(76)	-	-
	D	-	141	39,593
Other loans and advances				
Advance income-tax (net of provision for taxation)	4,062	3,473	1,071	1,677
Minimum alternative tax credit entitlement	5,337	6,913	-	5
Loans to employees	157	201	316	384
Bond Application Money	-	1,500	-	-
Deposits with the Collectorate of Central Excise and Customs	-	-	5,477	5,156
	E	9,556	12,088	6,864
Total (A+B+C+D+E)		26,909	25,978	78,615
				52,857

Notes to Consolidated financial statements for the year ended 31 March 2013

15 | TRADE RECEIVABLES AND OTHER ASSETS

NOTE 15.1 TRADE RECEIVABLES	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Unsecured, considered good	812	6,129	268,499	244,534
Unsecured considered Doubtful	-	-	18,442	7,567
	812	6,129	286,941	252,101
<i>Provision for doubtful receivables</i>	-	-	(18,442)	(7,567)
	812	6,129	268,499	244,534

NOTE 15.2 OTHER ASSETS	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Unsecured, considered good unless stated otherwise				
Export Benefits Receivable	-	-	5,386	5,686
(A)	-	-	5,386	5,686
Interest Receivables				
Considered Good	-	-	864	634
Considered Doubtful	-	-	5	5
	-	-	869	639
Less : Provision	-	-	(5)	(5)
(B)	-	-	864	634
Others				
Considered Good	-	-	322	989
Considered Doubtful	201	201	-	-
	201	201	322	989
Less : Provision	(201)	(201)	-	-
(C)	-	-	322	989
Total Other Current Assets	(A+B+C)	-	6,572	7,309

16 | CURRENT INVESTMENTS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Current investments (valued at lower of cost and fair values unless stated otherwise)		
Investments in debentures or bonds (Quoted)		
- Investment in Associates		
1,470 (Previous Year: Nil) Non-Convertible Debentures of Rs.10,00,000 each in Advanta India Limited	14,370	-
Investments in Mutual Funds; (Unquoted)		
(a) 2,10,685 (Previous year: 1,54,92,923) units of Reliance Liquidity Fund - Growth option of Rs. 1000 each (Previous Year: Rs. 10 each).	6,000	2,500
(Net Assets Value: Rs 6,020 Lacs (Previous Year: Rs. 2,503 lac)		
(b) 10,65,534 (Previous year: 43,71,949) units of Birla Sun Life Cash Plus Institutional Premium - Growth of Rs.100 each.	2,000	7,500
(Net Assets Value: Rs 2,002 Lacs (Previous Year: Rs.7,509 lac)		
(c) 1,62,885 (Previous year: 1,48,450) units of SBI Premier Liquid Fund Super I. P. Growth of Rs. 1000 each.	3,000	2,500
(Net Assets Value: Rs 3,003 Lacs (Previous Year: Rs. 2,504 Lacs)		
(d) 17,31,312 (Previous Year: Nil) Units of ICICI Prudential Liquid Regular- Growth of Rs. 100 each	3,000	-
(Net Asset Value: Rs. 3,003 Lacs (Previous Year: Rs.Nil)		
Total Current Investments	28,370	12,500
Note:		
Aggregate amount of unquoted investments	14,000	12,500
Aggregate amount of quoted investments	14,370	-

Notes to Consolidated financial statements for the year ended 31 March 2013

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

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Raw materials and components	47,237	40,876
Work-in-progress	12,545	7,336
Finished goods	124,919	114,339
Traded goods	12,768	16,434
Stores and spares (including fuel)	2,274	2,286
Packing Material	6,015	5,670
By products	1,112	845
	206,870	187,786

18 | CASH AND BANK BALANCES

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Cash and cash equivalents		
Balances with banks		
- Current accounts	21,454	11,109
- Foreign Currency accounts	65	62
- Current Accounts outside India	130,394	50,777
- Unclaimed Dividend accounts	220	171
- Fixed Deposit accounts	17	26
- Fixed Deposits outside India	511	7,125
Cheques/Drafts on hand	1,711	403
Cash on Hand	130	96
Other Bank Balances		
- Deposits with original maturity for more than 3 months but less than 12 months	40	-
- Margin money deposit *	281	249
	154,823	70,018

* Margin money deposits given as security against Bank Guarantees

19 | REVENUE FROM OPERATIONS

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Revenue from operations		
Sale of products and Services (net)	901,022	753,419
<i>Other operating revenue</i>		
Export Incentives	5,950	4,997
Job-Work / Service Income	1,219	1,034
Refund of Excise Duty	3,589	3,445
Discount Received	307	187
Excess Provisions in respect of earlier years written back (net)	2,556	1,660
Miscellaneous Receipts	4,809	2,390
Revenue from operations (net)	919,452	767,132

Notes to Consolidated financial statements for the year ended 31 March 2013

20 | OTHER INCOME

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Interest income on		
Bank deposits	1,344	2,171
Others	3,860	2,920
Net gain on sale of current investments	1,613	656
Rent received	198	185
Exchange Difference (net)	82	1,847
Profit on sale of fixed assets (net)	2,530	-
Profit on sale/ liquidation of subsidiaries/joint ventures	67	556
Miscellaneous Income	301	898
	9,995	9,233

21 | OTHER EXPENSES

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Stores and Spares Consumed	3,829	3,696
Power and Fuel	34,984	26,353
Repairs to Buildings	758	885
Repairs to Machinery	4,206	3,780
Other Repairs	4,899	3,155
Processing Charges	25,457	21,128
Rent	6,401	4,392
Rates and Taxes	4,239	3,165
Insurance Charges	4,084	3,139
Commission on Sales	4,585	3,286
Advertisement and Sales Promotion	6,420	5,120
Travelling and Conveyance	12,453	10,478
Legal and Professional Fees (refer note a below)	10,166	9,309
Charity and Donations	1,721	1,142
Bad Debts written off	1,149	1,015
Provision for Doubtful Debts and Advances	11,517	1,407
Assets written off	561	1,041
Provision for Diminution in value of Investment	70	174
Loss on Sale of Assets (Net)	-	82
Warehousing Costs	4,350	4,456
Communication Costs	2,074	2,139
Effluent Disposal Charges	5,215	4,668
Royalty Charges	889	-
Registration Charges	4,104	4,110
Transport Charges	29,769	27,356
Labour charges	4,967	3,455
Research and development expenses	1,832	122
Other Expenses	8,572	5,582
	199,271	154,635

(a) Payment to Auditor of the Holding Company

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
As Auditor:		
Audit fee	205	190
Others	3	4
Other Services (Certification Fees)	9	3
Reimbursement of expenses	3	2
	220	199

Notes to Consolidated financial statements for the year ended 31 March 2013

22 | DEPRECIATION AND AMORTIZATION EXPENSE

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Depreciation of tangible assets	15,620	13,308
Amortization of intangible assets	19,752	15,930
	35,372	29,238

23 | FINANCE COSTS

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Interest:		
- On Debentures	13,212	12,521
- On Term Loans	4,230	3,224
- On Cash Credit and Working Capital Demand Loan Accounts	5,396	3,982
- On Fixed Deposits and Fixed Loans	203	1,647
- On Others	3,410	2,587
Cash Discount	5,149	4,210
Exchange Difference (net)	6,949	7,686
Other Financial Charges	4,347	5,607
	42,896	41,464

24 | PRIOR PERIOD ADJUSTMENTS

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Amortisation of intangible assets	-	655
Goodwill written off	115	1,449
Material cost pertaining to earlier years	1,859	-
Others (net)	44	113
	2,018	2,217

25 | EXCEPTIONAL ITEMS

	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Restructuring Cost	1,504	1,845

During the current year, restructuring costs incurred by the Group are for European, Latin American & North American region. During the previous year, restructuring cost incurred by the group are for the acquisition made in Brazil and Latin America region.

Notes to Consolidated financial statements for the year ended 31 March 2013

26 | EFFECT OF ACQUISITIONS/ DISPOSALS

Particulars	31-Mar-13		Particulars	31-Mar-12	
	Effect on Group Profit Before Tax for the year	Net Assets as at Date of Acquisition		Date of Acquisition	Effect on Group Profit Before Tax for the year
	Rs. Lacs	Rs. Lacs		Rs. Lacs	Rs. Lacs
Acquisitions					
AgriChem B.V.				(1,067)	46,267
SD Agchem (Netherlands) B.V.	1,310	(2,559)	1st July, 2012		
Agricultural Chemicals N.V.				(21)	(34)
AgriChem Polska Sp.Z.O.O.				(16)	172
AgriChem Helvetica GmbH.,				(496)	2,282
				(53)	(773)
TOTAL	1,310	(2,559)	TOTAL	(1,653)	47,914
			Disposals:		
			Cropserve Zambia Limited	-	(397)
			Prime Agri Centre Zambia Limited	-	(141)
			Agri pack Zambia Limited	-	(153)
			TOTAL	-	(691)

Note: Figures of loss/negative net assets are indicated in brackets.

Notes to Consolidated financial statements for the year ended 31 March 2013

27 | CONTINGENT LIABILITIES NOT PROVIDED FOR

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
(a) Disputed Excise Duty / Service Tax Liability (excluding interest)	10,253	9,146
(b) Disputed Income-tax Liability (excluding interest)	179	151
(c) Disputed Sales-tax Liability	9,299	7,426
(d) Disputed Customs Liability	3,558	4,226
(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	25,244
(h) Bills discounted remaining unpaid as at the date of the Balance Sheet	4,262	8,806
(i) Guarantees given by Group's Bankers on behalf of the Group to third parties	4,605	4,129
(j) Guarantees given by the Group to third parties	131	155
(k) Claims against the Group not acknowledged as debts	4,162	3,613
In respect of share of Associate Companies:		
a) Disputed Income tax liability (Excluding interest)	1,169	1,006
b) Disputed Service Tax Liability	244	-
c) Guarantees given by the Associate to Third Parties	2,994	4,386
d) Claims against the Associates not acknowledged as debts.	926	6,754

28 | CAPITAL AND OTHER COMMITMENTS

	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,630	9,498
(b) Put option on purchase of debentures of a company exercisable 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.		
(d) The Holding Company has undertaken an export obligation based on duty saved on CIF machinery imported by the Holding Company to be fulfilled over a period of 6 to 8 years. The obligation outstanding as on the date of the balance sheet is Rs.5,889 lakhs (Previous Year: 94 lacs)		

Notes to Consolidated financial statements for the year ended 31 March 2013

29 | EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Basic & diluted earning per share:		
Profit after Taxation as per the Consolidated Statement of profit and loss	74,071	60,069
Add/(Less) : Share of Profit / (loss) in Associate Company	3,233	(3,979)
	77,304	56,090
Add/(Less): Minority Interest	156	(535)
Net Profit attributable to equity shareholders after exceptional items	77,460	55,555
Add: Exceptional Items	1,504	1,845
Net Profit attributable to equity shareholders before exceptional items	78,965	57,400
	Nos.	Nos.
Weighted Number of Equity Shares Outstanding	452,349,911	461,804,274
	Rupees	Rupees
Basic & diluted Earning Per Share including exceptional items	17.12	12.03
Basic & diluted Earning Per Share excluding exceptional items	17.46	12.43
Nominal Value of equity share	2.00	2.00

30 | INTEREST IN ASSOCIATES

The Group has considered the effect of investment in associate companies, Universal Pesto Chem Industries Limited, Agrinet Solutions Limited, Kerala Enviro Infrastructure Limited, Chemisynth (Vapi) Limited, UPL Investment Private Limited and Polycot Technologies 2010 Limited in the consolidated financial statements in accordance with AS 23 for the first time in the current year. Accordingly, the carrying amount of investments in the following associates are brought to the amount that would have resulted had the equity method of accounting been followed as per AS 23 since the acquisition of these associates and the Group's share in post acquisition profits of these associates upto March 31, 2012 has been accounted in the consolidated statement of profit and loss and disclosed as "Prior period adjustment- Associate"

Company	Carrying Investment Value As on March 31, 2013	Prior Period adjustment Profit/ (loss)	% of UPL holding in 2013	(Rs. Lacs)	
				% of UPL holding in 2012	
Universal Pesto Chem Industries Limited #	Nil	Nil	44%		44%
Chemisynth (Vapi) Limited #	Nil	Nil	30%		30%
Kerala Enviro Infrastructure Limited	344	(148)	27.52%		38%
Agrinet Solutions Limited	98	(217)	49.98%		49.98%
UPL Investment Private Limited	186	(3)	66.67%		66.67%
Polycot Technologies 2010 Limited #	Nil	Nil	50%		50%
Total		(368)			

Share of losses has been restricted to the extent of carrying value of investment.

Notes to Consolidated financial statements for the year ended 31 March 2013**31 | INTEREST IN JOINT VENTURES**

The Group has 40% ownership interest in Hodogaya UPL Co. Limited, a jointly controlled entity incorporated in Japan. The proportionate interest of the Group in the said entity as per the audited Balance Sheet as at 31st March, 2013 is as under:

Particulars	31-Mar-13 Rs. Lacs
Assets	4,720
Liabilities	3,524
Income	8,685
Expenses	8,718

The Group has considered the proportionate interest in the aforesaid Joint Venture Company in the consolidated financial statements in accordance with AS 27 "Financial Reporting of Interests in Joint Venture" for the first time in the current year. Accordingly, the proportionate share of profit of earlier years since the acquisition of the interest in the aforesaid Joint venture upto March 31, 2012, amounting to Rs 61 lacs is shown as "Prior period adjustment" in the statement of profit and loss.

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
Hodogaya UPL Co. Limited, Japan
Nisso TM LLC (upto September 30, 2012)

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
(merged into Advanta India Limited during the year)
Advanta Seeds Limited, India
Longreach Plant Breeders Management Pty Limited,
Australia
PT Advanta Seeds Indonesia
Advanta (B.V.I) Ltd
SIPCAM UPL Brasil S.A. (w.e.f. April 01, 2011)
Agrinet Solutions Limited
Chemisynth (Vapi) Limited
Kerala Enviro Infrastructure Limited
UPL Investment Private Limited
Polycot Technologies 2010 Ltd (w.e.f. May 01, 2010)
Nedab APS (w.e.f. July 01, 2012)
Kapchem (Ireland) Limited (w.e.f. July 01, 2012)
Universal Pestochem (Industries) Pvt 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
Uniphos Enterprises Limited
Uniphos Envirotronic Private Limited
UPL Environmental Engineers Limited
Vikram Farm
Accolade Properties Private Limited (upto September
27, 2012)
Sadafuli Finvest Private Limited (upto September 27,
2012)

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. Namrata Shroff *
Mrs. Shilpa Sagar *
Mrs. Asha Ashar *
Mr. Navin Ashar *

* relative of key management personnel.

Notes to Consolidated financial statements for the year ended 31 March 2013

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 in the Group.

(Rs. Lacs)

NATURE OF TRANSACTIONS	YEAR ENDED 31-Mar-13				YEAR ENDED 31-Mar-12			
	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)	2,187	4,211	646	7,044	2,991	2,116	479	5,586
Sipcam UPL Brasil S.A.	-	3,828	-	3,828	-	1,298	-	1,298
Hodogaya UPL Co. Limited.	2,077	-	-	2,077	2,870	-	-	2,870
Others	110	383	646	1,139	121	818	479	1,418
b) OTHER INCOME	-	1,788	-	1,788	76	-	-	76
Advanta International B.V	-	1,788	-	1,788	-	-	-	-
Nisso TM LLC	-	-	-	-	76	-	-	76
c) MANAGEMENT FEES	-	-	581	581	-	-	485	485
Tatva Global Environment Limited	-	-	506	506	-	-	485	485
Others	-	-	75	75	-	-	-	-
d) SALE OF ASSETS	-	-	18	18	-	-	-	-
Bharuch Enviro Infrastructure Limited	-	-	18	18	-	-	-	-
e) RENT RECEIVED	-	-	25	25	-	-	18	18
Uniphos Envirotronic Private Limited	-	-	24	24	-	-	18	18
Others	-	-	1	1	-	-	-	-
f) QUANTITY DISCOUNT RECEIVED	-	-	126	126	-	-	-	-
Uniphos International Limited	-	-	126	126	-	-	-	-
g) SERVICES	-	12	-	12	-	-	-	-
Advanta Semillas SAIC	-	12	-	12	-	-	-	-
2. EXPENSES								
a) PURCHASES OF GOODS	1,563	3,004	2,938	7,505	4,514	19,199	4,320	28,033
Advanta India Limited	-	1,095	-	1,095	-	16,707	-	16,707
Hodogaya UPL Co. Limited.	1,563	-	-	1,563	2,008	-	-	2,008
Advanta Seed International Mauritius	-	1,578	-	1,578	-	-	-	-
Nisso TM LLC	-	-	-	-	2,506	-	-	2,506
Bloom Seal Containers Private Limited.	-	-	1,382	1,382	-	-	1,199	1,199
Others	-	331	1,556	1,887	-	2,492	3,121	5,613
b) FIXED ASSETS	-	54	32	86	-	-	431	431
Sadafuli Finvest Private Limited	-	-	17	17	-	-	-	-
Gharpure Engineering & Construction	-	-	-	-	-	-	405	405
Uniphos Envirotronic Private Limited	-	-	11	11	-	-	-	-
Chemi Synth (Vapi) Limited.	-	54	-	54	-	-	-	-
Others	-	-	4	4	-	-	26	26
c) OTHERS	-	-	21	21	-	-	-	-
Vikram Farm	-	-	21	21	-	-	10	10
d) SERVICES	-	7	3,314	3,321	-	321	3,225	3,546
Bharuch Enviro Infrastructure Limited	-	-	3,189	3,189	-	-	3,076	3,076
Others	-	7	125	132	-	321	149	470

Notes to Consolidated financial statements for the year ended 31 March 2013

32 RELATED PARTY DISCLOSURES (Contd.)

(Rs. Lacs)

NATURE OF TRANSACTIONS	YEAR ENDED 31-Mar-13				YEAR ENDED 31-Mar-12			
	Joint Venture Companies	Associate Companies	Other related parties	TOTAL	Joint Venture Companies	Associate Companies	Other related parties	TOTAL
e) RENT	-	169	344	513	-	-	40	40
Sanguine Holdings Private Limited	-	-	7	7	-	-	12	12
Accolade Properties Private Limited	-	-	160	160	-	-	-	-
Sadafuli Finvest Private Limited	-	-	154	154	-	-	-	-
Advanta India Limited	-	169	-	169	-	-	-	-
Others	-	-	23	23	-	-	28	28
f) ROYALTY	-	889	-	889	-	-	-	-
Advanta India Limited	-	889	-	889	-	-	-	-
g) RESEARCH & DEVELOPMENT EXPENSES	-	1,538	-	1,538	-	-	-	-
Advanta India Limited	-	1,538	-	1,538	-	-	-	-
h) COMMISSION GIVEN	-	-	2	2	-	487	-	487
Advanta India Limited	-	-	-	-	-	487	-	487
Others	-	-	2	2	-	-	-	-
i) INTANGIBLE ASSETS	-	-	412	412	-	-	520	520
Jai Research Foundation	-	-	412	412	-	-	520	520
j) CAPITAL ADVANCES GIVEN	-	-	1,000	1,000	-	-	-	-
UPL Environmental Engineers Limited	-	-	1,000	1,000	-	-	-	-
3. FINANCE								
a) INTEREST PAID	-	-	4	4	-	-	289	289
Demuric Holdings Private Limited	-	-	4	4	-	-	258	258
Others	-	-	-	-	-	-	31	31
b) INTEREST RECEIVED	-	1,451	1,043	2,494	-	2,426	317	2,743
Advanta India Limited	-	1,400	-	1,400	-	2,426	-	2,426
Uniphos Enterprises Limited	-	-	749	749	-	-	242	242
Others	-	51	294	345	-	-	75	75
c) LOAN /INTER CORPORATE DEPOSITS GIVEN	-	8,621	11,886	20,507	-	27,560	20,135	47,695
Advanta India Limited	-	2,650	-	2,650	-	3,140	-	3,140
Advanta Holdings B.V	-	-	-	-	-	24,420	-	24,420
Uniphos Enterprises Limited	-	-	9,395	9,395	-	-	15,004	15,004
Advanta Seed International Mauritius	-	5,971	-	5,971	-	-	-	-
Tatva Global Environment Limited	-	-	1,441	1,441	-	-	3,180	3,180
Others	-	-	1,050	1,050	-	-	1,951	1,951

Notes to Consolidated financial statements for the year ended 31 March 2013

32 | RELATED PARTY DISCLOSURES (Contd.)

(Rs. Lacs)

NATURE OF TRANSACTIONS	YEAR ENDED 31-Mar-13				YEAR ENDED 31-Mar-12			
	Joint Venture Companies	Associate Companies	Other related parties	TOTAL	Joint Venture Companies	Associate Companies	Other related parties	TOTAL
d) LOANS / INTER COMPANY DEPOSITS TAKEN DURING THE YEAR	-	2,087	-	2,087	-	-	10,254	10,254
Demuric Holdings Private Limited	-	-	-	-	-	-	8,920	8,920
Advanta Holdings B.V	-	2,087	-	2,087	-	-	-	-
Others	-	-	-	-	-	-	1,334	1,334
e) SALE/REDEMPTION OF SHARES/NCD/ COMMERCIAL PAPER	-	4,431	-	4,431	-	23,570	9,522	33,092
Advanta India Limited	-	4,431	-	4,431	-	23,570	-	23,570
Demuric Holdings Private Limited	-	-	-	-	-	-	9,522	9,522
f) PURCHASE OF SHARES/ NCD/COMMERCIAL PAPERS	-	8,945	9,870	18,815	-	3,014	15,626	18,640
Advanta India Limited	-	8,870	-	8,870	-	3,014	-	3,014
Demuric Holdings Private Limited	-	-	9,870	9,870	-	-	15,626	15,626
Others	-	75	-	75	-	-	-	-
g) REPAYMENT OF LOAN GIVEN	-	8,621	13,467	22,088	-	27,560	17,884	45,444
Advanta Holdings B.V	-	-	-	-	-	24,420	-	24,420
Advanta Seed International Mauritius	-	5,971	-	5,971	-	-	-	-
Uniphos Enterprises Limited	-	-	9,395	9,395	-	-	14,334	14,334
Advanta India Limited	-	2,650	-	2,650	-	3,140	-	3,140
UPL Environmental Engineers Limited	-	-	2,550	2,550	-	-	-	-
Others	-	-	1,522	1,522	-	-	3,550	3,550
h) REPAYMENT OF LOAN TAKEN	-	-	179	179	-	-	11,396	11,396
Uniphos Enterprises Limited	-	-	-	-	-	-	1,404	1,404
Nerka Chemicals Private Limited	-	-	-	-	-	-	600	600
Demuric Holdings Private Limited	-	-	179	179	-	-	9,392	9,392
i) ALLOTMENT OF BONDS	-	1,500	-	1,500	-	-	-	-
UPL Investment Private Limited	-	1,500	-	1,500	-	-	-	-

Notes to Consolidated financial statements for the year ended 31 March 2013

32 | RELATED PARTY DISCLOSURES (Contd.)

(Rs. Lacs)

NATURE OF TRANSACTIONS	YEAR ENDED 31-Mar-13				YEAR ENDED 31-Mar-12			
	Joint Venture Companies	Associate Companies	Other related parties	TOTAL	Joint Venture Companies	Associate Companies	Other related parties	TOTAL
4. REIMBURSEMENTS								
a) RECEIVED	-	51	51	102	-	1,481	22	1,503
Advanta International B.V	-	-	-	-	-	1,480	-	1,480
Advanta India Limited	-	46	-	46	-	-	-	-
Uniphos Envirotronic Private Limited	-	-	-	-	-	-	3	3
Uniphos Enterprises Limited	-	-	30	30	-	-	-	-
Nerka Chemicals Private Limited	-	-	17	17	-	-	15	15
Others	-	5	4	9	-	1	4	5
b) MADE	3	352	79	434	-	44	3	47
Advanta India Limited	-	348	-	348	-	33	-	33
Sadafuli Finvest Private Limited	-	-	78	78	-	-	-	-
Unicorn Seeds	-	-	-	-	-	8	-	8
Others	3	4	1	8	-	3	3	6
5. TRANSFER OF SECURITY DEPOSIT FROM	-	2	-	2	-	3	-	3
Advanta India Limited	-	2	-	2	-	3	-	3
6. TRANSFER OF CUSTOMER BALANCES FROM	-	15	-	15	-	3	-	3
Advanta India Limited	-	15	-	15	-	3	-	3
7. TRANSFER OF ADVANCES FROM	-	-	-	-	-	204	-	204
Advanta India Limited	-	-	-	-	-	195	-	195
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	735	1,641	207	2,583	1,534	6,637	1,127	9,298
Advanta India Limited	-	530	-	530	-	5,849	-	5,849
Uniphos Enterprises Limited	-	-	-	-	-	-	939	939
Hodogaya UPL Co. Limited.	735	-	-	735	1,534	-	-	1,534
Advanta Seed International Mauritius	-	625	-	625	-	-	-	-
PT Advanta Seeds Indonesia	-	370	-	370	-	-	-	-
Others	-	116	207	323	-	788	188	976

Notes to Consolidated financial statements for the year ended 31 March 2013

32 | RELATED PARTY DISCLOSURES (Contd.)

(Rs. Lacs)

NATURE OF TRANSACTIONS	YEAR ENDED 31-Mar-13				YEAR ENDED 31-Mar-12			
	Joint Venture Companies	Associate Companies	Other related parties	TOTAL	Joint Venture Companies	Associate Companies	Other related parties	TOTAL
b) RECEIVABLES	624	3,252	52	3,928	889	523	106	1,518
Sipcam UPL Brasil S.A.	-	2,516	-	2,516	-	318	-	318
Chemi Synth (Vapi) Limited.	-	-	-	-	-	204	-	204
Hodogaya UPL Co. Limited.	599	-	-	599	866	-	-	866
Advanta International B.V	-	565	-	565	-	-	-	-
Others	25	171	52	248	23	1	106	130
c) CAPITAL ADVANCES	-	-	1,000	1,000	-	-	-	-
UPL Environmental Engineers Limited	-	-	1,000	1,000	-	-	-	-
d) LOANS PAYABLE	-	2,087	-	2,087	-	-	179	179
Advanta Holdings B.V	-	2,087	-	2,087	-	-	-	-
Demuric Holdings Private Limited	-	-	-	-	-	-	179	179
e) LOANS GIVEN	-	-	-	-	-	-	1,581	1,581
UPL Environmental Engineers Limited	-	-	-	-	-	-	1,500	1,500
Others	-	-	-	-	-	-	81	81
f) MANAGEMENT FEES RECEIVABLE	-	-	270	270	-	-	935	935
Tatva Global Environment Limited	-	-	251	251	-	-	935	935
Others	-	-	19	19	-	-	-	-
g) INTEREST RECEIVABLES	-	646	102	748	-	501	53	554
Advanta India Limited	-	595	-	595	-	501	-	501
Tatva Global Environment Limited	-	-	-	-	-	-	25	25
Others	-	51	102	153	-	-	28	28
h) DEPOSITS GIVEN	-	-	510	510	-	-	510	510
Daman Ganga Pulp and Papers Private Limited	-	-	400	400	-	-	400	400
Bloom Packaging Private Limited.	-	-	75	75	-	-	75	75
Others	-	-	35	35	-	-	35	35
i) GUARANTEES GIVEN ON BEHALF OF ASSOCIATES	-	27,143	-	27,143	-	25,438	-	25,438
Advanta India Limited	-	27,143	-	27,143	-	25,438	-	25,438
j) BOND APPLICATION MONEY	-	-	-	-	-	1,500	-	1,500
UPL Investment Private Limited	-	-	-	-	-	1,500	-	1,500

Notes to Consolidated financial statements for the year ended 31 March 2013

32 | RELATED PARTY DISCLOSURES (Contd.)

c) Transactions with Directors of the Holding Company and their Relatives	YEAR ENDED 31-Mar-13 Rs. lacs	YEAR ENDED 31-Mar-12 Rs. lacs
Nature of Transactions		
Remuneration	2,381	2,090
Rent Paid	155	150
Professional Fees	13	76
Guarantee Received	-	15,075
Outstandings as at the Balance Sheet Date		
Remuneration Payable	309	329
Sundry Deposits given	53	53
Professional fees payable/(receivable)	1	1
Guarantee Received	-	15,075

33 | FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AS AT BALANCE SHEET DATE

Nature of Instrument	Currency	31-MAR-13 Amount outstanding (in '000)"	31-MAR-12 Amount outstanding (in '000)"	Purpose - Hedging/ Speculation
(a) Forward contract - Sell	USD	34,150	46,000	Hedging
(b) Derivative contracts				
(i) Full Currency Interest Rate Swap contracts - payable	USD	247,726	189,994	Hedging
(ii) Full Currency Interest Rate Swap contracts - receivable	USD	2,092	-	Hedging
(c) Un-hedged Foreign Currency Exposure on:				
1 Payable	USD	255,393	461,137	
	EUR	17,985	6,714	
	GBP	61	51	
	JPY	135	-	
	CHF	-	89	
	DKK	960	722	
	CAD	-	20	
	PLN	10	-	
	MUR	37	-	
2 Receivable	USD	171,295	147,437	
	EUR	24,271	20,977	
	GBP	134	49	
	AED	-	21	
	CHF	-	78	
	DKK	99	5,643	
	JPY	968	968	
	AUD	774	-	
	MUR	9	-	

Notes to Consolidated financial statements for the year ended 31 March 2013

34 | LEASE COMMITMENTS

	31-Mar-13 Rs. lacs	31-Mar-12 Rs. lacs
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	40	233
ii) Payable later than 1 year and not later than 5 years	3	28
Total Minimum Lease Payments	43	261
Less: Future Finance Charges	-	2
Present Value of Minimum Lease Payments	43	259
B Operating Leases		
The minimum annual rentals under the operating leases are as under:		
i) within one year	280	294
ii) between two and five years	292	511
iii) above five years	42	-
Lease rent debited to the statement of profit and loss is Rs. 6,401 lacs (Previous Year: Rs. 4,392 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 (including utilities), storage locations and residential premises.		

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. 939 lacs (Previous Year: Rs. 1,252 lacs) though overall, there is no impact on the aggregate of Reserves and Surplus of the Group.

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:

(i) Defined Contribution Plan	Provident Fund	
	31-Mar-13 Rs. lacs	31-Mar-12 Rs. lacs
Current service cost included under the head - Employee Benefits Expense	773	634

Notes to Consolidated financial statements for the year ended 31 March 2013

36 RETIREMENT BENEFITS (Contd.)

(ii) Defined Contribution Plan	Superannuation Fund	
	31-Mar-13 Rs. lacs	31-Mar-12 Rs. lacs
Current service cost included under the head - Employee Benefits Expense	546	449

- 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.

	Gratuity		Pension	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Current service cost	251	194	29	44
Interest cost on benefit obligation	146	125	66	61
Expected return on plan assets	(176)	(199)	(101)	(79)
Net actuarial (gain)/loss recognised during the year	61	98	31	29
Amount included under the head - 'Employee Benefits Expense'	282	218	25	55
Actual return on plan assets	192	165	112	70

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

	Defined Benefit Plan - Gratuity (Funded)		Pension	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Present value of funded obligation	2,224	1,856	1,822	1,414
Present value of unfunded obligation	(45)	(46)	-	-
Less: Fair value of plan assets	2,057	1,860	1,376	1,225
Net Liability is included in Note no. 7 Provisions	167	(4)	446	189
Net Asset is included in Note no 14 - Loans and Advances	45	46	-	-

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

	Gratuity		Pension	
	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs	31-Mar-13 Rs. Lacs	31-Mar-12 Rs. Lacs
Opening defined benefit obligation	1,810	1,477	1,506	1,188
Interest cost	146	125	68	65
Current service cost	251	194	31	47
Liability Transferred in	-	60	-	-
Benefits paid	(115)	(117)	(40)	(35)
Actuarial (gains)/loss on obligation	87	71	257	149
Closing defined benefit obligation	2,179	1,810	1,822	1,414

Notes to Consolidated financial statements for the year ended 31 March 2013

36 RETIREMENT BENEFITS (Contd.)

e) Changes in the fair value of plan assets are as follows:

	Gratuity		Pension	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Opening fair value of plan assets	1,855	1,688	1,304	980
Expected return	176	199	112	75
Contributions made by employer during the year	-	-	-	204
Benefits paid	-	-	(40)	(34)
Actuarial Gain/(Loss) on plan assets	26	(27)	-	-
Closing fair value of plan assets	2,057	1,860	1,376	1,225

	Gratuity		Pension	
	Rs. Lacs		Rs. Lacs	
f) Expected contribution to defined benefit plan for the year 2013-14	167		87	

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

	Gratuity	
	31-Mar-13	31-Mar-12
	%	%
Investments with insurer under:		
Funds Managed by Insurer	100.00	100.00
	Pension	
	31-Mar-13	31-Mar-12
	%	%
(a) Equity Securities	60.00	59.00
(b) Debt Securities	40.00	41.00
(c) Other	-	-

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

	Gratuity	
	31-Mar-13	31-Mar-12
Discount rate	8.10% - 8.20%	8.50%
Expected rate of return on plan assets	9.00% - 9.50%	8.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	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-Mar-13	31-Mar-12
Discount rate Projected Benefit Obligation	4.00%	4.50%
Rate of Increase in Compensation Levels	3.00%	3.00%
Expected Long Term rate of Return on Assets	8.00%	8.00%

Notes to Consolidated financial statements for the year ended 31 March 2013**36 | RETIREMENT BENEFITS (Contd.)**

i) Experience Adjustment

	Gratuity	
	31-Mar-13	31-Mar-12
	Rs. Lacs	Rs. Lacs
Experience adjustments on plan liabilities (Gain)/Loss	15	67
Experience adjustments on plan Assets (Gain)/Loss	24	(27)

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

	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Gratuity				
Defined benefit obligation	2,224	1,856	1,435	1,098
Plan assets	2,057	1,860	1,602	1,402
Surplus / (deficit)	(167)	(1)	167	304
Experience adjustments on plan liabilities	15	67	(138)	(143)

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.

iv) Prvision for Contingencies :

The Group has considered provision for contingencies based on the best estimate of management of possible outflow relating to customs assessment on imports.

The movements in the above provisions are summarized below:

	Environmental Provision		Reorganisation Provision		Labour / Employee Claim Provision		Provision for Contingencies	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Opening balance	898	838	356	526	1,575	-	-	-
Additions on Acquisition of subsidiaries	-	-	-	-	-	1,612	-	-
Provisions:								
- Created	-	-	22	7	-	-	2,171	-
- Utilised	-	-	-	(214)	-	-	-	-
- Reversed	-	-	-	-	-	-	-	-
Foreign currency translation effect	20	60	9	37	(49)	(37)	-	-
Closing balance	918	898	387	356	1,526	1,575	2,171	-

Notes to Consolidated financial statements for the year ended 31 March 2013

Particulars	31-Mar-13				31-Mar-12				(Rs. lacs)
	Agro Activity	Non Agro Activity	Unallocated	Total	Agro Activity	Non Agro Activity	Unallocated	Total	
Other Information									
Segment Assets	807,930	36,411	400,965	1,245,306	731,798	39,303	265,789	1,036,890	
Segment Liabilities	276,997	2,701	477,663	757,361	179,966	5,936	408,687	594,589	
Capital Expenditure	50,831	2,675	1,587	55,093	123,688	4,098	7,417	135,203	
Depreciation	10,480	3,559	1,581	15,620	8,046	3,987	1,275	13,308	
Amortisation	19,639	0	113	19,752	15,861	-	69	15,930	
Non Cash expenses other than depreciation	12,915	246	146	13,307	2,048	379	1,293	3,719	

Notes to Consolidated financial statements for the year ended 31 March 2013

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2. Information about Secondary Business Segments

	Current Year						Previous Year				(Rs. lacs)		
	India	Europe	North America	Latin America	ROW	Total	India	Europe	North America	Latin America		ROW	Total
Revenue by Geographical Market													
External	178,582	169,816	187,355	250,854	132,845	919,452	169,847	140,443	142,330	196,052	118,460	767,132	
Internal	-	-	-	-	-	-	-	-	-	-	-	-	
Total	178,582	169,816	187,355	250,854	132,845	919,452	169,847	140,443	142,330	196,052	118,460	767,132	
Carrying amount of Segment Assets	403,410	233,226	177,990	310,118	120,562	1,245,306	343,067	146,625	150,521	296,633	100,044	1,036,890	
Addition to Fixed Assets (including Intangible assets)	13,889	18,532	4,650	7,040	2,945	47,056	13,915	11,900	3,574	75,876	3,789	109,054	

3. Notes

- (1) The business of the Group is divided into two business segments. These segments are the basis for management control and hence form the basis for reporting. The business of each segment comprises of:
- Agro activity – This is the main area of the Group's operation and includes the manufacture and marketing of conventional agrochemical products, seeds and other agricultural related products.
 - Non-agro activity – Non agro activities includes manufacture and marketing of industrial chemical and other non agricultural related 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:
- Revenue in India includes sales to customers located within India.
 - Revenue in Europe includes sales to customers located within Europe.
 - Revenue in North America includes sales to customers located within North America.
 - Revenue in Latin America includes sales to customers located within Latin America.
 - Revenue in Rest of world includes sales to customers located other than above Geographic segments.
- (5) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

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:

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

(Rs. lacs)

Financial Year: 2012 - 13

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Sl.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 Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Shroffs United Chemicals Limited, India	INR	1.00	5	17	22	0	-	-	2	(0)	1	-
2	SWAL Corporation Limited, India	INR	1.00	802	3,430	16,838.55	20,777	8,171	36,990	1,638	(543)	1,095	-
3	United Phosphorus (India) LLP, India	INR	1.00	10	(0)	10	0	-	-	1	(0)	0	-
4	United Phosphorus Global LLP, India	INR	1.00	10	0	10	0	-	-	1	(0)	1	-
5	United Phosphorus Limited, U.K.	GBP	82.19	34,983	5,182	114,528	74,363	-	76,160	1,662	(441)	1,220	-
6	United Phosphorus GMBH - Germany	EUR	69.46	17	616	15,597	14,963	-	23,464	592	(195)	398	-
7	United Phosphorus Polska Sp.z o.o - Poland	PLN	16.61	1	(13)	33	45	-	-	(14)	-	(14)	-
8	AgriChem B.V.	EUR	69.46	13	7,385	24,620	17,482	260	19,658	1,252	(328)	924	-
9	SD Agchem (Netherlands) B.V.	EUR	69.46	13	2,220	6,489	4,257	-	-	(113)	28	(85)	-
10	Agricultural Chemicals N.V.	EUR	69.46	69	1,036	1,632	527	-	1,479	174	(51)	123	-
11	AgriChem Helvetia GmbH.,	CHF	56.97	80	(40)	54	14	-	-	1	(0)	1	-
12	AgriChem Polska Sp.Z.O.O.	PLN	16.61	13	(25)	6	18	-	-	(19)	-	(19)	-
13	Cerexagri B.V. - Netherlands	EUR	69.46	15,704	3,691	31,993	12,598	-	26,513	1,289	(315)	974	-
14	United Phos Brazil Plus BV (Refer Note:4)	EUR	69.46	-	-	-	-	-	-	(6)	-	(6)	-
15	United Phosphorus Holdings Cooperatief U.A.	EUR	69.46	51,208	(151)	54,406	3,350	-	263	(112)	28	(84)	-
16	United Phosphorus Holdings B.V., Netherlands	EUR	69.46	13	49,328	238,850	189,510	-	264	(354)	(19)	(372)	-
17	Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	EUR	69.46	2,588	(32)	2,592	36	-	-	(6)	-	(6)	-

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

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Sl.No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
18	Decco Worldwide Post-Harvest Holdings B.V.	EUR	69.46	13	2,993	10,776	7,770	-	-	(396)	-	(396)	-
19	United Phosphorus Holding, Brazil B.V. (Formerly known as Regentstreet B.V.)	EUR	69.46	13	8,449	85,255	101,076	24,283	265	(2,741)	407	(2,334)	-
20	Desarrollo Quimico Industrial, S.A., Spain (Refer Note: 3)	EUR	69.46	-	-	-	-	-	-	-	-	-	-
21	Cerexagri Italia S.R.L. (Refer Note:5)	EUR	69.46	69	1,863	16,538	14,606	-	17,016	489	(187)	302	-
22	United Phosphorus Italy S.R.L. (Refer Note:5)	EUR	69.46	-	-	-	-	-	-	-	-	-	-
23	Compania Espanola Industrial Quimica de Productos Agricolas Y Domesticos, S.A.U., Spain (Refer Note: 3)	EUR	69.46	38	3,891	12,920	8,991	-	15,674	464	(153)	311	-
24	Agrindustrial, S.A., Spain (Refer Note: 3)	EUR	69.46	-	-	-	-	-	-	-	-	-	-
25	Phosfonía, S.L., Spain (Refer Note: 3)	EUR	69.46	-	-	-	-	-	-	-	-	-	-
26	Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica)	EUR	69.46	125	3,993	5,725	1,607	-	8,056	(107)	28	(79)	-
27	Transierra Invest, S. L. U., Spain	EUR	69.46	5,983	(1,633)	22,538	18,188	-	771	(890)	267	(623)	-
28	Cerexagri S.A.S.	EUR	69.46	9,198	7,011	37,744	21,535	-	54,343	488	(181)	307	-
29	Aspen SAS	EUR	69.46	1	-	1	-	-	-	-	-	-	-
30	Aspen Holding SAS	EUR	69.46	1	(0)	0	-	-	-	(0)	-	(0)	-

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

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Sl.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 Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
31	United Phosphorus Switzerland Limited.	CHF	56.97	57	(2)	73	18	-	-	(1)	(0)	(1)	-
32	Agrodan, ApS	DKK	9.32	233	1,494	1,790	63	-	-	54	(14)	41	-
33	United Phosphorus Limited, Belgium S P R L	EUR	69.46	13	(42)	1	30	-	-	(7)	-	(7)	-
34	Decco Italia SRL, Italy	EUR	69.46	730	2,338	4,541	1,473	-	4,104	126	(114)	12	-
35	JSC United Phosphorus Limited, Russia	RUB	1.75	1	385	3,322	2,936	-	2,325	92	-	92	-
36	United Phosphorus Inc., U.S.A. & Subsidiaries (Refer Note:2)	USD	54.29	1	33,896	147,599	113,703	-	182,487	8,384	(2,681)	5,703	-
37	UPI Finance LLC (Refer Note:2)	USD	54.29	-	-	-	-	-	-	-	-	-	-
38	Cerexagri, Inc. (PA) (Refer Note:2)	USD	54.29	-	-	-	-	-	-	-	-	-	-
39	Cerexagri Delaware, Inc., USA (Refer Note:2)	USD	54.29	-	-	-	-	-	-	-	-	-	-
40	Canegrass LLC, USA (Refer Note:2)	USD	54.29	-	-	-	-	-	-	-	-	-	-
41	Decco US Post-Harvest Inc (US)	USD	54.29	0	2,824	9,451	6,626	-	15,381	820	(219)	602	-
42	Riceco LLC (Refer Note:2)	USD	54.29	-	-	-	-	-	-	-	-	-	-
43	Riceco International Inc	USD	54.29	3	9,922	15,251	5,326	-	21,093	4,501	-	4,501	-
44	Bio-win Corporation Limited, Mauritius	USD	54.29	45,382	23,919	439,388	370,627	540	47,502	14,623	(331)	14,291	-
45	Uniphos Limited, Mauritius	USD	54.29	166	25,114	25,282	2	-	-	19,782	-	19,782	-
46	United Phosphorus Limited, Gibraltar	USD	54.29	2	19,853	53,007	33,152	-	(4)	8,115	-	8,115	-
47	Uniphos Limited, Gibraltar	USD	54.29	2	45,010	151,472	106,460	-	123,787	29,060	-	29,060	-
48	United Phosphorus de Mexico, S.A. de C.V.	MXN	4.39	23	3,133	11,391	8,235	-	25,070	762	(285)	478	-
49	Decco Jifkins Mexico Sapi	MXN	4.39	2	(58)	587	643	-	949	(2)	(19)	(21)	-
50	Global chem Trade Corp., Panama (Refer Note: 4)	USD	54.29	-	-	-	-	-	-	(2,338)	-	(2,338)	-

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

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Sl.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 Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
51	United Phosphorus do Brasil Ltda	BRL	27.03	189	(166)	109	86	-	344	52	(23)	29	-
52	Uniphos Indústria e Comercio de Produtos Químicos Ltda.	BRL	27.03	21,364	(20,687)	60,310	59,633	-	-	(8,292)	-	(8,292)	-
53	United Phosphorus Indústria E Comércio de Produtos Químicos Ltda.	BRL	27.03	62,847	(2,536)	77,241	16,931	-	125	(1,745)	-	(1,745)	-
54	UPL do Brasil Indústria e Comércio de Insumos Agropecuários S.A. (Formerly known as DVA Agro Do Brasil - Comércio, Importação e Exportação de Insumos Agropecuários S.A.) (Refer Note: 7)	BRL	27.03	13,967	31,255	146,843	101,621	-	110,748	(98)	(337)	(435)	-
55	United Phosphorus de Colombia Limited (Refer Note: 6)	COP	29.75	-	-	-	-	-	-	-	-	-	-
56	Eddyville Consultants Group, Inc. (Refer Note: 4)	USD	54.29	-	-	-	-	-	-	(76)	-	(76)	-
57	Cerexagri Costa Rica, S.A.	CRC	0.11	76	(32)	6,616	6,573	-	10,278	(154)	5	(149)	-
58	United Phosphorus Limited de Guatemala S.A (Refer Note: 4)	GTO	6.98	-	-	-	-	-	-	-	-	-	-
59	Jiangsu Kaznam Chemical Group. (Refer Note: 4)	USD	54.29	-	-	-	-	-	-	5	-	-	-
60	UP Bolivia S.A.	BOB	7.74	4	(134)	758	888	-	641	(77)	-	(77)	-
61	Icona Sanluis S.A - Argentina	ARS	10.60	315	754	4,598	3,529	-	4,229	99	(17)	81	-
62	DVA Technology Argentina (Refer Note: 7)	BRL	27.03	-	-	-	-	-	-	-	-	-	-
63	Icona S.A - Argentina	ARS	10.60	453	(924)	35,646	36,118	-	30,326	(3,018)	1,125	(1,893)	-
64	Decco Chile SpA	CLP	0.12	1	(43)	703	745	-	608	(41)	-	(41)	-
65	UPL Colombia S.A.S (Formerly known as Evofarms Colombia SA) (Refer Note: 6)	COP	29.75	1,744	(182)	7,904	6,343	-	9,627	(196)	(122)	(318)	-

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

39 | (Contd.)

Sl.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 Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
66	Evo farms S.A (Refer Note: 6)	COP	29.75	-	-	-	-	-	-	-	-	-	-
67	United Phosphorus Cayman Limited	USD	54.29	0	1,353	23,275	21,922	-	24,220	3,799	(841)	2,958	-
68	UP Aviation Limited	USD	54.29	0	543	6,852	6,309	-	-	643	-	643	-
69	United Phosphorus Limited, Australia	AUD	56.49	56	1,109	7,246	6,080	-	9,930	313	(144)	168	-
70	United Phosphorus Limited, New Zealand	NZD	45.40	-	74	177	102	-	401	25	(7)	18	-
71	United Phosphorus (Shanghai) Company Limited (Refer Note: 8)	RMB	8.74	0	-	-	-	-	-	-	-	-	-
72	United Phosphorus (Korea) Limited	KRW	0.05	34	(217)	100	283	-	12	23	-	23	-
73	United Phosphorus (Taiwan) Limited	TWD	1.82	18	(43)	0	25	-	-	(6)	-	(6)	-
74	PT. United Phosphorus Indonesia	IDR	5.59	55	10	856	791	-	212	(76)	-	(76)	-
75	PT Catur Agrodaya Mandiri, Indonesia	IDR	5.59	84	(272)	1,875	2,063	-	1,675	(137)	-	(137)	-
76	United Phosphorus Limited, Hongkong (Refer Note: 8)	USD	54.29	1	5,262	17,050	11,787	-	18,332	811	(20)	791	-
77	United Phosphorus Corp. Philippines	PHP	1.33	114	(6)	376	269	-	89	(6)	(0)	(6)	-
78	United Phosphorus Vietnam Co., Limited	VND	2.59	374	1,165	3,350	1,811	-	5,279	566	(35)	531	-
79	United Phosphorus Limited, Japan	JPY	0.58	3,137	1	10,038	20,337	13,437	17,541	(84)	(9)	(93)	-
80	Anning Decco Fine Chemical Co. Limited, China	RMB	8.74	699	1,482	2,310	129	-	3,927	202	(44)	158	-
81	Cerexagri Ziraat Ve Kimya Sanayi Ve Ticaret Limited Sirketi, Turkey	TRY	29.95	91	3,110	7,937	4,736	-	6,410	1,214	(238)	976	-

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies

39 | (Contd.)

Sl.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 Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
82	UPL Agromed Tohumculuk Sanayi ve Ticaret	TRY	29.95	2,543	1,227	7,474	3,704	-	5,982	994	(196)	798	-
83	Safepack Products Limited	ILS	14.89	-	3,798	4,598	799	-	3,948	654	(169)	485	-
84	Citrashine (Pty) Ltd (Formerly Friedsheif 1114 (Pty) Ltd)	ZAR	5.88	0	(228)	1,202	1,430	-	-	45	-	45	-
85	Friedsheif 1114 (Pty) Ltd (Formerly Citrashine (Pty) Ltd)	ZAR	5.88	1	678	1,696	1,018	-	1,901	(105)	14	(91)	-
86	Samrod Chemicals (Pty) Ltd	ZAR	5.88	0	(0)	-	-	-	-	(4)	(0)	(5)	-
87	Prolong Limited	ILS	14.89	-	135	377	242	-	219	(45)	-	(45)	-
88	Blue star BV	EUR	69.46	1	-	1	-	-	-	-	-	-	-
Details of Investments of subsidiary companies:									Amt. in lacs				
Investments (long term):													
In equity shares:													
31 Redeemable Optionally Convertible Debentures in Goyal Consulting Private Limited.									3,101				
1,470 (Previous Year: Nil) Non-Convertible Debentures in Advanta India Limited									5,070				
20,482 shares of Villa Crop protection (PTY) Ltd.									540				
117,000,000 shares of Ishihara Sangyo Kaisha Ltd.									13,416				
33 shares of Natural Art KK									21				
Investment in Nedab Aps									10				
Investment in Kapchem (Ireland) Limited									250				
800,977,779 Equity shares of Sipcam UPL Brazil SA									24,283				
Total									46,690				

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 31/03/2013

Notes to Consolidated financial statements for the year ended 31 March 2013**39 | (Contd.)**

- 2 United Phosphorus Inc., U.S.A. results include the results of Cerexagri Delaware, Inc.; Cerexagri Inc. and Canegrass LLC, Riceco LLC & UPI Finance 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 dissolved/divested during the year:
 - United Phosphorus Holding, Brazil Plus B.V.
 - United Phosphorus Limited de Guatemala S.A
 - Global chem Trade Corp., Panama
 - Eddyville Consultants Group, Inc.
 - Jiangsu Kaznam Chemical Group.
- 5 During the year, United Phosphorus Italy S.R.L. was merged with Cerexagri Italia S.R.L.
- 6 During the year, Evofarms S.A and United Phosphorus de Colombia Limited were merged in UPL Colombia S.A.S (Formerly known as Evofarms Colombia S.A)
- 7 UPL do Brasil Industria e Comércio de Insumos Agropecuários S.A. results include the result DVA Technology Argentina
- 8 United Phosphorus Limited, Hongkong results include the results of United Phosphorus (Shanghai) Company Limited
- 9 Exchange rate in INR is per thousand of COP, IDR & VND.

40 | Buy-back of Shares of the Holding Company:

During the year, the Holding Company has completed the process of the buy-back and has accepted a total of 1,92,00,000 equity shares at a total consideration of Rs. 22,348 lacs (excluding brokerage, taxes and other charges). Accordingly, the face value of shares bought back amounting to Rs. 384 lacs has been adjusted against share capital and the balance amount of Rs. 21,964 lacs and related expenses amounting to Rs. 109 lacs have been adjusted in securities premium.

41 |

In view of acquisitions, sale/liquidation of subsidiaries, sale/ liquidation of Joint venture and acquisition of associates during the year, the current year figures are not comparable with those of the previous year.

42 |

Previous Year figures have been re-grouped / re-arranged wherever necessary.

As per our report of even date

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

per Sudhir Soni
Partner
Membership no.: 41870

Place: Mumbai
Date: 25th April, 2013

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

R.D.Shroff
Chairman & Managing Director
S.Krishnan
Chief Financial Officer

Place: Mumbai
Date: 25th April, 2013

A.C.Ashar
Whole-time Director

Corporate information

Board Of Directors

Mr. R. D. Shroff - Chairman & Managing Director
Mrs. S. R. Shroff - Vice Chairman
Mr. J. R. Shroff - Global CEO of the Group
Mr. V. R. Shroff - Executive Director
Mr. A. C. Ashar - Director – Finance
Mr. K. Banerjee - Whole - Time Director
Mr. Pradeep Goyal
Dr. P. V. Krishna
Dr. Reena Ramachandran
Mr. Pradip Madhavji
Mr. Vinod Sethi
Mr. Chirayu R. Amin (upto 23-10-2012)
Mr. Suresh P. Prabhu (w.e.f. 30-1-2013)

Company Secretary

Mr. M. B. Trivedi

Auditors

S.V.Ghatalia & Associates LLP
Chartered Accountants

Administrative Office

Uniphos House, C.D.Marg,
Khar (West), Mumbai- 400 052
Tel.: 2646 8000 Fax: 2604 1010

Registered Office

3-11, G.I.D.C., Vapi,
Dist. : Valsad, Gujarat-396 195.
Tel.: 0260-2400717 Fax: 0260-2401823

Bankers

Dena Bank
Bank Of Baroda
State Bank Of India
Union Bank Of India
Canara Bank
IDBI Bank Ltd.
The Karur Vysya Bank Ltd.
Axis Bank Ltd.
Andhra Bank
State Bank Of Hyderabad
Export-Import Bank Of India
ICICI Bank Ltd.
ING Vysya Bank Ltd.

Secretarial Department

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



United Phosphorus Limited

Uniphos House, C. D. Marg
Madhu Park, Khar (West)
Mumbai 400 052.



United Phosphorus Ltd.

Share Dept. : 8, Shri Krishna Commercial Centre, Ground Floor, Opp. Raheja Solitaire,
6, Udyog Nagar, Off. S. V. Road, Goregaon (W), Mumbai - 400 062.
Phone : 2872 4862, 2875 5486 Fax : 2875 3485

Regd. Off. : 3-11, GIDC, Vapi - 396 195 (Guj.) Tel. : (0260) 2400717, 2401718 - 19




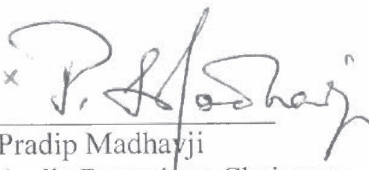

Corporate Off. : Uniphos House, Madhu Park, 11th Road, Khar (W),
Mumbai - 400 052. Phone : 2646 8000 Fax : 2604 1010

UNITED PHOSPHORUS LIMITED

SCRIP CODE - 512070

FORM A

(Pursuant to clause 31(a) of the listing agreement with Stock Exchanges)

1.	Name of the Company:	United Phosphorus Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period ... Not Applicable
5.	Signed by-	Signed by-
	<p>x </p> <p>_____ R. D. Shroff Chairman & Managing Director</p>	<p>For S.V. Ghatalia & Associates LLP Chartered Accountants Firm's Registration Number: 103162W</p>
	<p>x </p> <p>_____ A. C. Ashar Director Finance</p>	<p></p> <p>_____ per/Sudhir Soni Partner Membership Number: 41870</p>
	<p>x </p> <p>_____ Pradip Madhavji Audit Committee Chairman</p>	<p></p>
	Place of Signature: Mumbai Date: 24 th June, 2013	Place of Signature: Mumbai Date: 24 th June, 2013