

39<sup>th</sup>

2007 - 08

*Annual Report*

**Uniphos Enterprises Limited**

**CONTENTS**

	Page No(s).
Board of Directors, etc.	1
Notice	2
Directors' Report	3-5
Corporate Governance	6-12
Management Discussion and Analysis	12
Auditors' Report	13-15
Balance Sheet	16
Profit and Loss Account	17
Cash Flow Statement	18
Schedules forming part of the Balance Sheet-'A' to 'I'	19-22
Schedules forming part of the Profit and Loss Account-'J' to 'L'	23
Notes on Accounts- Schedule 'M'	24-28

**39<sup>TH</sup> ANNUAL GENERAL MEETING**

Date : 18<sup>th</sup> September, 2008

Day : Thursday

Time : 9.00 a.m.

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

For assistance regarding share transfers, transmission, change of address, duplicate/loss of shares and other related matters, please write to the Registrars & Share Transfer Agents :

**Sharepro Services(India) Pvt. Ltd.**

**Unit : Uniphos Enterprises Limited**

**Satam Estate, 3<sup>rd</sup> Floor,**

**Above Bank of Baroda,**

**Cardinal Gracious Road,**

**Chakala, Andheri (East),**

**Mumbai- 400 099.**

**Phone No(s) : 91-022-6772 0346/6772 0300**

**Fax No. : 91-022-2837 5646**

**BOOK CLOSURE**

**Saturday, 6<sup>th</sup> September, 2008**  
**to**  
**Thursday, 18<sup>th</sup> September, 2008**

**BOARD OF DIRECTORS**

- MR. R. D. SHROFF - Non-Executive Chairman & Managing Director  
MRS. S. R. SHROFF - Non-Executive Vice Chairman  
MR. J. R. SHROFF  
MR. A. C. ASHAR  
MR. PRADEEP GOYAL  
MR. PRAKASH SHAH

**COMPANY SECRETARY**

MR. K. M. THACKER

**AUDITORS**

S. V. GHATALIA & ASSOCIATES  
*Chartered Accountants*

**BANKERS**

Canara Bank  
IDBI Bank Ltd.  
State Bank of India  
HDFC Bank Ltd.  
Yes Bank Ltd.

**ADMINISTRATIVE OFFICE**

UNIPHOS HOUSE,  
C.D.Marg, Khar (West),  
Mumbai- 400 052.  
Tel. : 2646 8000. Fax : 2604 1010.

**REGISTERED OFFICE**

11, G.I.D.C., Vapi,  
Dist. Valsad, Gujarat, Pin -396 195.  
Tel. : 0260-2400717. Fax : 0260-2401823.

**SECRETARIAL DEPARTMENT**

8, Shri Krishna Commercial Centre,  
Ground Floor, Opp. Raheja Solitaire,  
6 Udyog Nagar, Off S.V. Road,  
Goregaon (West), Mumbai- 400 062.  
Tel. : 2872 4862 Fax : 2875 3485.

**NOTICE**

**NOTICE** is hereby given that **39<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **UNIPHOS ENTERPRISES LIMITED** will be held on Thursday, 18<sup>th</sup> September, 2008 at 9.00 a. m. at the Registered Office of the Company at 11, G.I.D.C., Vapi, Dist. Valsad, Gujarat, Pin- 396 195, to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2008, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pradeep Goyal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**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. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. The Register of Members and The Share Transfer Books of the Company will remain closed from Saturday, 6<sup>th</sup> September, 2008 to Thursday, 18<sup>th</sup> September, 2008 (both days inclusive).
4. 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: Uniphos Enterprises Limited, Satam Estate, 3<sup>rd</sup> 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.
5. 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.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year 1994-95 and prior to that which remained unclaimed 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 at Ahmedabad by submitting an application in prescribed form.
7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended-
  - (a) Dividend for the years 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 which remained unclaimed for a period of seven years from the date of transfer of same to the respective unpaid dividend accounts of the Company have been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
  - (b) Dividend for the year 2000-2001 and thereafter, which remain unclaimed for a period of seven years from the date of transfer of same to the respective unpaid dividend accounts of the Company will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

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

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

At the ensuing Annual General Meeting, Mr. Pradeep Goyal, Director, retire by rotation and being eligible offer himself for re-appointment. In pursuance of Corporate Governance code, information of the aforesaid Director is provided hereunder:

Mr. Pradeep Goyal is the Director of the Company since 29<sup>th</sup> March, 2001. He is a Metallurgy Engineer from IIT and Master Graduate from MIT, USA. He has been the member of various associations such as All India Manufacturers Organisation, ASSOCHAM, Indo-German Chambers of Commerce, etc. He has authored a few articles relating to steel making. He is the Managing Director of Pradeep Metals Limited. He is also on the Board of United Phosphorus Ltd., Indian Resources Information and Management Technology Ltd., Flashnet Infor Solutions (India) Ltd. and Hind Rectifiers Ltd.

Mumbai  
2nd May, 2008

By Order of the Board of Directors

**Registered Office:**

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

**K. M. THACKER**  
Company Secretary

**DIRECTORS' REPORT**

TO,  
THE MEMBERS OF  
**UNIPHOS ENTERPRISES LIMITED**

Your Directors have pleasure in presenting their report and audited accounts for the year ended 31<sup>st</sup> March, 2008.

**FINANCIAL RESULTS**

	<b>Year ended 31<sup>st</sup> March, 2008</b>	(Rs. in lacs) Year ended 31 <sup>st</sup> March, 2007
Profit/(Loss) before taxation	<b>(485.95)</b>	(89.48)
Less: Provision for taxation	<b>0.05</b>	2.77
Profit/(Loss) after taxation	<b>(486.00)</b>	(92.25)
Less: Prior period adjustments (Net)	<b>—</b>	(20.74)
	<b>(486.00)</b>	(71.51)
Add: Balance brought forward	<b>(100.30)</b>	(28.79)
Balance carried forward	<b>(586.30)</b>	(100.30)

**OPERATIONAL PERFORMANCE**

During the year there were no sales. Other income was Rs 369.36 lacs as compared to Rs. 411.47 lacs in the previous year.

The Company has suffered loss of Rs. 486 lacs after tax and prior period adjustment for taxation as compared to loss of Rs. 71.51 lacs in the previous year.

**FUTURE OUTLOOK**

The Company is ready to take advantage of the opportunity of trading in chemicals with the reduction in tariffs for imports.

**DIVIDEND**

In view of the loss, your Directors do not recommend any dividend for the year under review.

**INSURANCE**

All the properties of the Company have been adequately insured.

**AUDITORS AND AUDITORS' REPORT**

M/s. S. V. Ghatalia & Associates, Chartered Accountants, the Statutory Auditors are retiring at the ensuing Annual General Meeting and being eligible for 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 2008-2009.

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

**DEPOSITORY SYSTEM**

96.17 % of the total paid up equity shares of the Company are dematerialised as on 31<sup>st</sup> March, 2008.

**DIRECTORS**

In accordance with the Provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pradeep Goyal, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

The brief resume of Mr. Pradeep Goyal, Director 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 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 realizing objectives and growth of the Company.

### DIRECTORS' REPORT (Contd.)

#### INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

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, for the year ended 31<sup>st</sup> March, 2008 is furnished here below.

**I. CONSERVATION OF ENERGY** – Not Applicable

**II. TECHNOLOGY ABSORPTION** – Not Applicable

**III. FOREIGN EXCHANGE EARNING AND OUTGO**

	Rupees in Lacs.
(a) Foreign Exchange earned	-
(b) Foreign Exchange outgo	2.02

#### PARTICULARS OF EMPLOYEES

The Company has no employee who- (i) if employed throughout the financial year, was in receipt of remuneration, in aggregate, more than Rs. 24 lacs, or (ii) if employed for a part of the financial year, was in receipt of remuneration, in aggregate, more than Rs. 2 lacs per month. Hence, the information required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, as amended from time to time, is not applicable.

#### DIRECTORS RESPONSIBILITY

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

- 1) in the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2008, 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 31<sup>st</sup> March, 2008 and of the loss 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.

#### GROUP FOR INTERSE TRANSFER OF SHARES

As required under Clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid Regulations, are given in the Annexure attached herewith and forms part of this Annual Report.

#### 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 Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. There is no default in paying annual listing fees.

#### 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  
2<sup>nd</sup> May, 2008

On behalf of the Board of Directors

**R.D. SHROFF**

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

Non-Executive Chairman & Managing Director

**DIRECTORS' REPORT (Contd.)****Annexure forming part of the Directors' Report****"Group" for interse transfer of shares under Regulation 3(1)(e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.**

<p><b>PROMOTER DIRECTORS:</b></p> <ol style="list-style-type: none"> <li>1. Rajnikant Devidas Shroff and Family</li> <li>2. Sandra R. Shroff and Family</li> <li>3. Jaidev R. Shroff and Family</li> <li>4. Vikram R. Shroff and Family</li> </ol> <p><b>RELATIVES OF PROMOTER DIRECTORS:</b></p> <ol style="list-style-type: none"> <li>1. Poonam J. Shroff and Family</li> <li>2. Namrata V. Shroff and Family</li> <li>3. Varun J Shroff and Family</li> <li>4. Tania J Shroff and Family</li> <li>5. Rudritara J. Shroff and Family</li> <li>6. Mekhala V. Shroff and Family</li> <li>7. Ranjit V. Shroff and Family</li> <li>8. Shilpa R Shroff and Family</li> <li>9. Pradip Sagar and Family</li> <li>10. Jyotsna Bhatt and Family</li> <li>11. Jyotindra Bhatt and Family</li> <li>12. Shaila S Shroff and Family</li> </ol> <p><b>TRUST:</b></p> <ol style="list-style-type: none"> <li>1. Jai Trust</li> </ol> <p><b>PARTNERSHIP FIRMS:</b></p> <ol style="list-style-type: none"> <li>1. Akruti Products</li> <li>2. Sarjan Chemicals</li> <li>3. Prakriya Pharmachem</li> <li>4. Urja Chemicals</li> <li>5. UPL India</li> <li>6. Pot Plants</li> <li>7. Ultima Search</li> </ol> <p><b>GROUP COMPANIES:</b></p> <ol style="list-style-type: none"> <li>1. Advanta India Ltd.</li> <li>2. Agraja Properties Ltd.</li> <li>3. Agrinet Solutions Ltd.</li> <li>4. Archana Overseas Pvt. Ltd.</li> <li>5. Bharuch Enviro Infrastructure Ltd.</li> <li>6. Bloom Industrial Plastics Pvt. Ltd.</li> <li>7. Bloom Packaging Pvt. Ltd.</li> <li>8. Bloom Seals and Containers Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>9. Bharuch Airport Infrastructure Pvt. Ltd.</li> <li>10. Coimbatore Integrated Waste Management Co. P. Ltd.</li> <li>11. Daman Ganga Pulp &amp; Papers Pvt. Ltd.</li> <li>12. Demuric Holdings Pvt. Ltd.</li> <li>13. Entrust Environment Ltd.</li> <li>14. Enviro Technology Limited</li> <li>15. Esthetic Finvest Pvt. Ltd.</li> <li>16. Force Aviation Pvt. Ltd.</li> <li>17. Gharpure Engineering &amp; Constructions P. Ltd.</li> <li>18. Heline Environment Pvt. Ltd.</li> <li>19. Isar Builders &amp; Developers Pvt. Ltd.</li> <li>20. Kerala Enviro Infrastructure Ltd.</li> <li>21. Khagay Environment Pvt. Ltd.</li> <li>22. Khaline Environment Pvt. Ltd.</li> <li>23. Latur Water Supply Management Co. Ltd.</li> <li>24. Mrugal Properties Ltd.</li> <li>25. Nerka Chemicals Pvt. Ltd.</li> <li>26. Nivi Trading Ltd.</li> <li>27. Praskand Environment Pvt. Ltd.</li> <li>28. R. Shroff Consultants Pvt. Ltd.</li> <li>29. Sanguine Holdings Pvt. Ltd.</li> <li>30. Search Enviro Ltd.</li> <li>31. Seiko Properties Pvt. Ltd.</li> <li>32. Sharvak Environment Ltd.</li> <li>33. Shatataraka Holdings Pvt. Ltd.</li> <li>34. Shivalik Solid Waste Management Ltd.</li> <li>35. Shroff Envirotral Pvt. Ltd.</li> <li>36. Shroffs United Chemicals Ltd.</li> <li>37. SWAL Corporation (I) Ltd.</li> <li>38. United Phosphorus Ltd.</li> <li>39. Uniphos Agro Industries Ltd.</li> <li>40. UPL Environmental Engineers Ltd.</li> <li>41. UPL Djai Power Ltd.</li> <li>42. Uniphos (Cyprus) Limited</li> <li>43. Timberlane PTE. Ltd.</li> <li>44. United Phosphorus (Cayman Islands)</li> <li>45. Uniphos (Cayman Islands)</li> <li>46. Uniphos Envirotronic Pvt. Ltd.</li> <li>47. Venture Drive Limited (Cayman Islands)</li> <li>48. Vyom Finvest P. Ltd.</li> </ol>
---	---

**and any body corporate and/or entity promoted / formed by any of the above.**

**"Family" – "Family" for this purpose includes spouse, dependent children and parent**

## 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 is 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 6 directors.

During the year, four Board Meetings were held on 3<sup>rd</sup> May, 2007, 31<sup>st</sup> July, 2007, 30<sup>th</sup> October, 2007 and 31<sup>st</sup> January, 2008.

#### Composition and other details of Directors is as follows:

Name of the Director	Category	Attendance Particulars		No. of other directorships and Committee memberships/ chairmanships*		
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. R. D. Shroff	Promoter & Non-Executive Chairman & Managing Director	4	Absent	13	1	-
Mrs. S. R. Shroff	Promoter & Non-Executive Vice Chairman	2	Absent	9	-	-
Mr. J. R. Shroff	Promoter & Non-Executive Director	2	Absent	17	2	-
Mr. A. C. Ashar	Independent & Non-Executive Director	4	Present	15	-	1
Mr. Pradeep Goyal	Independent & Non-Executive Director	3	Absent	5	3	-
Mr. Prakash Shah	Independent & Non-Executive Director	4	Absent	4	-	-

**Notes: \* Excludes Directorship in Private Limited companies & Foreign companies.**

### 3. Information supplied to the Board

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

- Financial Results of the Company,
- Disclosure of the interest of the Directors,
- Material show cause notices, legal judgements, etc.,
- Review of the procedure for risk assessment and minimization,
- Approval for contracts entered into with parties covered in the register u/s. 301 of the companies act, 1956,
- Consideration of any disclosure made by senior management relating to any transaction having potential conflict with interest of the company,
- Closure of bank account for dividend and transfer of funds lying there to "Investors Education Protection Fund.

### 4. Disclosures

The particulars of transactions between the Company and related parties as per the Accounting Standards are mentioned separately in schedule "M" 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 20<sup>th</sup> February, 2002, has amended the SEBI (Insider Trading) Regulations, 1992. As per these regulations, the Company has



**CORPORATE GOVERNANCE (Contd.)**

appointed Mr. K. M. Thacker as a Compliance Officer, who will be responsible for formulating policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trades, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company also has framed its own code of internal procedure and conduct for prevention of Insider Trading which provides for "Trading Window" restrictions, disclosure requirements and also pre-clearance of trades in the Company's securities.

Shareholding of the Directors as on 31<sup>st</sup> March, 2008 was as under:

Name of the Director	Shareholding
Mr. R. D. Shroff	719030
Mrs. S. R. Shroff	485475
Mr. J. R. Shroff	555701
Mr. A. C. Ashar	20643
Mr. Pradeep Goyal	Nil
Mr. Prakash Shah	1000

**5. Audit Committee**

The Board of the Company has constituted an Audit Committee, comprising of three Independent & Non-Executive Directors viz. Mr. Pradeep Goyal, Chairman, Mr. Prakash Shah and Mr. A. C. Ashar. Four meetings of the Audit Committee were held on 3<sup>rd</sup> May, 2007, 31<sup>st</sup> July, 2007, 30<sup>th</sup> October, 2007 and 31<sup>st</sup> January, 2008.

**Composition of members of Audit Committee is as follows:**

Composition	Mr. Pradeep Goyal Chairman	Mr. Prakash Shah	Mr. A. C. Ashar
Meetings attended during the year	3	4	4

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. Mr. A. C. Ashar has financial and accounting knowledge.

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 viz. Mr. Pradeep Goyal, Chairman, Mr. Prakash Shah and Mr. A. C. Ashar.

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Directors based on performance and defined criteria.

No meeting of the Remuneration Committee was held during the year.

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

No Director was paid salary and/or perquisites for the year ended 31<sup>st</sup> March, 2008.

The Company has paid the sitting fees for the year ended 31<sup>st</sup> March, 2008 to two Independent & Non- Executive Directors for attending Board Meetings, Audit Committee Meetings and Shareholders'/ Investors' Grievances Committee Meeting as follows:

Mr. Pradeep Goyal Rs.10,000/- and Mr. Prakash Shah Rs.13,000/-.

**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 31<sup>st</sup> January, 2008.



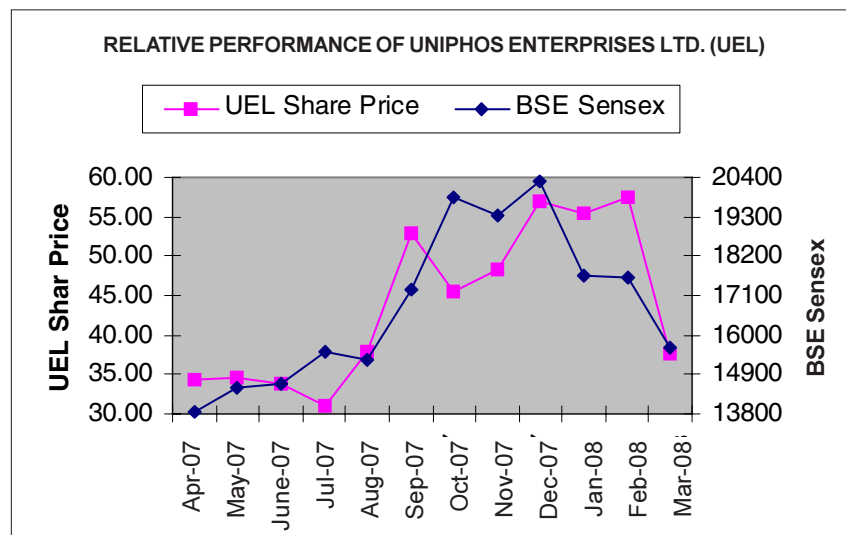
**CORPORATE GOVERNANCE (Contd.)****Results for quarter ending****December 31, 2008**- Last week of January, 2009**Results for quarter/ year ending March 31, 2009** -

Last week of April, 2009/June 2009.

- 11.3. Book closure date** : 06/09/2008 to 18/09/2008  
(Both days inclusive)
- 11.4. Dividend payment date** : Not Applicable
- 11.5. Listing of Equity Shares on Stock Exchanges at** : Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
- 11.6 (a) Stock Code** : **Bombay Stock Exchange Ltd.** : 500429  
**National Stock Exchange of India Ltd.** : UNIENTER
- (b) Demat ISIN Number in NSDL & CDSL for Equity Shares** : INE037A01022

**11.7. Stock Market Data**

Month	Bombay Stock Exchange Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High Price (In Rs.)	Month's Low Price (In Rs.)	Month's High Price (In Rs.)	Month's Low Price (In Rs.)
April 2007	39.75	25.05	41.90	34.00
May 2007	36.80	31.00	37.05	33.80
June 2007	36.00	31.70	36.35	31.90
July 2007	35.30	30.00	35.50	30.40
August 2007	40.65	30.20	39.90	30.90
September 2007	63.15	35.50	63.00	35.05
October 2007	56.85	43.00	58.00	43.20
November 2007	52.05	41.60	52.00	40.00
December 2007	57.10	46.30	56.00	46.90
January 2008	68.90	45.00	70.30	51.00
February 2008	62.40	50.05	61.40	22.75
March 2008	57.15	35.55	57.00	37.15

**11.8. Share price performance in comparison to broad-based indices – BSE Sensex.****UEL share price performance relative to BSE Sensex based on share price during the year**

**CORPORATE GOVERNANCE (Contd.)**

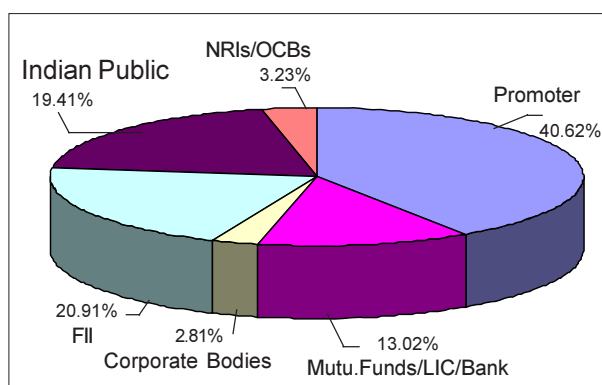
**11.9. Registrar and Transfer Agents** : Sharepro Services (India) Pvt. Ltd.  
(Share transfer and communication regarding share certificate, dividends and change of address) Unit : Uniphos Enterprises Limited  
Satam Industrial Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099.

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the Secretarial Department of the Company : Uniphos Enterprises Limited  
Secretarial Department, 8, Shri Krishna Commercial Centre Ground Floor, Opp. Raheja Solitaire 6 Udyog Nagar, Off S. V. Road Goregaon (West), Mumbai 400 062.

**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 31<sup>st</sup> March, 2008 :**

Shareholding of Nominal Value of (Rs.)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (Rs.)	% of Total Amt.
1 - 5,000	14789	98.14	7867362	15.44
5,001 - 10,000	137	0.91	1014602	1.99
10,001 - 20,000	52	0.34	792952	1.55
20,001 - 30,000	13	0.09	329260	0.65
30,001 - 40,000	12	0.08	410530	0.81
40,001 - 50,000	10	0.07	453266	0.89
50,001 - 1,00,000	17	0.11	1263812	2.48
1,00,001 and above.	40	0.26	38817556	76.19
<b>Total</b>	<b>15070</b>	<b>100</b>	<b>50949340</b>	<b>100</b>

**11.12. Shareholding pattern as on 31st March, 2008:**


**CORPORATE GOVERNANCE (Contd.)**

**11.13. Dematerialisation of Shares :** 96.17 % of the outstanding equity shares have been dematerialised up to 31<sup>st</sup> March, 2008. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 17<sup>th</sup> January, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

**Liquidity :**

The shares of the Company are actively traded shares. Relevant data for the **average daily turnover** for the financial year 2007 – 2008 is given below:

	Bombay Stock Exchange Ltd. (BSE)	National Stock Exchange of India Ltd. (NSE)	<b>BSE+NSE</b>
In no. of shares	18178	7665	<b>25843</b>

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

**11.14. Outstanding GDR/Warrants and Conversion date and likely Impact on the Equity :** Outstanding GDRs as on 31<sup>st</sup> March, 2008 represent 82552 shares (0.32%). There are no further outstanding instruments, which are convertible into equity in the future.

**11.15. Plant Locations :** The Company has no manufacturing unit.

**11.16. Address for Correspondence**  
**(i) Investor Correspondence**

**For Shares held in Physical Form**  
Sharepro Services (India) Pvt. Ltd.  
Unit : Uniphos Enterprises Limited  
Satam Industrial Estate, 3<sup>rd</sup> Floor,  
Above Bank of Baroda,  
Cardinal Gracious Road, 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 :

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

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

**(ii) Any query on Annual Report :** Mr. K. M. Thacker  
C/o. Uniphos Enterprises Limited  
Secretarial Department  
8, Shri Krishna Commercial Centre  
Ground Floor, Opp. Raheja Solitaire  
6 Udyog Nagar, Off S. V. Road  
Goregaon (West), Mumbai 400 062.  
E-mail : [thackerkm@uniphos.com](mailto:thackerkm@uniphos.com)

**(iii) Exclusive e-mail ID of the grievance redressal division :** [uel.investors@uniphos.com](mailto:uel.investors@uniphos.com)

On behalf of the Board of Directors

**R. D. Shroff**

(Non-Executive Chairman & Managing Director)

Mumbai  
2<sup>nd</sup> May, 2008

## CORPORATE GOVERNANCE (Contd.)

### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct laid down by the Company for the year ended 31<sup>st</sup> March, 2008.

Mumbai  
2<sup>nd</sup> May, 2008

For Uniphos Enterprises Limited  
**R. D. Shroff**  
(Non-Executive Chairman & Managing Director)

### CERTIFICATE

To The Members of  
UNIPHOS ENTERPRISES LIMITED

We have examined the compliance of conditions of corporate governance by Uniphos Enterprises Limited for the year ended 31<sup>st</sup> March 2008, 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.

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.

Mumbai  
2<sup>nd</sup> May, 2008

For **S.V. GHATALIA & ASSOCIATES**  
Chartered Accountants  
**(P. V. Paranjape)**  
Partner  
**Membership No. 047296**

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company is engaged only in trading activities. However, there were no trading activities during the year.

### SEGMENTWISE PERFORMANCE:

The Company operates in a single segment, viz. trading activities. However, there were no trading activities during the year.

### BUSINESS OUTLOOK:

This has been dealt with in the Directors' Report.

### 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, and all financial records are maintained properly. The group has its own internal audit team.

### FINANCIAL AND OPERATIONAL PERFORMANCE:

This has been dealt with in the Directors' Report.

### HUMAN RESOURCES DEVELOPMENT:

The relationship with the employees continued to be cordial throughout the year.

### CAUTIONARY STATEMENT:

Certain statements in this section relating to estimates, projections and expectations may be forward looking within the meaning of applicable laws and regulations. The actual results could differ materially from what the directors envisage in terms of the future performance and outlook. The factors that may affect the performance of the company will be drought or shortfall in rains, change in government policies, tariff barriers, delay in registrations, changes in local and overseas markets and the related factors.

**AUDITORS' REPORT**

TO

THE MEMBERS OF  
UNIPHOS ENTERPRISES LIMITED

We have audited the attached Balance Sheet of UNIPHOS ENTERPRISES LIMITED as at 31<sup>st</sup> March, 2008, the Profit and Loss Account of the Company and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (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 31<sup>st</sup> March, 2008 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 31<sup>st</sup> March, 2008;
  - (ii) In the case of the Profit and Loss Account, of the loss 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. 047296**

Mumbai  
2<sup>nd</sup> May, 2008



**ANNEXURE TO THE AUDITORS' REPORT\***

- (\* Referred to in our Report of even date on the accounts of Uniphos Enterprises Limited for the year ended 31<sup>st</sup> March, 2008)
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, all the fixed assets have been physically verified by the management. The frequency of verification is reasonable and no discrepancies have been noticed on such verification.  
(c) During the year, the Company has not disposed off a substantial part of the fixed assets.
  2. The Company did not have any inventory during the year. Accordingly, provisions of clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Companies (Auditors Report) Order, 2003, in respect of physical verification of inventory, procedure of physical verification followed by the Company and maintenance of proper records of inventory are not applicable to the Company.
  3. (a) The Company had not granted any loan to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
(b) Since the Company has not granted any loan to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the provisions of clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order, 2003, in respect of rate of interest and other terms and conditions of the loans granted, whether the principal amount and interest has been paid regularly and whether reasonable steps for recovery of principal amount and interest have been taken are not applicable to the Company.  
(c) The Company has taken loan from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.6,481 lacs and the year-end balance of the said loan was Nil .  
(d) In our opinion, the rate of interest and other terms and conditions of the loan taken from a company covered in the register maintained under Section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.  
(e) In respect of the aforesaid loan taken, the Company is regular in repayment of the principal amount as stipulated and has been regular in payment of interest.
  4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. There were no purchases of inventory during the year, and hence, the question of reporting on the adequacy of internal control system with regards to the purchases or sale of the aforesaid items does not arise. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
  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 lacs 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 services, we are unable to comment in respect thereof in the absence of similar transactions with other parties.
  6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. 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.



**ANNEXURE TO THE AUDITORS' REPORT (Contd.)**

8. We have been informed that the Central Government has not made any Order for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the product of the Company.
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, service tax, 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	75.06	Commissioner of Income-tax (Appeals)

10. The Company has no accumulated losses as at year-end and has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
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.
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 others 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 during the year 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 not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 in respect of creation of security for debentures issued are not applicable to the Company.
20. The Company has not raised any money by public issue during the year, and accordingly, the question of disclosing the end use of money raised by public issue does not arise.
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. 047296**

Mumbai  
2<sup>nd</sup> May, 2008

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	<u>Schedule</u>	<u>Rs. in lacs</u>	<u>As at 31st March, 2008 Rs. in lacs</u>	<u>As at 31st March, 2007 Rs. in lacs</u>
<b>SOURCES OF FUNDS:</b>				
<b>1 SHAREHOLDER'S FUNDS:</b>				
(a) Capital	`A'	<b>509.49</b>		509.49
(b) Reserves and Surplus	`B'	<b>2,578.73</b>		3,064.73
			<b>3,088.22</b>	3,574.22
<b>2 LOAN FUNDS:</b>				
(a) Secured Loans	`C'	<b>1,501.91</b>		2,502.83
(b) Unsecured Loans	`D'	<b>20.00</b>		3,385.00
			<b>1,521.91</b>	5,887.83
<b>3 DEFERRED TAX LIABILITY (NET)</b>			<b>26.61</b>	26.61
	<b>TOTAL</b>		<b>4,636.74</b>	9,488.66
<b>APPLICATION OF FUNDS:</b>				
<b>1 FIXED ASSETS:</b>	`E'			
(a) Gross Block		<b>3,650.42</b>		3,659.18
(b) Less: Depreciation		<b>435.84</b>		411.20
(c) Net Block		<b>3,214.58</b>		3,247.98
(d) Capital Work-in-Progress		<b>1,359.21</b>		1,211.56
			<b>4,573.79</b>	4,459.54
<b>2 INVESTMENTS</b>	`F'		<b>5,455.03</b>	5,455.03
<b>3 CURRENT ASSETS, LOANS AND ADVANCES:</b>				
(a) Cash and Bank Balances	`G'	<b>18.46</b>		25.80
(b) Loans and Advances	`H'	<b>2,071.75</b>		1,846.17
		<b>2,090.21</b>		1,871.97
<b>Less: CURRENT LIABILITIES AND PROVISIONS:</b>				
Liabilities	`I'	<b>7,482.29</b>		2,297.88
<b>NET CURRENT ASSETS</b>			<b>(5,392.08)</b>	(425.91)
	<b>TOTAL</b>		<b>4,636.74</b>	9,488.66
<b>NOTES ON ACCOUNTS</b>	`M'			

As per our attached Report of even date  
For **S.V. GHATALIA & ASSOCIATES**  
Chartered Accountants

**P.V. PARANJAPE**  
Partner

Mumbai, 2nd May, 2008

**R. D. SHROFF**  
Non-Executive Chairman and  
Managing Director

**S. R. SHROFF**  
Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 2nd May, 2008

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	<u>Schedule</u>	<u>Rs. in lacs</u>	<u>Current Year Rs. in lacs</u>	<u>Previous Year Rs. in lacs</u>
<b>INCOME:</b>				
Other Income	'J'		<b>369.36</b>	411.47
			<b>369.36</b>	411.47
<b>EXPENDITURE:</b>				
Administrative and Other Expenses	'K'	<b>36.29</b>		22.07
Depreciation / Amortisation		<b>24.64</b>		26.16
Interest and Other Financial Cost (Net)	'L'	<b>794.38</b>		452.72
			<b>855.31</b>	500.95
<b>PROFIT/(LOSS) BEFORE TAXATION</b>			<b>(485.95)</b>	(89.48)
Less: Provision for Taxation				
Current		—		—
Deferred		—		2.71
Fringe Benefits Tax		<b>0.05</b>		0.06
			<b>0.05</b>	2.77
<b>PROFIT / (LOSS) AFTER TAXATION</b>			<b>(486.00)</b>	(92.25)
Less: Prior Period Adjustments (Net)				
Taxation			—	(20.74)
			<b>(486.00)</b>	(71.51)
Balance brought forward from Previous Year			<b>(100.30)</b>	(28.79)
<b>Balance Carried to Balance Sheet</b>			<b>(586.30)</b>	(100.30)
<b>EARNING PER SHARE</b>				
(Refer Note No. 10 in Schedule 'M')				
Basic and Diluted Earnings per Share (Rs.)			<b>(1.91)</b>	(0.28)
Face Value per Share (Rs.)			<b>2.00</b>	2.00
<b>NOTES ON ACCOUNTS</b>				
	'M'			

As per our attached Report of even date  
For **S.V. GHATALIA & ASSOCIATES**  
Chartered Accountants

**P.V. PARANJPE**  
Partner

Mumbai, 2nd May, 2008

**R. D. SHROFF**  
Non-Executive Chairman and  
Managing Director

**S. R. SHROFF**  
Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 2nd May, 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

	For the year ended 31st March, 2008 (Rs. in lacs)	For the year ended 31st March, 2007 (Rs. in lacs)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	(485.95)	(89.48)
Adjustments For :		
Depreciation/Amortisation	24.64	26.16
Interest paid	794.38	452.72
Dividend Received	—	(243.49)
Interest received	—	(50.37)
	<b>819.02</b>	<b>185.02</b>
Operating Profit Before Working Capital Changes	<b>333.07</b>	95.54
Adjustments for :		
Trade and other Receivables	(132.63)	19.65
Trade Payable and other Liabilities	4,701.57	256.12
Cash Generated from Operations	4,902.01	371.31
Total interest paid	(435.38)	(267.33)
Taxes Paid	(93.00)	(337.83)
<b>Net Cash from (used in) Operating Activities</b>	<b>4,373.63</b>	<b>(233.85)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(15.12)	(2,987.38)
Investment in House Property	—	(134.41)
Sale/reduction in cost of Fixed Assets	8.76	—
Dividend Received	—	243.49
Interest Received	—	50.37
<b>Net Cash from Investing activities</b>	<b>(6.36)</b>	<b>(2,827.93)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings (Net)	(4,365.92)	3,064.16
Dividends Paid	(8.69)	(8.42)
<b>Net Cash From (used in) Financing Activities</b>	<b>(4,374.61)</b>	<b>3,055.74</b>
<b>(D) NET CASH INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>(7.34)</b>	<b>(6.04)</b>
<b>Cash and Cash Equivalents as at the Beginning of the year</b>	<b>25.80</b>	<b>31.84</b>
<b>Cash and Cash Equivalents as at the Close of the year</b>	<b>18.46</b>	<b>25.80</b>

As per our attached Report of even date  
For **S.V. GHATALIA & ASSOCIATES**  
Chartered Accountants

**P.V. PARANJAPE**  
Partner

Mumbai, 2nd May, 2008

**R. D. SHROFF**  
Non-Executive Chairman and  
Managing Director

**S. R. SHROFF**  
Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 2nd May, 2008

## SCHEDULE FORMING PART OF THE BALANCE SHEET

	<b>As at 31st March, 2008 Rs. in lacs</b>	As at 31st March, 2007 Rs. in lacs
<b>SCHEDULE 'A':</b>		
<b>CAPITAL:</b>		
Authorised:		
15,00,00,000 Equity Shares of Rs. 2 each	<b>3,000.00</b>	3,000.00
70,00,000 Preference Shares of Rs. 100 each	<b>7,000.00</b>	7,000.00
	<b>10,000.00</b>	10,000.00
Issued, Subscribed and Paid-up:		
2,54,74,670 Equity Shares of Rs. 2 each fully paid-up	<b>509.49</b>	509.49
<b>TOTAL</b>	<b>509.49</b>	509.49

**Notes:**

- Of the above Equity Shares of Rs.2 each fully paid-up:
  - 1,74,87,335 Equity Shares have been allotted by way of Bonus Shares by capitalisation of General Reserve.
  - 50,000 Equity Shares have been allotted pursuant to a scheme of amalgamation, without payments being received in cash.
  - 45,95,835 Equity Shares have been allotted on partial conversion of Secured Redeemable Convertible Debentures in pursuance of the terms of issue of the said Debentures.
  - 9,00,000 Equity Shares have been allotted in respect of warrants issued to the promoters.
- The rights in respect of 1,015 Equity Shares of Rs. 10 each arising out of part conversion of 17% Secured Redeemable Partly Convertible Debentures and 1,015 Equity Shares arising as a result of issue of Bonus Shares have been kept in abeyance under Section 206A of the Companies Act, 1956.

	<b>As at 31st March, 2008 Rs. in lacs</b>	As at 31st March, 2007 Rs. in lacs
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS:</b>		
1. Capital Reserve:		
(a) Central and State Subsidies for a project in backward area	<b>60.00</b>	60.00
(b) Capital Reserve arising on amalgamation of Shroffs Industrial Chemicals Private Limited with the Company	<b>3.01</b>	3.01
(c) Profit on reissue of Forfeited Shares / Debentures	<b>1.38</b>	1.38
	<b>64.39</b>	64.39
2. General Reserve :		
Balance as per last Balance Sheet	<b>3,100.64</b>	3,100.64
	<b>3,165.03</b>	3,165.03
Add/(Less) : Balance in Profit and Loss Account	<b>(586.30)</b>	(100.30)
<b>TOTAL</b>	<b>2,578.73</b>	3,064.73

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

<b>SCHEDULE 'C':</b>	<b>Rs. in lacs</b>	<b>As at 31st March, 2008 Rs. in lacs</b>	<b>As at 31st March, 2007 Rs. in lacs</b>
<b>SECURED LOANS :</b>			
<b>From Bank</b>			
(a) On Term Loan Accounts (Refer Note 1 below)		<b>1,500.00</b>	2,500.00
(b) Under Vehicle Finance Scheme (Refer Note 2 below)		<b>1.91</b>	2.83
<b>TOTAL</b>		<b><u>1,501.91</u></b>	<u>2,502.83</u>

**Notes:**

- Term Loan of Rs. 1,500 lacs (Previous Year : Rs. 2,500 lacs) from YES Bank Limited is secured by way of guarantee provided by Demuric Holdings Private Limited through lien on it's Fixed Deposits.
- Vehicle finance loan from ICICI Bank Limited is secured by way of hypothecation of vehicle purchased under the said scheme.

**SCHEDULE 'D':**
**UNSECURED LOANS :**

Short Term Loans from Companies	<b>20.00</b>	3,385.00
<b>TOTAL</b>	<b><u>20.00</u></b>	<u>3,385.00</u>

**SCHEDULE 'E':**
**FIXED ASSETS:**
**(Rs.in lacs)**

Sr. No.	Description of Assets	GROSS BLOCK (AT COST OR BOOK VALUE)				DEPRECIATION				NETBLOCK	
		As at 31st March, 2007	Additions during the year	Deductions during the year	As at 31st March, 2008	Upto 31st March, 2007	Deductions/ Adjustments	Provided during the year	Total upto 31st March, 2008	As at 31st March, 2008	As at 31st March, 2007
1.	Land	2,767.34	-	8.76	2,758.58	-	-	-	-	2,758.58	2,767.34
2.	Buildings	886.42	-	-	886.42	408.69	-	23.89	432.58	453.84	477.73
3.	Vehicles	5.42	-	-	5.42	2.51	-	0.75	3.26	2.16	2.91
	<b>Total</b>	3,659.18	-	8.76	3,650.42	411.20	-	24.64	435.84	3,214.58	3,247.98
	<b>Previous Year</b>	891.84	2,767.34	-	3,659.18	385.04	-	26.16	411.20	-	-
	Capital Work-in-Progress									1,359.21	1,211.56
	<b>Total</b>									4,573.79	4,459.54

## SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 'F': INVESTMENTS (At Cost):	Rs. in lacs	As at 31st March, 2008 Rs. in lacs	As at 31st March, 2007 Rs. in lacs
<b>Long Term:</b>			
<b>1. INVESTMENTS IN HOUSE PROPRETY</b>		<b>134.41</b>	134.41
<b>2. TRADE INVESTMENTS : (Unquoted)</b>			
(a) 1,000 Equity Shares of no par value in Kaw Vally, Inc.	<b>0.98</b>		0.98
(b) 250 Equity Shares of no par value in Midland Fumigant, Inc.	<b>4.91</b>		4.91
		<b>5.89</b>	5.89
<b>3. IN SHARES (OTHER THAN TRADE):</b>			
<b>(a) Quoted:</b>			
1,10,67,565 Equity shares of Rs. 2 each fully paid-up in United Phosphorus Limited	<b>5,293.25</b>		5,293.25
<b>(b) Unquoted:</b>			
(i) 1,00,000 Equity Shares of Rs.10 each fully paid-up in Harsora Hotels Private Limited	<b>25.00</b>		25.00
(ii) 100 Equity Shares of Rs. 10 each fully paid-up in Industrial Grahak Sahakari Bhandar Limited	<b>0.01</b>		0.01
(iii) 20,000 Equity Shares of Rs. 10 each fully paid-up in Saket Projects Limited	<b>2.00</b>		2.00
(iv) 156 Equity Shares of Rs. 100 each fully paid-up in Sardar Bhiladwala Pardi People's Co-operative Bank Limited	<b>0.16</b>		0.16
(v) 40 Equity Shares of Rs. 500 each fully paid-up in Shree Ganesh Khand Udyog Sahakari Mandi Limited	<b>0.20</b>		0.20
	<b>27.37</b>		27.37
		<b>5,320.62</b>	5,320.62
		<b>5,460.92</b>	5,460.92
Less : Provision for Diminution in value of Long-Term Investments		<b>5.89</b>	5.89
<b>TOTAL</b>		<b>5,455.03</b>	5,455.03
		<b>Rs. in lacs</b>	Rs. in lacs
<b>Notes:</b>			
1. Aggregate amount of Quoted Investments:			
Cost		<b>5,293.25</b>	5,293.25
Market Value		<b>29,030.22</b>	35,919.78
2. Aggregate amount of Unquoted Investments:			
Cost (Net of Provision for Diminution)		<b>27.37</b>	27.37
<b>SCHEDULE 'G':</b>			
<b>CASH AND BANK BALANCES :</b>			
1. Cash on hand		<b>0.05</b>	0.12
2. Bank Balances :			
With Scheduled Banks :			
(i) In Current Accounts	<b>6.01</b>		4.59
(ii) In Unclaimed Dividend Accounts	<b>12.40</b>		21.09
		<b>18.41</b>	25.68
<b>TOTAL</b>		<b>18.46</b>	25.80

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	<u>Rs. in lacs</u>	<b>As at 31st March, 2008</b> <u>Rs. in lacs</u>	As at 31st March, 2007 <u>Rs. in lacs</u>
<b>SCHEDULE 'H' :</b>			
<b>LOANS AND ADVANCES :</b>			
Unsecured and Considered Good, unless otherwise stated :			
1. Advances recoverable in cash or kind or for value to be received		<b>138.41</b>	5.78
2. Payment of taxes less provision for taxation		<b>1,933.32</b>	1,840.37
3. Sundry Deposits		<b>0.02</b>	0.02
<b>TOTAL</b>		<b><u>2,071.75</u></b>	<u>1,846.17</u>
<b>SCHEDULE 'I':</b>			
<b>LIABILITIES :</b>			
1. Sundry Creditors Total outstanding dues of creditors other than micro enterprises & small enterprises (Also refer note No. 5 in Schedule 'M')		<b>1.65</b>	1.65
2. Investor Education and Protection Fund shall be credited by the following amount, as and when due :- Unpaid Dividend		<b>12.40</b>	21.09
3. Bank account excess drawn		<b>6,476.94</b>	1,860.55
4. Interest accrued but not due on Loans		<b>833.59</b>	342.06
5. Other Liabilities		<b>157.71</b>	72.53
<b>TOTAL</b>		<b><u>7,482.29</u></b>	<u>2,297.88</u>



**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	<b>Rs. in lacs</b>	<b>Current Year Rs. in lacs</b>	Previous Year Rs. in lacs
<b>SCHEDULE 'J':</b>			
<b>OTHER INCOME :</b>			
1. Income from Long Term Investments : Dividend on Other than trade Investments		—	243.49
2. Rent		<b>369.36</b>	117.36
3. Interest on Income Tax Refund		—	50.37
4. Other Income		—	0.25
<b>TOTAL</b>		<b>369.36</b>	411.47
<b>SCHEDULE 'K':</b>			
<b>ADMINISTRATIVE AND OTHER EXPENSES :</b>			
<b>1. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>			
Salaries, Wages, Bonus and Other Benefits		<b>11.86</b>	11.17
<b>2. OPERATING AND OTHER EXPENSES :</b>			
(a) Rates, Taxes and Fees	<b>5.71</b>		3.06
(b) Insurance Charges	<b>0.54</b>		0.83
(c) Legal and Professional Fees	<b>15.51</b>		5.61
(d) Directors' Fees	<b>0.23</b>		0.19
(e) Other Expenses	<b>2.44</b>		1.21
		<b>24.43</b>	10.90
<b>TOTAL</b>		<b>36.29</b>	22.07
<b>SCHEDULE 'L':</b>			
<b>INTEREST AND OTHER FINANCIAL COSTS (NET)</b>			
1. On Term Loans		<b>311.84</b>	146.03
2. Interest on other short term loans		<b>481.94</b>	256.09
3. Other Financial Charges		<b>0.60</b>	50.60
<b>TOTAL</b>		<b>794.38</b>	452.72

**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT****SCHEDULE 'M':****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 insurance claims, 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 and Depreciation:**

- (i) Fixed Assets are stated at cost less depreciation.
- (ii) Depreciation  
Depreciation has been provided:
  - (1) 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.
  - (2) Assets costing Rs.5,000 or less have been depreciated at the rate of 100%.
  - (3) 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.

**(c) Amortisation of Intangible Assets :**

Expenditure incurred on Technology Licence fees are amortised over a period of five years.

**(d) Inventories:**

Traded goods are valued at lower of cost or net realisable value.

**(e) 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.

**(f) Export Benefits:**

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'.

**(g) Foreign Currency Transactions:**

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 reported using the closing rates. Exchange differences arising as a result of the above are recognised as income or expense in the profit and loss account.

**(h) 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.

**(i) Grants, Subsidies received:**

Government grants / subsidies in the nature of promoters' contribution, given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay, are treated as capital reserve.

**(j) Taxation:**

Income-tax expense comprises current tax and deferred tax charge or credit. The deferred tax charge or credit is recognised using current tax rates. Deferred tax asset is recognised only if there is sufficient evidence that future taxable income will be available.

**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT**

**SCHEDULE 'M' (Contd.)**

	<b>As at 31st March, 2008 Rs. in lacs</b>	As at 31st March, 2007 Rs. in lacs
<b>2. CONTINGENT LIABILITIES NOT PROVIDED :</b>		
(a) Disputed Income-tax Liability	<b>2,352.39</b>	2,352.39
(b) Guarantee given by the Company to Housing Development Finance Corporation Limited under Employees Housing Loan Scheme.	—	0.91
<b>3. Break up of Deferred Tax Assets and Deferred Tax Liabilities :</b>		
a) Deferred Tax Assets :		
Unabsorbed Depreciation	<b>26.79</b>	23.81
	<b>26.79</b>	23.81
b) Deferred Tax Liabilities :		
Depreciation	<b>53.40</b>	50.42
	<b>53.40</b>	50.42

Note : Deferred tax asset in respect of unabsorbed depreciation has been recognised since the Company has timing differences, the reversal of which will result in sufficient income.

	<b>Current year Rs. in lacs</b>	Previous year Rs. in lacs
<b>4. Auditors' Remuneration :</b>		
a) Audit Fees	<b>0.56</b>	0.45
b) For Taxation matters	—	0.25
c) For other matters	<b>0.17</b>	0.17
d) For Certification work	<b>0.06</b>	0.06

5 Based on the information available with the company, there are no suppliers who are registered as micro , small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March, 2008.

	<b>Current year Rs. in lacs</b>	Previous year Rs. in lacs
<b>6. Value of Imports on C.I.F. basis :</b>		
(a) Raw Materials and Traded Goods	—	—
(b) Components and Spare Parts*	—	—
* 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>7. Expenditure in Foreign Currency (on cash basis) :</b>		
Stock Exchange fees	<b>2.02</b>	2.09
<b>8. Earning in Foreign Currency (on cash basis) :</b>		
Others	—	0.10

**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT**

**SCHEDULE 'M' (Contd.)**

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

**(a) Relationship :**

**(i) Associate Companies:**

Midland Fumigant, Inc.  
Kaw Valley, Inc.

**(ii) Enterprises over which Key Management personnel and their relatives have significant influence :**

United Phosphorus Limited  
Uniphos Agro Industries Limited  
Bloom Packaging Private Limited  
Nerka Chemicals Private Limited  
Jai Research Foundation  
SWAL Corporation Limited  
Advanta India Limited  
Demuric Holdings Private Limited

**(iii) Key Management Personnel and their relatives :**

Mr Rajju D. Shroff  
Mrs Sandra R. Shroff  
Mr Jaidev R. Shroff  
Mr Arun C. Ashar

## SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

## SCHEDULE 'M' (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)
	Related Parties#	
<b>1. Income</b>		
Dividend Received	—	243.49
Rent	<b>369.36</b>	117.36
<b>2. Expenses</b>		
Purchase of Fixed Assets	—	2,650.00
<b>3. Finance</b>		
Interest Paid	<b>486.84</b>	311.21
<b>4. Loan Taken</b>		
Received	<b>10,990.00</b>	3,932.81
Maximum amount Outstanding during the year	<b>6,481.00</b>	24,969.25
<b>5. Reimbursements</b>		
Made	<b>24.44</b>	293.39
Received	—	1.28
<b>6. Guarantee provided on behalf of the company</b>	<b>1,500.00</b>	2,500.00
<b>7. Outstandings as at the Balance Sheet Date</b>		
Payables (Including Trade Advances)	—	1.00
Receivable	<b>139.28</b>	1.28
Advances Taken	—	(3.45)
Interest Payable	<b>716.34</b>	339.82

# Enterprises over which Key Management personnel and their relatives have significant influence.

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
<b>10. Earning per Share</b>		
Profit /(Loss) after taxation	<b>(486.00)</b>	(92.25)
Less: Prior Period Adjustments (Net) (A)	—	(20.74)
	<b>(486.00)</b>	(71.51)
Number of Equity Shares Outstanding (B)	<b>25,474,670</b>	25,474,670
Earning per Share (In Rupees) [(A)/(B)]	<b>(1.91)</b>	(0.28)
Face Value Per Share (in Rupees)	<b>2.00</b>	2.00

**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT**
**SCHEDULE 'M' (Contd.)**

11. 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.  State Code   
Balance Sheet Date     
Date Month Year

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	<input type="text" value="—"/>	Rights Issue	<input type="text" value="—"/>
Bonus Issue	<input type="text" value="—"/>	Private Placement	<input type="text" value="—"/>

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

Total Liabilities	<input type="text" value="463,674"/>	Total Assets	<input type="text" value="463,674"/>
-------------------	--------------------------------------	--------------	--------------------------------------

**Sources of Funds**

Paid-Up Capital	<input type="text" value="50,949"/>	Reserves & Surplus	<input type="text" value="257,873"/>
Secured Loans	<input type="text" value="150,191"/>	Unsecured Loans*	<input type="text" value="4,661"/>

**Application of Funds**

Net Fixed Assets	<input type="text" value="457,379"/>	Investments	<input type="text" value="545,503"/>
Net Current Assets	<input type="text" value="-539,208"/>	Misc. Expenditure	<input type="text" value="—"/>
Accumulated Losses	<input type="text" value="0"/>		

\* Including Deferred Tax Liability of Rs. 2,661/- (Thousands)

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover (Total Revenue)	<input type="text" value="36,936"/>	Total Expenditure	<input type="text" value="85,531"/>
+ / - Profit/Loss Before Tax	<input type="text" value="—"/>	+ / - Profit/Loss After Tax	<input type="text" value="48,600"/>
+ / - Earning per Share in Rs.	<input type="text" value="1.91"/>	Dividend Rate %	<input type="text" value="—"/>

**V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Not Applicable

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

As per our attached Report of even date  
For **S.V. GHATALIA & ASSOCIATES**  
Chartered Accountants

**P.V. PARANJAPE**  
Partner

**R. D. SHROFF**  
Non-Executive Chairman and  
Managing Director

**S. R. SHROFF**  
Non-Executive  
Vice Chairman

**K. M. THACKER**  
Company Secretary

Mumbai, 2nd May, 2008

Mumbai, 2nd May, 2008

# UNIPHOS ENTERPRISES LIMITED

## PROXY FORM

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

I\We.....of.....  
.....in the district of.....being a Member/Members of  
the above named Company hereby appoint.....of.....  
in the district of .....or failing  
him/her ..... of.....in  
the district of .....as my/our proxy to attend and vote in my/our  
behalf at the 39<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the  
18<sup>th</sup> day of September, 2008 at 9.00 a.m. and at any adjournment thereof.

Signed this.....day of.....2008.

Folio No. ....DPID\*.....Client ID\*.....

No. of Shares held.....

Affix  
Revenue  
Stamp

### NOTES :

1. The proxy need not be a member.
2. The proxy form duly signed across Revenue Stamp should be lodged at the Company's Registered Office at least 48 hours before the time of the meeting.

(Signature of the Member)

# UNIPHOS ENTERPRISES LIMITED

## ATTENDANCE SLIP

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

To be handed over at the entrance of the Meeting Hall.

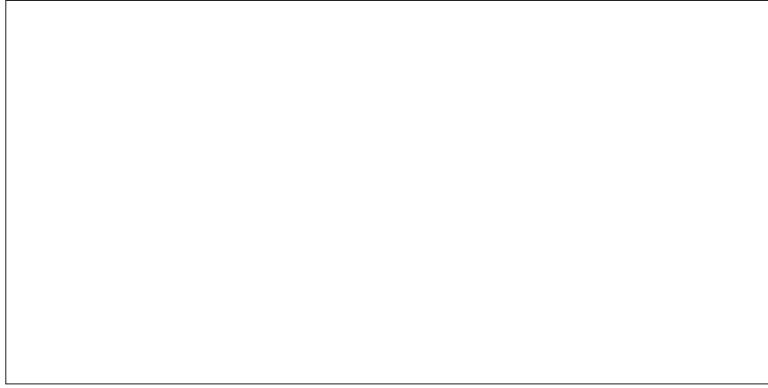
Name of the attending Member	Member's Folio Number	
	DP Id* Client Id*	
Name of the Proxy (in Block Letters) (To be filled in, if the Proxy attends, instead of the Member)	Number of Equity Shares held	

I/We hereby accord my/our presence at the 39<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 18<sup>th</sup> day of September, 2008 at 9.00 a.m. at Registered Office of the Company at 11, G.I.D.C., Vapi, Dist. Valsad, Gujarat, Pin-396 195.

Member's/Proxy's Signature  
(To be signed at the time of handing over this slip)

\* Applicable for investor holding shares in electronic form

**Book-Post**  
**Under Certificate of Posting**



*If undelivered, please return to :*

**Uniphos Enterprises Ltd.**  
Secretarial Department,  
8, Shri Krishna Commercial Centre,  
Ground Floor, Opp. Raheja Solitaire,  
6 Udyog Nagar, Off S. V. Road,  
Goregaon (West), Mumbai - 400 062.