

BOARD OF DIRECTORS

MR. R. D. SHROFF	-	Chairman & Managing Director
MRS. S. R. SHROFF	-	Vice Chairman
MR. J. R. SHROFF	-	Executive Director
MR. A. C. ASHAR	-	Director – Finance
MR. K. BANERJEE	-	Whole-time Director
MR. PRADEEP GOYAL		
DR. P. V. KRISHNA		
DR. (MRS) R. RAMACHANDRAN		
MR. PRADIP MADHAVJI		
MR. A. L. BONGIRWAR	-	Nominee Director of IDBI

COMPANY SECRETARY

MR. M. B. TRIVEDI

AUDITORS

S. V. GHATALIA & ASSOCIATES
Chartered Accountants

BANKERS

Dena Bank
Bank of Baroda
State Bank of India
Union Bank of India
Canara Bank
Indian Overseas Bank
Centurion Bank Ltd.
IDBI Bank Ltd.
Punjab & Sind Bank
Oriental Bank of Commerce
The Karur Vysya Bank Ltd.
UTI Bank Ltd.
Andhra Bank
State Bank of Hyderabad
Export-Import Bank of India
ICICI Bank Ltd.
ING Vysya Bank Ltd.

ADMINISTRATIVE OFFICE

Uniphos House, C.D.Marg,
Khar (West), Mumbai- 400 052

REGISTERED OFFICE

3-11, G.I.D.C., Vapi,
Dist. : Valsad, Gujarat-396 195.

REGISTRAR & SHARE TRANSFER AGENTS

Sharepro Services(India) Pvt. Ltd.
Unit: United Phosphorus Ltd.
Satam Estate, 3rd Floor, Above Bank Of Baroda,
Cardinal Gracious Road, Chakala,
Andheri (East), Mumbai- 400 099.



United Phosphorus Limited

NOTICE

NOTICE is hereby given that **21st ANNUAL GENERAL MEETING** of the Members of **UNITED PHOSPHORUS LIMITED** will be held on Wednesday, 31st August, 2005 at 09.30 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, 2005, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity and Preference Shares.
3. To appoint a Director in place of Mr. R. D. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jai R. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. P. V. Krishna, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

7. 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 13, 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the enabling provisions in that behalf in the Articles of Association of the Company, and subject to such approvals, permissions and sanctions, if any, required from any concerned authorities, the existing Equity Shares of the face value of Rs.10/- (Rupees Ten) each in the Share Capital of the Company be and are hereby sub-divided such that each Equity Share of the face value of Rs.10/- (Rupees Ten) be sub-divided into 5 (five) Equity Shares of the face value of Rs.2/- (Rupees Two) each and consequently, the sub-divided Authorised Share Capital of the Company would be Rs.200,00,00,000/- (Rupees Two Hundred Crores) divided into 27,50,00,000 (Twenty Seven Crores Fifty Lacs) Equity Shares of the face value of Rs.2/- (Rupees Two) each and 1,40,00,000 (One Crore Forty Lacs) Preference Shares of the face value of Rs.100/- (Rupees One Hundred) each and 50,00,000 (Fifty Lacs) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each and consequently the existing Clause V of the Memorandum of Association of the Company relating to Authorised Share Capital be and is hereby altered by deleting the same and substituting in its place and stead the following as new Clause V.

‘V. The Authorised Share Capital of the Company is Rs.200,00,00,000/- (Two Hundred Crores) divided into 27,50,00,000 (Twenty Seven Crores Fifty Lacs) Equity Shares of Rs.2/- (Rupees Two) each and 1,40,00,000 (One Crore Forty Lacs) Preference Shares of Rs.100/- (Rupees One Hundred) each and 50,00,000 (Fifty Lacs) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified, guaranteed or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions, in such manner as may be permitted by the Act or the Articles of the Company for the time being.’

RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company, the Issued, Subscribed and Paid-up Equity Shares of the face value of Rs.10/- (Rupees Ten) each fully paid-up be and stand sub-divided into Equity Shares of the face value of Rs.2/- (Rupees Two) each fully paid-up;

RESOLVED FURTHER THAT the share certificates in relation to such of the issued Equity Shares of the Company as are in physical form be cancelled and fresh share certificates be issued in lieu thereof with regard to the sub-divided Equity Shares in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and in the case of shareholders who hold the Equity Shares/opt to receive the sub-divided Equity Shares in dematerialised form, the sub-divided Equity Shares shall be credited to the respective beneficiary accounts of the shareholders with their respective Depository Participants;

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RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution and for removal of any doubts or difficulties, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, expedient, usual or proper and to settle any question or doubt that may arise in relation thereto or as the Board of Directors in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons;

RESOLVED LASTLY THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary or desirable to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and is hereby altered as under:

Existing Article No.3 of the Articles of Association of the Company, be and is hereby deleted and be substituted by the following Article:

‘3. The Authorised Share Capital of the Company is Rs.200,00,00,000/- (Two Hundred Crores) divided into 27,50,00,000 (Twenty Seven Crores Fifty Lacs) Equity Shares of Rs.2/- (Rupees Two) each and 1,40,00,000 (One Crore Forty Lacs) Preference Shares of Rs.100/- (Rupees One Hundred) each and 50,00,000 (Fifty Lacs) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified, guaranteed or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions, in such manner as may be permitted by the Act or the Articles of the Company for the time being.’

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

“RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) a sum not exceeding one per cent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and the Whole-time Directors, if any) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing 1st April, 2005.”

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 21st 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 Friday, 19th August, 2005 to Wednesday, 31st August, 2005 (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, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099, 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 01st September, 2005 to the Members whose names stand in the Company’s Register of Members on 31st August, 2005 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.



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7. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
8. Pursuant to the provisions of Section 205A of the Companies Act, 1956, unclaimed dividend for the financial year 1994-95 has been transferred to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Members who have not encashed the Dividend Warrants pertaining to the said period may make their claims to the Registrar of Companies, Gujarat, Ahmedabad by submitting an application in prescribed form.
9. There is no outstanding unclaimed dividend for the year 1995-96.
10. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended-
 - (a) Dividend for the year 1996-97 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 for the year 2003-04 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.**

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

At the ensuing Annual General Meeting, Mr. R. D. Shroff, Mr. Jai R. Shroff and Dr. P. V. Krishna, 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. 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 also a Director on the Board of various other public limited companies, viz. Uniphos Enterprises Limited, Uniphos Agro Industries Limited, Enviro Technology Limited, Nivi Trading Limited, Shroffs United Chemicals Limited, Pradeep Metals Limited, Bharuch Enviro Infrastructure Limited, Agri Net Solutions Limited, Search Enviro Limited, Uniphos Enviro Limited and JRF Biogenomics Limited.
- (b) Mr. Jai R. Shroff is the Director of the Company since 1st October, 1992 and is a science graduate. He has worked with the Group for more than 15 years. He has substantial experience in various areas of the Group's operations. He is also a Director on the Board of various other public limited companies, viz. Uniphos Enterprises Limited, Uniphos Agro Industries Limited, Enviro Technology Limited, Nivi Trading Limited, Ventura Guaranty Limited, Bharuch Enviro Infrastructure Limited, Agri Net Solutions Limited, Search Enviro Limited, Uniphos Enviro Limited and JRF Biogenomics Limited.
- (c) Dr. P. V. Krishna is the Director of the Company since 31st January, 2002. He is a member of the Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee. He is Ph.D.(Tech.). He is a Chemical technologist with specialisation in chemicals and petrochemicals. He has over 40 years experience in Research & Development and industry and held various positions in Government of Gujarat and Government of India. He is presently a Project Consultant for Chemicals, Petro Chemicals, Safety Management and Environment Planning. He has got an excellent technical background.

Mumbai
22nd July, 2005

Registered Office :
3-11, G.I.D.C., Vapi,
Dist. Valsad, Gujarat.
Pin - 396 195.

By Order of the Board of Directors

M. B. TRIVEDI
Company Secretary

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EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 7

The existing Authorised Share Capital of the Company is Rs. Rs.200,00,00,000/- (Rupees Two Hundred Crores) divided into 5,50,00,000 (Five Crores Fifty Lacs) Equity Shares of the face value of Rs.10/- (Rupees Ten) each and 1,40,00,000 (One Crore Forty Lacs) Preference Shares of the face value of Rs.100/- (Rupees One Hundred) each, and 50,00,000 (Fifty Lacs) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each.

It is proposed to re-organise the entire Authorised Share Capital as well as the Issued, Subscribed and Paid-up Share Capital of the Company by sub-dividing the existing Equity Shares of the face value of Rs.10/- (Rupees Ten) each into Equity Shares of the face value of Rs.2/- (Rupees Two) each. Thus, each existing Equity Share of the face value of Rs.10/- each is proposed to be sub-divided into 5 Equity Shares of Rs.2/- each.

Accordingly, it is proposed that the existing Issued, Subscribed and Paid-up Equity Shares of the face value of Rs.10/- each fully paid-up be and stand sub-divided into Equity Shares of the face value of Rs.2/- each fully paid-up.

The proposed sub-division of the Equity Shares into shares of smaller denomination as aforesaid would facilitate easy accessibility to the Company's Equity Shares by small investors and enhance the liquidity of shares on the Stock Exchanges.

Consequent to the sub-division of Equity Shares, Clause V of the Memorandum of Association is proposed to be amended as set out in the Resolution at Item No.7 of the accompanying Notice.

The consent of the members is being obtained in accordance with the provisions of Sections 13, 16 and 94 of the Companies Act, 1956.

A copy of the Memorandum and Articles of Association of the Company is available 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 21st Annual General Meeting.

The Board of Directors recommends the passing of the Ordinary Resolution of Item No.7 of the accompanying Notice.

None of the Directors of the Company may be considered to be concerned or interested in the said Resolution except to the extent of Equity Shares, if any, held by them together with their respective relatives in the Company.

ITEM NO. 8

Consequent to the sub-division of Equity Shares, the alteration to Article 3 of the Articles of Association is consequential to the re-classification in the present Authorised Share Capital of the Company as proposed in the Resolution under Item No.8 of the accompanying Notice.

As per the provisions of Section 31 of the Companies Act, 1956, a company may by special resolution alter its Articles of Association.

Accordingly, the Directors recommend the resolutions for approval of the Members.

A copy of the Memorandum and Articles of Association of the Company is available 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 21st Annual General Meeting.

None of the Directors of the Company may be considered to be concerned or interested in the said Resolution except to the extent of Equity Shares, if any, held by them together with their respective relatives in the Company.

Item No. 9

Taking into account the responsibilities of the Directors, it is proposed that in terms of Section 309(4) of the Companies Act, 1956, the Directors (apart from the Managing Director and the Whole-time Directors, if any) be paid, for each of the five financial years of the Company commencing 1st April, 2005, remuneration not exceeding one per cent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 1956. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

All the Directors of the Company except the Director-Finance and Whole-time Director, are concerned or interested in the Resolution at Item No. 9 of the Notice to the extent of the remuneration that may be received by them, or their relative/s.

Mumbai
22nd July, 2005

Registered Office :
3-11, G.I.D.C., Vapi,
Dist. Valsad, Gujarat.
Pin - 396 195.

By Order of the Board of Directors

M. B. TRIVEDI
Company Secretary



United Phosphorus Limited

DIRECTORS' REPORT

TO,
THE MEMBERS OF
UNITED PHOSPHORUS LIMITED

Your Directors have pleasure in presenting their report and audited accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

	Year ended on 31 st March, 2005	(Rs. in lakhs) Year ended on 31 st March, 2004.
Profit before taxation	9,723.05	5,799.30
Less : Provision for taxation	<u>3026.00</u>	<u>421.00</u>
	6,697.05	5,378.30
Add: (a) Debenture Redemption Reserves Written back	750.17	1,249.67
(b) Excess Deferred Tax Liability in respect of Demerged Undertaking written back	<u>—</u>	<u>4,449.52</u>
	7,447.22	11,077.49
Less: (i) Prior period adjustments (Net)	1,268.72	1,167.02
(ii) Capital Redemption Reserve	2,006.67	926.67
(iii) Debenture Redemption Reserve	<u>1,930.38</u>	<u>—</u>
	2,241.45	8,983.80
Add : Balance brought forward	<u>707.32</u>	<u>(19,683.96)</u>
	2,948.77	(10,700.16)
Add: Transferred from Capital Restructuring Account pursuant to the Scheme of Arrangement	<u>—</u>	<u>19,683.96</u>
	2,948.77	8,983.80
Less: (i) Adjustments consequent to the Scheme of Arrangement	<u>—</u>	<u>706.97</u>
(ii) Effect of change in method of valuation of stock as on 31st March 2003	<u>—</u>	<u>213.66</u>
	2,948.77	8063.17
Amount available for appropriation	<u>2,948.77</u>	<u>8063.17</u>
APPROPRIATIONS:		
Preference Dividend	139.78	766.19
Proposed Equity Dividend	1324.93	878.06
Proposed Preference Dividend	0.83	0.83
Tax on Distributed Profits:		
(i) On Preference Dividend	18.39	98.27
(ii) On Equity Dividend	188.07	112.50
Transfer to General Reserve	700.00	5500.00
Balance carried forward	<u>576.77</u>	<u>707.32</u>
	<u>2,948.77</u>	<u>8063.17</u>

OPERATIONAL PERFORMANCE

The year under review has been extremely good for the Company due to good rainfalls throughout the country. The local sales of agro chemicals had gone up. On export front also, the sales have gone up by almost 26%. The Chlor-Alkali business of the Company has also done very well and turned out to be very profitable for the Company. The Company recorded sales of Rs.1104.14 crores and Profit Before Tax stood at Rs.97.23 crores which was 67% higher than last year. Overall this has been an extremely good year for the Company. The profits would have been still higher but for increase in the cost of certain raw materials, increase in freight charges and weakening of US dollar against Rupee.

FUTURE OUTLOOK

Your Directors are optimistic that in the current year there will be good monsoons throughout the country. This should help in increasing the domestic sales of various agro chemicals.

It is expected that in the current year also the Chlor Alkali prices will continue to remain firm or increase mainly on account of increased local demand. In respect of export also the management is confident that with various registrations and businesses acquired by the Company, the export will go up substantially. Your Directors expect that barring unforeseen circumstances the Company's performance for coming years will continue to remain better.

DIVIDEND

Your Directors have recommended dividend of Rs.4/- per Equity Share of Rs. 10/- each and paise 70 per Preference Share on 1,17,978 - 7 % Preference Shares of Rs.10/- each for the financial year ended 31st March, 2005, which if approved at the forthcoming Annual General Meeting, will be paid to (i) all those Equity and Preference Shareholders of the Company whose names appear in the Register of Members as on 31st August, 2005 (ii) to those Equity and Preference Shareholders of the Company whose names appear as beneficial owners as per list furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

FINANCE

The company has taken advantage of low cost funds available in the market and has constantly replaced the debts carrying higher interest by low interest cost borrowings.

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During the year the Company issued Foreign Currency Convertible Bonds of US \$ 75 million. Of this, bonds worth US \$ 52.20 million are already converted into equity shares. This issue was made for raising finance for acquiring overseas businesses / registrations, working capital requirements of overseas subsidiaries and meeting capital expenditure requirements of the Company.

INTERNATIONAL ACTIVITIES

During the year under review the Company has acquired the business of M/s Agvalue Inc USA. The acquisition will help the Company to expand and consolidate its position in the North American Market in the key agriculture and speciality market segment.

RESEARCH & DEVELOPMENT

During the year your Company has conducted research for developing new products, and making improvements in the existing products.

SOCIAL ACTIVITIES

Your Company has been doing lot of social activities. These activities include supporting hospitals in Vapi and Ankleshwar, running management school in Vapi, English medium high schools in Vapi and Ankleshwar, major community library in Ankleshwar etc.

The Company is also working closely with SEWA Rural Trust to improve the lot of adivasis in Bharuch area. It also contributes for improving the roads from village to industrial areas in and around Vapi and Ankleshwar.

The Company also helps in rural electrification, providing wells and tube-wells and piping for doubling water sources in villages around Kutch.

The Company has also promoted various cultural activities in the adivasis areas of Valsad and Dang, and promoted various health camps. The Company has adopted Vapi railway station to keep it clean and providing facilities to passengers.

Overall the Company has been in forefront to support a just cause for betterment of the society at large.

SUBSIDIARY COMPANIES

Your Directors are pleased to inform you that the MCA has vide its letter dated 30th June, 2005, approved the Company's request and exempted the Company from attaching the Profit and Loss Account, Balance Sheet, Director's Report and Auditor's Report of all its subsidiaries subject to the condition that the Company will attach the consolidated financial statements of its subsidiaries for the year ended 31st March, 2005. The Audited Consolidated Financial Statements of your Company as per Accounting Standard-21 form part of this Report.

Annual accounts of subsidiary Companies are available for inspection at the Company's Registered Office and Corporate Office.

Overall, the performance of various subsidiaries has shown improvement. It is expected that better results will be seen in the coming years.

INSURANCE

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

FIXED DEPOSITS

The Company has not accepted fixed deposits during the year. As at 31st March, 2005 the total amount of fixed deposit held by the Company was Rs.5.24 lacs. Deposits aggregating to Rs.0.11 lacs had matured but remained unclaimed.

AUDITORS AND AUDITORS' REPORT

M/s. S. V. Ghatalia & Associates, Chartered Accountants, the Statutory Auditors are retiring at the ensuing Annual General Meeting and being eligible for re-appointment have expressed their willingness to continue, if re-appointed. Your Directors recommend their appointment as the Statutory Auditors and to fix their remuneration for the year 2005-2006.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

COST AUDIT

The Board of Directors appointed M/s. M. B. Ashtamker, Cost Accountants, Mumbai as Cost Auditors of the Company for conducting audit of the cost accounts maintained by the Company in respect of Insecticides for the year 2005-06.

DEPOSITORY SYSTEM

87.63 % of the total paid up equity shares of the Company are dematerialised as on 31st March, 2005.

DIRECTORS

In accordance with the Provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. R. D. Shroff, Mr. J. R. Shroff and Dr. P. V. Krishna, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

The brief resume of Mr. R. D. Shroff, Mr. J. R. Shroff and Dr. P. V. Krishna, Directors of the Company as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the notice convening the Annual General Meeting of the Company.

PERSONNEL

The relationship with the employees and workers at all levels continued to be cordial throughout the year. Your Directors would like to place on record their sincere appreciation for the contribution made by the employees and for their commitment in realising objectives and growth of the Company.

SAFETY, HEALTH PERFORMANCE AND ENVIRONMENT

The Company has taken various initiatives to achieve continuous improvement in the areas of safety, health and environment. All the units which are certified under ISO 14001, OHSAS 18001 and ISO 9000 have implemented various targets and objectives for achieving sustainable growth of the organization.



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The Company's on-going efforts to conserve natural resources and to achieve maximum recovery and yield has helped in reduction in raw material consumption, energy consumption, water consumption at various units.

At the safety front, the Company has strengthened Emergency Rescue Team at all units, which is helpful to the Company as well as to the community during emergency situation. The ERT team has rendered commendable services during the flood situation occurred at Vapi. The Company has also conducted various training programs to ultimate users of our products like chlorine and agrochemicals so that the chemicals will be handled in a safe manner by them. The Company has also achieved sustainable reduction in the accident rate - both severity rate and frequency rate - at all units. The Company has also rendered the help to District Authorities at Bharuch and Vapi during the flood situation by spraying pesticides at the flood affected area to prevent spread of contagious diseases.

On the community welfare, the Company has provided an ambulance at Vapi which is helpful to the people living in and around the industrial estate. A team of dedicated people are also available to render help.

One of the important initiatives taken by the Company is putting up a Common Incineration system at Ankleshwar which will be helpful to all the industries in the Gujarat state to thermally treat their organic waste as per the GPCB guideline.

The Company is taking various initiatives under the Responsible Care code of practices. During the last year, the Company has received the prestigious ICMA Aditya Birla Award for Best Responsible Care Committed Company and has become the first company to receive this award.

The Company is taking initiatives in green belt development at Ankleshwar and Vapi and the Company works closely with industrial and social organizations.

INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND PARTICULARS OF EMPLOYEES

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and information as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, as amended from time to time, form part of this report and annexed 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, 2005, the Company has followed the applicable accounting standards with proper explanations relating to material departures, if any;
- 2) appropriate accounting policies have been selected and applied consistently and judgements and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2005 and of the profit of the Company for that year;
- 3) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with applicable provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Your Company and its Board has been complying with Corporate Governance to the extent set out in this respect as a separate report, in pursuance of requirement of Clause 49 of the Listing Agreement. The Management Discussion and Analysis Report forms part of this Report. Auditors' Certificate regarding compliance of the conditions of 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 continue to be listed at The Stock Exchange, Mumbai, National Stock Exchange of (I) Ltd., Calcutta Stock Exchange Association Ltd. and Vadodara Stock Exchange. There is no default in paying annual listing fees.

DELISTING

At the last Annual General Meeting of the Company held on 28th August, 2004, the Members of the Company had approved, vide Special Resolution, to delist voluntarily the securities of the Company from the four stock exchanges, viz., Vadodara Stock Exchange Ltd., The Stock Exchange-Ahmedabad, Madras Stock Exchange Ltd. and The Calcutta Stock Exchange Association Ltd.

Your Directors are pleased to inform you that Madras Stock Exchange Ltd. and The Stock Exchange - Ahmedabad., vide their letter dated 19th January, 2005 and 5th April, 2005 respectively, have delisted the equity shares of the Company from the list of the said stock exchanges. The Calcutta Stock Exchange Association Ltd. and Vadodara Stock Exchange have not yet conveyed their decision. The Company is pursuing the same and is hopeful to get the necessary permission soonest.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Gujarat, Financial Institutions and the Commercial Banks. The Board is also thankful to consumers, distributors, investors, etc. for their unstinted support to the Company.

Mumbai
1st July, 2005

On behalf of the Board of Directors

Registered Office :
3-11, G.I.D.C., Vapi,
Dist. Valsad, Gujarat,
Pin - 396 195.

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. Provision of internal coil in exothermic reaction instead of external heat exchanger for better energy saving.
2. Replacements of cross flow cooling tower by counter flow cooling tower.
3. Replacement of oil fuel for steam generation with natural gas.
4. Power factor improvement by relocating the power capacitors.
5. Replacement of mercury vapors lamps by CFL lamp.
6. Replacement of exact duty point high efficiency pumps.
7. Reduction in number of circulating cooling water pumps.
8. In efficient boiler burner have been replaced with new boiler burner to improve boiler efficiency.
9. Process modification was resorted to get more production with decreased consumption of power & steam.
10. Ejector vacuum system was replaced with vacuum pump in solvent recovery to get power saving.
11. Replacement of electrical oil heating with steam heating in boiler to save power.
12. Replacement of reciprocating air compressor by screw compressor.
13. Optimizing the agitator rotation to achieve power saving.
14. Replacement of 1000 watt halogen lamps with 400 watt HPSV lighting.
15. Reduction in the number of wooden cooling towers by relocating and centralizing and optimizing cooling tower sizing for DG sets to achieve power saving.
16. Steam condensate diverted to boiler feed water heat energy saving.

(b) Additional proposals if any for reduction of energy consumption

The company considered the following proposals for effective management of energy resources and adequate reduction in its energy consumption.

1. Installation of Variable speed drive for Boiler and Aerator.
2. Conduct energy audit by experts to achieve optimization of energy consumption.
3. Conversion of batch process in to continues process to optimise utility consumption.
4. Installation of economizer in boiler for fuel efficiency.
5. To replace fresh water above ground pumps by submersible pumps for power saving.
6. Replacement of ejector vacuum system with vacuum pump in final product distillation.
7. Replacement of Desiccant air dryer system by Refrigerant type air dryer.
8. Installation of auto blow down system in steam boiler.

(c) The above measures at (a) & (b) have resulted in saving in power and stream and the annual savings expected from these measures are approximately Rs.200 lakhs.

B. TECHNOLOGY ABSORPTION

The following efforts were taken by the company towards technology absorption, adaptation and innovation.

- a) The Company has continued its aggressive drive to develop & commercialize new generation of chemical molecules based on novel chemistries of Insecticides, Herbicides and Fungicides.
- b) Technology upgradation by way of making linkages with scientists of reputed institutes of national and international fame like GLP testing laboratories / National CSIR laboratories / institutions liked UDCT and IIT.
- c) Technology innovation in existing products by updating with latest know-how in technology.
- d) Adaptation of latest technologies for new customized molecules as intermediate & key building blocks for Agrochemicals.

No technology was imported by the company during the year 2004-05.

1. Research & Development (R&D) :

Research & technology development has been one of the key activities & an integral part of the corporate policy. To further strengthen it, the company has set up a new R&D center at Thane during the year 2004-2005. This center will focus on new products development.

R&D center of all the units have been equipped with the state-of-art laboratory facilities & strong base for developing new molecules having global quality standards. Spectrum of activities / functions conducted in R&D during the year 2004-2005 is summarized as below:

- a) A new wheat herbicide has been developed which is expected to be launched during the 3rd quarter of 2005-2006. Three other soya and maize herbicide have been also developed for introduction in the coming years.
- b) Improvements in the processes of existing products have been done which will result in the significant reduction of



United Phosphorus Limited

raw materials cost.

- c) R&D is immensely contributing towards company's endeavor of maintaining ISO14000 Environment Standards by developing environment friendly processes for agrochemical and its intermediates & devising technology for effluent treatments generated in the process. At the same time effort are continued to reduce effluent by recovering & recycling solvent.
- d) R&D new eco-friendly formulation.

2. Benefits Derived :

- a) Company has exhibited immense growth in the business of Agrochemical as well as specialty chemicals by maintaining the quality standards & producing the products at competitive prices.
- b) Collaboration with GLP accredited research institute has facilitated generation of product profiles required for overseas registration, which is mandatory for exporting/marketing.
- c) Analytical facilities generated out of sophisticated instruments at all R&D centers' facilitates delivering quality product via process monitoring activities coupled with product profile studies.
- d) New products developed will result in the substantial increase of sales turnover and profitability of the company.
- e) Improvements in the processes of existing products will result in the reduction of raw materials cost and increased profitability.

3. Future Plan of Action :

- a. Strengthen man power by recruiting scientists from reputed research Institutes and universities
- b. Seminars & training programs for scientist for developing skill for selection & absorption of imported technologies.
- c. Worldwide Registration of Technicals / Formulations.
- d. Development of Chiral molecules and newer chemistries.
- e. Development of safe / eco-friendly formulations.

4. EXPENDITURE INCURRED ON R&D :

- a) Capital - Rs. 53.87 Lakhs
- Recurring - Rs.420.88 Lakhs
- Total - Rs.474.75 Lakhs
- b) Total R&D expenditure } – 0.45% {as a percentage of turnover}

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- 1. Activities relating to Export, Initiatives to increase exports, Development of new export markets for Products and Services and Export promotion plans :

The company is continuously increasing its exports. The quality maintained by the company for the various agro chemicals, which are made available at competitive prices, have resulted in increase in the exports of the company. The big network of subsidiaries and stock points can easily cater to the requirements of the global community. Strategic alliances are formed. New registrations are obtained for the company's products in different countries. Thereafter, these products are manufactured at low cost in the Company's factories in India.

During the year exports accounted for 55 % of total sales of the company.

- 2. Total Foreign Exchange used and earned :

- a. Total Foreign Exchange earned :

	2004-2005 (Rs.) (In Lacs)	2003-2004 (Rs.) (In Lacs)
i) Exports (F.O.B. Value) including exports through export houses	59,253.05	47,166.05
ii) Interest	681.67	61.91
iii) Management Service charges	—	688.80
iv) Others	164.54	—

- b. C.I.F. Value of Imports/Expenditure in Foreign currency:

	2004-2005 (Rs.) (In Lacs)	2003-2004 (Rs.) (In Lacs)
i) Raw Material	20,636.67	17,520.73
ii) Capital Goods	1,046.51	182.90
iii) Expenditure in Foreign Currency	13,586.48	2,132.84

For and on behalf of the Board,

Mumbai
1st July, 2005

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	2004-05	2003-04
ELECTRICITY		
Purchased units (kwh)	11629715.24	10930530.64
Total Cost (Rs.)	61637490.78	58587644.22
Rate/Unit (Rs.)	5.30	5.36
OWN GENERATION (D G HOUSE)		
UNITS (kwh)	1011580.00	1044346.00
Unit per Litre of Diesel Oil	3.24	3.15
Cost/Unit (Rs.)	12.15	12.74
OWN GENERATION (POWER PLANT)		
UNITS (kwh)	285545370.00	263681859.00
Unit per M3 of Natural Gas	3.97	3.84
Cost/Unit (Rs.)	2.23	2.12
FURNACE OIL		
Quantity (Litres)	10534480.02	8718054.31
Total Cost (Rs.)	115173916.30	95594997.38
Rate/Litre (Rs.)	10.93	10.97
NATURAL GAS		
Quantity (M3)	83045846.00	77350932.00
Total Cost (Rs.)	651181444.52	610817029.80
Rate/Unit (Rs.)	7.84	7.90
CONSUMPTION PER UNIT OF PRODUCTION - ALL PRODUCTS		
	Rate/Unit	Rate/Unit
	2004-05	2003-04
Electricity	1.63/.10	1.37/.10
Furnace oil	0.05	0.05
Natural Gas	0.06	0.05

For and on behalf of the Board,

Mumbai
1st July, 2005

R. D. Shroff
Chairman & Managing Director



ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2005.

Sr. No.	Name	Designation & Nature of Duties	Remuneration Gross (Rs.)	Qualifications	Date of Joining the Organisation	Age in Years	Last Employment
1	R.D. Shroff	Chairman & Managing Director	72,83,882/-	B. Sc.	01/10/1992	72	Nil
2	K.M. Banerjee	Wholetime Director - Marketing	26,60,912/-	B.Tech. (Chemical Engg.)	01/10/2003	63	Nil
3	J.R. Shroff	Executive Director	70,50,251/-	B. Sc.	01/10/1992	40	Nil
4	A.C. Ashar	Wholetime Director - Finance	63,74,452/-	B. Com., ACA	01/03/1993	57	Finance Controller - Excel Industries Ltd.
5	K.R. Srivastava	Chief Operating Officer	59,15,521/-	B. Chem., PGDBMA (IIM), DSM	01/10/2003	48	President - Pharmaceutical Products of India Ltd.
6	Vishnu Bhat*	President - Profit Center	25,08,318/-	B.Tech. (Chemical Engg.)	01/10/2003	45	CEO - Shaw Wallace Agrochemical Ltd.

* Mr. Vishnu Bhat was in service only for a part of the year.

Notes :

- 1) Gross remuneration shown above is subject to tax and comprises salary, allowances, incentives, monetary value of perquisites, company's contribution to provident fund, officer's superannuation fund, commission to Directors and incentives to senior executives.
- 2) In addition to the above remuneration, employees are also entitled to gratuity, medical benefits etc. in accordance with Company's rules.
- 3) All employees have adequate knowledge in their line of operation to discharge assigned responsibilities.
- 4) Shri R. D. Shroff, Chairman & Managing Director is the father of Shri J. R. Shroff, Executive Director.

For and on behalf of the Board,

Mumbai
1st July, 2005

R. D. Shroff
Chairman & Managing Director

CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

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

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

2. Board of Directors

The Board of Directors consists of 10 directors.

Eight 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 : 29th April, 2004, 19th May, 2004, 28th July, 2004, 1st September, 2004, 1st October, 2004, 30th October, 2004, 21st January, 2005 and 17th February, 2005.

COMPOSITION AND DETAILS OF DIRECTORS IS AS FOLLOWS:

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	7	—	11	—	—
Mrs. S. R. Shroff	Promoter & Vice Chairman	7	Present	9	—	—
Mr. J. R. Shroff	Promoter & Executive Director	6	—	9	—	—
Mr. A. C. Ashar	Non-Promoter Executive Director	7	Present	5	3	—
Dr. P. V. Krishna	Non-Executive & Independent Director	3	—	—	—	—
Mr. Pradeep Goyal	Non-Executive & Independent Director	6	—	4	—	3
Mr. A. L. Bongirwar @	Non-Executive & Independent Director (Nominee-IDBI)	4	—	2	—	—
Mr. K. Banerjee	Non-Promoter Executive Director	2	Present	1	—	—
Dr.(Mrs) Reena Ramachandran	Non-Executive & Independent Director	6	—	—	—	—
Mr. Pradip Madhavji	Non-Executive & Independent Director	5	Present	2	—	—

Notes: @ Nominee Director of IDBI.

* Excludes Directorship in Private Limited 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,
- Capital Expenditure Budget,
- Financial Results of Company and consolidated financial results,
- Revision in remuneration payable to Whole-time Directors,
- Commission to Directors,
- Inter-corporate investments, loans and guarantees,
- Material show cause notices, legal judgements etc.,
- Voluntary de-listing of securities from the four stock exchanges, viz., Vadodara Stock Exchange Ltd., The Stock Exchange—Ahmedabad, Madras Stock Exchange Ltd. & The Calcutta Stock Exchange Association Ltd.,
- Raising of funds by way of issue of FCCBs,



United Phosphorus Limited

- Issue of commercial papers,
- Issue of privately placed Debentures,
- Increase in limits of investments by FII's.,
- Acquisition of shares of AG Value, INC in U.S.A.,
- Investment in Partnership Firm,
- Purchase of business of NAPROPAMIDE,
- Sale of manufacturing unit situated at Samba in the state of Jammu and Kashmir by way of slump sale.

4. Disclosures

The particulars of transactions between the Company and related parties as per the Accounting Standards are mentioned separately in schedule "T" of the Annual Report. However these transactions are not likely to have any conflict with the Company's interest.

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

The Securities and Exchange Board of India (SEBI) vide notification dated 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, 2005 was as under:

Name of the Director	Shareholding
Mr. R. D. Shroff	1082387
Mrs. S. R. Shroff	485475
Mr. J. R. Shroff	374063
Mr. A. C. Ashar	20759
Dr. P. V. Krishna	Nil
Mr. Pradeep Goyal	Nil
Mr. A. L. Bongirwar - Nominee of IDBI	Nil
Mr. K. Banerjee	38032
Dr. (Mrs) Reena Ramachandran	Nil
Mr. Pradip Madhavji	Nil

5. 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 27th April, 2004, 28th July, 2004, 30th October, 2004, 21st January, 2005 and 2nd March, 2005.

Composition of members of Audit Committee is as follows:

Composition	Mr. Pradip Madhavji Chairman	Mr. Pradeep Goyal	Dr. P. V. Krishna
Meetings attended during the year	5	4	2

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.

6. Remuneration Committee

The Board of the Company has constituted a Remuneration Committee, comprising of three independent, Non-Executive Directors. One meeting of the Remuneration Committee was held on 1st September, 2004

Composition of members of Remuneration Committee is as follows:

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

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/ Whole time Directors based on performance and defined criteria. During the year the Remuneration Committee recommended the revision in the remuneration package of Managing/Whole time Directors and the same were approved by the shareholders at the General Meeting.

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, 2005 to four Whole time Directors is as follows:

Mr. R. D. Shroff, Chairman & Managing Director Rs.98.99 lacs; Mr. Jai R. Shroff, Executive Director Rs.100.65 lacs; Mr. Kalyan Banerjee, Whole time Director Rs.26.76 lacs and Mr. A. C. Ashar, Whole time Director Rs.57.89 lacs. Besides this, these whole time Directors are entitled to Company's contribution to Provident Fund, Superannuation, Gratuity and encashment of leave at the end of the tenure as per the rules of the Company.

The Company has paid the sitting fees for the year ended 31st March, 2005 to Non- Executive directors for attending Board Meetings, Audit Committee Meetings, Remuneration Committee Meeting and Shareholders'/Investors' Grievances Committee Meeting as follows:

Mr. A. L. Bongirwar Rs. 20,000/-; Dr. P. V. Krishna Rs.27,000/-; Mr. Pradeep Goyal Rs. 54,000/-, Dr. (Mrs.) Reena Ramachandran Rs.32,000/- and Mr. Pradip Madhavji Rs. 52,000/-.

7. 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 21st January, 2005

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

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

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

The total number of complaints received during the year under review were 1014 and all the complaints were replied to the satisfaction of shareholders on or before 31st March, 2005.

21 requests for transfers and 87 requests for dematerialisation were pending for approval as on 31st March, 2005, which were approved and dealt with by 15th April, 2005.

8. Annual General Meetings

Location and time for last Three Annual General Meetings were:

Year	AGM	Location	Date	Time
2001-2002	18 th AGM	Hotel Green View Hall N. H. No. 8, Vapi 396 195	22/03/2003	10.00 a.m.
2002-2003	19 th AGM	Hotel Green View Hall N. H. No. 8, Vapi 396 195	24/09/2003	11.30 a.m.
2003-2004	20 th AGM	Hotel Green View Hall N. H. No. 8, Vapi 396 195	28/08/2004	10.00 a.m.

During the year, one Special Resolution under Section 293(1)(a) of the Companies Act, 1956 was passed through postal ballot process. Mr. Giriraj Laddha, Chartered Accountant, was appointed scrutinizer to conduct the postal ballot voting process. For



United Phosphorus Limited

the postal ballot, the procedure laid down by Section 192A of the Companies Act, 1956, and the rules made thereunder was followed. The Special Resolution was approved by the shareholders with requisite majority on 30th March, 2005. Particulars of postal ballot voting are as follows:

	Face Value of Shares (Rupees)	% of Votes
Votes in favour of the Resolution	12,56,65,710	87.44
Votes against the Resolution	1,79,19,000	12.47
Invalid Votes	1,18,640	0.09
Total	14,37,03,350	100

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

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

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

None.

10. Means of communication

Half-yearly results for the half-year ending 30th September, 2004 were not sent to each household of shareholder.

The quarterly and annual results are published by the Company in the Financial Express in Gujarati and Financial Express and Economics Times in English. The results are also displayed on corporate Website, www.uplonline.com. Official news releases are sent to the Stock Exchanges at Vadodara, Mumbai, Calcutta and National Stock Exchange of (I) Ltd., where the equity shares of the Company are listed. During the year, no presentations were made to analysts or Institutional Investors.

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

11. General Shareholder Information

- 11.1. Annual General Meeting** :
- Date : 31st August, 2005 at 09.30 a.m.
 - Venue : Hotel Green View Hall, N. H. No. 8, Vapi 396 195.
- 11.2. Financial Calendar** :
- Annual General Meeting –**
31st August, 2005
 - Results for quarter ending June 30, 2005-** Last week of July, 2005
 - Results for quarter ending September 30, 2005-** Last week of October, 2005
 - Results for quarter ending December 31, 2005-** Last week of January, 2006
 - Results for quarter/ year ending March 31, 2006 -** Last week of April, 2006/June 2006.
- 11.3. Book closure date** : 19/08/2005 to 31/08/2005
(Both days inclusive)
- 11.4. Dividend payment date** : On or after 1st September, 2005
- 11.5. Listing of Equity Shares on Stock Exchanges at** : Vadodara, Mumbai, Calcutta and The National Stock Exchange
- 11.6 (a) Stock Code** :
- Vadodara Stock Exchange Ltd.** : —
 - The Stock Exchange, Mumbai** : 512070
 - The National Stock Exchange of (I) Ltd.** : UNIPHOS
 - Calcutta Stock Exchange Assn. Ltd.** : —

(b) Demat ISIN Number in

NSDL & CDSL for

(i) Equity Shares : INE628A01028

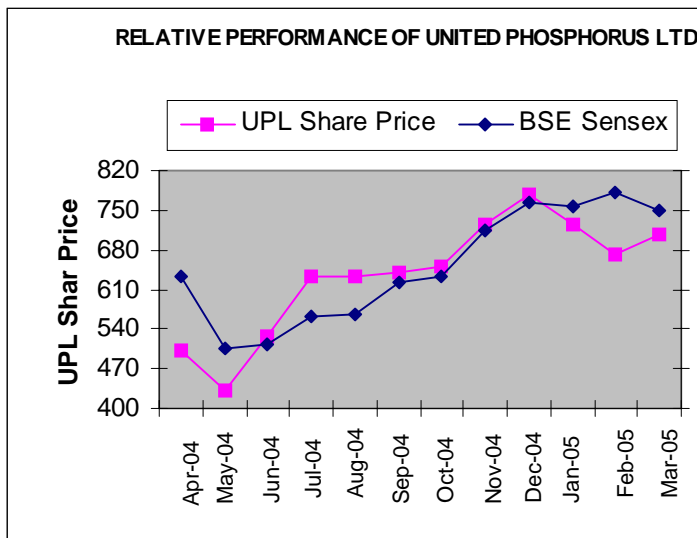
(ii) Preference Shares of Rs.10/- each : INE628A04014

11.7. Stock Market Data

Month	The Stock Exchange, Mumbai (BSE)		National Stock Exchange of (I) 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 2004	508.00	444.00	508.00	391.00
May 2004	545.00	400.00	542.00	405.50
June 2004	530.00	410.00	530.50	401.00
July 2004	635.00	430.00	635.95	505.40
August 2004	658.00	412.05	655.00	615.00
September 2004	701.15	610.05	734.80	620.10
October 2004	729.70	634.00	725.00	610.00
November 2004	739.90	607.00	735.00	610.00
December 2004	803.00	715.00	808.00	713.25
January 2005	785.00	651.00	779.65	670.00
February 2005	786.10	667.00	774.50	668.00
March 2005	840.00	658.05	846.90	651.10

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

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



11.9. Registrar and Transfer Agents

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

: Sharepro Services (India) Pvt. Ltd.
Unit : United Phosphorus Limited
Satam Estate, 3rd Floor,
Above Bank of Baroda, Chakala,
Andheri (E), Mumbai 400 099.

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
Excel Estate, S. V. Road,
Near Mahesh Nagar
Goregaon (West), Mumbai 400 062.



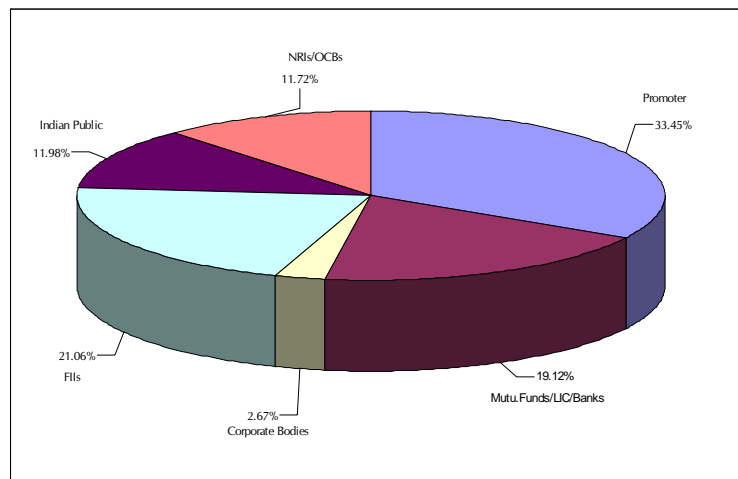
United Phosphorus Limited

11.10 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.

11.11. Distribution of Shareholdings as on 31st March, 2005 :

Shareholding of Nominal Value of (Rs.)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (Rs.)	% of Total Amt.
1 – 5,000	26380	92.46	24957170	7.54
5,001 – 10,000	1412	4.95	9809100	2.96
10,001 – 20,000	411	1.44	5872100	1.77
20,001 – 30,000	67	0.23	1701980	0.51
30,001 – 40,000	33	0.12	1181610	0.36
40,001 – 50,000	23	0.08	1068890	0.32
50,001 – 1,00,000	43	0.15	3162060	0.96
1,00,001 and above	164	0.57	283479290	85.58
Total	28533	100.00	331232200	100.00

11.12. Shareholding pattern as on 31st March, 2005 :



11.13. Dematerialisation of Shares : 87.63% of the outstanding shares have been dematerialised up to 31st March, 2005. 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).

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 2004 – 2005 is given below:

	The Stock Exchange, Mumbai (BSE)	National Stock Exchange of (I) Ltd. (NSE)	BSE + NSE
In no. of shares (in thousand)	21.70	23.86	45.56
In value terms (Rs. thousand)	12516.25	10899.99	23416.24

11.14. Outstanding GDR/Warrants and Convertible Bonds, Conversion date and likely Impact on the Equity : As on 31st March, 2005

- Outstanding GDRs represent 168362 shares (0.51 %).
- Outstanding FCCBs pending conversion represent 2880 Bonds of US\$ 10,000 each, which are convertible into equity share of Rs. 10/ each at the rate of Rs.690.78176, if converted before 6 October, 2005 and at the rate of Rs.728.80644, if converted thereafter.

21st Annual Report 2004-2005

11.15. Plant Locations : The Company's plants are located at Vapi, Ankleshwar, Jhagadia, Halol and Jammu.

11.16. Address for Correspondence

(i) **Investor Correspondence** : **For Shares held in Physical Form**
Sharepro Services (India) Pvt. Ltd.
Unit : United Phosphorus Limited
Satam Estate, 3rd Floor,
Above Bank of Baroda, Chakala,
Andheri (E), Mumbai 400 099.
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
Excel Estate, S. V. Road,
Near Mahesh Nagar,
Goregaon (West), Mumbai 400 062.
For Shares held in Demat form
To the Depository Participant

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

On behalf of the Board of Directors

Mumbai
29th April, 2005

R. D. Shroff
Chairman & Managing Director

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 31st March 2005, 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 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.

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor grievances are pending for a period exceeding one month against the Company as certified by the Registrar and Share Transfer Agent of the Company and taken on record by the Shareholder / Investors Grievance Committee.

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**
Chartered Accountants

(P. V. Paranjape)
Partner
Membership No. 047296

Mumbai
29th April, 2005



United Phosphorus Limited

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The company is engaged in the business of agrochemicals, intermediates, industrial chemicals and speciality chemicals.

The Company has also a Chlor-alkali plant for manufacture of caustic soda, chlorine and hydrogen. Chlorine is mainly consumed captively in the manufacture of various agrochemicals and intermediates.

The Company has captive power generation plant of 53 mw capacity at Jhagadia. Most of the power generated is consumed captively and surplus power is sold to Gujarat Electricity Board.

Agrochemicals include insecticides, weedicides, herbicides, fumigants, rodenticides etc. Sale of agrochemicals is largely dependent on monsoon. The year 2004-05 had bountiful rains through-out the country. It is expected that year 2005-06 also will have near-normal monsoons in India. Globally, the agrochemicals are in good demand. However, product registration in various countries are required so as to enable the company to export the agrochemicals to different countries.

The Government of India has emphasized the need for improving productivity in agricultural sector and the agrochemical industry therefore, has a prominent role to play to achieve higher productivity.

Industrial chemicals and speciality chemicals have a very static growth. Their sales do not have much volatility over the period.

Chlor alkali industry in India has done well in the year 2004-05. The local demand for caustic and chlorine has also gone up this year and due to higher demand, prices have also gone up.

Power generation will have a good future in India. At present, demand for power is much in excess of the supply. The government is supporting setting up of new power plants. This industry is poised for tremendous growth in future.

OPPORTUNITIES AND THREATS

The agrochemical industry in India will have a good growth. As some of the big multinationals have decided to prune their business in agrochemicals, the Indian manufacturers will have great opportunity for expanding their activities. In the overseas markets also, the demand for the agrochemicals is increasing.

Compared to international standards, consumption of agrochemicals in India is very low. Hence, there is lot of growth potential for the same in Indian markets. As the Company owns a lot of registrations, it is geared to take advantage of increasing demand for agrochemicals in the global market.

The chlor-alkali business is likely to do well in the near future. The demand for caustic and chlorine is going up and this trend is likely to continue for next two years.

The major threat faced by the agrochemical and chemical industry is from China. It has started supplying some agrochemicals in India and abroad and thereby, partaking some of the sales of Indian producers. The manufacturers, therefore, have to adjust their plans and see that their business is not adversely affected by competition from China.

In spite of playing an important role in improving productivity of agriculture produce, and the industry players maintaining high standards of safety and pollution controls, people and society at large have negative perception of the industry. The industry is taking all steps to see that these misconceptions are cleared from the minds of people and the government.

SEGMENTWISE PERFORMANCE:

a) **Agrochemicals**

This continues to be the core activity of the Company. During 2004-05, the sales of agrochemicals increased by 36%. During the year, the Company acquired the business of M/s Agvalue , Inc. This company holds registrations for various products and hence, the acquisition will help in expanding and consolidating the Company's position in the North American markets in key agriculture and speciality chemical market segments.

b) **Industrial Chemicals and Intermediates:**

During the year, this segment performed very well. There was a shortage of yellow phosphorus as the plants in China had closed down for a major part of the year due to power shortage. The company's plant for manufacture of yellow phosphorus was running to full capacity. In chlor-alkali business also, there was rise in demand of caustic and chlorine. The sales realizations also improved. The high price and increase in demand is likely to continue for few more years. The other industrial chemicals showed a very static demand.

c) **Exports:**

The company's exports are increasing every year. In 2004-05, it accounted for almost 55% of total sales of the company. The company is likely to acquire a few more businesses in India and abroad in the current year. This will help to increase the company's exports further due to new registrations.

d) **Power:**

Due to higher demand of power for captive consumption resulting in higher utilization of its capacity, cost of producing power came down. The Company's captive demand for power will increase in the subsequent years also. Hence, the Company will be using more of the power generated by it.

BUSINESS OUTLOOK:

The outlook for agrochemicals business is extremely good. With the occurrence of near-normal monsoons, local business will improve. Overseas markets are also showing improvement. Acquisition of new business will help in increasing exports.

The Chlor-alkali business is likely to perform well in the current year.

Power generation operations are likely to improve considerably. This industry will benefit due to various changes envisaged by government in its national power policy.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a proper and adequate system of internal controls to see that all its assets are safeguarded and protected against loss from any unauthorized use or disposition. All financial records are maintained properly. Apart from Company's own internal audit team, services of professional chartered accountants are availed to carry out internal audit of all operations of the Company. The Company also carries out environment audits through independent professionals.

FINANCIAL AND OPERATIONAL PERFORMANCE:

For the year 2004-05 the sales have been Rs.1093.29 crores. Profits before taxes have gone up to Rs.97.23 crores. The exports on F.O.B. basis have been Rs.592.53 crores.

HUMAN RESOURCES DEVELOPMENT:

As on 31st March 2005, the number of employees of the Company was 2040. The company is conducting various seminars and inviting professionals for training the employees to achieve higher productivity in the respective fields of work. Throughout the year, the industrial relations have remained cordial.

CAUTIONARY STATEMENT:

Certain statements in this section relating to estimates, projections and expectations may be forwarded looking within the meaning of applicable laws and regulations. The actual results may be different from what has been envisaged. The factors that may affect the performance will be drought or shortfall in rains, government policies, tariffs, delay in registrations, changes in local overseas markets and related factors.



United Phosphorus Limited

AUDITORS' REPORT

TO
THE MEMBERS OF
UNITED PHOSPHORUS LIMITED

We have audited the attached Balance Sheet of UNITED PHOSPHORUS LIMITED as at 31st March, 2005 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit;

Further to our comments in the Annexure referred to above, 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 purposes 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, the Profit and Loss Account and Cash Flow Statement dealt with by the Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Profit and Loss Account 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 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2005 from being appointed as a Director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005;
 - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For **S. V. GHATALIA & ASSOCIATES**
Chartered Accountants

(P.V.PARANJAPE)
Partner

Membership No. 47296

Mumbai,
29th April, 2005

ANNEXURE TO THE AUDITORS' REPORT*

(* Referred to in our Report of even date on the accounts of United Phosphorus Limited for the year ended 31st March, 2005)

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, some of the fixed assets have been physically verified by the management under the phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
(c) During the year, the Company has not disposed off a substantial part of the fixed assets.
2. (a) The inventories, except for stock-in-transit and materials lying with outside parties, have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventories 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 has maintained proper records of inventories. The discrepancies noticed on physical verification of stocks as compared to book records were not material and the same have been properly dealt with in the books of account.
3. (a) The Company had granted an unsecured 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.7,27.59 lacs and the year-end balance of loan granted to such party was Rs Nil.
(b) In our opinion, the rate of interest of the loan granted to company, covered in the register maintained under Section 301 of the Companies Act, 1956 is not prima facie prejudicial to the interest of the Company. However, in the absence of any stipulations in respect of other terms and conditions of the said loan, we are unable to comment in respect thereof.
(c) In the absence of stipulations in respect of the terms of receipts of principal amount and interest in respect of the loan granted, we are unable to comment whether receipt of principal amount and interest are regular.
(d) In the absence of stipulations in respect of the terms of receipts of principal amount and interest where the overdue amount is more than rupees one lakh, we are unable to comment whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
(e) The Company had taken a loan from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of the loan taken from such party was Rs.34.50 lacs.
(f) In our opinion, the rate of interest of the loan taken from a company, covered in the register maintained under Section 301 of the Companies Act, 1956 is not prima facie prejudicial to the interest of the Company. However, in the absence of any stipulations in respect of other terms and conditions of the said loan, we are unable to comment in respect thereof.
(g) In the absence of stipulations in respect of the terms of payment of principal amount and interest of the loan taken, we are unable to comment whether payment of principal amount and interest are regular.
4. 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 with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.



United Phosphorus Limited

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under the said section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, in respect of certain transactions of purchases and sales of goods, materials or services, we are unable to comment in respect thereof in absence of similar transactions with other parties.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. We have been informed that no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Order 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 records have been maintained and the prescribed accounts are being made up. We have however, not made a detailed examination of the said records.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise duty, cess and any other statutory dues have generally been deposited regularly during the year with the appropriate authorities. There were no arrears of the aforesaid dues as on the date of the Balance Sheet for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues of sales tax, income tax, custom duty, wealth tax, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Sr. No.	Name of the statute	Nature of dues	Amount (Rs. In lacs)	Forum where dispute is Pending
1	Income tax Act, 1961	Income-tax Demands	0.27	Income-tax Appellate Tribunal, Ahmedabad
			5.86	Income-tax Appellate Tribunal, Mumbai
2	Sales tax Act	Sales Tax Demands	1.64	Deputy Commissioner of Sales- tax (Appeals), Ernakulam
			12.50	Sales-tax Tribunal, Chandigarh
			435.48	Sales-tax Officer Enforcement Branch, Ahmedabad
3	Central Excise Act	Excise Duty Demands	1,221.82	Commissioner (Appeals)
			1,661.29	Central Excise and Service Tax Appellate Tribunal, Mumbai

10. The Company has no accumulated losses as at year-end and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit Fund Company or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. 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 are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiary companies from banks or financial institutions are not prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the Company has generally applied the term loans for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and the cash flow statement of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investments.
18. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to information and explanations given to us, the Company has created security or charge in respect of debentures issued.
20. The management has disclosed the end use of money raised by public issue of foreign currency convertible bonds and the same has been verified by us.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. V. GHATALIA & ASSOCIATES**

Chartered Accountants

(P.V.PARANJAPE)

Partner

Membership No. 47296

Mumbai,
29th April, 2005



United Phosphorus Limited

BALANCE SHEET AS AT 31ST MARCH, 2005

	Schedule	Rs. in lacs	As at 31st March, 2005 Rs. in lacs	As at 31st March, 2004 Rs. in lacs
SOURCES OF FUNDS:				
1 SHAREHOLDER'S FUNDS:				
(a) Capital	'A'	3,690.79		5,311.99
(b) Reserves and Surplus	'B'	63,108.25		39,965.55
			66,799.04	45,277.54
2 LOAN FUNDS:				
(a) Secured Loans	'C'	33,301.10		34,319.96
(b) Unsecured Loans	'D'	23,121.56		13,755.22
			56,422.66	48,075.18
3 DEFERRED PAYMENT LIABILITIES			4,235.59	4,322.70
	TOTAL		127,457.29	97,675.42
APPLICATION OF FUNDS:				
1 FIXED ASSETS:	'E'			
(a) Gross Block		85,378.52		80,890.94
(b) Less: Depreciation		37,556.18		31,513.06
(c) Net Block		47,822.34		49,377.88
(d) Capital Work-in-Progress		3,684.01		1,799.24
			51,506.35	51,177.12
2 INTANGIBLE ASSETS	'F'		11,130.08	1,354.96
3 INVESTMENTS	'G'		4,135.96	3,978.82
4 DEFERRED TAX ASSET (NET)			3,442.82	5,793.82
5 CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	'H'	15,106.62		10,046.69
(b) Sundry Debtors	'I'	38,167.83		34,145.38
(c) Cash and Bank Balances	'J'	465.02		322.75
(d) Other Current Assets	'K'	4,584.67		3,472.91
(e) Loans and Advances	'L'	39,634.84		15,064.99
			97,958.98	63,052.72
Less: CURRENT LIABILITIES AND PROVISIONS:				
(a) Liabilities	'M'	39,293.56		26,563.27
(b) Provisions	'N'	1,579.69		1,514.40
			40,873.25	28,077.67
NET CURRENT ASSETS			57,085.73	34,975.05
6 MISCELLANEOUS EXPENDITURE: (to the extent not written off or adjusted)				
Deferred Revenue Expenses			156.35	395.65
	TOTAL		127,457.29	97,675.42
NOTES ON ACCOUNTS	'T'			

As per our attached Report of even date

For S.V. GHATALIA & ASSOCIATES

Chartered Accountants

P. V. PARANJPE

Partner

Mumbai, 29th April, 2005

R. D. SHROFF

Chairman and Managing Director

A. C. ASHAR

Director-Finance

Mumbai, 29th April, 2005

M.B. TRIVEDI

Secretary

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005

	Schedule	Rs. in lacs	Current Year Rs. in lacs	Previous Year Rs. in lacs
INCOME:				
Sale of Products:		110,414.26		87,695.73
[Including sale of raw materials: Rs.1,085.21 lacs (Previous Year : Rs. 99.69 lacs)]				
Less: (a) Excise Duty		6,320.68		5,335.63
(b) Rebate and Discounts		2,749.58		2,102.32
			101,344.00	80,257.78
Other Income from Operations	‘O’		3,759.36	4,044.26
Other Income	‘P’		1,245.31	562.56
			106,348.67	84,864.60
Increase/(Decrease) in Stocks	‘Q’		2,125.98	(864.63)
			108,474.65	83,999.97
EXPENDITURE:				
Manufacturing and Other Expenses	‘R’	85,665.79		63,766.97
Amortisation/Depreciation		6,014.74		5,296.03
Interest and Other Financial Costs	‘S’	6,831.77		8,136.82
Amortisation of Deferred Revenue Expenses		239.30		339.47
			98,751.60	77,539.29
PROFIT BEFORE TAXATION AND EXTRAORDINARY EXPENSES			9,723.05	6,460.68
Less: Extraordinary Expenses			-	661.38
PROFIT BEFORE TAXATION			9,723.05	5,799.30
Less: Provision for Taxation:				
Current		675.00		421.00
Deferred		2,351.00		-
			3,026.00	421.00
PROFIT AFTER TAXATION			6,697.05	5,378.30
Add: (a) Debenture Redemption Reserve written back		750.17		1,249.67
(b) Excess Deferred Tax Liability in respect of Demerged Undertaking written back		-		4,449.52
			750.17	5,699.19
			7447.22	11,077.49
Less: (a) Prior Period Adjustments (Net)				
(i) Taxation		-		1,150.84
(ii) Others		1,268.72		16.18
		1,268.72		1,167.02
(b) Capital Redemption Reserve		2,006.67		926.67
(c) Debenture Redemption Reserve		1,930.38		-
			5,205.77	2,093.69
			2,241.45	8,983.80
Balance brought forward from Previous Year		707.32		(19,683.96)
Add: Transferred from Capital Restructuring Account pursuant to a Scheme of Arrangement		-		19,683.96
		707.32		-
Adjustments consequent to a Scheme of Arrangement		-		(706.97)
Effect of change in method of valuation of stock as on 31st March, 2003		-		(213.66)
			707.32	(920.63)
AMOUNT AVAILABLE FOR APPROPRIATION			2,948.77	8,063.17
Appropriations:				
(a) Preference Dividend		140.61		767.02
(b) Proposed Dividend on Equity Shares		1,324.93		878.06
(c) Tax on Distributed Profits:				
(i) On Preference Dividend		18.39		98.27
(ii) On Equity Dividend		188.07		112.50
(d) Transfer to General Reserve		700.00		5,500.00
			2,372.00	7,355.85
Balance Carried to Balance Sheet			576.77	707.32
EARNING PER SHARE				
(Refer Note No. 25 in Schedule ‘T’)				
Basic Earning per Share (Rs.)			17.29	13.17
Diluted Earning per Share (Rs.)			17.10	13.17
Face Value per Share (Rs.)			10.00	10.00
NOTES ON ACCOUNTS		T’		

As per our attached Report of even date

For **S.V. GHATALIA & ASSOCIATES**
Chartered Accountants

R. D. SHROFF
Chairman and Managing Director

P. V. PARANJPE
Partner

A. C. ASHAR
Director-Finance

M.B. TRIVEDI
Secretary

Mumbai, 29th April, 2005

Mumbai, 29th April, 2005



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2005 Rs. in lacs	As at 31st March, 2004 Rs. in lacs
SCHEDULE 'A':		
CAPITAL:		
Authorised:		
5,50,00,000 Equity Shares of Rs. 10 each	5,500.00	5,500.00
1,40,00,000 (Previous Year: 1,45,00,000) Preference Shares of Rs. 100 each	14,000.00	14,500.00
50,00,000 (Previous Year: Nil) Preference Shares of Rs. 10 each	500.00	—
	20,000.00	20,000.00
Issued, Subscribed and Paid-up:		
3,31,23,220 (Previous Year: 2,92,68,581) Equity Shares of Rs.10 each fully paid-up	3,312.32	2,926.86
Nil (Previous Year: 2,00,000) 14% Non-Convertible Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up.	—	200.00
Nil (Previous Year:10,40,000)12.50%Non-Convertible Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up.	—	1,040.00
Nil (Previous Year: 4,00,000) 11% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100 each fully paid-up	—	400.00
11,00,000 12% Non-Convertible Cumulative Redeemable Preference Shares of Rs. 100 each, Rs.33.33 (Previous Year: Rs. 66.67) paid-up after part redemption	366.67	733.33
1,17,978 7% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up	11.80	11.80
TOTAL	3,690.79	5,311.99

Notes:

1. Of the above, 2,54,66,243 Equity Shares of Rs.10 each fully paid-up and 1,17,978 7% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up, have been allotted pursuant to a Scheme of Arrangement, without payments being received in cash.
2. During the year, the Company has issued Foreign Currency Convertible Bonds (FCCB) Series 'A' amounting to USD 25 million and Series 'B' amounting to USD 50 million. Out of the above, FCCB of Series 'A' have been fully converted into 19,97,823 equity shares of Rs.10 each fully paid-up and FCCB of Series 'B' aggregating to USD 27.20 million have been converted into 18,56,816 equity shares of Rs.10 each fully paid-up. The said equity shares shall rank pari-passu with the other equity shareholders. In respect of the balance FCCB of Series 'B' aggregating to USD 22.80 million, the bond holders have an option to convert the said FCCB into equity shares of Rs.10 each fully paid-up.
3. 12%Non-Convertible Cumulative Redeemable Preference Shares are redeemable in three equal annual instalments commencing from the expiry of the fourth year from the date of allotment, i.e. on 12th July, 2003.
4. 7%Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up, are redeemable at the expiry of three years from the date of allotment i.e. on 14th December, 2006.

SCHEDULE FORMING PART OF THE BALANCE SHEET

	<u>Rs. in lacs</u>	<u>As at 31st March, 2005 Rs. in lacs</u>	<u>As at 31st March, 2004 Rs. in lacs</u>
SCHEDULE 'B':			
RESERVES AND SURPLUS:			
1. Capital Redemption Reserve:			
Balance as per last Balance Sheet	926.67		—
Add: Transferred from Profit and Loss Account	2,006.67		926.67
		2,933.34	926.67
2. Securities Premium:			
Balance as per last Balance Sheet	—		8,491.42
Less: Calls in arrears	—		950.55
	—		7,540.87
Add: Amount received towards calls in arrears	—		2.14
	—		7,543.01
Less: Transferred to Capital Restructuring Account pursuant to a Scheme of Arrangement	—		7,543.01
	—		—
Add: Amount arising on conversion of Foreign Currency Convertible Bonds into equity shares	22,990.25		—
Less: Expenses incurred on issue of Bonds/Debentures	1,100.40		—
		21,889.85	—
3. Capital Reserve:			
Amount arising in respect of fractional entitlement on conversion of Foreign Currency Convertible Bonds into equity shares.		0.08	—
4. General Reserve:			
Balance as per last Balance Sheet	36,581.23		3,918.81
Add: (i) Transferred from Capital Restructuring Account pursuant to a Scheme of Arrangement	—		27,162.42
(ii) Transferred from Profit and Loss Account	700.00		5,500.00
	37,281.23		36,581.23
Less: Provision for Impairment of Assets (Refer Note No. 5 in Schedule 'T')	1,800.03		—
		35,481.20	36,581.23
5. Debenture Redemption Reserve:			
Balance as per last Balance Sheet	1,750.33		—
Add: (i) Transferred from Capital Restructuring Account pursuant to a Scheme of Arrangement	—		3,000.00
(ii) Transferred from Profit and Loss Account	1,930.38		—
	3,680.71		3,000.00
Less: Transferred to Profit and Loss Account	750.17		1,249.67
		2,930.54	1,750.33
6. Foreign Currency Translation Reserve in respect of non-integral foreign operation (Refer Note No. 4 in Schedule 'T')		(703.53)	—
7. Balance in Profit and Loss Account		576.77	707.32
TOTAL		63,108.25	39,965.55



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	As at 31st March, 2005 Rs. in lacs	As at 31st March, 2004 Rs. in lacs
SCHEDULE 'C':			
SECURED LOANS:			
1. Debentures:			
(a) 35,00,000 15% Secured Redeemable Non- Convertible Debentures of Rs.100 each fully paid-up transferred pursuant to a Scheme of Arrangement	2,334.00		3,500.00
Less: Redeemed during the year	1,167.00		1,166.00
	1,167.00		2,334.00
In pursuance of the terms of issue, the debentures are redeemable at par in three equal annual instalments commencing from 7th January, 2004. (Refer Note No. 1 below).			
(b) 15,00,000 14.5% Secured Redeemable Non- Convertible Debentures of Rs.100 each fully paid-up transferred pursuant to a Scheme of Arrangement	500.00		1,500.00
Less: Redeemed during the year	—		1,000.00
	500.00		500.00
In pursuance of the terms of issue, the debentures are redeemable at par in three equal annual instalments commencing from 30th June, 2003. (Refer Note No. 2 below).			
(c) 10,00,000 14.5% Secured Redeemable Non- Convertible Debentures of Rs.100 each fully paid-up transferred pursuant to a Scheme of Arrangement	666.67		1,000.00
Less: Redeemed during the year	333.33		333.33
	333.34		666.67
In pursuance of the terms of issue, the debentures are redeemable at par in three equal annual instalments commencing from 21st July, 2003. (Refer Note No. 2 below)			
(d) 100 (Previous Year: Nil) 7.20% 7 Year Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each fully paid-up.	1,000.00		—
In pursuance of the terms of issue, the debentures are redeemable at par in three annual instalments in the ratio of 30%, 30% and 40% commencing from 1st October, 2009 and have a put and call option at the end of 5th year i.e. 1st October, 2009. (Refer Note No. 3 below)			
(e) 500 (Previous Year: Nil) Floating Rate 7 Year Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each fully paid-up. Interest on these debenture will be paid at a rate which will vary based on the Indian Bench Mark.	5,000.00		—
In pursuance of the terms of issue, the debentures are redeemable at par in three annual instalments in the ratio of 30%, 30% and 40% commencing from 1st October, 2009 and have a put and call option at the end of 3rd year i.e. 1st October, 2007 and 5th year i.e. 1st October, 2009. (Refer Note No. 3 below)			
(f) 25 (Previous Year: Nil) 6.75% Secured Redeemable Non-Convertible Debentures of Rs.1,00,00,000/- each fully paid-up.	2,500.00		—
In pursuance of the terms of issue, the debentures are redeemable at par on 18th May, 2006 and have a call option earliest on 15th June, 2005. (Refer Note No. 4 below)			
(g) 25 (Previous Year: Nil) 6.25% Secured Redeemable Non-Convertible Debentures of Rs.1,00,00,000/- each fully paid-up.	2,500.00		—
In pursuance of the terms of issue, the debentures are redeemable at par on 29th April, 2006 and have a call option earliest on 27th May, 2005 (Refer Note No. 4 below)			
		13,000.34	3,500.67
Carried Forward		13,000.34	3,500.67

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SCHEDULE FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	As at 31st March, 2005 Rs. in lacs	As at 31st March, 2004 Rs. in lacs
SCHEDULE 'C' (Cont'd.):			
Brought Forward		13,000.34	3,500.67
2. From Banks:			
(a) On Term Loan Accounts (Refer Note No. 5 below)	8,304.71		7,334.07
(b) Under Vehicle Finance Schemes (Refer Note No. 6 below)	377.19		172.29
(c) On Cash Credit and Working Capital Demand Loan Accounts (Refer Note No. 7 below)	467.23		5,496.44
		9,149.13	13,002.80
3. From Others:			
(a) From Technology Information Forecasting and Assessment Council (Refer Note No. 8(a) below)	47.65		38.00
(b) From Industrial Development Bank of India (Refer Note No.8(b) below)	1,026.23		5,103.49
(c) External Commercial Borrowing from International Finance Corporation (Refer Note No. 8(c) below)	7,652.75		7,700.00
(d) From Rabo India Finance Private Limited (Refer Note No. 8(d) below)	2,425.00		4,975.00
		11,151.63	17,816.49
TOTAL		33,301.10	34,319.96

Notes:

1. Debentures referred to in Clause 1(a) above are secured by an exclusive mortgage and charge on the immovable properties and on all movable assets present or future, situated at Halol Unit, and on specific movable assets situated at Vapi and Ankleshwar Unit I and Unit II.
2. Debentures referred to in Clauses 1(b) and 1(c) above are secured by legal mortgage on all the assets of the Company, present and future, situated at Vapi, Ankleshwar and Halol Units by way of first charge on *pari-passu* basis, except those assets on which a first and exclusive charge is already existing in favour of other debenture holders/term lenders.
3. Debentures referred to in Clauses 1(d) and 1(e) above are secured by a first mortgage and charge on immovable property at Ahmedabad, Gujarat and further are to be secured by way of first charge on intangible assets of the Company.
4. Debentures referred to in Clauses 1(f) and 1(g) above are to be secured by *pari-passu* second charge on the fixed assets of the Company.
5.
 - (a) Term Loan from The Karur Vysya Bank Limited amounting to Rs. 1590.50 lacs is secured by hypothecation of specific plant and machinery, present and future, situated at Vapi, Ankleshwar Unit I, Unit II, Unit III and Halol Unit of the Company.
 - (b) Term Loan from UTI Bank Limited amounting to Rs. 2500.00 lacs is secured by first charge on all movable Plant and Machinery, Equipments, Furnitures, and Fixtures etc. of the Company situated at Vapi, Ankleshwar, both present and future, ranking *pari-passu* with existing chargeholders except fixed assets on which specific charge has been created in favour of other Financial Institutions/Banks.
 - (c) Term loans from Andhra Bank Limited amounting to Rs. 1,214.21 lacs are secured by specific tangible movable plant and machinery, both present and future, whether installed or not, situated at Vapi, Ankleshwar Unit I, II and III.
 - (d) Term Loans from Dena Bank Limited amounting to Rs.3,000.00 lacs is secured by way of export bills sent on collection.
6. Term Loans from IDBI Bank Limited, ICICI Bank Limited and Citibank Limited under Vehicle Finance Schemes amounting to Rs.10.44 lacs, Rs. 333.04 lacs and Rs 33.71 lacs, respectively, are secured by an exclusive charge by way of hypothecation of vehicles purchased under the said Schemes.
7. Cash Credit and Working Capital Demand Loan Accounts from Banks are secured by hypothecation of present and future inventories, book debts, etc. of the Company wherever situated.
8.
 - (a) Term loan from Technology Information Forecasting and Assessment Council (TIFAC) amounting to Rs. 47.65 lacs is to be secured by a first charge by way of hypothecation of all movable assets other than book debts, both present and future, except stock of raw materials, stores, semi-finished and finished goods, on which charge has been created and/or is to be created in favour of Company's bankers and such other movables which may be agreed to by TIFAC
 - (b) Term loan from Industrial Development Bank of India amounting to Rs.1,026.23 lacs is secured
 - (i) exclusively by way of hypothecation of plant and machinery of Aluminium Phosphite Plant, Pesticides Technical Plant, D.V.Ester Plant and D.G.Set situated at Vapi and Phosphomidon Plant and Para Chloro Ortho Cresol Plant situated at Ankleshwar.
 - (ii) by way of first charge by hypothecation of movable properties of the Company including movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future, situated within the Company's factories, premises and godowns or elsewhere.
 - (iii) by way of first mortgage and charge on leasehold land situated at Vapi, Ankleshwar and Halol Units.
 - (c) External Commercial Borrowing from International Finance Corporation amounting to Rs. 7,652.75 lacs is secured by a first charge by way of hypothecation of specific movable assets, present and future, situated at Jhagadia Unit of the Company.
 - (d) Term loan from Rabo India Finance Private Limited amounting to Rs. 2,425.00 lacs is secured by first charge on specific movable assets comprising of Plant & Machinery, Spare Parts, etc., both present and future situated at Vapi, Ankleshwar and Jammu Units.



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET

	<u>Rs. in lacs</u>	<u>As at 31st March, 2005 Rs. in lacs</u>	<u>As at 31st March, 2004 Rs. in lacs</u>
SCHEDULE 'D':			
UNSECURED LOANS:			
1. Fixed Deposits [Including Rs. 5.13 lacs (Previous Year: Rs. 0.50 lacs) repayable within one year]		5.13	5.63
2. Term Loans from Banks		3,000.00	4,500.00
3. Commercial Papers [(Maximum amount outstanding at any time during the year - Rs. 15,000.00 lacs (Previous Year: Rs. 6,000.00 lacs)]		5,000.00	3,800.00
4. Term Loans from Companies and Others		5,139.50	439.50
5. Unsecured Debentures		—	5,000.00
6. Foreign Currency Convertible Bonds		9,970.44	—
7. From Housing Development Finance Corporation Limited under Employees Housing Loan Scheme (Guaranteed by Uniphos Enterprises Limited)		6.49	10.09
TOTAL		<u>23,121.56</u>	<u>13,755.22</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 'E':

FIXED ASSETS:

Sr. No.	Description of Assets	GROSS BLOCK (AT COST OR BOOK VALUE)				DEPRECIATION			NET BLOCK		
		As at 31st March, 2004	Additions during the year	Deductions during the year	As at 31st March, 2005	Upto 31st March, 2004	Deductions/ Adjustments*	Provided during the year	Total upto 31st March, 2005	As at 31st March, 2005	As at 31st March, 2004
1	Land - Freehold	191.34	3.03	-	194.37	-	-	-	-	194.37	191.34
2	Land - Leasehold	1,275.33	57.28	-	1,332.61	-	-	-	-	1,332.61	1,275.33
3	Buildings	3,231.73	65.54	14.49	3,282.78	837.57	10.19	80.51	907.89	2,374.89	2,394.16
	(Refer Note No. 1 given below)										
4	Plant and Machinery	62,109.30	4,321.97	374.70	66,056.57	24,929.90	(1,628.00)#	3,448.72	30,006.62	36,049.95	37,179.40
5	Laboratory Equipments	87.50	43.42	-	130.92	32.17	(8.54)	4.36	45.07	85.85	55.33
6	Furniture, Fixtures and Equipments	2,190.12	174.25	7.84	2,356.53	1,334.55	(30.13)	253.34	1,618.02	738.51	855.57
7	Vehicles	763.32	333.69	114.57	982.44	426.76	95.82	124.91	455.85	526.59	336.56
8	Temporary Structures	3.01	-	-	3.01	3.01	-	-	3.01	-	-
9	Assets taken on Lease:										
	(a) Plant and Machinery	10,946.09	-	-	10,946.09	3,930.46	-	540.80	4,471.26	6,474.83	7,015.63
	(b) Computer Equipments	93.20	-	-	93.20	18.64	-	29.82	48.46	44.74	74.56
	Previous Year	80,890.94	4,999.18	511.60	85,378.52	31,513.06	(1,560.66)	4,482.46	37,556.18	47,822.34	49,377.88
		78,950.35	2,826.08	885.49	80,890.94	27,508.69	415.58	4,419.95	31,513.06		
	Capital Work-in-Progress (Refer Note No.2 given below)									3,684.01	1,799.24
	Total									51,506.35	51,177.12

Notes:

- Buildings include:
 - Those purchased on hire purchase basis amounting to Rs.4.92 lacs, the ownership whereof has not yet been transferred to the Company.
 - Cost of shares in Co-operative Housing Societies Rs.0.01 lac.
- Capital Work-in-Progress includes Advances for Capital Expenditure Rs.93.13 lacs (Previous Year: Rs.65.70 lacs).
- # Includes excess provision for depreciation Rs.39.28 lacs (Previous year: Rs. Nil).
- * Includes Provision for impairment amounting to Rs. 1,800.03 lacs (Previous Year : Nil). Also refer Note No. 5 in Schedule 'T'.

SCHEDULE 'F':

INTANGIBLE ASSETS:

Sr. No.	Description of Assets	GROSS AMOUNT			AMORTISATION			NET AMOUNT			
		As at 31st March, 2004	Additions during the year	Deductions during the year	As at 31st March, 2005	Upto 31st March, 2004	Deductions/ Adjustments	Provided during the year	Total upto 31st March, 2005	As at 31st March, 2005	As at 31st March, 2004
1	Data Access Fees	3,388.52	2,638.04	-	6,026.56	2,212.47	-	916.96	3,129.43	2,897.13	1,176.05
2	Product Registrations	223.64	615.86	-	839.50	44.73	-	167.90	212.63	626.87	178.91
3	Task Force Expenses	768.26	-	-	768.26	768.26	-	-	768.26	-	-
4	Product Acquisitions	-	8,053.50	-	8,053.50	-	-	447.42	447.42	7,606.08	-
	Total	4,380.42	11,307.40	-	15,687.82	3,025.46	-	1,532.28	4,557.74	11,130.08	1,354.96
	Previous Year	4,028.10	352.32	-	4,380.42	2,149.38	-	876.08	3,025.46		



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	As at 31st March, 2005 Rs. in lacs	As at 31st March, 2004 Rs. in lacs
SCHEDULE 'G':			
INVESTMENTS (At Cost):			
Long-Term:			
1. IN GOVERNMENT SECURITIES: (Unquoted)			
(a) National Savings Certificates [Face Value: Rs.1.45 lacs (Previous Year: Rs. 1.46 lacs)] Deposited with Government Authorities	1.45		1.46
(b) Indira Vikas Patra [Face Value: Rs. 0.06 lac] Deposited with Government Authorities	0.06		0.06
		1.51	1.52
2. IN SUBSIDIARY COMPANIES:			
Unquoted:			
(i) 86,000 Ordinary Shares of US \$ 100 each fully paid-up in Bio-Win Corporation	2,897.28		2,897.28
(ii) 6,10,000 Equity Shares of Rs.10 each fully paid-up in Enviro Technology Limited	61.00		61.00
(iii) 10,88,875 (Previous Year: 738,875) Equity Shares of Rs.10 each fully paid-up in Bharuch Enviro Infrastructure Limited	119.39		73.89
(iv) 50,007 (Previous Year: Nil) Equity Shares of Rs. 10 each fully paid-up in Shroffs United Chemicals Limited	5.00		-
		3,082.67	3,032.17
3. TRADE INVESTMENTS : (Unquoted)			
(a) 650 Equity Shares of Tk.1,000 each fully paid-up in United Phosphorus (Bangladesh) Limited	4.12		4.12
(b) 57 Ordinary Shares of 1 Rand each fully paid-up in Cropserve (PTY) Limited	288.62		203.85
		292.74	207.97
4. IN SHARES (OTHER THAN TRADE):			
(a) Quoted:			
(i) 1,400 Equity Shares of Rs. 10 each fully paid-up in Bank of India	0.63		0.63
(ii) 28,100 Equity Shares of Rs.10 each fully paid-up in Gujarat State Financial Corporation	5.62		5.62
(iii) 50,000 Equity Shares of Rs. 10 each fully paid-up in Nivi Trading Limited.	6.06		6.06
(iv) 41,150 Equity Shares of Rs.10 each fully paid-up in Transpek Industry Limited	68.50		68.50
	80.81		80.81
(b) Unquoted:			
(i) 10,00,000 Equity Shares of Rs.10 each fully paid-up in Agrinet Solutions Limited	500.00		500.00
(ii) 15,91,485 Equity Shares of Rs.10 each fully paid-up in Bharuch Eco Aqua Infrastructure Limited.	159.15		159.15
(iii) 10,000 Equity Shares of Rs.10 each fully paid-up in Janakalyan Sahakari Bank Limited	1.00		1.00
(iv) Nil (Previous Year :100) Equity Shares of Rs. 10 each fully paid-up in Mahalaxmi Co-operative Bank Limited	—		0.01
(v) 5,00,000 Equity Shares of Rs.10 each fully paid-up in Uniphos Agro Industries Limited	50.00		50.00
	710.15		710.16
		790.96	790.97
Carried Forward		4,167.88	4,032.63

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SCHEDULE FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	As at 31st March, 2005 Rs. in lacs	As at 31st March, 2004 Rs. in lacs
SCHEDULE 'G' (Contd.)			
Brought Forward		4,167.88	4,032.63
5. OTHER INVESTMENTS:			
Unquoted:			
Nil (Previous Year: 100) Bonds of State Bank of India of Rs.1,000 each fully paid-up		—	1.00
		4,167.88	4,033.63
Less: Provision for Diminution in value of Long-Term Investments		31.92	54.81
TOTAL		4,135.96	3,978.82

Notes:

1. Aggregate amount of Quoted Investments: Cost (Net of Provision for Diminution)	48.89	26.00
Market Value	35.91	14.22
2. Aggregate amount of Unquoted Investments: Cost	4,087.07	3,952.82
3. During the year, the Company has purchased and sold the following shares/units		
	No. of Shares/Units	No. of Shares/Units
a. Dena Bank Limited	14,028	—
b. IL & FS Liquid Account - Institutional Plan	8,38,807	—

**SCHEDULE 'H':
INVENTORIES:**

(Taken, valued and certified by a Director of the Company)

(At lower of Cost or Net Realisable Value)

1. Stores and Spares (including Fuel)	1,113.21	1,002.35
2. Packing Materials	1,124.02	828.57
3. Stock-in-Trade:		
(a) Finished Products	6,166.55	3,850.84
(b) By-Products	687.12	418.35
(c) Semi-finished Products	1,138.93	1,119.85
(d) Traded Goods	174.73	188.63
(e) Raw Materials	4,702.06	2,638.10
[Includes goods-in-transit Rs. 8.53 lacs (Previous Year: Rs. 128.81 lacs)]		
	12,869.39	8,215.77
TOTAL	15,106.62	10,046.69



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET

	<u>Rs. in lacs</u>	<u>As at 31st March, 2005 Rs. in lacs</u>	<u>As at 31st March, 2004 Rs. in lacs</u>
SCHEDULE 'I':			
SUNDRY DEBTORS:			
Unsecured:			
1. Debts outstanding for a period exceeding six months:			
Considered Good	10,819.01		12,719.97
Considered Doubtful	2,019.16		1,700.13
	12,838.17		14,420.10
Less: Provision for Doubtful Debts	2,019.16		1,700.13
		10,819.01	12,719.97
2. Other Debts:			
Considered Good		27,348.82	21,425.41
TOTAL		38,167.83	34,145.38
Notes:			
1. Debts (considered good) outstanding for a period exceeding six months include: Amounts due from private limited companies in which some of the directors of the company are directors/members		—	20.54
2. Other debts due include: Amounts due from companies under the same management: Enviro Technology Limited		0.73	20.25
SCHEDULE 'J':			
CASH AND BANK BALANCES:			
1. Cash on hand		6.98	8.18
2. Bank Balances:			
(a) With Scheduled Banks:			
(i) In Current Accounts	393.05		134.38
(ii) In Margin Accounts	1.72		26.23
(iii) In Foreign Currency Accounts	0.95		11.34
(iv) In Fixed Deposit Accounts [Including Fixed Deposit Receipts for Rs. 45.94 lacs (Previous Year: Rs. 84.10 lacs) pledged with Bankers against guarantees given by them]	52.98		140.14
(v) In Unclaimed Dividend Accounts	9.33		2.39
	458.03		314.48
(b) With Non-Scheduled Banks:			
In Current Account			
(i) With Sardar Bhiladwala Pardi People's Co-operative Bank Limited: [Maximum amount outstanding at any time during the year: Rs.0.01 lac (Previous Year: Rs. 0.01 lac)]	0.01		0.01
(ii) With Mahalaxmi Mercantile Co-operative Bank Limited [Maximum amount outstanding at any time during the year: Rs.0.09 lacs (Previous Year: Rs. 0.08 lacs)]	—		0.08
	0.01		0.09
TOTAL		458.04	314.57
		465.02	322.75

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SCHEDULE FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	As at 31st March, 2005 Rs. in lacs	As at 31st March, 2004 Rs. in lacs
SCHEDULE 'K':			
OTHER CURRENT ASSETS:			
1. Interest accrued on Investments		—	0.34
2. Interest Receivable			
Considered Good	727.33		402.35
Considered Doubtful	29.58		—
	<u>756.91</u>		<u>402.35</u>
Less: Provision	29.58		—
		<u>727.33</u>	<u>402.35</u>
(Refer note given below)			
3. Export Benefits Receivable		3,655.37	2,882.49
4. Others			
Considered Good	201.97		187.73
Considered Doubtful	86.58		43.55
	<u>288.55</u>		<u>231.28</u>
Less: Provision	86.58		43.55
		<u>201.97</u>	<u>187.73</u>
TOTAL		<u>4,584.67</u>	<u>3,472.91</u>
Note: Interest receivable include amounts due from :			
(a) A subsidiary Company		634.71	240.89
(b) Uniphos Enterprises Limited, a company under the same management [Maximum amount due at any time during the year Rs.81.83 lacs (Previous Year: Rs.68.22 lacs)]		81.83	68.22
SCHEDULE 'L':			
LOANS AND ADVANCES:			
Unsecured and Considered Good, unless otherwise stated:			
1. Advances and loans to a subsidiary		31,931.65	5,896.00
2. Advances recoverable in cash or in kind or for value to be received:			
Considered Good	3,243.66		5,459.47
Considered Doubtful	253.75		202.86
	<u>3,497.41</u>		<u>5,662.33</u>
Less: Provision for Doubtful Advances	253.75		202.86
		<u>3,243.66</u>	<u>5,459.47</u>
3. Payment of taxes less provision for taxation		116.02	54.34
4. Loans and Advances to Employees		115.15	95.71
5. Sundry Loans:			
Considered Good	629.15		1,322.24
Considered Doubtful	50.65		38.15
	<u>679.80</u>		<u>1,360.39</u>
Less: Provision for Doubtful Loans	50.65		38.15
		<u>629.15</u>	<u>1,322.24</u>
6. Deposits with the Collectorate of Central Excise and Customs		2,348.26	950.28
7. Sundry Deposits		1,244.03	1,286.95
8. Share Application Money		6.92	—
TOTAL		<u>39,634.84</u>	<u>15,064.99</u>
Notes:			
1. Advances recoverable in cash or in kind or for value to be received include advance to:			
(a) Uniphos Enterprises Limited, a Company under the same management. [Maximum amount due at any time during the year Rs.1493.51 lacs (Previous Year: Rs.1403.12 lacs)]		—	1,217.13
(b) A director for advance rent		48.00	13.78
2. Sundry Loan includes amount due from Uniphos Enterprises Limited, a company under the same management [Maximum amount due at any time during the year Rs. 727.59 lacs (Previous Year: Rs.2,129.59 lacs)]		—	727.59
3. Sundry Deposits include amounts due from Directors		23.00	29.94



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET

	<u>Rs. in lacs</u>	<u>As at 31st March, 2005 Rs. in lacs</u>	<u>As at 31st March, 2004 Rs. in lacs</u>
SCHEDULE 'M':			
LIABILITIES:			
1. Acceptances [Includes amount due to subsidiary companies Rs.18.36 lacs (Previous Year: Rs.960.24 lacs)]		19,237.09	7,512.52
2. Sundry Creditors for goods [Includes amount due to subsidiary companies Rs. 371.74 lacs (Previous Year: Rs.950.24 lacs)] (Refer Note No. 6 in Schedule 'T')		8,390.77	8,502.09
3. Sundry Creditors for Expenses		7,470.37	4,795.35
4. Advances against Orders		1,496.36	2,085.81
5. Trade Deposits		459.96	615.29
6. Investor Education and Protection Fund shall be credited by the following amounts, as and when due:			
(a) Unpaid Dividend	9.33		2.39
(b) Unpaid Matured deposits	0.11		1.01
(c) Unpaid Matured debentures	22.33		23.36
(d) Interest Accrued on above	13.05		16.13
		44.82	42.89
7. Bank Accounts Excess Drawn		6.13	1.65
8. Interest accrued but not due on Loans		400.39	470.08
9. Other liabilities [Includes amount due to subsidiary companies Rs. 364.60 lacs (Previous Year: Rs.96.49 lacs)]		1,787.67	2,537.59
TOTAL		39,293.56	26,563.27
SCHEDULE 'N':			
PROVISIONS:			
1. Proposed Dividend:			
(a) On Equity Shares	1,324.93		878.06
(b) On Preference Shares	57.16		463.50
		1,382.09	1,341.56
2. Provision for Tax on Distributed Profits:			
(a) On Equity Shares	185.82		112.50
(b) On Preference Shares	11.78		60.34
		197.60	172.84
TOTAL		1,579.69	1,514.40

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SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rs. in lacs	Current Year Rs. in lacs	Previous Year Rs. in lacs
SCHEDULE 'O':			
OTHER INCOME FROM OPERATIONS:			
1. Export Incentives		2,098.02	2,518.74
2. Job-Work Charges		399.33	12.43
3. Management Service Fees		60.00	688.80
4. Refund of Excise Duty		383.25	—
5. Refund of Sales-tax/Sales-tax set-off		18.02	6.46
6. Discount Received		51.91	0.28
7. Excess Provisions in respect of earlier years written back (Net)		120.11	384.48
8. Sundry Credit Balances written back (Net)		—	57.20
9. Exchange Difference (Net)		261.46	—
10. Loans written back pursuant to final settlement		—	287.59
11. Miscellaneous Receipts		367.26	88.28
TOTAL		3,759.36	4,044.26
SCHEDULE 'P':			
OTHER INCOME:			
1. Income from Long-Term Investments (Gross)			
(a) Dividend from Subsidiary Companies	20.23		14.21
(b) Dividend on other than Trade Investments	0.03		0.67
(c) Dividend on Trade Investments	10.14		—
(d) Interest on Investments	—		0.12
		30.40	15.00
2. Interest on Loans, Deposits etc. (Gross)		1,167.23	187.81
[Tax Deducted at Source Rs.81.64 lacs (Previous Year: Rs. 8.70 lacs)]			
3. Rent		23.26	19.35
4. Profit on Sale of Investments		1.53	—
5. Provision for Diminution in Value of Long-Term Investments Written Back (Net)		22.89	340.40
TOTAL		1,245.31	562.56
SCHEDULE 'Q':			
INCREASE/(DECREASE) IN STOCKS:			
Closing Stocks:			
(i) Finished Products	6,166.55		3,850.84
(ii) By-Products	687.12		418.35
(iii) Semi-finished Products	1,138.93		1,119.85
(iv) Traded Goods	174.73		188.63
		8,167.33	5,577.67
Less : Opening Stocks :			
(i) Finished Products	3,850.84		5,851.70
(ii) By-Products	418.35		276.42
(iii) Semi-finished Products	1,119.85		346.72
(iv) Traded Goods	188.63		104.79
		5,577.67	6,579.63
Less: Excise Duty on Stocks		2,589.66	(1,001.96)
		463.68	(137.33)
TOTAL		2,125.98	(864.63)



United Phosphorus Limited

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rs. in lacs	Current Year Rs. in lacs	Previous Year Rs. in lacs
SCHEDULE 'R':			
MANUFACTURING AND OTHER EXPENSES:			
1. RAW MATERIALS CONSUMED:			
Opening Stock	2,638.10		3,655.70
Add: Purchases	51,419.10		32,273.01
	54,057.20		35,928.71
Less: Closing Stock	4,702.06		2,638.10
		49,355.14	33,290.61
[Including cost of raw materials sold Rs.1,107.11 lacs (Previous Year: Rs. 53.12 lacs)]			
2. PURCHASES OF TRADED GOODS		2,782.17	4,966.37
3. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
(a) Salaries, Wages, Bonus and Other Benefits	3,820.25		3,201.89
(b) Contribution to Provident Fund and Other Funds	185.03		160.56
(c) Retirement Benefits	279.97		219.25
(d) Welfare Expenses	566.45		547.01
		4,851.70	4,128.71
4. OPERATING AND OTHER EXPENSES:			
(a) Stores and Spares Consumed	1,785.01		1,375.57
(b) Power and Fuel	3,171.60		2,503.15
(c) Repairs to Buildings	119.14		55.71
(d) Repairs to Machinery	1,100.29		805.36
(e) Other Repairs	223.29		197.71
(f) Labour/Processing Charges	2,179.70		1,620.52
(g) Rent	423.88		304.31
(h) Rates and Taxes	254.01		132.74
(i) Insurance Charges	958.43		820.88
(j) Commission on Sales	3,452.55		734.40
(k) Advertisement and Sales Promotion	934.85		843.54
(l) Travelling and Conveyance	1,126.95		913.54
(m) Legal and Professional Fees	647.43		637.03
(n) Charity and Donations	135.31		94.89
(o) Bad Debts written off	248.02		65.26
(p) Sundry Debit Balances written off (Net)	99.48		—
(q) Provision for Doubtful Debts and Advances (Net)	455.02		662.62
(r) Loss on Sale of Assets (Net)	9.12		23.50
(s) Exchange Difference (Net)	—		893.39
(t) Loss on Sale of Investments (Net)	—		292.56
(u) Assets written off	78.42		9.27
(v) Directors' Fees	1.85		0.41
(w) Other Expenses	2,290.17		1,930.33
		19,694.52	14,916.69
5. CONTAINERS AND PACKING MATERIALS CONSUMED		4,536.34	3,647.46
6. TRANSPORT CHARGES		4,445.92	2,817.13
TOTAL		85,665.79	63,766.97
SCHEDULE 'S':			
INTEREST AND OTHER FINANCIAL COSTS:			
1. On Debentures		1,256.91	830.95
2. On Term Loans		1,745.25	2,254.13
3. On Cash Credit and Working Capital Demand Loan Accounts		1,069.36	2,102.35
4. On Fixed Deposits and Fixed Loans		66.10	289.07
5. Other Interest		1,525.05	1,118.52
6. Cash Discount		900.13	1,061.52
7. Exchange Difference on Borrowings		(743.97)	(449.36)
8. Other Financial Charges		1,012.94	929.64
TOTAL		6,831.77	8,136.82

**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT
SCHEDULE 'T':**

NOTES ON ACCOUNTS:

1. SIGNIFICANT ACCOUNTING POLICIES:

- (a) System of Accounting:
- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis and for this purpose, certain items of income such as overdue interest from customers, etc. have been considered to the extent the amount is ascertainable/accepted by the parties.
 - (ii) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.
- (b) Fixed Assets:
Fixed Assets are stated at cost less accumulated depreciation and provision for impairment, if any.
- (c) Intangible Assets
Intangible assets are stated at cost less accumulated amortisation.
- (d) Depreciation:
- (i) Leasehold Land:
No amount has been written off against leasehold land since as per the lease agreements, the leases are renewable at the option of the Company for a further period of 99 years at the end of the lease period of 99 years, without payment of any further premium.
 - (ii) Other Fixed Assets:
 - a) In respect of all assets at Ankleshwar Unit, Jhagadia Unit, Vapi Unit at A-2/1, GIDC, Vapi, Research and Development assets and additions to Plant and Machinery from 1st January, 1983 of Vapi Unit at 11, GIDC, Vapi, on straight line basis in accordance with Section 205(2)(b) of the Companies Act, 1956 as under:
 - (i) At the straight line rates corresponding to the rates applicable under the Income-tax Rules in force at the time of acquisition/installation of the said assets, in accordance with Circular No.1/86 dated 21st May, 1986 issued by the Department of Company Affairs in respect of additions to the aforesaid Fixed Assets upto 1st April, 1987.
 - (ii) At the straight line rates specified in Schedule XIV of the Companies Act, 1956 in respect of additions to the aforesaid Fixed Assets on or after 2nd April, 1987.
 - (iii) In respect of additions to the following Plant and Machinery after 1st October, 2001 at the straight line rates specified below:
Membrane used in Caustic Chlorine Plant - 20%
Hot section in the Power Plant - 33%
 - (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 additions to/deletions from the Fixed Assets, on pro-rata basis with reference to the month of addition/deletion of the Assets.
- (e) Inventories:
- (i) Stocks of stores and spares, packing materials and raw materials are valued at lower of cost or net realisable 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 realisable value and for this purpose, cost is determined on standard costing basis.
 - (iii) Traded goods are valued at lower of cost or net realisable value.
- (f) 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.



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

- (ii) Other intangible assets are amortised on straight line basis over a period of five years.
- (g) Investments:
Long-term investments are 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 profit and loss account.
- (h) 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 has been accounted by making suitable adjustments in raw material consumption.

The benefit accrued under the Duty Entitlement Pass Book Scheme as per the Import and Export Policy in respect of exports made under the said scheme has been included under the head 'Export Incentives' in 'Other Income from operations'.
- (i) Retirement Benefits:
The Company provides for gratuity liability and liability in respect of leave encashment payable to employees at the time of their retirement on the basis of actuarial valuation.
- (j) 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 as applicable. Exchange differences arising as a result of the above are recognised as income or expense in the profit and loss account 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 in respect of loans taken for the purpose of acquisition of Fixed Assets, is adjusted to the cost of the respective assets.

(Refer Note No. 4 given below)
 - (ii) In the case of forward contracts, the premium or discount arising at the inception of the contract is amortised as an expense or income over the life of the contract.
- (k) Research and Development Costs:
Research and Development Costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of account.
- (l) 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.
- (m) Assets taken on Lease:
 - (i) Operating Leases:
Rentals and all other expenses in respect of assets taken on lease are treated as revenue expenditure.
 - (ii) Finance Leases:
Assets acquired under finance leases 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.
- (n) Amortisation of Expenses:
Expenses on Product Development and Registration incurred upto 31st March, 2003 are amortised over a period of five years.
- (o) Taxation:
Income-tax expense comprises of current tax and deferred tax charge or credit. The deferred tax charge or credit is recognised using current tax rates. Deferred tax assets are recognised only if there is sufficient evidence that future taxable income will be available.
- (p) Premium on redemption of Debentures/Bonds:
Premium payable on redemption of Debentures/Bonds is provided in the year of redemption of Debenture/Bond.

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SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

	As at 31st March, 2005 Rs. in lacs	As at 31st March, 2004 Rs. in lacs
2. CONTINGENT LIABILITIES NOT PROVIDED FOR:		
(a) Disputed Income-tax Liability (excluding interest)	34.74	35.34
(b) Disputed Excise Duty Liability (excluding interest)	2,883.11	2,957.24
(c) Disputed Sales-tax Liability	577.07	586.10
(d) Bills/Cheques purchased/discounted with the banks and remaining unpaid as at the date of the Balance Sheet	200.64	5,103.13
(e) Bills discounted under Letter of Credit and remaining unpaid at the date of the Balance Sheet	1,286.49	1,685.63
(f) Guarantees given by Company's Bankers on behalf of the Company to third parties	2,624.16	2,983.10
(g) Corporate guarantees given on behalf of subsidiary companies:		
(i) Bio-win Corporation Limited	4,373.00	6,600.00
(ii) United Phosphorus Limited (U.K.)	6,570.40	7,770.40
(iii) United Phosphorus Limited (Hong Kong)	5,412.50	4,840.00
(h) Claims against the Company not acknowledged as debts	32.88	19.70
(i) The Company has undertaken export obligation of eight times the CIF value of machinery imported by the Company to be fulfilled over a period of eight years. The obligation outstanding on the date of Balance Sheet amounts to Rs. 2,440.75 lacs.		
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,001.12	322.69
4. During the year, the Company in order to comply with Accounting Standard (AS-11) "Effect of Changes in Foreign Exchange Rates (Revised 2003)" issued by the Institute of Chartered Accountants of India, has classified its foreign operations as non-integral foreign operations. Accordingly, the exchange difference amounting to Rs. 703.53 lacs arising on revaluation of long-term loan given to a non-integral foreign operation has been debited to Foreign Currency Translation Reserve Account. As a result of the aforesaid change, the profit for the year is higher by Rs. 703.53 lacs.		
5. During the year, the Company in order to comply with Accounting Standard (AS-28) - 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, has reviewed the future earnings of its fixed assets employed in the manufacturing activity. Based on such review, the Company has identified cash generating units comprising Naphtha fuel facility in power plant at Jhagadia, White Phosphorus and Phosphomidon Plants at Ankleshwar, and Metamitron, Phosphorus Pentasulphide, Old Cypermethrin and Formulation Plants at Vapi employed in manufacturing of Power, Industrial Chemicals and Agro Chemical segments, respectively, as cash generating units which are currently not generating adequate economic returns over their useful lives and hence have been impaired. The reasons for impairment of the aforesaid cash generating units is on account of change of technology, discontinuation of certain products due to shifting of facilities to other units and alternative sourcings.		
The carrying amounts of the aforesaid cash generating units exceed the recoverable amount which is determined on the basis of net selling prices of the aforesaid units. The net selling price has been determined on the basis of internal evaluations carried out by the management.		
The impairment loss aggregating to Rs.1,800.03 lacs in respect of the aforesaid cash generating units has been adjusted against the opening general reserve in accordance with the transitional provisions of AS-28. The aforesaid provision for impairment loss has been made in respect of the following class of assets:		



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

Class of Assets	Reportable Segment	Current Year Rs. in lacs	Previous Year Rs. in lacs
(a) Plant and Machinery	Agro Chemicals	918.01	
(b) Plant and Machinery	Industrial Chemicals	484.49	
(c) Plant and Machinery	Power	351.42	
(d) Laboratory Equipments	Agro Chemicals	0.37	
(e) Laboratory Equipments	Industrial Chemicals	8.17	
(f) Furniture, Fixtures and Equipments	Agro Chemicals	10.82	
(g) Furniture, Fixtures and Equipments	Industrial Chemicals	25.56	
(h) Furniture, Fixtures and Equipments	Power	1.19	
		1,800.03	—
Consequent to the aforesaid adjustment, the depreciation charge for the year is lower by Rs. 198.56 lacs with a corresponding impact on the profit for the year. Further, the deferred tax credit of Rs. 605.90 lacs arising on account of provision for impairment has been credited to the Profit and Loss Account.			
6.	In absence of information with the Company, the names of Small Scale Industrial Undertakings to whom the Company owes any sum together with interest outstanding for more than 30 days have not been given.		
7.	The amount of exchange difference in respect of forward exchange contracts to be recognised as expense in the Profit and Loss Account of the subsequent year.	—	8.98
8.	Provision for Taxation includes Provision for Wealth-Tax	5.00	3.00
9.	Research and Development costs, as certified by the Management, debited to the Profit and Loss Account :		
a)	Revenue Expenses debited to appropriate heads of account.	395.96	271.63
b)	Depreciation on Research and Development Assets	24.92	20.34
10.	Auditors' Remuneration:		
a)	Audit Fees	24.80	20.52
b)	For Taxation matters	9.85	3.94
c)	For other matters	11.56	15.20
d)	For Certification work	3.17	2.43
e)	Reimbursement of out-of-pocket expenses	1.00	1.00
11.	Pre-operative expenses capitalised:		
a)	Interest and other costs	171.83	113.46
b)	Salaries, wages and Other Expenses	20.40	30.70
12.	Deferred Payment Liabilities:		
(a)	are net of interest in respect of future instalments	5,189.08	5,268.32
(b)	repayable within one year (net of interest)	2,480.15	1,717.52
13.	Minimum Lease Payments in respect of assets acquired under finance leases are as under:		

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SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

	Current Year Rs. in lacs	Previous Year Rs. in lacs
(a) Payable not later than 1 year	1,917.85	1,793.31
(b) Payable later than 1 year and not later than 5 years	2,964.92	4,036.11
Total Minimum Lease Payments	<u>4,882.77</u>	<u>5,829.42</u>
Less: Future Finance Charges	<u>669.46</u>	<u>964.81</u>
Present Value of Minimum Lease Payments	<u>4,213.31</u>	<u>4,864.61</u>
Note : The Company has adjusted Rs. 949.30 lacs paid as advance towards principal to the lessor against the liability of future lease payments.		
14. (a) Managerial remuneration for Managing/Wholetime Directors:		
i. Salaries	114.00	43.80
ii. Contribution to Provident Fund	13.68	5.04
iii. Superannuation Scheme	17.10	6.30
iv. Gratuity	5.48	4.21
v. Perquisites	20.29	4.77
vi. Commission	150.00	100.00
	<u>320.55</u>	<u>164.12</u>
(b) Computation of Commission payable to Managing/Wholetime Directors		
Profit before Taxation.	9,723.05	5,799.30
Add: Depreciation charged in Accounts	4,482.46	4,419.95
Managerial Remuneration	320.55	164.12
Director's Fees	1.85	0.41
Loss on sales of Fixed Assets as per Section 350 of the Companies Act, 1956	9.12	23.50
Loss on Sale of Investments	-	292.56
Assets Written off	78.42	9.27
	<u>4,892.40</u>	<u>4,909.81</u>
Less: Depreciation as per Section 350 of The Companies Act, 1956	4,482.46	4,419.95
Loss on sale of Fixed Assets as per Accounts	9.12	23.50
Prior Period Adjustments - others (net)	1,268.72	16.18
	<u>5,760.30</u>	<u>4,459.63</u>
Net Profit as per Section 309(5) of the Companies Act, 1956	<u>8,855.15</u>	<u>6,249.48</u>
Commission to Managing/Wholetime Directors in terms of agreements	354.21	249.98
Restricted to :	150.00	100.00
15. Break up of Deferred Tax Assets and Deferred Tax Liabilities:		
a) Deferred Tax Assets:		
(i) Brought Forward Losses	4,188.06	5,882.47
(ii) Unabsorbed Depreciation	4,141.40	4,463.66
(iii) Provision for Doubtful debts and advances	821.21	711.30
(iv) Others	214.27	180.97
	<u>9,364.94</u>	<u>11,238.40</u>



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

	Current Year Rs. in lacs	Previous Year Rs. in lacs
b) Deferred Tax Liabilities:		
(i) Depreciation	5,921.80	5,129.74
(ii) Deferred Revenue Expenditure	—	141.94
(iii) Others	0.32	172.90
	5,922.12	5,444.58
Net Deferred Tax Asset	3,442.82	5,793.82

Notes:

- Deferred Tax Asset on account of unabsorbed depreciation and business losses has been recognised, as the Company is of the opinion that there is virtual certainty of realisation of the same in view of the profits of the Company.
 - During the year, the deferred tax assets and liabilities as at 31st March, 2005 have been recomputed based on rate of corporate tax proposed in Finance Bill, (2005). Accordingly, deferred tax charge for the year is higher by Rs 299.94 lacs.
16. During the year, the Company has issued Foreign Currency Convertible Bonds (FCCB) of USD 75 million. The proceeds of the aforesaid issue have been utilised for capital expenditure/acquisitions and for granting loan to a subsidiary company incorporated outside India.
17. Additional information pursuant to the provisions of paragraphs 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956:

(A) Licenced Capacity, Installed Capacity and Production:

SR. No.	PRODUCT	Unit	Current Year			Previous Year		
			Licenced Capacity	Installed Capacity	Production	Licenced Capacity	Installed Capacity	Production
1	Speciality Chemicals	Tonnes	5,470	5,318	3,586	5,470	5,318	2,137
2	Chloro-Alkaline Products	Tonnes	101,700	112,500	105,438	101,700	112,500	116,674
		NM3	-	-	8,461,733	-	-	-
3	Industrial Chemicals	Tonnes	49,500	43,020	32,195	49,500	43,020	30,146
4	Power	MW	48.50	48.50	2,855	48.50	48.50	1,367
					(lacs KWH)			(lacs KWH)
5	Pesticides	Tonnes	23,440	28,040	40,062	23,440	18,100	14,976
		(Nos/'000)	-	-	577	-	-	-
		KL	-	-	6,488	-	-	-
		LB	-	-	10,008	-	-	-
6	Mercury Salts	Tonnes	100	100	-	100	100	-
7	Pesticides Intermediates	Tonnes	12,725	17,546	14,849	12,725	16,656	12,093
		KL			1,621			

Notes:

- Licensed and Installed Capacities are as certified by a Director on which the Auditors have relied, being a technical matter.
- Licensed capacity represents registered capacity with Directorate General of Technical Development (D.G.T.D.), capacity intimated to D.G.T.D. under Industrial Licensing Policy and/or capacity intimated to Secretary for Industrial Approvals.
- Production includes quantities produced for captive consumption.
- During the year, the Company has produced 64,88,093 Litres (Previous Year: 41,32,246 Litres), 1,67,90,051 Kilograms (Previous Year: 1,22,20,262 Kilograms) 10,008 pounds (Previous Year: Nil) and 5,76,813 numbers (Previous Year: Nil) of formulations out of technical grade products manufactured/purchased by the Company.
- Production includes 1,538.66 Tonnes (Previous Year: 146.20 Tonnes) produced on Job-Work basis for outside parties.

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**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT
SCHEDULE 'T' (CONTD.):**

(B) Details of Opening and Closing Stocks of Finished Products:

	Class of Goods	Unit	Current Year				Previous Year			
			Opening Stock		Closing Stock		Opening Stock		Closing Stock	
			Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)
(I)	Manufactured Goods:									
1.	Pesticides	Tonnes	994	1,795.29	1,827	3,029.60	-	-	994	1,795.29
		K.L.	590	1,129.83	775	1,392.22	-	-	590	1,129.83
		No.	7,541	21.06	247,084	698.68	-	-	7,541	21.06
2.	Pesticides Intermediates	Tonnes	410	431.01	364	257.51	-	-	410	431.01
		K.L.	27	6.42	38	11.24	-	-	27	6.42
3.	Speciality Chemicals	Tonnes	13	10.76	128	315.77	177	86.81	13	10.76
4.	Chloro-Alkaline Products	Tonnes	488	32.62	519	35.66	105	2.52	488	32.62
		NM3	1	0.08	1	-	-	-	1	0.08
5.	Industrial Chemicals	Tonnes	862	392.74	650	425.43	248	121.75	862	392.74
6.	Others			31.03		0.44				31.03
	TOTAL			3,850.84		6,166.55		211.08		3,850.84
(II)	Traded Goods:									
1.	Pesticides	Tonnes	65	16.89	30	9.06	-	-	65	16.89
		K.L.	48	86.85	19	90.14	-	-	48	86.85
2.	Chemicals	Tonnes	2	1.01	2	1.01	-	-	2	1.01
3.	Others		-	83.88	2	74.52	-	-	-	83.88
	TOTAL			188.63		174.73		-		188.63

(C) Turnover:

	Units	Current Year		Previous Year		
		Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)	
(I)	Manufactured Goods :					
1.	Speciality Chemicals	Tonnes	58	218.34	1,010	1,179.01
2.	Chloro-Alkaline Products	Tonnes	78,375	10,814.60	99,118	9,736.55
		NM3	8,460,756	730.37	3,589,772	262.22
3.	Industrial Chemicals	Tonnes	9,543	7,523.28	16,519	5,025.62
4.	Power	(Lacs kwh)	181	330.17	110	620.32
5.	Pesticides	Tonnes	29,221	64,933.15	22,445	51,304.32
		K.L.	5,588	12,170.10	4,306	9,682.93
		No.	341,307	2,179.36	1,979	16.91
		LB	10,008	27.35	-	-
6.	Pesticides Intermediates	Tonnes	8,430	5,819.99	4,887	3,638.13
7.	Others			1,191.06		777.30
(II)	Traded Goods :					
1.	Pesticides	Tonnes	437	1,316.13	1,322	3,302.21
		K.L.	178	1,703.52	222	814.18
		LB	96,000	371.63	-	-
2.	Soyabean Meal	Tonnes	-	-	8,405	1,094.93
3.	Others					141.41
	TOTAL			109,329.05		87,596.04

(D) Purchases of Traded Goods:

Sr. No.	Class of Goods	Unit	Current Year		Previous Year	
			Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)
1.	Pesticides	Tonnes	404	1,212.86	1,437	3,120.27
		K.L.	149	1,246.72	268	726.54
		LB	96,000	289.97	-	-
2.	Soyabean Meal	Tonnes	-	-	8,405	1,072.14
3.	Others	Tonnes	-	32.62	-	47.42
	TOTAL			2,782.17		4,966.37



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

(E) Raw Material Consumed (excluding captively produced and consumed)

Sr. No.	Class of Goods	Units	Current Year		Previous Year	
			Quantity	Value (Rs.in lacs)	Quantity	Value (Rs.in lacs)
1.	Phosphorus & Compounds	Tonnes	9,643	3,679.77	4,389	2,597.66
2.	Salt	Tonnes	95,666	534.73	94,035	517.57
3.	Gas/HSD	SM3	71,898,744	5,242.07	68,766,386	5,163.21
		K.L.	-	-	4,291	456.09
4.	Organic Chemicals	M.T.	35,406	9,635.05	18,272	5,358.32
		K.L.	2,381	210.06	501	106.53
5.	Pesticides Intermediates	M.T.	28,461	5,541.81	11,660	4,315.67
		K.L.	21	42.11	-	-
6.	Solvents	M.T.	25,383	6,058.87	11,356	3,340.28
		K.L.	3,103	559.69	2,586	485.83
7.	Technical Pesticides	M.T.	1,521	1,844.98	1,396	2,775.98
		K.L.	29	27.32	93,087	126.73
8.	Minerals	M.T.	5,385	38.58	3,177	44.58
		K.L.	1	11.48	-	-
9.	Metal and Metal Powder	M.T.	887	920.16	637	608.73
10.	Hydrogenated Compounds	M.T.	1,324	498.49	5,791	714.64
		M3	173,221	21.31	174,752	16.57
11.	Emulsifiers	M.T.	1,878	374.65	35,902	221.52
		K.L.	-	0.34	-	-
12.	Metal chlorides	M.T.	1,915	636.84	1,666	538.99
13.	Inorganic Chemicals	M.T.	18,247	1,975.10	9,850	1,398.29
		K.L.	10	1.54	-	-
14.	Polymers and Plastics	M.T.	-	-	20,259	25.53
15.	Others			10,393.08		4,424.77
	TOTAL			48,248.03		33,237.49

18. Consumption of Raw Materials, Components and Spare Parts.

	Current Year		Previous Year	
	Rs. in lacs	Percentage	Rs. in lacs	Percentage
A. Raw Materials:				
Imported	19,861.81	41.17	11,475.49	34.53
Indigenous	28,386.22	58.83	21,762.00	65.47
TOTAL	48,248.03	100.00	33,237.49	100.00
B. Components and Spare Parts*:				
Imported	-	-	-	-
Indigenous	-	-	-	-

* In giving the above information, the Company has taken the view that Components and Spare Parts as referred to in Clause 4(c) of Part II of Schedule VI cover only such items as go directly into production and not those used as spares for repairs and maintenance of Plant and Machinery.

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SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

	Current year Rs. in lacs	Previous Period Rs. in lacs
19. A. Value of Imports on C.I.F. basis :		
(a) Raw Materials and Traded Goods	20,636.67	17,520.73
(b) Stores and Spares	78.54	15.65
(c) Components and Spare Parts*	-	-
(d) Capital Goods	1,046.51	182.90
* In giving the above information, the Company has taken the view that components and spare parts as referred to in Clause 4-D(a) of Part II of Schedule VI cover only such items as go directly into production and not those used as spares for repairs and maintenance of Plant and Machinery.		
B. Expenditure in Foreign Currency (on cash basis):		
(a) Commission on Export Sales	591.05	290.59
(b) Foreign Travelling Expenses	226.62	161.18
(c) Interest and Bank charges	584.60	176.54
(d) Legal and Professional charges	231.72	354.54
(e) Product Registration and Data Access Fees	10,238.44	685.33
(f) Bond Issue expenses	792.38	-
(g) Purchase of Packing Materials	214.85	158.51
(h) Others	706.82	464.66
20. Amount remitted during the year in Foreign Currency on account of dividends;		
(a) Number of Equity Shareholders	239	-
(b) Number of Equity Shares held	48,365	-
(c) Number of Preference Shareholders	1	-
(d) Number of Preference Shares held	2,800	-
(e) Year to which the dividend related	2003-04	-
(f) Amount remitted (net of tax)	1.47	-
21. Earnings in Foreign Exchange:		
(a) Exports of goods calculated on F.O.B. basis [including exports through Export Houses: Rs. 1,193.02 lacs (Previous Year: Rs. 67.13 lacs)	59,253.05	47,166.05
(b) Interest/Dividend	681.67	61.91
(c) Management Service Charges	-	688.80
(d) Others	164.54	-
22. The Company has 50% ownership interest in United Phosphorus Limited, Bangladesh, 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, 2004 is as under:		
	(Rs. in lacs)	
Assets	115.37	
Liabilities	67.53	
Income	175.62	
Expenses	163.89	



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

23. Segment information

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

Particulars	Current Year						Previous Year					
	Agro Chemicals	Industrial Chemicals	Power	Others	Unallocated	Total	Agro Chemicals	Industrial Chemicals	Power	Others	Unallocated	Total
Revenue												
External	74,586.26	21,343.02	330.17	3,515.15	1,569.40	101,344.00	54,991.68	16,853.05	620.32	7,013.82	778.91	80,257.78
Inter Segment	(18,990.07)	14,272.83	4,717.24	-	-	-	(15,416.63)	10,497.95	4,918.68	-	-	-
Total Revenue	55,596.19	35,615.85	5,047.41	3,515.15	1,569.40	101,344.00	39,575.05	27,351.00	5,539.00	7,013.82	778.91	80,257.78
Segment Results												
Contribution	15,734.78	3,582.15	(96.66)	525.03	(164.82)	19,580.48	13,395.66	1,397.43	67.91	1,167.00	520.00	16,548.00
Add: Inter Segment Profit	(2,054.66)	3,226.84	(1,172.18)	-	-	-	(1,374.74)	(21.90)	1,396.64	-	-	-
Total Segment Results	13,680.12	6,808.99	(1,268.84)	525.03	(164.82)	19,580.48	12,020.92	1,375.53	1,464.55	1,167.00	520.00	16,548.00
Unallocated Expenses												
Net of Unallocated Income	-	-	-	-	-	(4,294.38)	-	-	-	-	-	(1,966.68)
Interest	-	-	-	-	-	(6,831.77)	-	-	-	-	-	(8,136.82)
Profit Before Taxation and Exceptional Items	-	-	-	-	-	8,454.33	-	-	-	-	-	6,444.50
Provision for Taxation :												
Current	-	-	-	-	-	(675.00)	-	-	-	-	-	(421.00)
Deferred	-	-	-	-	-	(2,351.00)	-	-	-	-	-	-
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-	-	(1,150.84)
Profit After Tax and Before Exceptional Items	-	-	-	-	-	5,428.33	-	-	-	-	-	4,872.66
Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	(661.38)
Net Profit	-	-	-	-	-	5,428.33	-	-	-	-	-	4,211.28
Other Information												
Segment Assets	56,203.89	28,741.14	13,570.74	1,653.11	68,161.66	168,330.54	40,058.01	25,991.46	13,983.27	1,920.01	43,800.34	125,753.09
Segment Liabilities	29,111.85	7,562.58	3,295.52	1,871.93	59,689.62	101,531.50	20,231.98	4,211.33	3,845.07	3,604.02	48,583.15	80,475.55
Capital Expenditure	13,362.34	1,225.03	1,041.54	1.98	675.69	16,306.58	791.57	920.79	11.85	0.49	916.47	2,641.17
Depreciation	699.99	1,982.94	1,222.66	0.74	576.13	4,482.46	677.69	1,970.93	0.19	620.94	1,150.20	4,419.95
Non Cash Expenses other than Depreciation	2,446.02	81.64	-	-	512.42	3,040.08	1,625.91	90.85	-	43.15	1,292.47	3,052.38

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						
External	39,879.74	61,464.26	101,344.00	33,095.98	47,161.80	80,257.78
Inter Segment	-	-	-	-	-	-
Total	39,879.74	61,464.26	101,344.00	33,095.98	47,161.80	80,257.78
Carrying amount of Segment Assets	134,949.91	33,380.63	168,330.54	92,982.35	32,770.74	125,753.09
Additions to Fixed Assets (including Intangible assets)	16,306.58	-	16,306.58	2,641.17	-	2,641.17

3. Notes

- (1) The Company is organised into four main business segments namely :
 - a) Agro Chemicals - comprising of Agrochemicals Technicals and Formulations.
 - b) Industrial Chemicals - comprising of Industrial Chemicals and Speciality Chemicals.
 - c) Power
 - d) Others - primarily comprising of Traded Products.
- (2) Segment Revenue in the above segments includes sales, processing charges, rental income and export incentives.
- (3) Inter Segment Revenue has been computed on the basis of 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.

**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT
SCHEDULE 'T' (CONTD.):**

24. Related party disclosure as required by Accounting Standard (AS) - 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

(a) Relationship:

(i) Subsidiary Companies:

Agrodan A/S
 Biowin Corporation Limited
 Enviro Technology Limited
 Bharuch Enviro Infrastructure Limited
 United Phosphorus De Mexico S.A. De C.V
 United Phosphorus Limited (Australia).
 United Phosphorus Limited (Hong Kong)
 United Phosphorus Limited (Russia).
 United Phosphorus Limited (Shanghai)
 United Phosphorus, Inc. (USA)
 United Phosphorus Limited Japan
 United Phosphorus Limited U.K.
 United Phosphorus Limited (Zambia)
 United Phosphorus De Argentina S.A.
 United Phosphorus Belgium S P R L
 United Phosphorus Zimbabwe Limited
 United Phosphorus South Africa Limited
 United Phosphorus (Korea) Limited
 United Phosphorus Limited New Zealand
 PT. United Phosphorus Indonesia
 Shroffs United Chemicals Limited
 United Phosphorus Limited Gibraltar
 Inventa Corporation
 AgValue Enterprises, Inc.
 AgValue, Inc.
 AgValue - Etho, LLC
 AgValue - D.P., LLC
 AgValue - Clopyr, LLC
 AgValue - Oryza, LLC
 AgValue - Metri, LLC
 AgValue - Bromacil, LLC
 AgValue - Propyzamide, LLC
 AgValue - Propargite, LLC
 AgValue - Picloram, LLC
 United Phosphorus Do Brazil Ltda.
 United Phosphorus Limited Gautemala

(ii) Associate Company:

Agrinet Solutions Limited

(iii) Joint Venture Company:

United Phosphorus Limited Bangladesh.

(iv) Enterprises over which key management personnel and their relatives have significant influence:

Uniphos Agro Industries Limited
 Uniphos Enterprises Limited
 Nivi Trading Limited
 Bloom Packaging Private Limited
 Bloom Industrial Plastics Private Limited
 Kline Chemicals Private Limited
 Nerka Chemicals Private Limited
 Equator Holdings Private Limited
 Shroff Envirotral Private Limited
 Ultima Search
 Jai Research Foundation
 Vikram Farm

(v) Key Management Personnel and their relatives :

Whole Time Directors and their relatives
 Mr Rajnikant.D. Shroff
 Mrs Sandra R. Shroff
 Mr Kalyan Banerjee
 Mr Jaidev R. Shroff
 Mr Arun C. Ashar
 Mr Vikram R. Shroff
 Mrs Shilpa Sagar
 Mrs Asha Ashar



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

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

Nature of Transactions	Current Year (Rs. in lacs)				Previous Year (Rs. in lacs)			
	Subsidiary Companies	Associate Company	Joint Company Venture	Other related Parties	Subsidiary Companies	Associate Company	Joint Venture Company	Other related Parties
1. Income								
Sale of Goods (Net of Rebates and Discounts)	33,723.99	1.46	127.36	181.52	29,579.18	-	119.29	111.06
Services	-	-	-	-	-	-	-	1.14
Management Fees	60.00	-	-	-	688.80	-	-	-
Dividend Received	20.23	-	10.14	-	14.21	-	-	-
Rebate and Discounts received	-	-	-	-	0.95	-	-	-
Others	-	-	-	-	-	-	-	16.22
2. Expenses								
Purchase of Goods	436.48	-	-	127.98	1,970.68	-	-	562.73
Purchase of Intangible Assets	8,053.50	-	-	-	-	-	-	-
Services	380.96	5.01	-	683.69	89.03	-	-	208.66
Rent	-	-	-	114.81	-	-	-	60.81
Commission on Exports	2,955.75	-	-	-	63.76	-	-	-
Rebate and Discounts given	-	-	-	-	2.73	-	-	-
Others	10.10	-	-	0.36	-	-	-	12.00
Purchase of Investments	45.50	-	-	-	-	-	-	-
3. Write Back of Payables	-	-	-	-	-	-	-	0.11
4. Write Off of Receivables	-	-	-	20.55	(0.07)	-	-	-
5. Finance								
Loans Taken	-	-	-	-	360.00	-	-	-
Loans Given	34,188.50	-	-	-	8,228.00	-	-	2,129.59
Interest Paid	-	-	-	2.76	-	-	-	56.98
Interest Received	659.56	-	-	128.09	61.91	-	-	68.22
6. Reimbursements								
Received	333.37	-	5.63	24.18	223.79	0.33	-	1,232.68
Made	-	-	-	13.19	142.44	-	-	13.55
7. Outstandings as at the Balance Sheet Date								
Payables (Including Trade Advances)	736.34	-	-	751.54	1,046.73	-	-	252.83
Receivables (Including Trade Advances)	26,162.50	0.07	-	-	27,083.81	0.33	8.54	1,237.89
Loans Taken	-	-	-	34.50	-	-	-	34.50
Loans Given (Refer Note 1 below)	31,931.65	-	-	-	5,896.00	-	-	727.59
Sundry Deposits given	-	-	-	75.00	-	-	-	75.00
Interest Receivable	634.71	-	-	81.83	240.89	-	-	68.22
Bills Payable	18.36	-	-	-	960.24	-	-	206.45
Deferred Payment Liabilities	-	-	-	-	-	-	-	45.77
8. Guarantee Given on behalf of Companies	16,355.90	-	-	-	19,210.40	-	-	-

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SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

Note 1

Nature of Relationship	Current Year Rs in lacs		Previous Year Rs in 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				
Bio-win Corporation Limited	31,931.65	31,931.65	5,896.00	5,896.00
Enviro Technology Limited	–	–	–	150.00
Bharuch Enviro Infrastructure Limited	–	–	–	210.00
Companies in which Directors are interested				
Nivi Trading Limited	–	–	–	21.00

(c) Transactions with Directors and their Relatives

	Current Year Rs in lacs	Previous Year Rs in lacs
Remuneration	340.82	173.43
Rent Paid	89.71	83.10
Purchase of Investments	5.00	–
Outstandings as at the Balance Sheet Date:		
Remuneration Payable	147.00	101.53
Sundry Deposits given	58.00	64.94
Rent Payable	–	0.21
Advance Rent	144.00	54.84

25. Earning per Share

(a) Basic Earning Per Share:

Profit after taxation as per Profit and Loss Account	6,697.05	5,378.30
Less: (a) Preference Dividend including tax thereon	159.00	357.09
(b) Prior Period Adjustments (others)	1,268.72	1,167.02

(A) 5,269.33 3,854.19

Weighted number of Equity Shares Outstanding	(B) 30,469,922	29,268,581
Earning Per Share (in Rupees)	(A)/(B) 17.29	13.17

(b) Diluted Earning Per Share:

Profit after taxation as per Profit and Loss Account	6,697.05	5,378.30
Less: (a) Preference Dividend including tax thereon	159.00	357.09
(b) Prior Period Adjustments (others)	1,268.72	1,167.02
	5,269.33	3,854.19

Add: Increase in net profit attributable to equity
shareholders (net of tax)

47.84 –

(A) 5,317.17 3,854.19

Weighted number of Equity Shares Outstanding	(B) 31,086,744	29,268,581
Diluted Earning Per Share (in Rupees)	(A)/(B) 17.10	13.17



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

26. Additional Information as required under Part IV of Schedule VI to the Companies Act 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(i) Registration Details

Registration No.	<input type="text" value="25132"/>	State Code:	<input type="text" value="04"/>
Balance Sheet Date	<input type="text" value="3"/> <input type="text" value="1"/>	<input type="text" value="0"/> <input type="text" value="3"/>	<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="5"/>
	Date	Month	Year

(ii) Capital raised during the year (Amount in Rs. Thousands)

Public Issue	<input type="text" value="NIL"/>	Rights issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement/ Bond Conversions	<input type="text" value="3,854,600"/>

(iii) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="12,745,729"/>	Total Assets	<input type="text" value="12,745,729"/>
Sources of Funds		Reserves & Surplus	<input type="text" value="6,310,825"/>
Paid up Capital	<input type="text" value="369,079"/>	Unsecured Loans *	<input type="text" value="2,735,715"/>
Secured Loans	<input type="text" value="3,330,110"/>	Investments	<input type="text" value="413,596"/>
Application of Funds		Misc. Expenditure	<input type="text" value="15,635"/>
Net Fixed Assets @	<input type="text" value="6,263,643"/>		
Net Current Assets #	<input type="text" value="6,052,855"/>		
Accumulated Losses	<input type="text" value="NIL"/>		

* Including Deferred Payment Liabilities of Rs. 423,559

@ including Intangible Assets of Rs.1,113,008

Including Deferred Tax Assets of Rs.344,282

(iv) Performance of Company (Amount in Rs. Thousands)

Turnover (Total Revenue)	<input type="text" value="10,634,867"/>	Total Expenditure	<input type="text" value="9,662,562"/>
+ / - Profit/Loss before Tax	<input type="text" value="972,305"/>	+ / - Profit/Loss after Tax	<input type="text" value="669,705"/>
Earning per Share in Rs.	<input type="text" value="17.29"/>	Dividend Rate %	<input type="text" value="40"/>

(v) Generic Names of Three Principal Products/Services of the Company (As per monetary terms)

Item Code No. (ITC Code)	380810.24
Product Description	CYPERMETHRIN TECHNICAL
Item Code No. (ITC Code)	380810.02
Product Description	ALUMINIUM PHOSPHIDE
Item Code No. (ITC Code)	291900.09
Product Description	TRIMETHYL PHOSPHITE

21st Annual Report 2004-2005

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

27. CASH FLOW STATEMENT

	For the year ended 31st March, 2005	For the year ended 31st March, 2004
(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
(1) Net Profit Before Tax and Extraordinary Items	9,723.05	6,460.68
(2) Adjustments For :		
Amortisation / Depreciation	6,014.74	5,296.03
Amortisation of Expenses	239.30	339.47
Loss on Sale of Assets	9.12	23.50
Assets Written Off	78.42	9.27
Loss/(Profit) on Sale of Investments	(1.53)	292.56
Provision for Diminution in Value of Investments Written back	(22.89)	(340.40)
Provision for Doubtful Debts and Advances (Net)	455.02	662.62
Excess / Short Provision Written Back (Net)	(120.11)	(384.48)
Bad Debts and Sundry Debit Balances Written Off	347.50	65.26
Sundry Credit Balances Written Back	-	(57.20)
Dividend/Interest on Investments	(30.40)	(15.00)
Other Interest Income	(1,167.23)	(187.81)
Interest Expenses	5,931.64	6,595.02
Exchange Gain on Loans	(743.97)	(449.36)
Loan Written back pursuant to settlement	-	(287.59)
	10,989.61	11,561.89
Operating Profit Before Working Capital Changes	20,712.66	18,022.57
(3) Adjustments for :		
Trade and other receivables	(7,352.18)	(11,512.67)
Inventories	(5,059.95)	2,195.58
Trade Payable and other Liabilities	13,013.44	2,044.58
Cash Generated from Operations	21,313.97	10,750.06
(4) Total Interest Paid	(6,173.16)	(6,821.95)
(5) Taxes Paid	(736.67)	(451.47)
Cash Flow Before Extraordinary Items	14,404.14	3,476.64
(6) Prior Period Expenditure	(1,054.59)	(150.20)
Net Cash from Operating Activities	A 13,349.55	3,326.44



United Phosphorus Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT SCHEDULE 'T' (CONTD.):

	For the year ended 31st March, 2005	For the year ended 31st March, 2004
	(Rs. in lacs)	(Rs. in lacs)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
(1) Purchase of Fixed Assets	(6,712.12)	(2,999.45)
(2) Purchase of Intangible Assets	(11,307.40)	(352.32)
(3) Sale of Fixed Assets	9.85	33.93
(4) Purchase of Investments	(188.56)	(299.34)
(5) Investments in Subsidiaries	(50.50)	(32.40)
(6) Sale of Investments	106.34	127.76
(7) Dividend Received	30.40	14.88
(8) Interest Received	718.13	22.00
(9) Sundry Loans	693.09	(583.41)
(10) Advances and loans to a subsidiary	(27,117.40)	(5,896.00)
Net Cash from (Used in) Investing Activities	B (43,818.17)	(9,964.35)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
(1) Redemption of Preference Share Capital	(2,006.67)	(926.67)
(2) Borrowings (Net)	35,324.67	7,753.85
(3) Bond/Debenture Issue Expenses	(1,100.40)	-
(4) Dividends Paid	(1,425.02)	(303.52)
(5) Tax on Distributed Profits	(181.69)	(37.93)
Net Cash From (used in) Financing Activities	C 30,610.89	6,485.73
Net Increase in Cash and Cash Equivalents	(A + B + C) 142.27	(152.18)
Cash and Cash Equivalents as at the Beginning of the year	322.75	474.93
Cash and Cash Equivalents as at the Close of the year	465.02	322.75

Note:

- Cash and Cash equivalents at the end of the year are after adjustments of foreign exchange loss of Rs. 0.05 lacs (Previous Year: Rs. 0.77 lacs)

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

SIGNATURE TO SCHEDULES 'A' TO 'T'

As per our attached Report of even date

For S.V. GHATALIA & ASSOCIATES

Chartered Accountants

P. V. PARANJPE

Partner

Mumbai, 29th April, 2005

R. D. SHROFF

Chairman and Managing Director

A. C. ASHAR

Director-Finance

Mumbai, 29th April, 2005

M.B. TRIVEDI

Secretary

UNITED PHOSPHORUS LIMITED

FINANCIAL YEAR 2004-2005

Statement pursuant to exemption received under section 212(8) of the Companies Act, 1956
relating to Subsidiary Companies

Rs. in Crores

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	United Phosphorus Limited, U.K.	GBP	82.13	91.33	(37.37)	266.98	213.02	-	249.75	0.19	1.56	(1.37)	-
2	United Phosphorus Inc., U.S.A.	USD	43.73	*	(62.19)	354.24	416.42	-	442.14	(36.31)	-	(36.31)	-
3	United Phosphorus Limited, Australia	ASD	33.75	0.34	1.95	15.26	12.98	-	12.62	(0.27)	0.08	(0.19)	-
4	United Phosphorus de Mexico, S.A. de C.V.	MXN	3.87	0.20	5.26	31.73	26.27	-	39.63	3.56	1.17	2.39	-
5	United Phosphorus Limited, Hongkong	HKD	5.64	0.01	2.47	26.78	24.30	-	33.10	1.42	-	1.42	-
6	Bio-win Corporation	USD	43.73	37.61	91.18	786.90	658.11	-	350.70	3.95	(0.88)	4.83	-
7	United Phosphorus Limited, Russia	RUB	1.58	0.01	5.85	17.58	11.72	-	18.45	1.06	0.26	0.81	-
8	United Phosphorus, Shanghai	RMB	5.29	0.88	0.41	1.70	0.41	-	6.52	(0.03)	-	(0.03)	-
9	United Phosphorus (Zambia) Limited	ZMK	9.11	*	0.33	3.99	3.66	-	4.23	0.12	0.05	0.07	-
10	United Phosphorus Limited, Japan	JPY	0.41	0.41	(0.06)	0.56	0.20	-	1.32	0.01	*	0.01	-
11	United Phosphorus de Argentina, S.A.	ARB	15.08	0.72	(0.72)	0.03	0.03	-	-	(0.24)	-	(0.24)	-
12	United Phosphorus Limited, Korea	KRW	0.04	0.28	(0.18)	0.80	0.70	-	2.56	(0.06)	-	(0.06)	-
13	Agrodan, ApS	DKK	7.58	1.90	5.64	7.55	0.01	-	0.09	1.59	-	1.59	-
14	Enviro Technology Limited	INR	1.00	1.18	4.14	11.59	6.27	0.28	9.68	1.25	0.37	0.88	0.24
15	Bharuch Enviro Infrastructure Limited	INR	1.00	2.09	5.98	22.18	14.11	*	7.33	1.78	0.39	1.40	0.31
16	United Phosphorus Limited, New Zealand	NZD	4.52	-	-	-	-	-	-	-	-	-	-
17	United Phosphorus Limited, Gibraltar	USD	43.73	0.02	88.27	182.22	93.93	-	-	88.27	-	88.27	-
18	United Phosphorus Limited, Indonesia	IDR	4.52	0.44	-	1.37	0.92	-	-	-	-	-	-
19	Shroffs United Chemicals Limited	INR	1.00	0.05	(0.03)	0.06	0.04	-	-	(0.03)	*	(0.03)	-
20	Inventa Corporation	USD	43.73	0.09	(1.10)	0.12	1.14	-	-	-	-	-	-
21	Agvalue, Enterprises, Inc.	USD	43.73	-	-	-	-	-	-	-	-	-	-
22	Agvalue, Inc.	USD	43.73	-	-	-	-	-	-	-	-	-	-
23	Agvalue - Etho, LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-
24	Agvalue - D. P., LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-
25	Agvalue - Clopyr, LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-
26	Agvalue - Oryza, LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-
27	Agvalue - Metri, LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-
28	Agvalue - Bromacil, LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-
29	Agvalue - Propyzamide, LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-
30	Agvalue - Propargite, LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-
31	Agvalue - Picloram, LLC	USD	43.73	-	-	-	-	-	-	-	-	-	-

*Negligible Amount

Note:-
As required under para (vi) of the Approval Letter dated 30.06.2005 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 the exchange rate as on 31.03.2005.

R. D. SHROFF

Chairman & Managing Director

A. C. ASHAR

Director-Finance

M. B. Trivedi

Secretary

Mumbai

1st July, 2005



**UNITED PHOSPHORUS LIMITED
FINANCIAL YEAR 2004-2005**

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

Sr. No.	Name of the Subsidiary Company	Financial Year	No. of Shares held by United Phosphorus Ltd. in the Subsidiary Company at 31-03-2005	% 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 31.03.2005	Not dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the subsidiary company	Dealt within the accounts of United Phosphorus Ltd. for the Subsidiary Company's financial year ended as on 31.03.2005	Dealt within the accounts of United Phosphorus Ltd. for the previous financial years of the Subsidiary Company
1	United Phosphorus Limited, U.K.	31.03.2005	@	-	Pounds (4,99,000)	Pounds (40,51,000)	-	-
2	United Phosphorus Inc., U.S.A.	31.03.2005	++	-	US \$ (83,03,351)	US \$ (59,17,009)	-	-
3	United Phosphorus Limited, Australia	31.03.2005	@	-	Aus \$ (56,962)	Aus \$ 6,33,573	-	-
4	United Phosphorus de Mexico, S.A. de C.V.	31.03.2005	@	-	Mex. Peso 61,72,959	Mex. Peso 73,07,336	-	-
5	United Phosphorus Limited, Hongkong	31.03.2005	@	-	HKD 25,24,924	HKD 18,49,839	-	-
6	Bio-win Corporation	31.03.2005	86,000	100	US\$ 11,04,620	US\$ 19,746,519	-	-
7	United Phosphorus Limited, Russia	31.03.2005	++	-	Rbbls 51,22,233	Rbbls 19,912,663	-	-
8	United Phosphorus, Shanghai	31.03.2005	+	-	Renminbi (1,23,499)	Renminbi 8,35,247	-	-
9	United Phosphorus (Zambia) Limited	31.03.2005	@	-	K 75,125,000	K 287,332,000	-	-
10	United Phosphorus Limited, Japan	31.03.2005	*	-	Yen 85,294	Yen (13,06,325)	-	-
11	United Phosphorus de Argentina, S.A.	31.03.2005	@	-	ARB (1,57,228)	ARB (3,18,976)	-	-
12	United Phosphorus Limited, Korea	31.03.2005	#	-	Won (14,411,449)	Won (2,91,07,775)	-	-
13	Agrodan, ApS	31.03.2005	++	-	DKK 20,92,123	DKK 53,51,686	-	-
14	Enviro Technology Limited	31.03.2005	610,000	51.58	Rs.31,33,324	Rs.45,77,509	Rs.12,20,000	Rs.9,15,000
15	Bharuch Enviro Infrastructure Limited	31.03.2005	1,088,875	52.02	Rs.5,06,859	Rs.20,54,007	Rs.16,33,313	Rs.11,08,313
16	United Phosphorus Limited, New Zealand	31.03.2005	@	-	-	-	-	-
17	United Phosphorus Limited, Gibraltar	31.03.2005	@	-	US\$ 20,186,174	-	-	-
18	United Phosphorus Limited, Indonesia	31.03.2005	@@	-	-	-	-	-
19	Shroffs United Chemicals Limited	31.03.2005	50,007	100	Rs.(3,38,018)	Rs.21,415	-	-
20	Inventa Corporation	31.03.2005	**	-	-	US \$ (2,51,933)	-	-
21	Agvalue, Enterprises, Inc.	31.03.2005	**	-	-	-	-	-
22	Agvalue, Inc.	31.03.2005	##	-	-	-	-	-
23	Agvalue- Etho, LLC	31.03.2005	##	-	-	-	-	-
24	Agvalue- D. P., LLC	31.03.2005	##	-	-	-	-	-
25	Agvalue- Clopyr, LLC	31.03.2005	##	-	-	-	-	-
26	Agvalue- Oryza, LLC	31.03.2005	##	-	-	-	-	-
27	Agvalue- Metri, LLC	31.03.2005	##	-	-	-	-	-
28	Agvalue- Bromacil, LLC	31.03.2005	##	-	-	-	-	-
29	Agvalue- Propyzamide, LLC	31.03.2005	##	-	-	-	-	-
30	Agvalue- Propargite, LLC	31.03.2005	##	-	-	-	-	-
31	Agvalue- Picloram, LLC	31.03.2005	##	-	-	-	-	-

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

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

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

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

* 90% shares of the Company are held by United Phosphorus Limited, Hongkong.

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

99% shares of the Company are held by Bio-win Corporation Limited.

All the shares of the Company are held by Agvalue Enterprises, Inc.

R. D. SHROFF

Chairman & Managing Director

A. C. ASHAR

Director-Finance

M. B. Trivedi

Secretary

Mumbai

1st July, 2005