



UNIPHOS ENTERPRISES LIMITED

Our Company was incorporated in India on May 29, 1969 as United Phosphorous Private Limited under the Companies Act, 1956. The name was changed to United Phosphorus Private Limited on August 22, 1983 whereby the spelling of “Phosphorous” was amended to “Phosphorus”. Subsequently, the name was changed to United Phosphorus Limited on February 3, 1986 pursuant to a fresh certificate of incorporation consequent to change of name. The name of our Company was then changed to “Uniphos Limited” on November 25, 1992 and was changed back to “United Phosphorus Limited” on March 30, 1993. On October 8, 2003, pursuant to a scheme of arrangement, the name of our Company was further changed to Uniphos Enterprises Limited with Corporate Identification Number L24219GJ1969PLC001588. For details of change of name of our Company, please see the chapter “History and Other Corporate Matters” on page 24 of this Letter of Offer

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FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF 44,071,179 EQUITY SHARES WITH A FACE VALUE OF ₹ 2 EACH AT A PREMIUM OF ₹ 15/- PER EQUITY SHARE (“EQUITY SHARES”) FOR AN AMOUNT AGGREGATING ₹ 7,492.10 LACS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF UNIPHOS ENTERPRISES LIMITED (“THE COMPANY” OR “THE ISSUER”) IN THE RATIO OF 173 (ONE HUNDRED AND SEVENTY THREE) EQUITY SHARES FOR EVERY 100 (ONE HUNDRED) FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON THURSDAY, SEPTEMBER 19, 2013 (THE “ISSUE”). THE ISSUE PRICE IS 8.50 TIMES THE FACE VALUE. FOR FURTHER DETAILS, PLEASE SEE “TERMS OF THE ISSUE” ON PAGE 107 OF THE LETTER OF OFFER.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by Securities and Exchange Board of India (the “SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. **Investors are advised to refer to the “Risk Factors” on page viii of this Letter of Offer before making an investment in this Issue.**

COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Rights Issue, that the information contained in the Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing equity shares are listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). We have received “in-principle” approvals from the BSE and the NSE for listing the Equity Shares arising from the Issue vide their letters, both, dated February 4, 2011. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE

KEYNOTE

Keynote Corporate Services Limited

The Ruby, 9th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai – 400028

Tel: +91–22– 30266000-3

Fax: +91–22– 3026 6088

E-mail: mbd@keynoteindia.net

Website: www.keynoteindia.net

Contact Person: Mr. Chintan Hefa

SEBI Registration No.: INM 000003606

REGISTRAR TO THE ISSUE



Sharepro Services (I) Pvt. Ltd.

Sharepro Services (I) Private Limited

13AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road,
Sakinaka, Andheri (East) Mumbai – 400 072

Tel: +91 22 6772 0300

Fax: +91 22 2859 1568

Email: rights@shareproservices.com

Website: www.shareproservices.com

Contact Person: Mr. Abraham K.G.

SEBI Registration No: INR 000001476*

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSURES ON
Friday, September 27, 2013	Friday, October 11, 2013	Saturday, October 26, 2013

* The SEBI registration certificate was valid till August 15, 2013. As required under SEBI Regulations, the Registrar has made an application vide its letter dated May 13, 2013 with SEBI for renewal of its certificate of registration.

TABLE OF CONTENTS

SECTION I - GENERAL	i
DEFINITIONS AND ABBREVIATIONS.....	i
NOTICE TO OVERSEAS SHAREHOLDERS	v
PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA	vi
FORWARD LOOKING STATEMENTS	vii
SECTION II - RISK FACTORS	viii
RISK FACTORS	viii
PROMINENT NOTES	xviii
SECTION III - INTRODUCTION	1
THE ISSUE	1
SUMMARY FINANCIAL INFORMATION	2
GENERAL INFORMATION.....	6
CAPITAL STRUCTURE	10
OBJECTS OF THE ISSUE	14
STATEMENT OF TAX BENEFITS.....	17
SECTION IV - ABOUT US	24
HISTORY AND OTHER CORPORATE MATTERS	24
MANAGEMENT	27
KEY INDUSTRY REGULATIONS	31
SECTION V - FINANCIAL INFORMATION	32
REPORT OF AUDITORS.....	33
CERTAIN OTHER FINANCIAL INFORMATION	66
PRINCIPAL TERMS OF THE LOAN AND ASSETS CHARGED AS SECURITY	78
WORKING RESULTS.....	79
CAPITALISATION STATEMENT AS ADJUSTED FOR THE ISSUE	79-A
MARKET PRICE INFORMATION	80
SECTION VI - LEGAL AND OTHER INFORMATION	82
OUTSTANDING LITIGATIONS AND DEFAULTS.....	82
GOVERNMENT APPROVALS	98
OTHER REGULATORY AND STATUTORY DISCLOSURES	99
SECTION VII - OFFERING INFORMATION	107
TERMS OF THE ISSUE.....	107
SECTION VIII - STATUTORY AND OTHER INFORMATION	137
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	138
SECTION IX - DECLARATION	140



SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

In this Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to “Uniphos Enterprises Limited”, “Uniphos”, the/our “Company”, “we”, “our”, “us” or similar terms are to Uniphos Enterprises Limited or, as the context requires, and references to “you” are to the Equity Shareholders and/ or prospective investors in the Equity Shares.

Conventional/ General Terms

Term	Description
Act/ Companies Act	The Companies Act, 1956 and amendments thereto.
Depositories Act	The Depositories Act, 1996 and amendments thereto.
EPS	The Earnings Per Share.
IT Act	The Income Tax Act, 1961 and amendments thereto.
Indian GAAP	Generally Accepted Accounting Principles In India.
NAV	Net Asset Value
PAT	Profit After Tax
RONW	Return on Net Worth
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Regulations/ SEBI ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereto
Securities Act	United States Securities Act of 1933, as amended
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto

Issue related terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to our Equity Shareholders as on the Record Date with respect to this Issue in accordance with SEBI Regulations
Allotment	Unless the context requires, the allotment of Equity Shares pursuant to the Issue
Allottees	Persons to whom Equity Shares are issued pursuant to the Issue
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an Investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account
Applicant(s)/Investor(s)	Equity Shareholders as on Record Date and/or Renounees applying in this Issue.
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the appropriate amount in relation to an application by an ASBA Investor
ASBA Investor	An investor (either Equity Shareholder or Renounee) who intends to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs.
	All QIBs and Non-Institutional Investors, complying with the above conditions, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process
Banker to the Issue	Axis Bank Limited
Composite Application Form / CAF/ Application Form/ Application	The form used by an Investor to make an application for the Allotment of Equity Shares in this Issue.



Term	Description
Consolidated Certificate	In case of holding of equity shares in physical form, the certificate that our Company would issue for the Equity Shares allotted to one folio
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Designated Stock Exchange	BSE Limited.
Draft Letter of Offer	The Draft Letter of Offer dated December 29, 2010 filed with SEBI for its observations
Equity Shareholder / Shareholder	Means a holder of equity shares of our Company, as on Record date i.e. Thursday, September 19, 2013
Financial Year/ Fiscal/ Fiscal Year/ FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated.
Issue/ Rights Issue	Issue of 44,071,179 Equity Shares with a face value of ₹ 2 each at a premium of ₹ 15/- per Equity Share for an amount aggregating ₹ 7,492.10 lacs on a rights basis to the existing Equity Shareholders in the ratio of 173 Equity Shares for every 100 fully paid-up equity shares held by the existing Equity Shareholders on the Record Date i.e., Thursday, September 19, 2013. The issue price is 8.50 times the face value of the equity shares.
Issue Closing Date	Saturday, October 26, 2013
Issue Opening Date	Friday, September 27, 2013
Issue Price	₹ 17/- per Equity Share
Issue Proceeds	The proceeds of the Issue that are available to our Company
Issue Size	₹ 7,492.10 lacs
Lead Manager	Keynote Corporate Services Limited
Letter of Offer	This Letter of Offer dated September 7, 2013 filed with the Stock Exchanges after incorporating the observations received from the SEBI on the Draft Letter of Offer
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges
MICR	Magnetic Ink Character Recognition.
NECS	National Electronic Clearing Services
Non Institutional Investors	All investor other than a retail individual investor and qualified institutional buyer.
Offer Document	means Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer
Promoter/Promoter Group	Unless the context requires otherwise, the Promoter/Promoter Group is in accordance with the SEBI Regulations and which are disclosed by our Company to the Stock Exchanges from time to time.
QFIs	<p>Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet “know your client” requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission’s Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering / combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.</p>
QIBs or Qualified Institutional Buyers	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and subaccount registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance



Term	Description
	company registered with IRDA, provident fund with minimum corpus of ₹ 2,500 lacs, pension fund with minimum corpus of ₹ 2,500 lacs, National Investment Fund set up by the Government of India and insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
Record Date	Thursday, September 19, 2013
Refund through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or NEFT, as applicable.
Registrar of Companies/ RoC	The Registrar of Companies, Gujarat located at ROC Bhavan, Opp Rupal Park, Near Ankul Bus-Stand, Naranpura, Ahmedabad-380 013, Gujarat
Registrar to the Issue	Sharepro Services (India) Private Limited
Renounees	Any persons who have acquired Rights Entitlements from the Equity Shareholders.
Retail Individual Investors/Shareholder	Individual Investors who have applied for Equity Shares for an amount not more than ₹ 2 lacs (including HUFs applying through their Karta)
Rights Entitlement	The number of Equity Shares that an Investor is entitled to in proportion to the number of equity shares held by the Investor on the Record Date
RTGS	Real Time Gross Settlement.
SAF(s)	Split Application Form(s)
SCSB(s)	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio with a split performance.
Stock Exchange(s)	BSE and NSE where the equity shares are presently listed and traded.

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended
Auditor/Independent Auditor	M/s S. V. Ghatalia & Associates LLP, Chartered Accountants, our statutory auditors. Our statutory auditor has changed its name from M/s S. V. Ghatalia & Associates to M/s S. V. Ghatalia & Associates LLP with effect from April 1, 2013.
Board/ Board of Directors	Board of Directors of our Company including any committees thereof.
Memorandum/ Memorandum of Association/ MOA/ MoA	The memorandum of association of our Company, as amended
Scheme	Scheme of Arrangement and Re-structuring in the nature of a de-merger approved by the Hon'ble High Court of Gujarat at Ahmedabad on August 28, 2003 pursuant to which all the assets and liabilities pertaining to the manufacturing division of United Phosphorus Limited ("UPL") were transferred to Search Chem Industries Limited ("SCIL"). UPL was renamed as Uniphos Enterprises Limited and SCIL was renamed as United Phosphorus Limited.

Abbreviations

Term	Description
ADR	American Depository Receipts
ADVANTA	Advanta Limited
AGM	Annual General Meeting.
AS	Notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended)
BSE	BSE Limited.
CDSL	Central Depository Services (India) Limited.
CEPS	Cash Earnings Per Share.



Term	Description
DEMURIC	Demuric Holdings Private Limited
DIN	Director Identification Number
DP	Depository Participant.
DR	Depository Receipts
EGM	Extraordinary General Meeting
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999.
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FIPB	Foreign Investment Promotion Board.
GDR	Global Depository Receipt
HUF	Hindu Undivided Family.
ICD	Inter Corporate Deposits
ICL	Inter Corporate Loans
ISIN	International Securities Identification Number
IT	Information Technology
JV	Joint Venture
Ltd/ Ltd.	Limited
NERKA	Nerka Chemicals Private Limited
NR	Non Resident.
NRI(s)	Non Resident Indian(s).
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Body.
PAN	Permanent Account Number.
PBT	Profit Before Tax
PLR	Prime Lending Rate
PVT/ Pvt.	Private
RBI	Reserve Bank of India.
Regulation S	Regulation S of the Securities Act
Re./₹/Rupees/INR	Indian Rupees.
SEBI	Securities and Exchange Board of India.
STT	Securities Transaction Tax
SWAL	SWAL Corporation Limited
TP Act	The Transfer of Property Act, 1882
UIL	Uniphos International Limited
UPL	United Phosphorus Limited
Unicorn	Unicorn Seeds Private Limited



NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Letter of Offer and the Issue to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons who come into possession of this Letter of Offer are required to inform themselves about such requirements and observe such restrictions. The Rights Entitlement and the Equity Shares offered in this Issue have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the “United States” or “U.S.”), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Letter of Offer or Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the issue of Equity Shares on a rights basis to Equity Shareholders of our Company on the Record Date and the Letter of Offer/Abridged Letter of Offer and CAF will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it does not have a registered address (and is not otherwise located) in the United States, and (iii) it is authorised to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

Notice to GDR holders

Our GDRs are listed on the Luxembourg Stock Exchange. The depository for the equity shares underlying the GDRs will deal with the rights entitlements corresponding to the GDRs in the manner specified in the offering circular and the deposit agreement, entered for the issuance of the GDRs.



PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Unless stated otherwise, the financial data in this Letter of Offer is derived from the audited financial statements which have been prepared in accordance with Indian GAAP as presented in the section titled “Financial Information” beginning on page 32. Our financial year commences on April 1 and ends on March 31.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

All references in the Letter of Offer to “Rupees”, “Rs.”, “₹”, “Indian Rupees” and “INR” are to Indian Rupees, the official currency of the Republic of India.

Unless stated otherwise, industry data used throughout this Letter of Offer, if any, has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Letter of Offer is reliable, it has not been independently verified.



FORWARD LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as “will”, “may”, “believe”, “expect”, “continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “project”, “should”, “pursue” and similar expressions or variations of such expressions, that are “forward looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to:

- General economic conditions
- Changes in political and social conditions in India
- The outcome of legal or regulatory proceedings that we are or might become involved in
- Contingent liabilities, environmental problems and uninsured losses
- Developments affecting the Indian economy
- Uncertainty in global financial markets

For a further discussion of factors that could cause our actual results to differ, please refer to the section titled “Risk Factors” on page viii of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither We nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchanges’ requirements, we and Lead Manager shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

**SECTION II - RISK FACTORS****RISK FACTORS**

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The financial and other implications of material impact of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However there are a few risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. We have numbered the risk factors to facilitate ease of reading and reference. To obtain an understanding, you should read this section in conjunction with the sections titled "History and Other Corporate Matters" and "Financial Information" on page 24 and 32 respectively as well as the other financial and statistical information contained in this Letter of Offer.

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the merits and risks involved. The Equity Shares have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer.

The occurrence of any of the following events could have a material adverse effect on our business, results of operations, financial condition and prospects and cause the market price of the Equity Shares to fall significantly, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including considerations described below and in the chapter entitled "Forward Looking Statements" on page vii.

INTERNAL RISK FACTORS**1. Our Company is involved in a number of legal proceedings which, if determined against us, could adversely affect our business and financial condition.**

Our Company is party to certain legal proceedings. No assurances can be given as to whether these matters will be settled in our favour or against us. A summary of the material outstanding legal proceedings is set forth below:

Litigations filed against our Company

Type of cases	Number of cases	Nature of dispute	Approximate Amount Ascertainable (in ₹ lacs)
Consumer Cases	1	Cases with respect to quality of seeds.	0.53
Tax Cases	7	Disallowances of certain deductions and rejection of miscellaneous expenses.	Not ascertainable

Litigations filed by our Company

Type of cases	Number of cases	Nature of dispute	Approximate Amount Ascertainable (in ₹ lacs)
Consumer Cases	4	Cases with respect to quality of seeds.	4.60
Tax Cases	23	Disallowances of certain deductions and rejection of miscellaneous expenses.	Not ascertainable



The contingent liability as of March 31, 2013 and March 31, 2012 is ₹ 3,348.93 lacs and ₹ 3,353.96 lacs respectively.

Some of the Directors of our Company are party to certain pending litigations instituted under the Insecticides Act, 1968 and were named as respondents in the litigations consequent to their directorship in our Company. The said litigations were instituted against our Company prior to the Scheme and were transferred to United Phosphorus Limited (erstwhile Search Chem Industries Limited).

For further details of litigations involving our Company, please see “Outstanding Litigations and Defaults” on page 82 of this Letter of Offer.

2. Our Company has resumed its trading activities only since FY 2011-12. Hence any inability to further continue with our business activity/trading activity could adversely affect the results of operations of our Company.

Since the demerger of our manufacturing units to United Phosphorus Limited (“UPL”), formerly Search Chem Industries Limited, we have not undertaken any manufacturing activities. We carried on the business of trading subsequent to the demerger but discontinued such trading activities in the year 2006. However, since FY 2011-12, we have resumed the trading activity and the revenues from the same during the aforesaid period were ₹ 938.88 lacs and for FY 2012-13 were ₹ 110.76 lacs. Besides the revenue from operations, our total income also includes other income which is primarily in the nature of dividends declared on the long term investments made by our Company. As on June 30, 2013, we hold 5.72% of the total equity share capital in UPL (i.e., 2,53,37,060 equity shares of face value ₹ 2 each). The debt-equity ratio of our Company for the quarter and the year ended March 31, 2013 stood at 1.98. Any inability to continue with our business operations could adversely affect the results of operations of our Company

3. A major portion of Issue Proceeds would be utilised for repayment of loans and hence would not be available for any other use in our Company’s business.

We intend to use ₹ 7,350 lacs of the Issue Proceeds towards prepayment / repayment of a portion of the debt availed from STCI Finance Limited. Since a major portion of the Issue Proceeds is being used to discharge the loan, the amount of money raised through this Issue will not be available for any other use in our Company’s business. For further details on loans and the use of the Issue proceeds, see the section “Objects of the Issue” on page 14 and the section “Principal Terms of the Loan and Assets Charged as Security” on page 78 of this Letter of Offer.

4. Our Company has experienced negative cash flows. Any negative cash flow in future could adversely affect our results of operations and financial condition.

Our Company has experienced negative cash flows in the recent past, the details of such negative cash flows in the immediately preceding three financial years are as follows:

Particulars	(₹ in lacs)		
	FY 2012-13	FY 2011-12	FY 2010-11
Cash generated from operating activities	367.21	(37.96)	(29.57)
Net Cash from/ (used in) investing activities	224.40	(140.95)	492.55
Net Cash from/ (used in) financing activities	(732.69)	463.53	(739.62)

Any negative cash flows in the future could adversely affect our Company’s results of operations and financial condition. For further details, please see “Financial Information” beginning on page 32 of this Letter of Offer.

5. Our contingent liabilities, not provided for, could adversely affect our business, results of operation, financial position and prospects.

Our Company has not provided for certain contingent liabilities which if materialised could adversely affect our business, results of operation, financial position and prospects. The contingent liabilities as on March 31, 2013 constitute 73.48% of the net worth of our Company, the details of the same are as under:



Particulars of contingent liabilities	FY 2012-13	FY 2011-12
Disputed income tax liability (<i>₹ in lacs</i>)	3,348.93	3,353.96
Net Worth(<i>₹ in lacs</i>)	4,557.69	5,581.78
Contingent Liabilities as a % of Net Worth	73.48%	60.09%

For further information on our contingent liabilities, see “Financial Information – Note 22” on page 55.

6. We have entered into, and may enter into, related party transactions.

We have, in the course of our business, entered into transactions with related parties including entities forming part of our group companies, key managerial personnel and their relatives.

(₹ in lacs)

Nature of Transactions	Holding Company	Ultimate Holding Company	Enterprises over which Key Management personnel and their relatives have significant influence				
	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
1 Income							
Sales to UPL	-	-	82.72	938.88	-	-	-
Dividend from UPL	-	-	126.69	1,006.49	499.70	374.78	278.35
Interest from UPL	-	-	-	11.61	-	-	-
Rent from							
UPL	-	-	-	-	-	-	81.00
ADVANTA	-	-	-	-	-	-	42.00
SWAL	-	-	-	-	-	-	9.36
2 Fixed Assets							
Sale of Fixed Assets to UPL	-	-	-	-	-	4,000.00	5,600.00
3 Finance Expenses							
UPL	-	-	749.03	239.46	22.60	629.31	859.18
Nerka	1.35	-	-	7.63	-	-	-
Demuric	-	223.52	-	56.44	-	-	-
SWAL	-	-	-	2.39	-	-	-
4 Investments							
Purchase of shares from Demuric	-	-	-	-	-	-	9,120.00
Sale of shares to Nerka 1,39,17,565 equity shares of ₹ 2 each of UPL received as bonus in Financial Year 2008-09	-	-	-	-	-	-	3,135.00
5 Loan / Advance Taken (Refer note below)							
UPL	-	-	8,405.00	14,318.00	14,043.00	6,601.54	9,216.40
Nerka	-	-	-	210.00	-	-	-
Demuric	-	1,850.00	-	14,130.00	-	-	-
SWAL	-	-	-	670.00	-	-	-
UIL	-	-	-	1.82	-	-	-
Trade Advance received from Unicorn	-	-	-	-	-	-	2,500.00



Nature of Transactions	Holding Company	Ultimate Holding Company	Enterprises over which Key Management personnel and their relatives have significant influence					
			March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Advance received from UPL against sale of Property	-	-	-	-	-	-	-	3,800.00
6 Repayment of Loans/ Advances Taken								
UPL	-	-	8,405.00	14,318.00	14,043.00	-	-	-
Demuric	-	9,250.00	-	6,730.00	-	-	-	-
SWAL	-	-	-	670.00	-	-	-	-
UIL	-	-	-	1.82	-	-	-	-
Nerka	210.00	-	-	-	-	-	-	-
7 Loan / Advance Given								
UPL	-	-	-	734.00	-	-	-	-
8 Repayment of Loans/ Advances Given								
UPL	-	-	-	734.00	-	-	-	-
9 Salary and other reimbursements								
UPL	-	-	29.74	26.72	22.95	21.24	78.35	-
Outstandings as at the Balance Sheet Date								
10 Trade Receivables from UPL								
UPL	-	-	-	938.88	-	-	-	-
Receivable from Advanta	-	-	-	-	-	157.40	164.29	-
11 Dividend receivable from UPL								
UPL	-	-	-	506.74	-	-	-	-
12 Payables (Including Trade Advances) – Unicorn								
Unicorn	-	-	-	-	-	-	-	2,500.00
13 Loan Taken								
Nerka	-	-	-	210.00	-	-	-	-
Demuric	-	-	-	7,400.00	-	-	-	-
UPL	-	-	-	-	-	-	-	17.12
14 Interest payable								
UPL	-	-	-	4.09	-	-	-	384.49
Nerka	-	-	-	6.87	-	-	-	-
Demuric	-	-	-	30.65	-	-	-	-

**Maximum amount outstanding of the Loan taken during the year****(₹ in lacs)**

Name of the Company	Holding Company	Ultimate Holding Company	Enterprises over which Key Management personnel and their relatives have significant influence				
			3/31/2013	3/31/2013	3/31/2012	3/31/2011	3/31/2010
United Phosphorus Limited	-	-	7,400.00	7,166.00	7,185.00	6,324.88	6,803.64
Nerka Chemicals Private Limited	210.00	-	-	210.00	-	-	-
SWAL Corporation Limited	-	-	-	670.00	-	-	-
Demuric Holdings Private Limited	-	7,400.00	-	7,400.00	-	-	-
Uniphos International Limited	-	-	-	1.82	-	-	-

Such related party transactions may give rise to potential conflicts of interest with respect to dealings between us and the related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For details of related party transactions, disclosure as per AS 18, entered into by us, please see “Financial Information- Note 31” on page 57.

7. A conflict situation between our Company and other associate in the same line of business may affect the price of our Equity Shares.

Our Promoters are the promoters of UPL, formerly Search Chem Industries Limited, which is authorised by its memorandum of association to undertake activities similar to the activities authorised by our Memorandum of Association. In the event our Company commences any activity which is similar to the activities of UPL, a possible conflict of interest may affect our business. The brief details of UPL and its main objects are as under:

- UPL was incorporated as Vishwanath Commercials Limited on January 2, 1985 having present registration no. 04-25132 (CIN L24219GJ1985PLC025132). The registered office of the company is situated at 3-11, GIDC, Vapi Dist Valsad, Gujarat 396 195. UPL is mainly engaged in activities of manufacturing off patent generic agrochemical products.
- The main objects of UPL are as below:
 1. To carry on the business of dealers, importers, exporters, commission agents or otherwise of cotton, jute, cotton goods, jute goods, textiles, yarn, synthetic goods, fibrous materials, mill stores, coal, chemicals, paper, engineering goods and cast iron items and agricultural implements and other machinery.
 2. To carry on business to manufacture, formulate, process, refine, finish, recover, extract, import, export, buy, sell, distribute or otherwise deal in Red Phosphorus, Yellow or White Phosphorus, phosphates, phosphites, phosphides, insecticides, pesticides, fungicides, fumigants, rodenticides and their formulations and/or other agricultural chemicals and fertilizers of all types.
 3. To manufacture, formulate, process, refine, finish, recover, extract, buy, sell, distribute and/or deal in all organic and/or inorganic chemicals, pharmaceutical, medicinal products, pharmaceuticals, cosmetics, dyes, intermediate paints, plastic resins and/or plastics.
 4. To manufacture, buy, sell, distribute, import, or deal in metals, alloys and amalgams.
 5. To carry on the business as manufacture, dealers, importers, or exporters of the formulation for the manufacture of matches, fire and/or other explosive and pyrotechnic chemicals.
 6. To carry on the business of manufacturer, importers, exporters, and/or dealers of chemical plants, equipments and/or accessories.



- The summarized financial data of United Phosphorus Limited, disclosed below, has been derived based on audited consolidated financial statements

		(₹ in Lacs)		
SI No.	Particulars	FY 2012-13	FY 2011-12	FY 2010-11
1.	Capital	8,852.00	9,236.00	9,236.00
2.	Warrant application money	Nil	Nil	Nil
3.	Reserves and surplus	45,5670	4,08,075	3,63,369
4.	Revenue from operations (net)	9,19,452	7,67,132	5,76,068
5.	Net Profit	77,460	55,555	55,762
6.	Networth	4,64,522	4,17,311	3,72,605
7.	EPS (₹)	17.12	12.03	12.45
8.	Book value per share (₹)	104.95	90.37	80.68

As on the date of this Letter of Offer, there is no conflict of interest between UPL and our Company. However, we are unable to assure you that any new business that our Promoters may undertake in the future would be executed through our Company or be related to our Company in any manner whatsoever. Such an eventuality may affect our results and the price of our Equity Shares.

- 8. We have not entered into any definitive arrangements to monitor the utilization of the Issue Proceeds. Our management will have flexibility in utilizing the Net Proceeds of the Issue, which could affect our profitability and cause the price of our Equity Shares to decline.**

As per the SEBI ICDR Regulation, appointment of monitoring agency is required only for Issue size above ₹ 50,000 lacs. Hence we have not appointed any monitoring agency and the deployment of Issue Proceeds as stated in the “Objects of the Issue” on page 14 is not subject to monitoring by any independent agency.

Our management will have broad discretion in using the Net Proceeds of the Issue, and investors will be relying on the judgment of our management regarding the utilization of the Net Proceeds. Our funding plans are in accordance with our own estimates and have not been appraised by any bank or financial institution. We may have to revise our management estimates from time to time and consequently our requirements may change. Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Pending utilization for the purposes described under the section titled “Objects of the Issue”, we may temporarily invest the Net Proceeds of the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products and investment grade interest bearing securities as may be approved by our Board. Our management will have significant flexibility in temporarily investing the Net Proceeds of the Issue. Accordingly, the use of the Net Proceeds for purposes identified by us may not result in actual growth of our business, increased profitability or an increase in the value of your investment. The major portion of funds being raised through this Issue will be utilized for repayment/ pre-payment of loans.

9. Some of our loans are callable on demand

As on date of the Letter of Offer we have availed unsecured loans from company(ies) amounting to ₹ 20 lacs. These loans are callable on demand. We cannot assure that we would be able to immediately service their repayment from cash available with us and this may require us to borrow further at higher rate of interest. This could have an adverse effect on our cash flow position and results of operations.

10. Our Promoters and Promoter Group will continue to exercise significant control over our business which may be allegedly detrimental to the interest of shareholders and other investors.

As on June 30, 2013, our Promoters and Promoter Group holds 55.30% of our equity share capital. As a result, they are in a position to continue to exercise significant control over our business and all matters requiring shareholder approval, including timing and distribution of dividends, election of officers and directors, our business strategy and policies, approval of significant corporate transactions such as mergers and business combinations and sale of assets. They have also undertaken to apply for Equity Shares in addition to their Rights Entitlement to the extent of any undersubscribed portion of the Issue, subject to obtaining any approvals required under applicable law, to ensure that at least 90% of the Issue is subscribed. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Their control could approve or impede a merger, consolidation, takeover or other business combination involving us, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control even if such transaction is allegedly beneficial to other shareholders.



11. We are unable to assure you that our Company shall be in a position to declare dividends in the future.

Subsequent to the implementation of the Scheme, we have not declared any dividends except in FY 2003-04. We are unable to assure you that we shall be able to declare dividends in the future. The amount of future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

12. Our Registered Office is not owned by us and there is no formal documentation to record the terms of the tenancy. Any dispute in relation to Registered Office not owned by us in the future would have material adverse effect on our business and results of operations.

The registered office through which we operate our business is owned by UPL, formerly Search Chem Industries Limited. However, there is no formal documentation to record our usage of the premises, which is deemed to be informal in nature. In the event any dispute arises as to the informal terms of understanding, we shall have to shift to alternative premises and register the same as our registered office. Under these circumstances, if we are unable to identify suitable alternate premises and register the same as our registered office, we may be amenable to sanctions.

13. Future issuances or sales of the equity shares could significantly affect the trading price of the Equity Shares.

The future issuance of equity shares by our Company or the disposal of equity shares by any of the major shareholders of our Company or the perception that such issuance or sales may occur may significantly affect the trading price of our Equity Shares. There can be no assurance that our Company will not do a further issuance of equity shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

14. There is no guarantee that the Equity Shares will be listed on BSE and the NSE in a timely manner, or at all

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuance of shares to be submitted before the exchanges. There could be a failure or delay in listing the Equity Shares on BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of Equity Shares allotted to you.

15. We have pledged a large portion of our investment in equity shares of UPL with certain lenders. Any invocation of such pledge will affect our total revenues.

As on August 7, 2013, we have pledged 1,51,75,000 equity shares of ₹ 2 each of UPL, which represents 59.89% of our total investment in the equity shares of UPL, with certain lenders. Any invocation of such pledge will result in loss of the investment of our company, which will consequently decrease the dividend income received by our company thereby affecting our total revenues.

16. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Our Company is subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform our Company of the percentage limit of the circuit breaker from time to time, and may change it without our Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.



EXTERNAL RISK FACTORS

17. After this Issue, the price of our Equity Shares may be highly volatile.

The price of our Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- perceptions about our Company's future performance or the performance of Indian companies in general;
- changes in the estimates of our Company's performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations; and
- any other political or economic factors.

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the price at which our Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which our Shares will trade in the market subsequent to this Issue.

18. Political instability or changes in the government in India could delay the further liberalisation of the Indian economy and adversely affect economic conditions in India generally and our business in particular.

Our business may be affected by foreign exchange rates and controls, interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. Nevertheless, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators have remained significant. A significant change in India's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India generally, and our business in particular, if new restrictions on the private sector are introduced or if existing restrictions are increased.

19. If regional hostilities, terrorist attacks or social unrest in India increase, our business could be adversely affected and the trading price of the Equity Shares could decrease.

The Asian region has from time to time experienced instances of civil unrest, terrorist attacks and hostilities among neighbouring countries. Military activity or terrorist attacks in India in the future could influence the Indian economy by creating a greater perception that investments in Indian companies involve higher degrees of risk. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Indian economy and our business and its future financial performance and the trading price of the Equity Shares.

Furthermore, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

20. Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of our Equity Shares to decrease.

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Further the current financial turmoil in the United States has had a significant impact on the Indian economy as well as the stability of the Indian Markets. Financial instability in other countries such as Latin America, Russia and elsewhere in the world in recent years have had limited impact on the Indian economy and India was relatively unaffected by financial and liquidity crises experienced elsewhere. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. This in turn could negatively impact the movement of exchange rates and interest rates in India. In short, any significant financial disruption could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.



21. *The Indian securities markets are more volatile than certain other securities markets.*

The Indian securities markets are more volatile than the securities markets in certain countries which are members of the Organisation for Economic Co-operation and Development. Indian stock exchanges have, in the recent past, experienced substantial fluctuations in the prices of listed securities.

Indian stock exchanges have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. A closure of, or trading stoppage on, either of BSE and the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

22. *Any downgrading of India's debt rating by any rating agency could have a negative impact on our business and the trading price of the Equity Shares.*

Any adverse revisions to India's credit ratings for domestic and international debt by any rating agency may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to obtain financing to fund our growth on favourable terms or at all and, as a result, could have a material adverse effect on our results of operations and financial condition.

23. *Acts of violence could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial condition and cash flows*

Certain events that are beyond our control, including terrorist attacks and other acts of violence or war, which may adversely affect worldwide financial markets and potentially lead to economic recession, could adversely affect our business, results of operations, financial condition and cash flows. Additionally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of operations, which could have an adverse effect on the market for our services.

24. *Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

25. *Investors may have difficulty enforcing judgments against us or our management.*

The enforcement by investors of civil liabilities, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be affected adversely by the fact that we are incorporated under the laws of the Republic of India and almost all of our executive officers and directors reside in India. Nearly all of our assets and the assets of our executive officers and directors are also located in India. As a result, it may be difficult to effect service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended, provides that where a foreign judgment has been rendered by a court in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. The United Kingdom has been declared by the Government to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A. A judgment of



a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Indian Code of Civil Procedure, 1908, and not by proceedings in execution.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered.



PROMINENT NOTES

1. This is an Issue of 44,071,179 Equity Shares at a premium of ₹ 15/- per Equity Share for an amount aggregating to ₹ 7,492.10 lacs on a rights basis to the existing Equity Shareholders of our Company in the ratio of 173 Equity Shares for every 100 fully paid-up equity shares held by the existing Equity Shareholders on the Record Date i.e., Thursday, September 19, 2013.
 2. The net worth of our Company as on March 31, 2013 was ₹ 4,557.69 lacs.
 3. We have, in the course of our business, entered into transactions with related parties including our associate companies, key managerial personnel and their relatives. For details of related party transactions, disclosure as per AS 18, entered into by us please see “Financial Information – Note 31” on page 57 of this Letter of Offer.
 4. There has been no financing arrangement whereby the Promoter Group, the Directors of our Company who are our Promoters and our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Letter of Offer with SEBI.
 5. Our Company is eligible to make reduced disclosures in the Letter of Offer as per Part E of Schedule VIII of the SEBI Regulations as it is in compliance with the following:
 - a. our Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of filing this Letter of Offer with SEBI;
 - b. the reports, statements and information referred to in sub-clause (a) above are available on the website of any recognised stock exchange with nationwide trading terminals or on a common e-filing platform specified by SEBI;
 - c. our Company has investor grievance-handling mechanism which includes meeting of the Shareholders’ or Investors’ Grievance Committee at frequent intervals, appropriate delegation of power by the Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.
- Note: We are eligible to make reduced disclosures in the Letter of Offer. However, we have undertaken to disclose full financial information pertaining to our Company.*
6. All information shall be made available by the Lead Manager and our Company to the public and investors at large and no selective or additional information would be available only to a section of investors in any manner whatsoever.
 7. As on the date of this Letter of Offer, there are no outstanding investor complaints.
 8. Investors may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.



SECTION III - INTRODUCTION

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “Terms of the Issue” on page 107 of this Letter of Offer.

Equity Shares offered through the Issue	44,071,179 Equity Shares
Equity Shares outstanding prior to the Issue	25,474,670 equity shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	69,545,849 Equity Shares
Rights Entitlement	173 (One Hundred and Seventy Three) Equity Shares for every 100 (One Hundred) fully paid-up Equity Shares held on the Record Date
Record Date	Thursday, September 19, 2013
Face Value per Equity Share	₹ 2 each
Issue Price per Equity Share	₹ 17/- each
Terms of the Issue	For more information, please see “Terms of the Issue” on page 107 of this Letter of Offer.
Use of Issue Proceeds	For further information, please see “Objects of the Issue” on page 14 of this Letter of Offer.

Note on Outstanding Instruments

As on June 30, 2013, 22481 GDRs are outstanding. These outstanding GDRs can be converted into 44,962 equity shares of ₹ 2 each, at the option of the GDR holders.

Terms of Payment

The full amount of ₹ 17/- per Equity Share is payable on application.

Other details

Record Date	Thursday, September 19, 2013
Purpose	Rights Entitlement
Ratio	173:100
Ex-Right	September 18, 2013

Issue Schedule

Issue Opening Date:	Friday, September 27, 2013
Last date for receiving requests for split forms:	Friday, October 11, 2013
Issue Closing Date:	Saturday, October 26, 2013

**SUMMARY FINANCIAL INFORMATION**

The following tables set forth, the summary financial information derived from the section titled “Financial Information” on page 32 of this Letter of Offer.

Annexure I**Statement of assets and liabilities**

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Equity and Liabilities					
Shareholders' fund					
Share Capital	509.49	509.49	509.49	509.49	509.49
Reserves and Surplus	18,584.74	19,603.21	19,484.53	5,167.81	3,183.32
	19,094.23	20,112.70	19,994.02	5,677.30	3,692.81
Current Liabilities					
Trade payables	13.49	913.15	11.47	0.27	5.73
Short-term borrowings	9,020.00	8,630.00	7,295.00	7,420.00	38.03
Other current liabilities	117.07	79.96	40.37	104.88	10,277.15
	9,150.56	9,623.11	7,346.84	7,525.15	10,320.91
TOTAL	28,244.79	29,735.81	27,340.86	13,202.45	14,013.72
ASSETS					
Non-Current Assets					
Fixed assets					
Tangible assets	17,393.63	17,394.27	17,394.50	2,872.74	2,815.45
Non - current investments	8,392.97	8,398.17	7,748.57	7,754.33	7,773.50
Non-current loans and advances	2,180.64	2,084.35	2,069.75	2,043.15	1,983.42
Deferred Tax assets (net)	-	-	-	0.44	0.44
	27,967.24	27,876.79	27,212.82	12,670.66	12,572.81
Current Assets					
Trade receivables	-	938.88	-	-	-
Cash and bank balance	240.71	381.79	97.17	373.81	10.12
Current - loans and advances	0.30	0.69	0.06	0.59	5.20
Other Current Assets	36.54	537.66	30.81	157.39	1,425.59
	277.55	1,859.02	128.04	531.79	1,440.91
TOTAL	28,244.79	29,735.81	27,340.86	13,202.45	14,013.72

Note: The above statement should be read with the Significant accounting policies and notes to reformatted financial statements.



Annexure II

Statement of profit & loss

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
INCOME					
Revenue from operation	110.76	938.88	-	-	-
Other income	223.86	1,020.86	514.62	396.44	410.71
Total Revenue (I)	334.62	1,959.74	514.62	396.44	410.71
EXPENSES					
Purchases of traded goods	107.57	908.42	-	-	-
Employee benefits expense	29.57	26.72	22.95	20.61	16.52
Other expenses	130.34	30.46	60.66	133.87	94.67
Total Expenses (II)	267.48	965.60	83.61	154.48	111.19
Profit before interest, tax, depreciation, amortisation and exceptional items (I) – (II)	67.14	994.14	431.01	241.96	299.52
Depreciation & amortisation expense	5.31	5.70	6.07	19.58	17.58
Finance costs	1,080.30	883.85	607.78	638.99	1,042.72
Profit/(loss) before exceptional items and tax	(1,018.47)	104.59	(182.84)	(416.61)	(760.78)
Add : Exceptional items	-	-	-	2,736.10	1,386.36
Profit/(loss) before tax	(1,018.47)	104.59	(182.84)	2,319.49	625.58
Less : Tax expenses					
- Current tax	-	-	-	335.00	48.00
- Deferred tax liability / (asset)	-	-	0.44	-	(27.04)
- (Excess) / short tax of earlier year	-	(14.09)	-	-	0.03
	-	(14.09)	0.44	335.00	20.99
Profit / (loss) for the year	(1,018.47)	118.68	(183.28)	1,984.49	604.59
Earning per equity share					
(Nominal value of share ₹ 2)					
Basic and diluted (₹)	(4.00)	0.47	(0.72)	7.79	2.37

Note: The above statement should be read with the Significant accounting policies and notes to reformatted financial statements.



Annexure III

Statement of cash flow

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
A. Cash Flow from Operating Activities					
Profit / (Loss) before tax from operations	(1,018.47)	104.59	(182.84)	2,319.50	625.58
:					
Non-cash adjustment to reconcile profit before tax to net cash flows :					
Depreciation/Amortisation on operation	5.31	5.70	6.07	19.58	17.58
Interest expense	1,080.30	883.85	607.78	638.99	1,042.71
Profit on sale of fixed asset	(0.88)	-	-	(2,736.11)	(5,052.88)
Loss on Sale of Shares	-	-	-	-	1,425.00
Loss on Conversion of shares from Short term to Long term	-	-	-	-	2,241.53
Interest (income) (Including Interest on Income Tax Refund)	(96.29)	(14.37)	(14.92)	-	-
Dividend (Income)	(126.69)	(1,006.49)	(499.70)	(374.78)	(278.35)
Operating Profit before Working Capital changes	(156.72)	(26.72)	(83.61)	(132.82)	21.17
:					
Movement in working capital :					
Increase/(Decrease) in trade payable/Other current Liabilities	(825.78)	928.78	(77.27)	(5,901.68)	(651.01)
(Increase) / Decrease in trade receivables	938.88	(938.88)	-	-	-
(Increase) / Decrease in short term loans and advances	0.39	(0.93)	157.91	8.82	(28.49)
(Increase) / Decrease in other current assets	506.74	-	-	-	-
:					
Cash generated from / (used in) operations	463.51	(37.75)	(2.97)	(6,025.68)	(658.33)
Direct taxes Paid (net of refunds)	(96.30)	(0.21)	(26.60)	(394.62)	(98.11)
Net cash flow from / (used in) operating activities (A)	367.21	(37.96)	(29.57)	(6,420.30)	(756.44)
:					
B. Cash Flow from Investing Activities					
Purchase of non-current Investments	-	(655.07)	-	-	(9,120.00)
Proceeds from sale of fixed assets	1.42	-	-	200.00	5,600.00
Additions in fixed assets	-	-	(22.07)	(57.71)	(70.25)
loan given	-	734.00	-	-	-
Loan repayment received	-	(734.00)	-	-	-
Sale of Investments	-	-	-	-	3,135.00
Advance received against sale of property	-	-	-	-	3,800.00
Interest (income) (Including Interest on Income Tax Refund)	96.29	14.37	14.92	-	-
Dividend received	126.69	499.75	499.70	374.78	278.35
Net cash flow from / (used in) investment activities (B)	224.40	(140.95)	492.55	517.07	3,623.10
:					
C. Cash Flow from Financing Activities					
Proceeds from short -term borrowings	18,755.00	30,329.82	14,043.00	7,381.97	(1,483.88)
Repayment of short-term borrowings	(18,365.00)	(28,994.82)	(14,168.00)	-	-
Unclaimed dividend paid	-	(0.50)	(5.47)	-	-
Share issue expenses	(5.62)	(0.11)	(30.81)	-	-
Interest paid	(1,117.07)	(870.86)	(578.34)	(1,115.05)	(1,391.12)
Net cash flow from / (used in) financing activities (C)	(732.69)	463.53	(739.62)	6,266.92	(2,875.00)
:					
Net increase / (decrease) in cash and cash	(141.08)	284.62	(276.64)	363.69	(8.34)



Particulars	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
equivalents (A+B+C)					
Cash and cash equivalents at the beginning of the year	381.79	97.17	373.81	10.12	18.46
Cash and cash equivalents at the end of the year	240.71	381.79	97.17	373.81	10.12
Components of cash and cash equivalents:					
Cash on hand	0.06	0.08	-	0.02	0.03
Balances with bank on current account	240.65	381.71	96.67	367.81	1.03
Unpaid dividend account *	-	-	0.50	5.98	9.06
Total cash and cash equivalents	240.71	381.79	97.17	373.81	10.12
* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.					

Note: The above statement should be read with the Significant accounting policies mentioned and notes to reformatted financial statements.



GENERAL INFORMATION

Dear Shareholder(s),

Pursuant to the resolution under section 81 (1) of the Companies Act, approved by our Board of Directors at its meeting held on December 23, 2010, it has been decided to make the following offer to our Equity Shareholders, with a right to renounce:

ISSUE OF 44,071,179 EQUITY SHARES WITH A FACE VALUE OF ₹ 2 EACH AT A PREMIUM OF ₹ 15/- PER EQUITY SHARE (“EQUITY SHARES”) FOR AN AMOUNT AGGREGATING ₹ 7,492.10 LACS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF UNIPHOS ENTERPRISES LIMITED (“THE COMPANY” OR “THE ISSUER”) IN THE RATIO OF 173 (ONE HUNDRED AND SEVENTY THREE) EQUITY SHARES FOR EVERY 100 (ONE HUNDRED) FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON THURSDAY, SEPTEMBER 19, 2013 (THE “ISSUE”). THE ISSUE PRICE IS 8.50 TIMES THE FACE VALUE.

Registered Office of our Company

Uniphos Enterprises Limited
11, GIDC, Vapi District,
Valsad – 396195,
Gujarat, India.
Tel: +91 260 240 0717
Fax: +91 260 240 1823
Website: www.uelonline.com
Email: uel.investors@uniphos.com

Corporate Office of our Company

Uniphos Enterprises Limited
Uniphos House,
C. D. Marg, Khar (West),
Mumbai – 400 052, India
Tel: +91 22 2646 8000
Fax: +91 22 2604 1010

For the purpose of correspondence, our Company may also be contacted at:

Uniphos Enterprises Limited
8, Shri Krishna Commercial Centre,
Ground floor, Opp. Raheja Solitaire,
6 Udyog Nagar, Off. S.V.Road,
Goregaon (West),
Mumbai – 400062, India
Tel: +91 22 2875 5486
Fax: +91 22 2875 3485

Corporate Identification No.: L24219GJ1969PLC001588

Address of the Registrar of Companies

ROC Bhavan,
Opp Rupal Park, Near Ankul Bus-Stand, Naranpura,
Ahmedabad-380 013,
Gujarat, India

**Company Secretary and Compliance Officer****Mr. K. M. Thacker**

Uniphos House,
C. D. Marg, Khar (West),
Mumbai – 400 052, India
Tel: +91 22 2646 8000
Fax: +91 22 2604 1010
E-mail: thackerkm@uniphos.com

Lead Manager to the Issue**Keynote Corporate Services Limited**

The Ruby, 9th Floor,
Senapati Bapat Marg,
Dadar (West), Mumbai – 400028
Tel: +91-22- 30266000-3
Fax: +91-22- 3026 6088
E-mail: mbd@keynoteindia.net
Website: www.keynoteindia.net
Contact Person: Mr. Chintan Hefa
SEBI Registration No.: INM 000003606

Registrar to the Issue**Sharepro Services (India) Private Limited**

13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (East)
Mumbai – 400 072,
Tel: +91 22 6772 0300
Fax: +91 22 2859 1568
Email: rights@shareproservices.com
Website: www.shareproservices.com
Contact Person: Mr. Abraham K.G.
SEBI Registration Number: INR 000001476*

** The SEBI registration certificate was valid till August 15, 2013. As required under SEBI Regulations, the Registrar has made an application vide its letter dated May 13, 2013 with SEBI for renewal of its certificate of registration.*

Banker to the Issue**Axis Bank Limited**

Universal Building,
Ground Floor, Sir PM Road,
Fort, Mumbai-400 001
Maharashtra, India
Tel: + 91 22 4086 7371
Fax: + 91 22 2283 5785
Email: viraj.vaidya@axisbank.com
Contact person: Mr. Viraj Vaidya

Legal Counsel to the Issue**Khaitan & Co**

One Indiabulls Centre, 13th Floor,
841, Senapati Bapat Marg,
Elphinstone Road,
Mumbai – 400 013,
Maharashtra, India.
Tel: + 91 22 6636 5000
Fax: + 91 22 6636 5050
Email: uniphos.rights@khaitanco.com
Contact Person: Mr. Vaibhav Mittal



Self Certified Syndicate Banks

All equity shareholders may apply in this Issue through the ASBA process. The ASBA Investors are required to fill the ASBA Form and submit the same to their Self Certified Syndicate Banks (“SCSB”) which in turn will block the amount as per the authority contained in the ASBA Form and undertake other tasks as per the specified procedure. The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on SEBI’s website http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html. Details relating to designated branches of SCSBs collecting the ASBA forms are available at the above mentioned link. On allotment, the amount would be unblocked and the account would be debited only to the extent required to pay for the Equity Shares allotted.

For further details on the ASBA process, please refer to details given in ASBA form and also see “Terms of the Issue” on page 107 of this Letter of Offer.

Investors may please contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-issue /post-issue related matter such as non-receipt of Abridged Letter of Offer / CAF / letter of allotment / share certificate(s) / credit of allotted shares in the respective beneficiary account / refund orders etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

Credit rating

This being an issue of equity shares, no credit rating is required.

Inter-se allocation of responsibilities

Keynote Corporate Services Limited is the sole Lead Manager to this Issue, however the list of major responsibilities of Keynote Corporate Services Limited inter alia, is as follows:

Sl No.	Activity
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.
2.	Drafting and design of the offer document and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing salient features of the offer document. To ensure compliance with the SEBI Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchange and SEBI.
3.	Retail/Non-institutional marketing strategy which will cover, inter alia, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) banker to the issue, (iii) collection centres (iv) distribution of publicity and issue material including composite application form and the Abridged Letter of Offer and the Letter of Offer to the extent applicable.
4.	Institutional marketing strategy to the extent applicable.
5.	Selection of various agencies connected with the issue, namely Registrar to the Issue, printers, and advertisement agencies.
6.	Follow-up with banker to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
7.	The post-issue activities will involve essential follow-up steps, which must include finalisation of basis of allotment / weeding out of multiple applications, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as registrars to the issue, Banker to the Issue, and bank handling refund business. Even if many of these post-issue activities would be handled by other intermediaries, the Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with the Issuer.

Debenture trustee

This being an issue of equity shares, debenture trustee is not appointed.



Monitoring Agency

The Company is not required to appoint a monitoring agency pursuant to Regulation 16 of the SEBI Regulations.

Appraising Agency

The objects of this Issue have not been appraised by any bank or any other independent financial institution.

Principal Terms of Loan and Assets charged as security

For details of the principal terms of loans and assets charged as security, please see “Financial Information - Principal terms of loan and assets charged as security” on page 78 of this Letter of Offer.

Underwriting

The Issue has not been underwritten.

**CAPITAL STRUCTURE**

The capital structure of our Company and related information as on date of this Letter of Offer is set forth below:

	<i>(₹ in lacs)</i>	
	Aggregate Nominal Value	Aggregate Value at Issue Price
A. Authorised share capital:		
150,000,000 equity shares of ₹ 2 each	3,000.00	
7,000,000 Preference Shares of ₹ 100 each	7,000.00	
Total	10,000.00	
B. Issued, subscribed and paid up capital		
25,474,670 equity shares of ₹ 2 each fully paid-up	509.49	
Total	509.49	
C. Present Issue in terms of this Letter of Offer		
44,071,179 equity shares of ₹ 2 each at an Issue Price of ₹ 17/- per Equity Share (premium of ₹ 15 per Equity Share)	881.42	7,492.10
D. Paid up capital after the Issue		
69,545,849 Equity Shares of ₹ 2 each fully paid-up	1,390.91	
E. Securities premium account		
Before the Issue	0.00	
After the Issue	6,610.68	

Note on Outstanding Instruments

As on June 30, 2013, 22,481 GDRs are outstanding. These outstanding GDRs can be converted into 44,962 equity shares at the option of the GDR holders. No convertible instruments / securities are outstanding other than GDRs.



Notes to the Capital Structure

1. The shareholding pattern of our Company as on June 30, 2013:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	9	419,523	419,523	1.65	1.65	-	-
Bodies Corporate	1	13,669,179	13,669,179	53.75	53.66	-	-
Sub Total	10	14,088,702	14,088,702	55.40	55.30	-	-
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	10	14,088,702	14,088,702	55.40	55.30	-	-
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	3	2,260	2,260	0.01	0.01	-	-
Financial Institutions / Banks	6	1,200	1,200	-	-	-	-
Insurance Companies	2	956,456	956,456	3.76	3.75	-	-
Foreign Institutional Investors	13	1,708,899	1,707,049	6.72	6.71	-	-
Sub Total	24	2,668,815	2,666,965	10.49	10.48	-	-
(2) Non-Institutions							
Bodies Corporate	381	1,169,669	1,157,215	4.60	4.59	-	-
Individuals							
Individual shareholders holding nominal share capital up to ₹ 1 lac	13679	5,271,916	4,750,643	20.73	20.69	-	-
Individual shareholders holding nominal share capital in excess of ₹ 1 lac	4	424,098	424,098	1.67	1.66	-	-
Any Others (Specify)							
Non Resident Indians	731	1,806,508	1,600,318	7.10	7.09	-	-
Sub Total	14795	8,672,191	7,932,274	34.10	34.04	-	-
Total Public shareholding (B)	14819	11,341,006	10,599,239	44.60	44.52	-	-
Total (A)+(B)	14829	25,429,708	24,687,941	100.00	99.82	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued							
(1) Promoter and Promoter Group	0	-	-	-	-	-	-
(2) Public	3	44,962	44,162	-	0.18	-	-
Sub Total (C)	3	44,962	44,162	-	0.18	-	-
Total (A)+(B)+(C)	14,832	25,474,670	24,732,103	-	100.00	-	-

**(I) (b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"**

Sr. No.	Name of the shareholder	Details of shares held		Encumbered shares (*)			Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of shares held	As a % of grand total(A)+(B)+(C)	Number	As a Percent age	As a % of grand total(A)+(B)+(C)of sub-clause(I) (a)	
1	Nerka Chemicals Pvt Ltd**	13,669,179	53.66	-	-	-	53.66
2	Shilpa R Shroff	178,511	0.70	-	-	-	0.70
3	Shilpa Shroff	150,612	0.59	-	-	-	0.59
4	Jyotsna J Bhatt	45,500	0.18	-	-	-	0.18
5	Jyotindra Manshankar Bhatt	40,600	0.16	-	-	-	0.16
6	Jyotsna Jyotindra Bhatt	2,100	0.01	-	-	-	0.01
7	Varun Jaidev Shroff	1,300	0.01	-	-	-	0.01
8	Tania Jaidev Shroff	500	0.00	-	-	-	0.00
9	Shaila Shroff	300	0.00	-	-	-	0.00
10	Shaila Shroff	100	0.00	-	-	-	0.00
Total		14,088,702	55.30	-	-	-	55.30

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

**Nerka Chemicals Private Limited became the holding company of our Company with effect from April 10, 2012.

(I) (c) (i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a % of total number of shares	Total shares (including underlying shares assuming full conversion of warrants and convertible Securities) as a % of diluted share capital
1	Vinod Mohan Nair	1248108	4.90	4.90
2	Ares Diversified	1145000	4.49	4.49
3	Life Insurance Corporation Of India	898756	3.53	3.53
4	Acacia Partners, LP	268591	1.05	1.05
Total		3560455	13.98	13.98

(I) (d) Statement showing details of locked-in shares

There are no locked- in shares

**(II) (a) Statement showing details of Depository Receipts (DRs)**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs. Etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e. Grand Total of (A)+(B)+(C) indicated in Statement at para (I)(a) above
1	GDR	22481	44962	0.18

As on date of this Letter of Offer, other than the GDRs, there are no existing convertible instruments or other options allowing the existing Equity Shareholders to receive any equity shares, at a future date.

2. Minimum Subscription

If our Company does not receive the minimum subscription of ninety per cent. of the issue, the entire subscription shall be refunded to the applicants within fifteen days from the date of closure of the issue.

If there is delay in the refund of subscription by more than 8 days after the issue becomes liable to pay the subscription amount (i.e. fifteen days after closure of the issue), our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

3. Our Promoter/ Promoter Group, either jointly or severally, intend to subscribe to their Rights Entitlement in this Issue, in full, subject to the terms of this Letter of Offer and applicable laws. Subject to compliance with applicable laws including the Takeover Code, the Promoter/ Promoter Group, either jointly or severally, reserve the right to subscribe for (1) additional Equity Shares of our Company and/or (2) the unsubscribed portion if any, to the extent that the holding of Promoter/Promoter Group does not exceed 75% of the post Issue paid up capital of our Company. One of the Promoter/ Promoter Group entity Nerka Chemicals Private Limited has provided an undertaking dated July 12, 2013 to this effect.

As a result of the subscription, our Promoter/Promoter Group may acquire Equity Shares over and above their respective entitlements in this Issue, which may result in an increase of their shareholding above the current shareholding along with the Rights Entitlement. Such subscription and acquisition of additional Equity Shares by our Promoter / Promoter Group through the Issue, if any, shall be made in accordance with applicable laws. Further, such acquisition is exempted from the obligation to make an open offer as the conditions prescribed in Regulation 10(4)(b) of the Takeover Code are duly complied with.

4. The Company is in compliance with clause 40(A) of the listing agreement and is required to maintain public shareholding of atleast 25% of the total number of its listed equity shares.
5. The present Issue being a rights issue, as per Regulation 34(c) of the SEBI ICDR Regulations, the requirements of promoters' contribution and lock-in are not applicable.
6. None of our Promoters and members of the Promoter Group have undertaken any transactions in the equity shares in the last one year.
7. As on date of this Letter of Offer, no Equity Shares are subject to lock-in, or is pledged or are encumbered.
8. The ex-rights price of the equity shares as per Regulation 10(4) (b) of the Takeover Regulations is ₹ 17.42 per Equity Share.

**OBJECTS OF THE ISSUE**

Our Company intends to deploy the Issue Proceeds to finance the fund requirements for:

1. Repayment of certain loans availed by our Company;
2. General corporate purposes; and
3. To meet the Issue expenses

The objects clause of our Memorandum of Association enables us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

We intend to utilise the Issue Proceeds for financing the objects as set forth below:

Expenditure Items	(₹ in lacs) Amount
Repay certain loans	7,350.00
General corporate purposes	42.10
Issue expenses	100.00
Total	7,492.10

The entire requirements of the objects detailed above are intended to be funded from the Issue Proceeds. Accordingly, our Company confirms that there is no requirement for it to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Details of the Objects of the Rights Issue**1. Repay certain loans**

We propose to utilize an amount of ₹ 7,350.00 lacs out of the Issue proceeds for the repayment of the outstanding loans.

Since the demerger of our manufacturing units to United Phosphorus Limited (“UPL”), formerly Search Chem Industries Limited, we have not undertaken any manufacturing activities. We carried on the business of trading subsequent to the demerger but discontinued such trading activities in the year 2006. However, since FY 2011-12, we have resumed such trading activities and the revenues from the same during the aforesaid period were ₹ 938.88 lacs and in FY 2012-13 ₹ 110.76 lacs.

As on the date of the Draft Letter of Offer i.e., December 29, 2010, our Company had availed ₹ 7,000.00 lacs as revolving short term loan from Yes Bank Limited as against the sanctioned amount of ₹ 8,000.00 lacs. The aforesaid loan was for the purpose of repaying the then existing loan availed from UPL for meeting administrative expenses and for the purpose of acquisition of capital assets. Subsequently, our Company has repaid the said YES Bank loan by substituting it with loans from Group Companies.

During FY 2011-12 and FY 2012-13, our Company had negative cash flows. The finance cost on the above borrowings amounted to ₹ 883.85 lacs and ₹ 1,080.30 lacs respectively. The said finance cost was partly funded by further borrowings from Group Companies and partly from our other income. As a result, our borrowings have increased.

These outstanding loans from the Group Companies were repaid in March 2013 by availing a fresh secured borrowing from STCI Finance Limited and Bajaj Finance Limited. For detailed disclosures on these transactions, please refer section titled “Principal Terms of the Loan and Assets charged as Security” on page 78 of this Letter of Offer.



As on March 31, 2013 we had total secured borrowings amounting to ₹ 9,000 lacs which were availed from STCI Finance Limited (₹ 7,500 lacs), Bajaj Finance Limited (₹ 1,000 lacs) and Aditya Birla Finance Limited (₹ 500 lacs). Out of the said outstanding loans on July 29, 2013 our Company has repaid the loan from Aditya Birla Finance Limited amounting to ₹ 500 lacs.

Of the aforesaid loans, we propose to repay/prepay part of the loan, to the extent of ₹ 7,350 lacs, availed from STCI Finance Limited vide its letter bearing reference number STCI/LAS/UEL/2012-13/1231 dated March 25, 2013 sanctioning an amount of ₹ 7,500 lacs from the proceeds of this Rights Issue.

Principal terms and conditions of STCI Finance Limited

Nature of Loan Facility	Revolving loan against shares
Amount Sanctioned	₹ 7,500.00 lacs
Rate of Interest	12.25 % p.a. (fixed) with monthly rests
Amount outstanding as on date	₹ 7,500.00 lacs
Sanction details	Letter no. STCI/LAS/UEL/2012-13/1231 dated March 25, 2013
Tenure	1 year from the date of first disbursement
Security	Pledge of shares of United Phosphorus Limited
Benefit to our Company	Saving of interest cost to the extent of 0.75% p.a.
Purpose	Repayment of high cost unsecured loans availed from group companies

2. General corporate purposes

Our Company intends to deploy upto ₹ 42.10 lacs of the Issue Proceeds for general corporate purposes, inter alia for meeting exigencies and contingencies, administrative costs, and/or any other expenses as approved by our Board.

Schedule of Implementation and Deployment of Funds

Our Company proposes to repay the loan funds at the earliest from the date of receipt of Issue proceeds. We further propose to utilize the Issue proceeds towards the other Objects mentioned above, within a period of one year from the date of receipt of such Issue proceeds.

Issue Related Expenses

The Issue related expenses include, among others, fees to various intermediaries, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Approximate Amount (₹ in lacs)	As percentage of total expenses	As a percentage of Issue size
Fees of the Intermediaries	56.50	56.50	0.75
Advertising, Printing and stationery expenses (including courier and distribution charges)	10.50	10.50	0.14
Others (listing fees, depositories' fees, auditor fees, out of pocket reimbursements, etc)	33.00	33.00	0.44
Total	100.00	100.00	1.33

Sources and deployment of funds

As per the certificate dated July 16, 2013 issued by M/s Jawahar Thacker & Co., Chartered Accountants, our Company has deployed ₹ 36.54 lacs till June 29, 2013 towards issue expenses. The same has been financed from the internal resources of our Company.

Appraisal Report

None of the objects for which the Issue Proceeds will be utilised have been financially appraised. The estimates of the costs of objects mentioned above are based on internal estimates of our Company.

**Interim use of funds**

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Issue Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including investments in mutual funds, deposits with banks and other investment grade interest bearing securities. Such investments would be in accordance with investment policies approved by our Board from time to time. Our Company confirms that pending utilization of the Issue Proceeds it shall not use the funds for any investments in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of the utilization of funds

Our Board of Directors will monitor the utilisation of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head in our financial statements clearly specifying the purposes for which such proceeds have been utilized. We, in our balance sheet will provide details, if any, in relation to all such proceeds of the Issue that have not been utilized.

Other confirmations

No part of the proceeds of this Issue will be paid by us as consideration to our Promoters, our Promoter Group, our Directors, key managerial personnel or companies promoted by our Promoters.



STATEMENT OF TAX BENEFITS

The Board of Directors
Uniphos Enterprises Limited
Uniphos House, C.D. Marg
11th Road, Opp. Madhu Park
Khar (West),
Mumbai 400052

Dear Sirs,

Statement of Possible Tax Benefits available to Uniphos Enterprises Limited ('the Company') and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and the Wealth-tax Act, 1957 (as amended by the Finance Act, 2013), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfillment of such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in this Issue.

We do not express any opinion or provide any assurance as to whether:

- i. the Company or its shareholders will continue to obtain these benefits in future; or
- ii. the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

Per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: July 24, 2013



Annexure to the Statement of Possible Tax Benefits available to Uniphos Enterprises Limited ('the Company') and its shareholders:**I. Under the Income-tax Act, 1961 (hereinafter referred to as the IT Act):****A. Special Tax Benefits available to the Company:**

There are no special tax benefits specifically available to the Company.

B. General Tax Benefits available to the Company:

The following tax benefits are generally available to all companies after fulfilling the conditions prescribed in the IT Act:

- (i) Dividend referred to in section 115-O of the IT Act earned by the Company from domestic companies, will be exempt under section 10(34) of the IT Act. Further, income in respect of units of a Mutual Fund specified under section 10(23D) of the IT Act received by the Company, will be exempt under section 10(35) of the IT Act.

Section 14A of the Act restricts claim for deduction of expenses incurred in relation to income which does not form part of the total income under the Act. Thus, any expenditure incurred to earn the said income will not be a tax deductible expenditure.

- (ii) Income arising on transfer of equity shares or units of an equity oriented fund held by the Company will be exempt under section 10(38) of the IT Act if the said asset is a long-term capital asset and such transaction is chargeable to securities transaction tax. These assets turn long term if they are held for more than 12 months. However, the said exemption will not be available to the Company while computing the book profit and income tax payable under section 115JB of the IT Act.
- (iii) The long-term capital gains arising to the Company from the transfer of listed securities or units of an equity oriented fund, not covered under point (ii) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition/improvement or at the rate of 10% (plus applicable surcharge and education cess) of the capital gains computed before indexing the cost of acquisition/improvement, whichever is lower.
- (iv) The long-term capital gains not covered under points (ii) and (iii) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition/improvement. Whilst shares held in a company, units of the Unit Trust of India, units of a mutual fund specified under section 10(23D) of the IT Act and zero coupon bonds turn long term if they are held for more than 12 months, other capital assets turn long term if they are held for more than 36 months.
- (v) Short-term capital gains arising on transfer of equity shares or units of an equity oriented fund held by the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess) as per the provisions of section 111A of the IT Act if such transaction is chargeable to securities transaction tax.
- (vi) In accordance with, and subject to the conditions, including the limit of investment of ₹ 50 lacs, and to the extent specified in section 54EC of the IT Act, capital gains arising on transfer of long-term capital assets of the Company not covered under point (ii) above shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets. In case the whole of the gains are not so invested, the exemption shall be allowed on a pro rata basis.
- (vii) As per section 74 of the IT Act, short-term capital loss suffered during the year is allowed to be set-off against short-term gains as well as long-term capital gains of the



said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

- (viii) Where the tax liability of the Company as computed under the normal provisions of the Act, is less than 18.5% of its book profits, the Company would be liable to pay Minimum Alternate Tax ("MAT") @ 18.5% (plus applicable surcharge and education cess) of the book profits. For the purpose of computation of MAT, the book profits are subjected to certain adjustments as prescribed.

MAT paid in one year shall however be available as credit against the normal income tax liability in subsequent years to the extent and as per the provisions of section 115JAA. Such credit can be carried forward upto 10 years for set off as per the provisions of section 115JAA.

C. General Benefits available to the shareholders of the Company:

The following tax benefits are generally available to the shareholders of all companies subject to the fulfillment of the conditions specified in the IT Act:

1. Residents:

- (i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.

Section 14A of the Act restricts claim for deduction of expenses incurred in relation to income which does not form part of the total income under the Act. Thus, any expenditure incurred to earn the said income will not be a tax deductible expenditure.

- (ii) Income arising on transfer of shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and such transaction is chargeable to securities transaction tax. These assets turn long term if they are held for more than 12 months. However, shareholders being companies will not be able to claim the above exemption while computing the book profit and income tax payable under section 115JB of the IT Act.
- (iii) The long-term capital gains arising to the shareholders of the Company from the transfer of shares of the Company, not covered under point (ii) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition/improvement or at the rate of 10% (plus applicable surcharge and education cess) of the capital gains computed before indexing the cost of acquisition/improvement, whichever is lower.
- (iv) In case of an individual or Hindu Undivided Family, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 112 of the IT Act.
- (v) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess) as per the provisions of section 111A of the IT Act if such transaction is chargeable to securities transaction tax. In case of an individual or Hindu Undivided Family, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital



gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the IT Act.

- (vi) In accordance with, and subject to the conditions, including the limit of investment of ` 50 lacs, and to the extent specified in section 54EC of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets. In case the whole of the gains are not so invested, the exemption shall be allowed on a pro rata basis.
- (vii) In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in section 54F of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years. If the whole of the net sales consideration is not so utilised, the exemption shall be allowed on a pro rata basis.
- (viii) Where the gains arising on the transfer of shares of the company are included in the business income of an assessee assessable under the head “Profits and Gains from Business or Profession” and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the IT Act.

2. Non Residents:

- (i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.

Section 14A of the Act restricts claim for deduction of expenses incurred in relation to income which does not form part of the total income under the Act. Thus, any expenditure incurred to earn the said income will not be a tax deductible expenditure.

- (ii) Income arising on transfer of shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and such transfer is chargeable to securities transaction tax. These assets turn long term if they are held for more than 12 months. However, shareholders being companies will not be able to claim the above exemption while computing the book profit and income tax payable under section 115JB of the IT Act if the provisions of section 115JB of the IT Act are applicable.
- (iii) In accordance with, and subject to section 48 of the IT Act, capital gains arising on transfer of shares of the Company which are acquired in convertible foreign exchange and not covered under point (ii) above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter.
- (iv) The long-term capital gains arising to the shareholders of the Company from the transfer of shares of the Company, not covered under points (ii) and (iii) above shall be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of



acquisition/improvement or at the rate of 10% (plus applicable surcharge and education cess) of the capital gains computed before indexing the cost of acquisition/improvement, whichever is lower.

- (v) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess) as per the provisions of section 111A of the IT Act if such transaction is chargeable to securities transaction tax.
- (vi) In accordance with, and subject to the conditions, including the limit of investment of ₹ 50 lacs, and to the extent specified in section 54EC of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets. In case the whole of the gains are not so invested, the exemption shall be allowed on a pro rata basis.
- (vii) In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in section 54F of the IT Act, long-term capital gains arising on transfer of the shares of the Company not covered under point (ii) above held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years. If the whole of the net sales consideration is not so utilised, the exemption shall be allowed on a pro rata basis.
- (viii) Where the gains arising on the transfer of shares of the company are included in the business income of an assessee assessable under the head “Profits and Gains from Business or Profession” and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the IT Act.
- (ix) Under the provisions of section 90(2) of the IT Act, a non-resident will be governed by the provisions of the Agreement for Avoidance of Double Taxation (AADT) between India and the country of residence of the non-resident and the provisions of the IT Act apply only to the extent they are more beneficial to the assessee.

Besides the above benefits available to non-residents, Non-Resident Indians (NRIs) have the option of being governed by the provisions of Chapter XII-A of the IT Act which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

- (a) Under section 115E of the IT Act, NRIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange and are not covered under point (ii) above.
- (b) Under section 115F of the IT Act, and subject to the conditions and to the extent specified therein, long-term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange not covered under point (ii) above shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the IT Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.



- (c) In accordance with the provisions of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the IT Act, if their only source of income is income from investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.
- (d) In accordance with the provisions of section 115H of the IT Act, when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year under section 139 of the IT Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.
- (e) As per the provisions of section 115-I of the IT Act, NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year under section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly their total income for that assessment year will be computed in accordance with the other provisions of the IT Act. The said Chapter inter alia entitles NRIs to the benefits stated there under in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

3. Foreign Institutional Investors (FIIs):

- (i) Dividend income earned on shares of the Company will be exempt in the hands of shareholders under section 10(34) of the IT Act.

Section 14A of the Act restricts claim for deduction of expenses incurred in relation to income which does not form part of the total income under the Act. Thus, any expenditure incurred to earn the said income will not be a tax deductible expenditure.

- (ii) Income arising on transfer of the shares of the Company will be exempt under section 10(38) of the IT Act if the said shares are long-term capital assets and such transaction is chargeable to securities transaction tax. These assets turn long term if they are held for more than 12 months.
- (iii) Under section 115AD(1)(b)(iii) of the IT Act, income by way of long-term capital gains arising from the transfer of shares held in the Company not covered under point (ii) above will be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess).
- (iv) Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess) as per the provisions of section 111A of the IT Act if such transaction is chargeable to securities transaction tax.
- (v) Under section 115AD(1)(b)(ii) of the IT Act, income by way of short-term capital gains arising from the transfer of shares held in the Company not covered under point (iv) above will be chargeable to tax at the rate of 30% (plus applicable surcharge and education cess).
- (vi) Where the gains arising on the transfer of shares of the company are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from



business income as per the provisions of section 36(1)(xv) of the IT Act.

- (vii) Under the provisions of section 90(2) of the IT Act, a FII will be governed by the provisions of the Agreement for Avoidance of Double Taxation (AADT) between India and the country of residence of the FII and the provisions of the IT Act apply only to the extent they are more beneficial to the assessee.
- (viii) As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has Fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

4. Mutual Funds:

Under section 10(23D) of the IT Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

II. Under the Wealth-tax Act, 1957:

General Benefits available to the shareholders of the Company:

'Asset' as defined under Section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, the shares of the Company held by a shareholder are not liable to wealth-tax.

The above tax benefit is generally available to the shareholders of all companies subject to the fulfillment of the conditions prescribed in the Wealth-tax Act, 1957.

Notes:

- (i) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
- (ii) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
- (iii) The above statement of possible direct tax benefits set out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.



SECTION IV - ABOUT US

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated on May 29, 1969 as United Phosphorous Private Limited. The name was changed to United Phosphorus Private Limited on August 22, 1983 whereby the spelling of “Phosphorous” was amended to “Phosphorus”. The name was changed to United Phosphorus Limited on February 3, 1986 pursuant to a fresh certificate of incorporation consequent to change of name. The name of our Company was then changed to “Uniphos Limited” on November 25, 1992 and was changed back to “United Phosphorus Limited” on March 30, 1993. The equity shares of our Company were listed on BSE and the Ahmedabad Stock Exchange Limited in 1986. Subsequently, the equity shares of our Company were listed on the NSE in 1995. Our Company was initially incorporated with the purpose of manufacturing red phosphorus. Our product range was enlarged through backward and forward integration, with the development of a range of phosphorus based agrochemicals and other speciality chemicals used in the pharmaceutical and flame retardant industry.

Pursuant to a scheme of arrangement and re-structuring in the nature of a de-merger (the “Scheme”) approved by the Hon’ble High Court of Gujarat at Ahmedabad on August 28, 2003, all the assets and liabilities pertaining to the manufacturing division of United Phosphorus Limited (“UPL”) were transferred to Search Chem Industries Limited (“SCIL”). UPL was renamed as Uniphos Enterprises Limited on October 8, 2003 and SCIL was renamed as United Phosphorus Limited. The appointed date for the Scheme was March 1, 2003 (the “Appointed Date”).

Pursuant to the Scheme:

1. The shareholders of our Company were allotted one Equity Share of ₹ 2 each of our Company in lieu of every equity share of ₹ 10 each held by them in our Company.
2. In addition to the above, the shareholders of our Company had an option to receive either one equity share of SCIL of ₹ 10 each or 14 redeemable preference shares of SCIL of ₹ 10 each for every one equity share held by our shareholders in our Company.
3. SCIL ensured that the depository issued GDRs of SCIL to the then existing GDR holders of UPL.
4. Every fully paid-up preference shareholder of our Company received 1 preference share of SCIL of ₹ 100 each for every 1 preference share of ₹ 100 each held in our Company.
5. All legal proceedings by and against our Company as at the Appointed Date was continued and enforced by or against SCIL.
6. All contracts, deeds, bonds, agreements and other instruments subsisting as of the effective date pertaining to the manufacturing division of our Company were continued in full force and effect, by or against SCIL.
7. All staff, workmen and employees of manufacturing division of our Company as on the effective date was deemed to have become staff, workmen and employees of SCIL, with effect from the Appointed Date.
8. All assets, liabilities and obligations of our Company not pertaining to its manufacturing division continued to be vested in and managed by our Company.
9. With effect from the effective date, the name of our Company was changed to Uniphos Enterprises Limited and the name of SCIL was changed to United Phosphorus Limited.

Subsequently, on March 3, 2005, the equity shares of our Company were delisted from the Ahmedabad Stock Exchange Limited.

Benefits of the Scheme

Uniphos Enterprises limited (UEL) (Formerly United Phosphorus Limited - UPL) & Search Chem Industries Limited (SCIL) (Now United Phosphorus Limited - UPL) both were the companies under same management. They entered into the “Scheme of Arrangement” to take advantage of synergy of clubbing the manufacturing activities under one roof which would help to use the resources of each company more beneficially. The products/resources of one company were the basic requirement of the other company. By clubbing the manufacturing activities of both the companies, there were benefits of economies of scale, management, reduction in manpower etc to the UPL group, as a whole. UEL, as a company, got benefited by this arrangement as it’s holding in the UPL shares appreciated considerably.

Under this Scheme of Arrangement, the shareholders of UEL were issued one share each of SCIL (Now UPL) for every share held in UEL, as one of the option. This has benefited the shareholders of UEL, by way of appreciation in the market value of SCIL (Now UPL) shares, over a period of time.



Major events in the history of our Company

Our Company is a part of the United Phosphorus group and was originally incorporated as United Phosphorous Private Limited and subsequently renamed as Uniphos Enterprises Limited. Pursuant to the Scheme, the manufacturing division of our Company was transferred till the year 2003 and consequently our Company undertook trading activities till the year 2006. However, due to lack of business opportunity our Company did not undertake any business activity from FY 2006-07 to FY 2010-11. Subsequently, in FY 2011-12 we resumed our business of trading activity and the revenues during the said period were ₹ 938.88 lacs. In FY 2012-13 the revenue from the business operations of our Company were ₹ 110.76 lacs.

Our Main Objects

The main objects of our Company as contained in the Memorandum of Association are as set forth below:

1. *To carry on business to manufacture, formulate, process, refine, finish, recover, extract, import, export, buy, sell, distribute or otherwise deal in Red Phosphorus, Yellow or White Phosphorus, phosphates, phosphites, phosphides, insecticides, pesticides, fungicides, fumigants, rodenticides and their formulations and/or other agricultural chemicals and fertilizers of all types.*
2. *To manufacture, formulate, process, refine, finish, recover, extract, buy, sell, distribute and/or deal in all organic and/or inorganic chemicals, pharmaceutical, medicinal products, pharmaceuticals, cosmetics, dyes, intermediate paints, plastic resins and/or plastics.*
3. *To manufacture, buy, sell, distribute, import, or deal in metals, alloys and amalgams.*
4. *To carry on the business as manufacturer, dealers, importers, or exporters of the formulation for the manufacture of matches, fire and/or other explosive and pyrotechnic chemicals.*
5. *To carry on the business of manufacturer, importers, exporters, and/or dealers of chemical plants, equipments and/or accessories.*

Our Business

Our Company is an offshoot pursuant to the scheme of arrangement & restructuring in terms of Section 391 & 394 of the Companies Act 1956. By virtue of the scheme, manufacturing division was transferred to Search Chem Industries Limited (SCIL) which is presently United Phosphorus Limited, listed on BSE & NSE. The appointed date for the purpose of the scheme was March 1, 2003. On transferring of manufacturing division, we remained a separate entity with listing status on BSE & NSE. The main objects of our Company consists both for manufacturing and to trade in various chemicals. However, since the manufacturing division of the company was transferred, we continued our business of trading in chemicals. The objects set out in MoA include following provisions enabling us to carry on trading activities:

1. *To carry on business to manufacture, formulate, process, refine, finish, recover, extract, import, export, buy, sell, distribute or otherwise deal in Red Phosphorus, Yellow or White Phosphorus, phosphates, phosphites, phosphides, insecticides, pesticides, fungicides, fumigants, rodenticides and their formulations and/or other agricultural chemicals and fertilizers of all types.*
2. *To manufacture, formulate, process, refine, finish, recover, extract, buy, sell, distribute and/or deal in all organic and/or inorganic chemicals, pharmaceutical, medicinal products, pharmaceuticals, cosmetics, dyes, intermediate paints, plastic resins and/or plastics.*
3. *To manufacture, buy, sell, distribute, import, or deal in metals, alloys and amalgams.*
4. *To carry on the business as manufacturer, dealers, importers, or exporters of the formulation for the manufacture of matches, fire and/or other explosive and pyrotechnic chemicals.*
5. *To carry on the business of manufacturer, importers, exporters, and/or dealers of chemical plants, equipments and/or accessories.*



Our Company undertook trading activities till the year 2006. Subsequent to the year 2006, the opportunities in trading of chemicals could not be pursued aggressively since the tariff for imports was hiked resulting in reduced margins. We are consistently looking at developing the trading activity and for this purpose have been identifying the potential chemicals with sufficient margins. Our Company would explore possibility of trading in some of the permissible items and if required would initiate steps in this regard. Since the trading business can be conveniently pursued with non fund based facilities, our Company may not require much working capital fund based facility.

During FY 2011-12 our Company got an opportunity and initiated import of chemicals from Vietnam and sold it on high seas basis and in FY 2012-13 our Company traded in chemicals of propionic acid and hydrazine hydrate. The revenues from such trading activities in FY 2011-12 and FY 2012-13 were ₹ 938.88 lacs and ₹ 110.76 lacs respectively. Besides our revenues from operations, we also derive income from long term investments in the form of other income which is ₹ 1020.86 lacs and ₹ 223.86 lacs for FY 2011-12 and FY 2012-13 respectively.

Corporate Structure of our Company

Our Company is managed by the Board of our Company.

Agreement with shareholders

As on date of this Letter of Offer there are no agreements entered into between our Company and our shareholders.



MANAGEMENT

As per our Articles of Association, our Company cannot have less than three or more than twelve Directors on our Board. We currently have six Directors on our Board.

The following table sets forth details regarding the Board of Directors as on the date of this Letter of Offer:

Sr. No.	Name, Father's Name, Designation, Address, Occupation, Date of Appointment, Tenure and DIN	Nationality	Age (years)	Other directorships, partnerships, proprietorships and trusteeships
1.	Mr. Rajnikant Devidas Shroff S/o Mr. Devidas Shroff Chairman and Managing Director 202, Parishram, Nargis Dutt Road, Pali Hill, Bandra (w), Mumbai 400050 Occupation: Industrialist Date of appointment: 29 May , 1969 Tenure: 5 years from April 1, 2010 DIN: 00180810	Indian	81	Directorship 1) United Phosphorus Limited 2) Enviro Technology Limited 3) Nivi Trading Limited 4) Shroff United Chemicals Limited 5) Demuric Holdings Private Limited 6) Vyom Finvest Private Limited 7) Swal Corporation Limited 8) Sanguine Holdings Private Limited 9) Shroff Envirotral Private Limited 10) Bharuch Enviro Infrastructure Limited 11) Agri Net Solutions Limited 12) Association of Small and Medium Chemical Manufacturers (India) 13) Crop Care Federation of India 14) Tatva Global Environment Limited 15) Uniphos Envirotronic Private Limited 16) Uniphos International Limited 17) JRF Research Private Limited Partner 1) Prakriya Pharmachem 2) Urja Chemicals Proprietorship 1) Vikram Farm
2.	Mrs. Sandra Rajnikant Shroff Non Executive Vice Chairman 202, Parishram, Nargis Dutt Road, Pali Hill, Bandra (w), Mumbai 400050 Occupation: Industrialist Date of appointment: May 29, 1969 Tenure: Permanent Director DIN: 00189012	British	73	Directorship 1) United Phosphorus Limited 2) Enviro Technology Limited 3) Nivi Trading Limited 4) Shroff United Chemicals Limited 5) Ventura Guaranty Limited 6) Demuric Holdings Private Limited 7) Shroff Envirotral Private Limited 8) Bharuch Enviro Infrastructure Limited 9) Vapi Waste and Effluent Management Company Limited 10) Uniphos Envirotronic Private Limited 11) Uniphos International Limited



Sr. No.	Name, Father's Name, Designation, Address, Occupation, Date of Appointment, Tenure and DIN	Nationality	Age (years)	Other directorships, partnerships, proprietorships and trusteeships
				Partner
				1) Ultima Search 2) Sarjan Chemicals 3) Akruti Products
3.	Mr. Jaidev Rajnikant Shroff Non-Executive Director 4/B, Summer Palace, Nargis Dutt Road, Pali Hill, Bandra (w), Mumbai 400050 Occupation: Industrialist Date of appointment: 3 February, 1994 Tenure: Liable to retire by rotation DIN: 00191050	United Kingdom	49	Directorship 1) United Phosphorus Limited 2) Nivi Trading Limited 3) Ventura Guaranty Limited 4) Demuric Holdings Private Limited 5) Shroff Envirotral Private Limited 6) Tatva Global Environment Limited 7) Isar Builders and Developers Private Limited 8) Asia Society India Center 9) Advanta India Limited 10) Force Aviation Private Limited 11) Latur Water Supply Management Co. Limited 12) Tatva Global Environment (Deonar) Limited 13) Pradeep Metals Limited 14) JRF Research Private Limited
				Partner
				1) Ultima Search 2) Prakriya Pharmachem 3) Sarjan Chemicals
4.	Mr. Arun Chandrasen Ashar Independent Director Muktangan, 10 th Floor, Sarojini Road, Santacruz (w), Mumbai 400054 Occupation: Chartered Accountant Date of appointment: 28 February, 1992 Tenure: Liable to retire by rotation DIN: 00192088	Indian	65	Directorship 1) United Phosphorus Limited 2) Vyom Finvest Private Limited 3) Sanguine Holdings Private Limited 4) R. Shroff Consultants Private Limited 5) Equator Holdings Private Limited 6) Agri Net Solutions Limited 7) Daman Ganga Paper and Pulp Private Limited 8) Enviro Technology Limited 9) Bharuch Enviro Infrastructure Limited 10) Tatva Global Environment Limited 11) Shivalik Solid Waste Management Limited 12) Tatva Global Environment (Deonar) Limited 13) Sharvak Environment Limited 14) Entrust Environment Limited 15) Latur Water Supply Management Company Limited 16) Gharpure Engineering and Construction Private Limited 17) Kerala Enviro Infrastructure Limited



Sr. No.	Name, Father's Name, Designation, Address, Occupation, Date of Appointment, Tenure and DIN	Nationality	Age (years)	Other directorships, partnerships, proprietorships and trusteeships
5.	Mr. Pradeep Goyal Independent Director 171/172, Tower A, Kalpataru Horizan, S K Ahire Marg, Mumbai 400018 Occupation: Business Date of appointment: 29 March, 2001 Tenure: Liable to retire by rotation DIN: 00008370	Indian	58	Directorship 1) Pradeep Metals Limited 2) SV Shah Construction Private Limited 3) United Phosphorus Limited 4) Hind Rectifiers Limited 5) Entegra Limited 6) Janakalyan Sahakari Bank Limited 7) B.S. Metal Private Limited
6.	Mrs. Swati Sandesh Mayekar Independent Director 218, Madhusheela, Homi Bhabha Road, Bandra West, Mumbai 400050 Occupation: Business Date of appointment: 28 January, 2010 Tenure: Liable to retire by rotation DIN: 00245261	Indian	57	Directorship 1) Prodigy Finvest Private Limited 2) Encode Advanced Dentistry Private Limited Proprietor 1) Swati S Mayekar Associates Trusteeship 1) Indian Institute of Continuing Education and Research

Further, Directors of our Company do not hold current and past directorship(s) for a period of five years in listed companies whose shares have been or were suspended from being traded on the BSE Limited or the National Stock Exchange of India Limited or in listed companies who have been / were delisted from stock exchanges.

Relationship between Directors inter-se

Name of the Directors	Relationship
Mr. Rajnikant D. Shroff	Husband of Mrs. Sandra R. Shroff and the father of Mr. Jaidev R. Shroff
Mrs. Sandra R. Shroff	Wife of Mr. Rajnikant D. Shroff and the mother of Mr. Jaidev R. Shroff
Mr. Jaidev R. Shroff	Son of Mr. Rajnikant D. Shroff and Mrs. Sandra R. Shroff

Except as stated above, none of the other Directors are related to each other.

Brief biography of our Directors

Mr. Rajnikant Devidas Shroff is our Promoter, our Chairman and Managing Director. He holds a bachelors' degree in chemistry from Bombay University, has completed a Company Management Programme from Harvard University and a course in Chemical Plant Design and Layout. He has over 40 years of experience in the chemical and agro chemicals industry. In 1956, he became the first Indian to establish a chemical factory in the United Kingdom. He was awarded the President's Gold Shield, India's highest award for development of technology, in 1972 and an award for Research and Development in environmental matters from the Department of Industrial and Scientific Research in 2007. Mr. Shroff has established the Vapi Industries Association, the



Sandra Shroff Nursing College as well as serving for 9 years on the Board of the Gujarat Industrial Development Corporation.

Mrs. Sandra Rajnikant Shroff is our promoter and the Vice-Chairman of the Board of Directors. She is a Senior Cambridge by education. She is the president of the Burns Association of India. She represents the agrochemical industry at various forums. She is also a member of the Indian Chemical Manufacturers' Association and the Federation of Indian Exporters.

Mr. Jaidev Rajnikant Shroff is our promoter and a non-executive director of our Company. He holds a bachelor's degree in chemistry from the University of Mumbai. He has over 20 years of experience within the group. He has been ranked 38th by ICIS Chemical Business in a ranking of the 40 most influential figures in chemicals industry worldwide.

Mr. Arun Chandrasen Ashar is an independent director of our Company. He is a qualified chartered accountant. He is a Fellow of the Institute of Chartered Accountants of India. He has almost four decades of experience in finance.

Mr. Pradeep Goyal is an independent director of our Company. He holds a bachelors' degree in technology in metallurgy from the Indian Institute of Technology, Kanpur and a degree in Material Sciences and Engineering from the Massachusetts Institute of Technology. He was awarded the first rank in Metallurgy from the President of India and the Vidya Bharati Medal from the Indian Institute of Metals. He has over 25 years of experience in the industry. He has served with institutions such as the Federation of Indian Chambers of Commerce and Industry, the Associated Chambers of Commerce and Industry of India and the Indo-German Chamber of Commerce. He has been the Chairman and Managing Director of Pradeep Metals Limited since 1984 and was a Senior Development Engineer in Air Products and Chemicals Inc., USA from 1980 to 1983.

Ms. Swati Sandesh Mayekar is an independent director of our Company. She is a member of the Institute of Chartered Accountants of India and an Associate Member of Institute of Company Secretaries of India. She holds a bachelors' degree in general laws. She was a partner with M/s Kanu Doshi Associates, Chartered Accountants from 1979 to 1984. Subsequently, she was associated with M/s Khatau Bros. Ltd., Mumbai till 1986.

As of date of this Letter of Offer, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as a director or member of senior management.

There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.



KEY INDUSTRY REGULATIONS

The objects of the Issue are to be utilized for the repayment of loan and general corporate purposes. There are no regulations applicable for undertaking the proposed objects.



SECTION V - FINANCIAL INFORMATION

Sr. No	Particulars	Page number
1.	Report of Auditors dated July 24, 2013	33
2.	Certain Other Financial Information	66
3.	Principal Terms of the Loan and Assets Charges as Security	78
4.	Working Results	79
5.	Capitalisation Statement as Adjusted for the Issue	79-A
6.	Market Price Information	80



REPORT OF AUDITORS

The Board of Directors
Uniphos Enterprises Limited
Uniphos House, Madhu Park
C.D. Marg, Khar (West)
Mumbai – 400 052
India.

Dear Sirs,

1. We have examined the Reformatted Audited Financial Statements (the ‘Reformatted Statements’) of Uniphos Enterprises Limited (‘the Company’) as at and for the years ended March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009, annexed to this report (Annexure I to IV), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Rights Issue of equity Shares (‘Rights Issue’). Such financial information, as approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations 2009, as amended, read with the SEBI observations vide letter dated March 18, 2013 addressed to Keynote Corporate Services Limited (‘the Lead Managers’). The preparation of these Reformatted Statements is the responsibility of the Company’s management. Our responsibility is to report on such statements based on our procedures.
2. We have examined the Reformatted Statements, which have been prepared by the Company in accordance with, inter alia, the requirements of the Revised Schedule VI of the Companies Act, 1956 (the “Act”) based on the audited financial statements as defined in paragraphs 3(a) and 3(b) below, and approved by the Board of Directors, taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated June 12, 2013, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with the Rights Issue; and
 - b. The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (the “ICAI”).

The Company proposes to make an issue of equity shares of face value of ₹ 2 each for the amount not exceeding ₹ 7,500 lacs on rights basis to the existing shareholders of the Company.
3. The Reformatted Statements have been compiled by the Management from:
 - a. the audited financial statements of the Company as at and for the years ended, March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009 prepared in accordance with accounting principles generally accepted in India at relevant time and originally approved by the Company in its shareholders’ meetings held on July 19, 2013, September 28, 2012, July 26, 2011, September 8, 2010 and September 18, 2009, respectively, all of which have been audited by us and in respect of which we have issued an unqualified audit report;
 - b. other financial and miscellaneous records of the Company, to the extent considered necessary, for the presentation of the Reformatted Statements under the requirements of the Revised Schedule VI of the Act in relation to the years ended March 31, 2011, March 31, 2010, March 31, 2009.
4. In the presentation of the Reformatted Statements based on the financial statements as referred to in paragraph 3, no adjustments have been made for any events occurring subsequent to the dates of the audit reports specified herein.
5. As stated in our audit report referred to in paragraph 3a above, we conducted our audit in accordance with the auditing standards generally accepted in India to enable us to issue an opinion on the General Purpose Financial Statements as defined in “Framework for the Preparation & Presentation of Financial Statements” issued by ICAI. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

6. Our audits referred to in paragraph 3a above was carried out for the purpose of issuing opinion on the General Purpose Financial Statements taken as a whole. For none of the periods referred to in paragraph 3 above, did we perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
7. At the Company's request, we have also examined the following financial information proposed to be included in the offer document prepared by the management and approved by the Board of the Directors of the Company and annexed to this report.
 - i. Statement of Accounting Ratios, enclosed as Annexure V
 - ii. Capitalization Statement as at March 31, 2013, enclosed as Annexure VI
 - iii. Statement of Tax Shelters, enclosed as Annexure VII
8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2013. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2013.
9. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.
11. This report is intended solely for your information and for inclusion in the documents prepared in connection with the Issue and is not to be used, referred to or distributed for any other purpose, without our prior written consent.

For S.V. Ghatalia & Associates LLP
Firm registration number: 103162W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: July 24, 2013



Annexure I

Reformatted Audited Balance sheet as at March 31, 2013; March 31, 2012; March 31, 2011; March 31, 2010 and March 21, 2009

(₹ in lacs)

Particulars	Notes	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Equity and Liabilities						
Shareholders' fund						
Share Capital	3	509.49	509.49	509.49	509.49	509.49
Reserves and Surplus	4	18,584.74	19,603.21	19,484.53	5,167.81	3,183.32
		19,094.23	20,112.70	19,994.02	5,677.30	3,692.81
Current Liabilities						
Trade payables	5	13.49	913.15	11.47	0.27	5.73
Short-term borrowings	6	9,020.00	8,630.00	7,295.00	7,420.00	38.03
Other current liabilities	7	117.07	79.96	40.37	104.88	10,277.15
		9,150.56	9,623.11	7,346.84	7,525.15	10,320.91
TOTAL		28,244.79	29,735.81	27,340.86	13,202.45	14,013.72
ASSETS						
Non-Current Assets						
Fixed assets						
Tangible assets	8	17,393.63	17,394.27	17,394.50	2,872.74	2,815.45
Non-current investments	9	8,392.97	8,398.17	7,748.57	7,754.33	7,773.50
Non-current loans and advances	10	2,180.64	2,084.35	2,069.75	2,043.15	1,983.42
Deferred Tax assets (net)		-	-	-	0.44	0.44
		27,967.24	27,876.79	27,212.82	12,670.66	12,572.81
Current Assets						
Trade receivables	11	-	938.88	-	-	-
Cash and bank balance	12	240.71	381.79	97.17	373.81	10.12
Current - loans and advances	13	0.30	0.69	0.06	0.59	5.20
Other Current Assets	14	36.54	537.66	30.81	157.39	1,425.59
		277.55	1,859.02	128.04	531.79	1,440.91
TOTAL		28,244.79	29,735.81	27,340.86	13,202.45	14,013.72

Note: The above statement should be read with the Significant accounting policies and notes to reformatted financial statements.

As per our examination report of even date

For S.V.Ghatalia & Associates LLP

Firm registration No: 103162W
Chartered Accountants

Per Sudhir Soni
Partner

Place : Mumbai
Date : 24th July, 2013



Annexure II

Reformatted Audited Statement of Profits and Losses for the year ended March 31, 2013; March 31, 2012; March 31, 2011; March 31, 2010 and March 21, 2009

(₹ in lacs)

Particulars	Notes	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
INCOME						
Revenue from operation	15	110.76	938.88	-	-	-
Other income	16	223.86	1,020.86	514.62	396.44	410.71
Total Revenue (I)		334.62	1,959.74	514.62	396.44	410.71
EXPENSES						
Purchases of traded goods	17	107.57	908.42	-	-	-
Employee benefits expense	18	29.57	26.72	22.95	20.61	16.52
Other expenses	19	130.34	30.46	60.66	133.87	94.67
Total Expenses (II)		267.48	965.60	83.61	154.48	111.19
Profit before interest, tax, depreciation, amortisation and exceptional items (I) – (II)		67.14	994.14	431.01	241.96	299.52
Depreciation & amortisation expense	20	5.31	5.70	6.07	19.58	17.58
Finance costs	21	1,080.30	883.85	607.78	638.99	1,042.72
Profit/(loss) before exceptional items and tax		(1,018.47)	104.59	(182.84)	(416.61)	(760.78)
Add : Exceptional items		-	-	-	2,736.10	1,386.36
Profit/(loss) before tax		(1,018.47)	104.59	(182.84)	2,319.49	625.58
Less : Tax expenses						
- Current tax		-	-	-	335.00	48.00
- Deferred tax liability / (asset)		-	-	0.44	-	(27.04)
- (Excess) / short tax of earlier year		-	(14.09)	-	-	0.03
		-	(14.09)	0.44	335.00	20.99
Profit / (loss) for the year		(1,018.47)	118.68	(183.28)	1,984.49	604.59
Earning per equity share						
(Nominal value of share ₹ 2)						
Basic and diluted (₹)	23	(4.00)	0.47	(0.72)	7.79	2.37

Note: The above statement should be read with the Significant accounting policies and notes to reformatted financial statements.

As per our examination report of even date

For S.V.Ghatalia & Associates LLP

Firm registration No: 103162W

Chartered Accountants

Per Sudhir Soni

Partner

Membership No.: 41870

Place : Mumbai

Date : 24th July, 2013



Annexure III

Reformatted audited Cashflow Statement for the year ended March 31, 2013; March 31, 2012; March 31, 2011; March 31, 2010 and March 21, 2009

	(₹ in lacs)				
Particulars	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
A. Cash Flow from Operating Activities					
Profit / (Loss) before tax from operations :	(1,018.47)	104.59	(182.84)	2,319.50	625.58
Non-cash adjustment to reconcile profit before tax to net cash flows :					
Depreciation/Amortisation on operation	5.31	5.70	6.07	19.58	17.58
Interest expense	1,080.30	883.85	607.78	638.99	1,042.71
Profit on sale of fixed asset	(0.88)	-	-	(2,736.11)	(5,052.88)
Loss on Sale of Shares	-	-	-	-	1,425.00
Loss on Conversion of shares from Short term to Long term	-	-	-	-	2,241.53
Interest (income) (Including Interest on Income Tax Refund)	(96.29)	(14.37)	(14.92)	-	-
Dividend (Income)	(126.69)	(1,006.49)	(499.70)	(374.78)	(278.35)
Operating Profit before Working Capital changes	(156.72)	(26.72)	(83.61)	(132.82)	21.17
Movement in working capital :					
Increase/(Decrease) in trade payable/Other current Liabilities	(825.78)	928.78	(77.27)	(5,901.68)	(651.01)
(Increase) / Decrease in trade receivables	938.88	(938.88)	-	-	-
(Increase) / Decrease in short term loans and advances	0.39	(0.93)	157.91	8.82	(28.49)
(Increase) / Decrease in other current assets	506.74	-	-	-	-
Cash generated from / (used in) operations	463.51	(37.75)	(2.97)	(6,025.68)	(658.33)
Direct taxes Paid (net of refunds)	(96.30)	(0.21)	(26.60)	(394.62)	(98.11)
Net cash flow from / (used in) operating activities (A)	367.21	(37.96)	(29.57)	(6,420.30)	(756.44)
B. Cash Flow from Investing Activities					
Purchase of non-current Investments	-	(655.07)	-	-	(9,120.00)
Proceeds from sale of fixed assets	1.42	-	-	200.00	5,600.00
Additions in fixed assets	-	-	(22.07)	(57.71)	(70.25)
loan given	-	734.00	-	-	-
Loan repayment received	-	(734.00)	-	-	-
Sale of Investments	-	-	-	-	3,135.00
Advance received against sale of property	-	-	-	-	3,800.00
Interest (income) (Including Interest on Income Tax Refund)	96.29	14.37	14.92	-	-
Dividend received	126.69	499.75	499.70	374.78	278.35
Net cash flow from / (used in) investment activities (B)	224.40	(140.95)	492.55	517.07	3,623.10
C. Cash Flow from Financing Activities					
Proceeds from short -term borrowings	18,755.00	30,329.82	14,043.00	7,381.97	(1,483.88)
Repayment of short-term borrowings	(18,365.00)	(28,994.82)	(14,168.00)	-	-



Particulars	Year ended	Year	Year	Year	Year
	31.03.2013	ended	ended	ended	ended
		31.03.2012	31.03.2011	31.03.2010	31.03.2009
Unclaimed dividend paid	-	(0.50)	(5.47)	-	-
Share issue expenses	(5.62)	(0.11)	(30.81)	-	-
Interest paid	(1,117.07)	(870.86)	(578.34)	(1,115.05)	(1,391.12)
Net cash flow from / (used in) financing activities (C)	(732.69)	463.53	(739.62)	6,266.92	(2,875.00)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(141.08)	284.62	(276.64)	363.69	(8.34)
Cash and cash equivalents at the beginning of the year	381.79	97.17	373.81	10.12	18.46
Cash and cash equivalents at the end of the year	240.71	381.79	97.17	373.81	10.12
Components of cash and cash equivalents :					
Cash on hand	0.06	0.08	-	0.02	0.03
Balances with bank on current account	240.65	381.71	96.67	367.81	1.03
Unpaid dividend account *	-	-	0.50	5.98	9.06
Total cash and cash equivalents	240.71	381.79	97.17	373.81	10.12

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

Note: The above statement should be read with the Significant accounting policies mentioned and notes to reformatted financial statements.

As per our examination report of even date

For S.V.Ghatalia & Associates LLP

Firm registration No: 103162W

Chartered Accountants

Per Sudhir Soni

Partner

Membership No.: 41870

Place : Mumbai

Date : 24th July, 2013

**Notes to reformatted financial statements****1. Corporate information**

Uniphos Enterprises Limited ('the Company') is a public limited company incorporated under the provision of the Companies Act 1956. The Company is engaged in the business of trading of chemicals and other products. Its shares are listed on two stock exchanges in India and GDRs are listed on Luxembourg Stock exchange.

2. Basis of preparation

The reformatted audited financial statements as at and for the years ended March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009 have been prepared on the basis of audited financial statements for the respective years. All the figures in the reformatted financial statements are extracted from the audited financial statements for the respective years on which auditors have issued their opinion dated April 25, 2013, April 30, 2012, May 14, 2011, April 29, 2010 and April 25, 2009 respectively and any event subsequent to the said dates have not been considered adjusted. These audited financial statements were prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of Land, which is accounted based on revaluation as indicated in note 2.1.(b) below.

The reformatted financial statements have been prepared for the purpose of inclusion in the offer documents prepared by the Company in connection with its proposed Rights Issue of equity shares ('Rights Issue') and has been prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations 2009, as amended, read with the SEBI observations vide letter dated March 18, 2013 addressed to Keynote Corporate Services Limited ('the Lead Managers').

2.1 Summary of significant accounting policies**(a) Use of estimates**

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

(b) Tangible fixed assets

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

During the year 2010-11, the Company had revalued its land assets appearing in Fixed Asset note to recognise its fair market value as on 31st March, 2011. The revaluation is carried out based on valuation reports of independent valuers and the appreciation in the value of the assets is credited to Revaluation Reserve in the accounts.

(c) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated 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. Assets costing ₹ 5,000 or less have been depreciated at the rate of 100%. Depreciation in respect of additions to/deletions from the Fixed Assets, is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

**(d) Impairment of tangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

(e) Government grants and subsidies

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. Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

(f) Investments**Presentation and Disclosure :**

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

Recognition and Measurement :

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

Investment property

Investment in buildings, which is not intended to be occupied substantially for use by, or in the operations of, the Company, is classified as investment property.

Depreciation on investments in property has been provided on written down value basis in accordance with Section 205(2)(a) of the Companies Act, 1956 at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales tax and value added tax (VAT) on behalf of the government and, hence, they are excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.



Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(h) Foreign currency translation

Transactions in foreign currency are recorded by applying the exchange rate at the date of the transaction. Monetary items denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates, prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising as a result of the above are recognised as income or expense in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(i) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(j) Earnings Per Share

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

(k) Provisions

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

(l) Cash and cash equivalents

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



Notes to the reformatted audited Financial Statements

Note 3: Share Capital

(₹ in lacs)

Particulars	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	No.	₹	No.	₹	No.	₹	No.	₹	No.	₹
Authorised										
15,00,00,000 Equity shares of ₹ 2/- each		3,000		3,000		3,000		3,000		3,000
70,00,000 Preference shares of ₹ 100/- each		7,000		7,000		7,000		7,000		7,000
Issued, Subscribed and Fully Paid Up										
2,54,74,670 Equity shares of ₹ 2/- each fully paid up		509.49		509.49		509.49		509.49		509.49
Total issued, subscribed and fully paid-up share capital		509.49		509.49		509.49		509.49		509.49

a) Shares held by holding / ultimate holding Company

(₹ in lacs)

Particulars	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	No.	₹	No.	₹	No.	₹	No.	₹	No.	₹
Nerka chemicals private limited *	13,669,179	273.38	12,429,220	248.58	11,179,220	223.58	11,179,220	223.58	367,600	7.35

(Equity shares of ₹ 2 each fully paid up)

* (Became holding company during the year 2012-2013)

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

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

c) Details of Shareholders holding more than 5% shares in the Company:

(₹ in lacs)

Particulars	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	No.	% holding	No.	% holding	No.	% holding	No.	% holding	No.	% holding
(Equity shares of ₹ 2 each fully paid up)										



Particulars	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	No.	% holding	No.	% holding	No.	% holding	No.	% holding	No.	% holding
Nerka chemicals private limited	13,669,179	53.66	12,429,220	48.79	11,179,220	43.88	11,179,220	43.88	367,600	1.44
Demuric Holdings Private Limited	-	-	-	-	-	-	-	-	7,826,842	30.72

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

Notes :

- Of the above Equity Shares of ₹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 ₹ 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.
- Number of the underlying Equity Shares of the Company in respect of GDR listed on Luxemburg Stock Exchange.

Particulars	As at 31.03.13	As at 31.03.12	As at 31.03.11	As at 31.03.10	As at 31.03.09
Number of underlying Equity shares	44,962	45,532	45,532	79,052	80,552



Notes to the reformatted audited Financial Statements

Note 4: Reserves and Surplus

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Capital reserve					
a) Central and State Subsidies for a project in backward area	60.00	60.00	60.00	60.00	60.00
b) Capital Reserve arising on amalgamation of Shroffs Industrial Chemicals Private Limited with the Company	3.01	3.01	3.01	3.01	3.01
c) Profit on reissue of Forfeited Shares / Debentures	1.38	1.38	1.38	1.38	1.38
Closing Balance	64.39	64.39	64.39	64.39	64.39
Revaluation reserve					
Balance as per the last financial statements	14,500.00	14,500.00	-	-	-
Add : Revaluation reserve created during the year (Refer note nos. 2.1(b) and 30)	-	-	14,500.00	-	-
Closing Balance	14,500.00	14,500.00	14,500.00	-	-
General reserve					
Balance as per the last financial statements	3,100.65	3,100.65	3,100.65	3,100.65	3,100.65
Closing Balance	3,100.65	3,100.65	3,100.65	3,100.65	3,100.65
Surplus in the statement of profit and loss					
Balance as per last financial statements	1,938.17	1,819.49	2,002.77	18.28	(586.31)
Profit/(Loss) for the year	(1,018.47)	118.68	(183.28)	1,984.49	604.59
Net surplus in the statement of profit and loss	919.70	1,938.17	1,819.49	2,002.77	18.28
Total Reserves and Surplus	18,584.74	19,603.21	19,484.53	5,167.81	3,183.32

**Note 5: Trade payables**

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Due to Micro, Small & Medium Enterprises (Refer note below)	-	-	-	-	-
Due to Others	13.49	913.15	11.47	0.27	5.73
	13.49	913.15	11.47	0.27	5.73

Note:

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid / payable as required under the said Act have not been made.

Note 6: Short-term borrowings

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Term Loan from bank (Secured)	-	-	7,275.00	7,400.00	0.91
Loan from Non Banking Financial companies (Secured)	9,000.00	1,000.00	-	-	-
Loans from related parties, repayable on demand (Unsecured)	-	7,610.00	-	-	17.12
Other Loans (Unsecured)	20.00	20.00	20.00	20.00	20.00
	9,020.00	8,630.00	7,295.00	7,420.00	38.03
Refer note below	Note No. 1	Note No. 2	Note No. 3	Note No. 4	Note No. 5

The above amount includes

Secured borrowings	9,000.00	1,000.00	7,275.00	7,400.00	0.91
Unsecured borrowings	20.00	7,630.00	20.00	20.00	37.12

1) Financial year: 2012-13**a) Loans from Non Banking Financials Companies includes the following :**

1) Loan amounting to ₹ 500 lacs (Previous Year: ₹1,000 lacs) is secured by way of pledge of 9,40,000 (Previous Year : 15,50,000) equity shares of United Phosphorus Limited. The loan carries interest of 13.25 % p.a. and is repayable in July 2013.

2) Loan amounting to ₹ 7,500 lacs (Previous Year: NIL) is secured by way of pledge of 1,31,75,000 equity shares of United Phosphorus Limited. The loan carries interest of 12.25 % p.a. and is repayable in March 2014.

3) Loan amounting to ₹ 1,000 lacs (Previous Year: NIL) is secured by way of pledge of 20,00,000 equity shares of United Phosphorus Limited. The loan carries interest of 12.00 % p.a. and is repayable in March 2014

b) Unsecured short term loans from related parties were carrying rate of interest ranging from 13% p.a. to 14 % p.a.



c) Other loan from a private limited company of ₹ 20 lacs (Previous Year: ₹ 20 lacs) is interest free loan repayable on demand.

2) Financial year : 2011-12

a) Term Loan from Yes Bank Limited of ₹ Nil (Previous Year: ₹ 7,275 lacs) was secured by way of exclusive charge on current assets of the Company, which was pending to be created. The Loan was repaid during the current year. The loan carried interest ranging from 10.30 % p.a. to 11.50 % p.a.

b) Loan from non banking financial company amounting to ₹ 1,000 lacs (Previous Year: Nil) is secured by way of pledge of 15,50,000 equity shares of United Phosphorus Limited held by the Company. The loan is repayable on 19th April, 2012 and carries interest rate of 13% p.a.

c) Unsecured short term loans from related parties are carrying rate of interest ranging from 13% p.a. to 14 % p.a.

3) Financial year : 2010-11

Term Loan from Yes Bank Limited of ₹ 7,275 lacs (Previous Year; 7,400 lacs) secured by way of exclusive charge on current assets of the Company, which is yet to be created.

4) Financial year : 2009-10

Term Loan from Yes Bank Limited of ₹ 7,400 lacs (Previous Year: Nil) is to be secured by way of exclusive charge on current assets of the Company.

Vehicle finance loan from ICICI Bank Limited is secured by way of hypothecation of vehicle purchased under the said scheme.

5) Financial year : 2008-09

Term loan of ₹ Nil (Previous Year: ₹ 1,500 lacs) from Yes Bank Limited is secured by way of guarantee provided by Demuric Holdings Private Limited through lien on its on its fixed deposits.

Vehicle finance loan from ICICI Bank Limited is secured by way of hypothecation of vehicle purchased under the said scheme.



Notes to the reformatted audited Financial Statements

Note 7: Other current liabilities

(₹ In Lacs)

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Interest accrued but not due on short term borrowings	14.78	51.55	38.56	9.12	485.18
Investor Education and Protection Fund will be credited by following amounts (as and when due) : Unpaid dividend	-	-	0.50	5.98	9.06
TDS Payable	102.27	28.39	1.29	62.96	195.11
Dividend in abeyance	0.02	0.02	0.02	0.02	0.02
Bank account excess drawn					3,264.51
Advance against sale of Property					3,800.00
Advance from customers					2,500.00
Other liabilities				26.80	23.27
	117.07	79.96	40.37	104.88	10,277.15

Note 8: Fixed assets

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Tangible assets					
Cost or valuation					
LAND					
Gross Block	17,393.63	17,393.63	2,871.56	2,813.85	2,758.58
Add : Revaluation (Refer note 30)	-	-	14,500.00	-	-
Add : Additions	-	-	22.07	59.82	55.28
less : Deductions	-	-	-	(2.11)	-
Net Block of Land	17,393.63	17,393.63	17,393.63	2,871.56	2,813.86
BUILDING					
Gross Block	-	-	-	-	886.42
Add : Additions	-	-	-	-	-
Less : deductions	-	-	-	-	(886.42)
Gross Block (A)	-	-	-	-	-
Depreciation					
Opening Balance	-	-	-	-	432.58
Add : Depreciation charged during the year	-	-	-	-	17.02
Less: Deductions	-	-	-	-	(449.60)
Closing Balance (B)	-	-	-	-	-
Net Block of Building (A-B)	-	-	-	-	-
VEHICLES					
Gross Block	5.41	5.41	5.41	5.41	5.41
Add : Additions	-	-	-	-	-
Less : deductions	(5.41)	-	-	-	-
Closing Balance (A)	-	5.41	5.41	5.41	5.41
Depreciation					



Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Opening Balance	4.77	4.54	4.23	3.82	3.26
Add : Depreciation charged during the year	0.11	0.23	0.31	0.41	0.56
Less: Deductions	(4.88)	-	-	-	-
Closing Balance (B)	-	4.77	4.54	4.23	3.82
Net Block of Vehicles (A-B)	-	0.64	0.87	1.18	1.59
Total tangible assets	17,393.63	17,394.27	17,394.50	2,872.74	2,815.45
Grand Total	17,393.63	17,394.27	17,394.50	2,872.74	2,815.45



Notes to the reformatted audited Financial Statements

Note 9: Non - current investments

(₹ in lacs)

Particulars	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	₹ in lacs		₹ in lacs		₹ in lacs		₹ in lacs		₹ in lacs	
1) Investment property (at cost less accumulated depreciation)										
Cost of building		134.41		134.41		134.41		134.41		134.41
Less: Accumulated depreciation		35.60		30.40		24.93		19.17		-
Net value (A)		98.81		104.01		109.48		115.24		134.41
2) Trade investments (valued at cost unless stated otherwise)										
Unquoted equity instruments										
Equity Shares of no par value in Kaw Valley, Inc.	1,000	0.98	1,000	0.98	1,000	0.98	1,000	0.98	1,000	0.98
Equity Shares of no par value in Midland Fumigant, Inc.	250	4.91	250	4.91	250	4.91	250	4.91	250	4.91
Less: Provision for Diminution in value of Long-Term Investments		(5.89)		(5.89)		(5.89)		(5.89)		(5.89)
Net value (B)		-		-		-		-		-
3) Non-trade investments (valued at cost unless stated otherwise)										
(i) Investment in equity instruments (quoted)										
a) Equity shares of ₹ 2 each fully paid-up in United	2,53,37,060	8,121.53	2,53,37,060	8,121.53	2,49,85,130	7,611.73	2,49,85,130	7,611.73	2,49,85,130	7,611.73



UNIPHOS ENTERPRISES LIMITED

	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Phosphorus Limited (Refer note "f" below)										
b) Equity shares of ₹ 10 each fully paid-up in Advanta India Limited	40,000	145.27	40,000	145.27	-	-	-	-	-	-
(ii) Investment in equity instruments (unquoted)										
Equity Shares of ₹10 each fully paid-up in Harsora Hotels Private Limited	1,00,000	25.00	1,00,000	25.00	1,00,000	25.00	1,00,000	25.00	1,00,000	25.00
Equity Shares of ₹10 each fully paid-up in Industrial Grahak Sahakari Bhandar Limited	100	0.01	100	0.01	100	0.01	100	0.01	100	0.01
Equity Shares of ₹10 each fully paid-up in Saket Projects Limited	20,000	2.00	20,000	2.00	20,000	2.00	20,000	2.00	20,000	2.00
Equity Shares of ₹100 each fully paid-up in Sardar Bhiladwala Pardi People's Co-operative Bank Limited	156	0.15	156	0.15	156	0.15	156	0.15	156	0.15
Equity Shares of ₹ 500 each fully paid-up in Shree Ganesh Khand Udyog Sahakari Mandi Limited	40	0.20	40	0.20	40	0.20	40	0.20	40	0.20
Net value (C)		8,294.16		8,294.16		7,639.09		7,639.09		7,639.09
GRAND TOTAL (A+B+C)		8,392.97		8,398.17		7,748.57		7,754.33		7,773.50
Notes :										
a) Aggregate amount of quoted investments		8,266.80		8,266.80		7,611.73		7,611.73		7,611.73
Market Value		30,100.99		33,113.78		37,577.64		37,442.72		24,422.96
b) Aggregate amount of		5.89		5.89		5.89		5.89		5.89



	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
unquoted investments (Trade) (Before diminution)										
c) Aggregate amount of unquoted investments (Non-Trade)		27.36		27.36		27.36		27.36		27.36
d) Value of investment property		98.81		104.01		109.48		115.24		134.41
e) Aggregate provision for diminution in value of investments		(5.89)		(5.89)		(5.89)		(5.89)		(5.89)
f) Number of equity shares of United Phosphorus Limited have been pledged against short term loans taken from Non Banking Financial Companies. (Also refer note 6 - short term borrowings)		16,115,000		1,550,000		-		-		-

Note: Financial year 2008-09

- 1) During the year, the Company has purchased and sold 28,50,000 shares of United Phosphorus Limited out of it's current investments.
- 2) During the year, 28,50,000 bonus shares of United Phosphorus Limited received by the Company have been transferred from current investments to long term investments.

**Note 10: Non current Loans & Advances**

(Unsecured and considered good)

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Security Deposits	0.43	0.43	0.13	0.13	0.02
Advance tax and TDS (Net of provisions)	2,180.21	2,083.92	2,069.62	2,043.02	1,983.40
	2,180.64	2,084.35	2,069.75	2,043.15	1,983.42

Note 11: Trade receivables

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
(Outstanding for a period of less than six months from the date they are due for payment)					
Unsecured, considered good	-	938.88	-	-	-
	-	938.88	-	-	-

Note 12 : Cash and bank balances

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Balances with banks:					
On current accounts	240.65	381.71	96.67	367.81	1.03
On unpaid dividend accounts	-	-	0.50	5.98	9.06
Cash on hand	0.06	0.08	-	0.02	0.03
	240.71	381.79	97.17	373.81	10.12

Note 13 : Current - loans and advances

(Unsecured, Considered Good)

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Advance recoverable in cash or kind	0.30	0.69	0.06	0.59	5.20
	0.30	0.69	0.06	0.59	5.20

Note 14: Other Current Assets

(Unsecured Considered Good)

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Dividend receivable	-	506.74	-	-	-
Miscellaneous expenses (Refer note 27)	36.54	30.92	30.81	-	-
Asset held for sale	-	-	-	-	1,263.89



Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Others	-	-	-	157.39	161.70
	36.54	537.66	30.81	157.39	1,425.59

Note 15: Revenue from operation

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Sale of Products					
Traded goods - chemicals	110.76	938.88	-	-	-
	110.76	938.88	-	-	-

Note 16 : Other income

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Interest Income on :					
Bank deposits	-	0.14	-	-	-
Others	96.29	14.23	14.92	20.65	-
Dividend from long term investments	126.69	1,006.49	499.70	374.78	278.35
Rent	-	-	-	-	132.36
Profit on sale of fixed asset	0.88	-	-	-	-
Miscellaneous Income	-	-	-	1.01	-
	223.86	1,020.86	514.62	396.44	410.71

Note 17: Purchases of traded goods

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Chemicals	107.57	908.42	-	-	-
	107.57	908.42	-	-	-

Note 18: Employee benefits expense

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Salary, Wages and Bonus	29.57	26.72	22.95	20.61	16.52
	29.57	26.72	22.95	20.61	16.52



Note 19: Other expenses

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Insurance charges	-	-	-	0.26	0.32
Electricity charges	1.13	1.38	0.20	12.20	-
Rates & Taxes	6.00	6.04	6.00	-	5.57
Repairs & Maintenance					
- Building	-	-	-	-	13.30
- Others	1.56	1.48	0.73	3.54	-
Foreign Exchange Fluctuation (Net)	83.60	-	-	-	-
Printing & Stationery	1.01	1.95	1.98	-	-
Legal and Professional Fees	16.61	8.38	34.45	101.48	64.03
Auditor's Remuneration	5.62	4.03	11.72	2.98	3.87
Postage and stamps	1.45	1.84	1.43	-	-
Security charges	3.20	4.59	3.79	-	-
Miscellaneous Expenses	1.38	0.76	0.36	13.41	7.58
Demat Charges	8.78	0.01	-	-	-
	130.34	30.46	60.66	133.87	94.67

Payment to Auditor

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
- For Audit fees	3.93	2.81	2.20	2.21	1.10
- As advisor in in respect of Taxation matters	-	-	-	-	2.49
- For Certification and Other services	1.69	1.22	9.52	0.71	0.28
Out of Pocket expenses	-	-	-	0.06	-
	5.62	4.03	11.72	2.98	3.87

Note 20: Depreciation and amortisation expense :

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Depreciation on tangible assets	0.11	0.23	0.31	0.41	17.58
Depreciation on investment property	5.20	5.47	5.76	19.17	-
	5.31	5.70	6.07	19.58	17.58

**Note 21: Finance cost**

Particulars	(₹ in lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Interest expense					
On bank borrowings	-	559.61	585.04	9.16	169.99
On short term loans from others	1,058.99	324.08	22.60	629.31	859.18
Bank Charges	21.31	0.16	0.14	0.52	13.55
	1,080.30	883.85	607.78	638.99	1,042.72

Note 22: Statement of Contingent Liabilities

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Disputed Income Tax Liabilities	3,348.93	3,353.96	2,800.67	2,764.28	2,737.93

Note:

The contingent liability for Income Tax is mainly on account of major disallowances /additions made in the assessment proceedings since AY 1992 – 93 to AY 2010-11 on account of taxability of amount of Advance Licence Benefit receivable, Pass Book Benefit receivable, data access fees paid, deduction in respect of premium paid for Lease Hold Land, benefit claimed u/s.80HHC, benefit Claimed U/S 80IA / IB and other miscellaneous addition / disallowances. The Company has contested all the above issues before the Commissioner of Income Tax (A) /Income Tax Appellate Tribunal and same are pending before the said authorities for disposal.

Note 23: Earning Per Share

The following reflects the Profit / (Loss) and share data used in the basic and diluted EPS computations:

Particulars	(₹ In lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Profit / (Loss) after taxation as per statement of profit and loss [A]	(1,018.47)	118.68	(183.28)	1,984.49	604.59
Weighted average number of Equity Shares Outstanding (B) (Nos.)	25,474,670	25,474,670	25,474,670	25,474,670	25,474,670
Basic and diluted Earning Per Share (in ₹) [(A)/(B)]	(4.00)	0.47	(0.72)	7.79	2.37
Face Value Per Share (in ₹)	2.00	2.00	2.00	2.00	2.00

Note 24 : Break up of Deferred Tax Assets and Deferred Tax Liabilities:

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Deferred Tax Assets					
Depreciation	-	-	-	0.44	0.44
	-	-	-	0.44	0.44

**Note 25: Expenditure in Foreign Currency (on accrual basis):**

Particulars	(₹ In lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Stock Exchange Fees	2.53	2.37	1.57	2.38	2.21

Note 26: Exceptional Items

Particulars	(₹ In lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
a) Profit on sale of Property	-	-	-	2,736.10	5,052.88
b) Loss on sale of current investment	-	-	-	-	(1,425.00)
c) Loss on transfer of shares from current investment to long term investment	-	-	-	-	(2,241.52)

Note 27: Note on proposed Right issue

During the financial year 2010-11, the Board of directors of the Company in its meeting held on December 23, 2010 had approved to issue equity shares of face value of ₹ 2 each on rights basis to the existing shareholders for the amount not exceeding ₹ 7500 lacs ("Rights Issue"). The objects of the Rights Issue is to deploy the net proceeds for repayment of certain loans availed by the Company and for general corporate purposes. In connection with the proposed Rights Issue, the Company had filed draft letter of offer with the Securities and Exchange Board of India ("SEBI") on December 31, 2010.

Upto March 31, 2013, the Company has incurred an amount of ₹ 36.54 lacs as at March 31, 2013, ₹ 30.92 lacs as at March 31, 2012 and ₹ 30.81 lacs as at March 31, 2011 in connection with the proposed rights issue of its equity shares. This amount shall be adjusted against Securities Premium account arising from the proposed rights issue of equity shares, as permitted under section 78 of the Companies Act, 1956. Accordingly, this amount has been carried forward and disclosed separately under the head "Other current assets" in the Balance sheet.

Note 28: Value of Imports calculated on CIF basis

Particulars	(₹ In lacs)				
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Traded Goods	107.57	908.42	-	-	-

Note 29: Segment reporting

The Company is engaged in trading business in India, which in the context of Accounting Standard 17 is considered to be its only business segment and thus no geographic segment is applicable.

Note 30: Revaluation of fixed assets:

During the financial year 2010-11, the Company had revalued its land assets appearing in Fixed Asset note to recognise its fair market value as on 31st March, 2011. The revaluation is carried out based on valuation reports of independent valuers and the appreciation in the value of the assets is credited to Revaluation Reserve in the accounts.



Notes to reformatted audited financial statements:**Note 31: Related Party Disclosure**

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

(a) Relationship :**(i) Holding company**

Nerka Chemicals Private Limited ('Nerka') (became holding company during the year 2012-2013)

(ii) Ultimate Holding Company

Demuric Holdings Private Limited ('Demuric') (became ultimate holding company during the year 2012-2013)

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

United Phosphorus Limited ('UPL')

SWAL Corporation Limited ('SWAL')

Uniphos International Limited (Formerly known as Uniphos Agro Industries Limited) ('UIL')

Advanta India Limited ('ADVANTA')

Unicorn seeds Limited ('Unicorn')

(iv) Key Management Personnel and their relatives :

Mr. Rajanikant D. Shroff

Mrs. Sandra R. Shroff

Mr. Jaidev R. Shroff



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

Nature of Transactions	Holding Company	Ultimate Holding Company	Enterprises over which Key Management personnel and their relatives have significant influence				
			3/31/2013	3/31/2013	3/31/2013	3/31/2012	3/31/2011
(₹ in lacs)							
1. Income							
Sales to UPL	-	-	82.72	938.88	-	-	-
Dividend from UPL	-	-	126.69	1,006.49	499.70	374.78	278.35
Interest from UPL	-	-	-	11.61	-	-	-
Rent from							
UPL	-	-	-	-	-	-	81.00
ADVANTA	-	-	-	-	-	-	42.00
SWAL	-	-	-	-	-	-	9.36
2. Fixed Assets							
Sale of Fixed Assets to UPL	-	-	-	-	-	4,000.00	5,600.00
3. Finance Expenses							
UPL	-	-	749.03	239.46	22.60	629.31	859.18
Nerka	1.35	-	-	7.63	-	-	-
Demuric	-	223.52	-	56.44	-	-	-
SWAL	-	-	-	2.39	-	-	-
4. Investments							
Purchase of shares from Demuric	-	-	-	-	-	-	9,120.00
Sale of shares to Nerka 1,39,17,565 equity shares of ₹ 2 each of UPL received as bonus in Financial Year 2008-09	-	-	-	-	-	-	3,135.00



Nature of Transactions	Holding Company	Ultimate Holding Company	Enterprises over which Key Management personnel and their relatives have significant influence				
	3/31/2013	3/31/2013	3/31/2013	3/31/2012	3/31/2011	3/31/2010	3/31/2009
5. Loan / Advance Taken (Refer note below)							
UPL	-	-	8,405.00	14,318.00	14,043.00	6,601.54	9,216.40
Nerka	-	-	-	210.00	-	-	-
Demuric	-	1,850.00	-	14,130.00	-	-	-
SWAL	-	-	-	670.00	-	-	-
UIL	-	-	-	1.82	-	-	-
Trade Advance received from Unicorn	-	-	-	-	-	-	2,500.00
Advance received from UPL against sale of Property	-	-	-	-	-	-	3,800.00
6. Repayment of Loans/Advances Taken							
UPL	-	-	8,405.00	14,318.00	14,043.00	-	-
Demuric	-	9,250.00	-	6,730.00	-	-	-
SWAL	-	-	-	670.00	-	-	-
UIL	-	-	-	1.82	-	-	-
Nerka	210.00	-	-	-	-	-	-
7. Loan / Advance Given							
UPL	-	-	-	734.00	-	-	-
8. Repayment of Loans/Advances Given							
UPL	-	-	-	734.00	-	-	-
9. Salary and other reimbursements							
UPL	-	-	29.74	26.72	22.95	21.24	78.35
Outstandings as at the Balance Sheet Date							
10. Trade Receivables from UPL							
Trade Receivables from UPL	-	-	-	938.88	-	-	-
Receivable from Advanta	-	-	-	-	-	157.40	164.29



Nature of Transactions	Holding Company	Ultimate Holding Company	Enterprises over which Key Management personnel and their relatives have significant influence				
	3/31/2013	3/31/2013	3/31/2013	3/31/2012	3/31/2011	3/31/2010	3/31/2009
11. Dividend receivable from UPL	-	-	-	506.74	-	-	-
12. Payables (Including Trade Advances) – Unicorn	-	-	-	-	-	-	2,500.00
13. Loan Taken							
Nerka	-	-	-	210.00	-	-	-
Demuric	-	-	-	7,400.00	-	-	-
UPL	-	-	-	-	-	-	17.12
14. Interest payable							
UPL	-	-	-	4.09	-	-	384.49
Nerka	-	-	-	6.87	-	-	-
Demuric	-	-	-	30.65	-	-	-

Maximum amount outstanding of the Loan taken during the year

Name of the Company	Holding Company	Ultimate Holding Company	Enterprises over which Key Management personnel and their relatives have significant influence				
			3/31/2013	3/31/2012	3/31/2011	3/31/2010	3/31/2009
United Phosphorus Limited	-	-	7,400.00	7,166.00	7,185.00	6,324.88	6,803.64
Nerka Chemicals Private Limited	210.00	-	-	210.00	-	-	-
SWAL Corporation Limited	-	-	-	670.00	-	-	-
Demuric Holdings Private Limited	-	7,400.00	-	7,400.00	-	-	-
Uniphos International Limited	-	-	-	1.82	-	-	-



Note 32

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

As per our examination report of even date

For S.V.Ghatalia & Associates LLP

Firm registration No: 103162W

Chartered Accountants

Per Sudhir Soni

Partner

Membership No.: 41870

Place : Mumbai

Date : 24th July, 2013



Summary of Accounting Ratios

Particulars	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009
a) Earnings / (loss) Per Share and Diluted Earnings Per Share, pre-issue, for the last five years					
Basic Earning / (loss) per share (₹)	(4.00)	0.47	(0.72)	7.79	2.37
Diluted Earning / (loss) per share (₹)	(4.00)	0.47	(0.72)	7.79	2.37
(b) Return on Net Worth (%)					
	-22.35%	2.13%	-3.35%	34.95%	16.37%
(c) Net Asset Value per share based on last balance sheet.(₹)					
	17.89	21.91	21.45	22.29	14.50
(d) Weighted Average no. of Equity Shares outstanding during the year used for					
Basic Earning per share	25,474,670	25,474,670	25,474,670	25,474,670	25,474,670
Diluted Earning per share	25,474,670	25,474,670	25,474,670	25,474,670	25,474,670
(e) Net Profit / (Loss) Account (₹ in Lacs)					
	(1,018.47)	118.68	(183.28)	1,984.49	604.59
(f) Net Worth at the end of the year (₹ in Lacs)					
	4,557.69	5,581.78	5,463.21	5,677.30	3,692.81

Notes:

1 The ratios have been computed as below:

- (a) Basic and Diluted Earning / (Loss) per Share $\frac{\text{Net Profit / (Loss) after tax}}{\text{Weighted Average no. of Equity Shares outstanding during the year}}$
- (b) Return on Net Worth (%) $\frac{\text{Net Profit / (Loss) after tax}}{\text{Net Worth at the end of the year}}$
- (c) Net Asset Value per share based on last balance sheet $\frac{\text{Net Worth at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$
- (d) Net Worth $\text{Equity Share capital + Reserves \& Surplus (excluding revaluation reserve) - Miscellaneous expenses}$
- 2 The figures disclosed above are based on the reformatted financial statements of Uniphos Enterprises Limited
- 3 Earning / (loss) per share calculations are done in accordance with the Accounting Standard 20 'Earnings per share' notified by Companies (Accounting Standards) Rules, 2006, (as amended)

As per our examination report of even date

For S.V.Ghatalia & Associates LLP

Firm registration No: 103162W

Chartered Accountants

Per Sudhir Soni

Partner

Membership No.: 41870

Place : Mumbai

Date: 24th July, 2013



Annexure VI

Capitalisation Statement

₹ in Lacs

Particulars	Pre-Issue as at March 31, 2013	As Adjusted for the Issue
Short Term Debt	9,020.00	[●]
Long Term Debt	-	[●]
Total Debt (A)	9,020.00	[●]
Shareholders' Fund / Net worth		
Share capital	509.49	[●]
Reserves and surplus		
Securities Premium Account	-	[●]
Capital reserve	64.39	[●]
General reserve	3,100.65	[●]
Surplus in the statement of profit and loss	919.70	[●]
Miscellaneous expenses	(36.54)	[●]
Total Shareholders' fund/ Net worth (B)	4,557.69	[●]
Total Debts / Shareholder's fund (A/B)	1.98	[●]

Notes:

Above are based on reformatted financial statements of the Company.

The Post issue Capitalisation statement cannot be calculated at this stage.

Net Worth includes equity Share capital + Reserves & Surplus (excluding revaluation reserve) - Miscellaneous expenses.

For S.V.Ghatalia & Associates LLP

Firm registration No: 103162W

Chartered Accountants

Per Sudhir Soni

Partner

Membership No.: 41870

Place : Mumbai

Date : 24th July, 2013



Annexure VII

Statement of Tax Shelter

(₹ in lacs)						
No	Particulars	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
A	Profit before tax as per books	(1,018.47)	104.59	(182.84)	2,319.49	625.58
B	Tax Rate	32.45	32.45	33.22	33.99	33.99
C	Tax thereon at the above Rate (A*B)	-	33.94	-	788.39	212.63
D	Adjustments					
	Dividend Income exempted under India Income Tax 1961 ("I.T. Act")	(126.69)	(1,006.49)	(499.70)	(374.78)	(278.35)
	Amount disallowable under Section 14 A of I.T. Act	79.47	20.17	2.00	31.23	69.59
	Difference in loss on sale of shares as per books of account and I.T. Act	-	-	-	-	(2,318.48)
	Difference in Profit on sale of Building as per books of account and I.T. Act	-	-	-	(272.34)	140.94
	Disallowance of interest on loan for purchase of House property	17.74	15.59	11.12	17.47	7.89
	Difference in book depreciation and Depreciation under I.T. Act	5.26	5.39	5.96	19.15	17.07
	Gain on sale of fixed assets	(0.88)	-	-	-	-
	Unabsorbed depreciation of earlier year claimed as deduction	-	-	-	(200.00)	-
	Set off of brought forward capital losses against profits on sale of building	-	-	-	(1,540.25)	-
	Non deductible expenses	19.75	13.59	33.17	-	-
	Net Adjustments	(5.35)	(951.75)	(447.45)	(2,319.52)	(2,361.34)
E	Tax expense / (saving) thereon	(1.74)	(308.84)	(148.64)	(788.40)	(802.62)
F	Net Tax Liability	-	-	-	-	-
G	Tax Liability under MAT	-	-	-	335.00	48.00
H	Net Tax Liability - Current Tax as per Reformatted financial statements (F+G)	-	-	-	335.00	48.00
I	Tax Adjustment of earlier years as per reformatted FS	-	(14.09)	-	-	0.03
J	Tax liability as per reformatted financial statements (Includes current tax and Excess/ short tax of earlier years) (H+J)	-	(14.09)	-	335.00	48.03



Note:

The aforesaid statement of tax shelters has been prepared as per the Reformatted Financial Statements.

As per our examination report of even date

For S.V.Ghatalia & Associates LLP

Firm registration No: 103162W

Chartered Accountants

Per Sudhir Soni

Partner

Membership No.: 41870

Place : Mumbai

Date: 24th July, 2013

**CERTAIN OTHER FINANCIAL INFORMATION****I. Details of Loan Taken/ Repaid during the last five years****a. Yes Bank Limited**

Sl No.	Date of Loan	Name of the Lender	Loan Amount (₹ in crores)	Interest rate	Secured/ Unsecured loan	Long term/ short term	Tenure of loan	Where utilized	Repayment amount (₹ in crores)	Repayment date	Source of repayment
2008-09											
1	2008-09	Yes Bank Limited	Opening Balance 15.00	At various rates of 13 % to 17 % and linked to PLR	Secured by way of Guarantee provided by Demuric Holdings Private Limited through lien on it's FD - ₹ 15 Cr	Long term	36 Months ending 12.02.2010	The opening balance of Loan was used for purchase of property in the year 2006-07	15.00	05.01.09	Loan from United Phosphorus Limited
2009-10											
1	26.03.10	Yes Bank Limited	74.00	7.50%	To be secured by way of exclusive charge on current assets of the company.	Short term	6 Months	(1) To repay the United Phosphorus Limited Loan / Int - 69.28 Cr (2) Repay the Interest of other parties - 1 Cr (3) Administrative expenses/Other - ₹ 0.75 Cr			Repaid in next Year
2010-11											
1	1.4.2010	Opening Balance	74.00	7.50%	To be secured by way of exclusive charge on current assets of the	Short term	6 Months		74.00	22.09.10	(1) Loan from United Phosphorus Limited -



Sl No.	Date of Loan	Name of the Lender	Loan Amount (₹ in crores)	Interest rate	Secured/ Unsecured loan	Long term/ short term	Tenure of loan	Where utilized	Repayment amount (₹ in crores)	Repayment date	Source of repayment
					company.						68.58 Cr (2) Dividend - ₹ 5 Cr
2	25.09.10	Yes Bank Limited	70.00	7.50% TO 11 %	To be secured by way of exclusive charge on current assets of the company.	Short term	6 Months	Repay the Loan of United Phosphorus Limited - 68.58 Cr and other Admin Exp	70.00	10.03.11	Loan from United Phosphorus Limited
3	31.12.10	Yes Bank Limited	1.00	- Do -	- Do -	Short term	6 Months	Int Pymt of Yes Bank Loan	1.00	10.03.11	Loan from United Phosphorus Limited
4	05.03.11	Yes Bank Limited	0.60	- Do -	- Do -	Short term	6 Months	Int Pymt of Yes Bank Loan	0.60	10.03.11	Loan from United Phosphorus Limited
5	15.03.11	Yes Bank Limited	72.00	- Do -	To be secured by way of exclusive charge on current assets of the company.	Working Capital Demand loan	90 Days	Repay the Loan of United Phosphorus Limited - 71.85 Cr and Other Administrative Expenses			Repaid in next Year
6	31.03.11	Yes Bank Limited	0.75	- Do -	- Do -	- Do -	- Do -	Interest Payment of Yes Bank Loan			
2011-12											
1		Opening Balance	72.75	- Do -	- Do -				72.75	13.06.11	From Unsecured Loan from



UNIPHOS ENTERPRISES LIMITED

Sl No.	Date of Loan	Name of the Lender	Loan Amount (₹ in crores)	Interest rate	Secured/ Unsecured loan	Long term/ short term	Tenure of loan	Where utilized	Repayment amount (₹ in crores)	Repayment date	Source of repayment
											various party/parties
2	02.05.11	Yes Bank Limited	0.25	10.35% to 11.50%	- Do -	- Do -	- Do -	Interest Payment of Yes Bank Loan	0.25	13.06.11	- Do -
3		Yes Bank Limited	0.85	- Do -	- Do -	- Do -	- Do -	Interest Payment of Yes Bank Loan	0.85	13.06.11	- Do -
	01.06.11										
4		Yes Bank Limited	74.25	- Do -	To be secured by way of exclusive charge on current assets of the company.	Working Capital Demand loan	90 Days	Repayment of Unsecured Loans from Various Party/Parties	74.25	19.09.11	Loan from United Phosphorus Limited
	21.06.11										
5	01.07.11	Yes Bank Limited	0.25	- Do -	- Do -	- Do -	- Do -	Interest Payment of Yes Bank Loan	0.25	19.09.11	Loan from United Phosphorus Limited
6	22.09.11	Yes Bank Limited	75.00	- Do -	To be secured by way of exclusive charge on current assets of the company.	Working Capital Demand loan	90 Days	Repayment of United Phosphorus Limited Loan	75.00	21.12.11	Loan from United Phosphorus Limited ₹ 71.52 Cr & unsecured Loan from Various Party/Parties ₹ 2.10 Cr & Balance from Dividend


b. United Phosphorus Limited

Sl No.	Date /Month of Loan	Loan Amount (₹ in crores)	Interest rate (% p.a.)	Where utilized	Repayment Date /month	Amount Repaid (₹ in crores)	Source of repayment
1	2008-2009						
	April	72.13	15%	(1) Towards the liability of "Bank A/c excess drawn" (Canara Bank) (2) Administrative Expenses /Interest costs			
	May	1.56		Admin/interest Cost			
	June	0.37					
	July	0.25					
	August	0.22					
	September	0.38			September	2.78	Dividend from UPL
	October	0.18					
	November	0.18			November	31.35	Proceeds from sale of shares
	December	0.44					
	January	15.17		Repayment of yes Bank Loan/Others			
	March	1.28		Admin/interest Cost	March	57.86	Bank A/c Excess drawn - ₹ 32.65 Cr (Canara Bank), Advance from Customer - ₹ 25 Cr,
	TOTAL	92.16				91.99	
2	2009-2010						
	April	33.50	15% for three months &	₹ 32.64 Cr - Towards the liability of "Bank A/c excess drawn" (Canara Bank)			
	May	2.25	13% for Nine Months	Admin/Interest cost	May	0.82	Own excess fund
	June	0.05		Admin/Interest cost			
	July	0.20		Admin/Interest cost			
	August	1.25		Admin/Interest cost			
	September	26.60		(1) ₹ 25 Cr Return of Advance from Customer (2) Balance - Administrative/Interest costs	September	3.75	Dividend from UPL
					October	2.00	Out of balance consideration recd from sale of assets
	December	0.92		Admin/Interest cost			
	January	0.03		Admin/Interest cost			
	February	0.38		Admin/Interest cost			



UNIPHOS ENTERPRISES LIMITED

Sl No.	Date /Month of Loan	Loan Amount (₹ in crores)	Interest rate (% p.a.)	Where utilized	Repayme nt Date /month	Amou nt Repaid (₹ in crores)	Source of repayment
	March	0.84		Admin/Interest cost	March	59.62	Loan from Yes Bank
	TOTAL	66.02				66.19	
3	2010-2011						
	September	68.58	13%	Repay the Yes Bank Loan	September	68.58	Loan from Yes Bank
	March	71.85	13%	Repay the Yes Bank Loan	March	71.85	Loan from Yes Bank
	TOTAL	140.43				140.43	
4	2011-2012						
	September	71.66	13%	Repay the Yes Bank Loan	Sept	71.66	Loan from Yes Bank
	December	71.52	13%	Repay the Yes Bank Loan	March	71.52	From unsecured Loan from Various Parties/Party
	TOTAL	143.18				143.18	
5	2012-13						
	April	74.00	13%	To repay the Loan from Demuric Holdings Pvt Ltd.	June	16.00	Loan from Demuric Holdings Pvt Ltd. - 16 cr and balance from Loan from STCI Finance Ltd.
					March	58.00	
	November	0.25	13%	For expenses / Interest	March	0.25	Loan from STCI Finance Limited
	December	4.00	13%	To repay the Loan from Demuric Holdings Pvt Ltd.	March	4.00	
	March	5.80	13%	To repay the Loan from Demuric Holdings Pvt Ltd.	March	5.80	
	TOTAL	84.05				84.05	

c. Demuric Holdings Private Limited

Sl No.	Date of Loan	Loan Amount (₹ in crores)	Interest rate	Where utilized	Repayment date	Repayment amount (₹ in crores)	Source of repayment
1	2011-12						
	June	67.30	13%	Repay the Yes Bank Loan	June	67.30	Loan from Yes Bank Limited
	March	74.00	14%	To repay United Phosphorus Limited Loan	April 2012-2013	74.00	Loan from STCI Finance Limited and Bajaj Finance Limited
	TOTAL	141.30				141.30	
2	2012-13						



SI No.	Date of Loan	Loan Amount (₹ in crores)	Interest rate	Where utilized	Repayment date	Repayment amount (₹ in crores)	Source of repayment	
	June	16.00	14%	To repay United Phosphorus Limited Loan				
	July	0.70		For expenses				
						Aug	0.70	Own excess fund
						Nov	0.25	Own excess fund
						Dec	4.00	Loan from UPL
	March	1.80		For expenses	March	13.55	Loan from UPL & STCI Finance Ltd and Bajaj Finance Limited	
	TOTAL	18.50				18.50		

d. SWAL Corporation Limited

SI No.	Date of Loan	Loan Amount (₹ in crores)	Interest rate	Where utilized	Repayment amount (₹ in crores)	Repayment date	Source of repayment
1	2011-12						
	June	6.70	13%	Repay the Yes Bank Limited Loan	6.70	June	Loan from Yes Bank Limited

e. Nerka Chemicals Private Limited

SI No.	Date of Loan	Name of the Lender	Loan Amount (₹ in crores)	Interest rate	Where utilized	Repayment amount (₹ in crores)	Repayment date	Source of repayment
1	2011-2012							
	Dec	Nerka Chemicals Pvt Ltd	2.10	13%	Repay the Yes Bank Loan	2.10	April 2012-2013	Short term Loan from Aditya Birla Finance Limited/Excess fund

**f. Aditya Birla Finance Limited**

Sl No.	Date of Loan	Name of the Lender	Loan Amount (₹ in crores)	Interest rate	Tenure of loan	Where utilized	Repayment amount (₹ in crores)	Repayment date	Source of repayment
1	2011-2012								
	February	Aditya Birla finance Limited	10.00	13%	Repayable on 29.07.13	Partly in Investment in shares & partly for operations	5.00	July 29, 2013 [#]	Dividend on Equity shares of United Phosphorus Limited held by Company

[#]On July 29, 2013 our Company has repaid the loan from Aditya Birla Finance Limited amounting to ₹ 500 lacs.

g. STCI Finance Limited

Sl No.	Date of Loan	Name of the Lender	Loan Amount (₹ in crores)	Interest rate	Tenure of loan	Where utilized	Repayment amount (₹ in crores)	Repayment date	Source of repayment
1	2012-13								
	March	STCI Finance Limited	75.00	12.25%	Repayable on 25.03.2014	For Loan repayment of Demuric Holdings pvt ltd, Interest & other expenses	–	Outstanding	–

h. Bajaj Finance Limited

Sl No.	Date of Loan	Name of the Lender	Loan Amount (₹ in crores)	Interest rate	Tenure of loan	Where utilized	Repayment amount (₹ in crores)	Repayment date	Source of repayment
	March	Bajaj Finance Limited	10.00	12%	Repayable on 27.03.2014	For Loan repayment of Demuric Holdings pvt ltd, Interest & other expenses	–	Outstanding	–


Details of Fixed Assets for Last Five Years

(₹ in Lacs)

No	Sale/Purchase /Expenses	Fixed Asset	Buyer /Seller Name	Date	Amount	Nature	Purpose
Year 2008-09							
1	Sales	Uniphos House, Khar	United Phosphorus Limited	December 2008	5600	Building	Investment in shares
2	CAPITAL WIP						
	Capital Expense	Water Tax			0.57		Expenses capitalised till assets is put to use
	Capital Expense	Electricity charges			14.41		Expenses capitalised till assets is put to use
3	Purchase	Purchase of Small Land in Bangalore	Raja Dutta	March 09	45.63	Land	For Approach road for Main Land
4	Capital Expense	Land	Government	July 08	4.39	Local taxes	Old pending Taxes paid & capitalised for Bangalore Land
5	Capital Expense	Land	Government	August 08	3.14	Local taxes	Old pending Taxes paid & capitalised for Bangalore Land
6	Capital Expense	Land	Government	October 08	2.11	Local taxes	Old pending Taxes paid & capitalised for Bangalore Land
Year 2009-10							
7	Capital Expense	Land	Government	July 10	15.1	Fees	Charges for Conversion of use of Land
8	Capital Expense	Land	Government	August 10	43.6	Fees	Charges for Conversion of use of Land
9	Capital Expense	Land	Government	November 10	0.99	Local taxes	Old pending Taxes paid & capitalised for Bangalore Land (Net)
Year 2010-11							
10	Capital Expense	Land	Government	March 11	22.07	Fees	Charges for Conversion of use of Land
Year 2011-12							
NIL							
Year 2012-13							
11	Sales	Vehicle	Sanjay patekar	November 12	1.42		Sale of old vehicle



Details of Investments made by our Company in the last five years

					(₹ in lacs)				
Sl. No.	Date	Particulars	Party	Purpose	2008-09	2009-10	2010-11	2011-12	2012-13
1		Opening Balance of Investments as per Financials statements*			5,455.03	7,773.50	7,754.33	7,748.57	8,398.17
2	12.06.08	Purchase of 28,50,000 Equity shares of United Phosphorus limited	Demuric Holdings Pvt ltd.	Investment	9,120.00	-	-	-	-
3	03.11.08	Less : 28,50,000 Sale of Equity Shares of United Phosphorus limited	Nerka chemicals pvt Ltd.		(4,560.00)	-	-	-	-
		(Sales Consideration ₹ 3135 Lacs, Cost of ₹ 4560 reduced from the Investment)							
4	28.11.08	Less : Reclassification of 28,50,000 Shares of United Phosphorus Limited from Short term to long term investment			(2,241.53)	-	-	-	-
5	23.02.12	Purchase of 51,930 Equity shares of United Phosphorus limited	Open Market	Investment	-	-	-	77.89	-
6	27.02.12	Purchase of 3,00,000 Equity	Open Market	Investment	-	-	-	431.91	-



Sl. No.	Date	Particulars	Party	Purpose	2008-09	2009-10	2010-11	2011-12	2012-13
		shares of United Phosphorus limited							
7	06.03.12	Purchase of 40,000 Equity shares of Advanta India limited	Open Market	Investment	-	-	-	145.27	-
		Less : depreciation provided on Investment in house property as per the Companies Act, 1956			-	(19.17)	(5.76)	(5.47)	(5.20)
		Closing Balance of Investments as per Financials statements			7,773.50	7,754.33	7,748.57	8,398.17	8,392.97

*Opening/Closing balance includes ₹134.41 lacs (gross value) as investment in house property for all the years.

**Details of loans and advances given by our Company in the last five years****Non Current Loans and Advances (Unsecured and considered goods)****(₹ in lacs)**

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Security Deposits					
Telephone deposit	0.02	0.02	0.02	0.02	0.02
Electricity connection deposit	0.11	0.11	0.11	0.11	
Maharashtra VAT deposit	0.30	0.30			
Advance tax and TDS (Net of provisions)	2,180.21	2,083.92	2,069.62	2,043.02	1,983.40
(Refer below for the details)					
	2,180.64	2,084.35	2,069.75	2,043.15	1,983.42

(₹ in Lacs)

Month	Year	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
	Advance tax and TDS (Net of provisions)	2,180.21	2,083.92	2,069.62	2,043.02	1,983.40
	Opening Balance at the beginning of the year	2,083.92	2,069.62	2,043.02	1,983.40	1,933.33
April	Tax refund	-	(3.58)	-	0.53	-
August	Tax paid	-	-	42.00	-	-
September	Tax adjustment as per IT order	-	-	-	15.54	-
September	Tax paid	-	-	-	160.00	-
October	Tax paid	-	-	(30.68)	-	5.41
December	Tax paid	-	-	-	92.00	-
December	Tax adjustment as per IT order	96.29	16.72	-	4.66	-
February	Tax paid	-	-	-	38.00	-
March	Tax paid	-	-	-	83.89	61.32
March	TDS Accounted	-	-	-	-	31.40
March	Provision for Taxation	-	-	-	(335.00)	(48.06)
March	Tax adjustment as per IT order	-	1.16	15.28	-	-
	TOTAL	2,180.21	2,083.92	2,069.62	2,043.02	1,983.40

**Current - loans and advances**

(Unsecured, Considered Good)

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Advance recoverable in cash or kind	0.30	0.69	0.06	0.59	5.20
Total	0.30	0.69	0.06	0.59	5.20

An amount of ₹ 734 lacs was given to UPL as a loan/advance during the financial year 2011-12, which was repaid by UPL during the same financial year.

Other Current Assets

(Unsecured Considered Good)

Particulars	(₹ in lacs)				
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Dividend receivable	-	506.74	-	-	-
Misc. expenses - Right Issue Expenses	36.54	30.92	30.81	-	-
Asset held for sale	-	-	-	-	1,263.89
Rent Receivable	-	-	-	157.39	161.70
Total	36.54	537.66	30.81	157.39	1,425.59

**PRINCIPAL TERMS OF THE LOAN AND ASSETS CHARGED AS SECURITY****A. Term Loan**

Name of the Lending Bank/ Financial Institution:

a. Bajaj Finance Limited

Nature of Loan Facility	Loan against shares
Amount Sanctioned	₹ 3,000.00 lacs
Rate of Interest	12.00% p.a. payable monthly
Amount outstanding as on date	1,000.00 lacs
Sanction details	Letter no. 100017 dated March 25, 2013
Tenure	12 months with put/call after 6 months
Security	<ul style="list-style-type: none">• Pledge of shares from United Phosphorus Limited (to provide security cover of 2 times of the loan amount)• Post dated cheques for the loan amount and the interest amounts thereon
Purpose	Repayment of loan and general corporate purpose

b. STCI Finance Limited

Nature of Loan Facility	Revolving loan against shares
Amount Sanctioned	₹ 7,500.00 lacs
Rate of Interest	12.25 % p.a. (fixed) with monthly rests
Amount outstanding as on date	₹ 7,500.00 lacs
Sanction details	Letter no. STCI/LAS/UEL/2012-13/1231 dated March 25, 2013
Tenure	1 year from the date of first disbursement
Security	Pledge of shares of United Phosphorus Limited
Purpose	Repayment of high cost unsecured loans availed from group companies

B. Inter-corporate Deposits

1. Name of the lending company: N.H.Harsora Limited, Dr. Hakim's Wadi, Behind Super Cinema, Harsora Centre, Grant Road, Mumbai – 400007

Nature of facility	Loan recallable on demand
Amount Sanctioned	₹ 20 Lacs
Rate of Interest	Interest free
Amount outstanding as on date	₹ 20 Lacs
Sanction details	Not applicable
Tenure	Loan recallable on demand
Security	Nil
Purpose	Working capital



WORKING RESULTS

In accordance with circular no. F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977 and in accordance with sub-item (B) of item X of Part E of the SEBI Regulations, the information required to be disclosed for the period between the last date of financial statements provided to the shareholders and the date preceding one month from the date of Letter of Offer is provided below:

a. Working Results of our Company for the period from 1 April 2013 to July 31, 2013

Particulars	Amount (₹ in Lacs)
Sales / turnover	216.67
Other income	636.27
Total Income	852.94
PBIDT	600.65
Interest & Finance Charges	369.10
Provision for Depreciation	1.24
Provision for Tax	-
Profit /(Loss) after Tax	230.31

b. Material changes and commitments, if any, affecting the financial position of our Company

In the opinion of our Board, there have not arisen since the date of the last financial statements disclosed in this Letter of Offer, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next 12 months otherwise than as disclosed in this Letter of Offer which will impact our performance and prospects.

**CAPITALISATION STATEMENT AS ADJUSTED FOR THE ISSUE****Uniphos Enterprises Limited**

Statement of Capitalisation of the Uniphos Enterprises Limited (the “Company”) as adjusted for issue:

Particulars	₹ in Lacs	
	Pre-Issue as at March 31, 2013	As Adjusted for the Issue
Short Term Debt	9,020.00	9,020.00
Long Term Debt	-	-
Total Debt (A)	9,020.00	9,020.00
Shareholders' Fund / Net worth		
Share capital	509.49	1,390.91
Reserves and surplus		
Securities Premium Account	-	6,610.68
Capital reserve	64.39	64.39
General reserve	3,100.65	3,100.65
Surplus in the statement of profit and loss	919.70	919.70
Miscellaneous expenses	(36.54)	(36.54)
Total Shareholders' fund/ Net worth (B)	4,557.69	12,049.79
Total Debts / Shareholder's fund (A/B)	1.98	0.75

Notes:

The statement of the Company as adjusted for the issue are prepared by the Company's management and have considered the following principles for the purpose of Calculation:

1. Pre issue figures are based reformatted financial statements of the Company.
2. The corresponding post issue figures are based on the rights issue entitlements ratio of 173 Equity Shares for every 100 fully paid-up equity shares held by the existing Equity Shareholders as of March 31, 2013 and based on the issue price of ₹ 17 per share as decided by the Board of Directors in its meeting dated September 7, 2013.
3. The Capitalisation Statement, as adjusted for Rights Issue is prepared on the assumption that the proposed rights issue of 44,071,179 Equity Shares with a face value of ₹ 2 each at a premium of ₹ 15/- per Equity Share will be subscribed fully.
4. Net Worth includes equity Share capital + Reserves & Surplus (excluding revaluation reserve) - Miscellaneous expenses.

**MARKET PRICE INFORMATION**

The equity shares of our Company were listed on BSE and the Ahmedabad Stock Exchange Limited in 1986. Subsequently, our Company was listed on the NSE in 1995. On March 3, 2005, the equity shares were delisted from the Ahmedabad Stock Exchange.

The high, low and average market prices of the equity shares during the preceding three years were recorded, as stated below:

BSE							
Calendar Year	Date of High	High (₹)	Volume on date of High (No. of Shares)	Date of Low	Low (₹)	Volume on Date of low (No. of Shares)	Average (₹)
2011	January 4	40.10	3,470	December 30	22.40	1,050	28.13
2012	February 9	30.00	21,406	September 3	20.20	424	23.97
2013	January 10	26.20	41,898	April 8	16.20	100	20.37

(Source: www.bseindia.com)

NSE							
Calendar Year	Date of High	High (₹)	Volume on date of High (No. of Shares)	Date of Low	Low (₹)	Volume on Date of low (No. of Shares)	Average (₹)
2011	January 4	40.20	4,560	December 29	22.50	1,817	28.13
2012	February 9	30.10	17,522	September 3	20.35	1,514	23.93
2013	January 10	26.50	84,413	April 15	16.05	800	20.66

(Source: www.nseindia.com)

Notes:

- High, low and average prices are of the daily closing prices.
- In case of two days with the same closing price, the date with higher volume has been considered.

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of the Letter of Offer is as stated below:

BSE							
Month	Date	High (₹)	Volume (No. of Shares)	Date	Low (₹)	Volume (No. of Shares)	Average (₹)
March 2013	11 th	20.30	2,579	26 th	17.25	1,222	19.04
April 2013	15 th	20.70	1,552	8 th	16.2	100	17.77
May 2013	17 th	21.00	2,549	2 nd	18.00	7,038	19.75
June 2013	7 th	20.50	1,027	24 th	16.60	4,500	18.87
July 2013	30 th	19.20	10	22 nd	17.20	101	18.28
August 2013	22 nd	18.75	127	30 th	16.75	6,100	17.68

(Source: www.bseindia.com)

NSE							
Month	Date	High (₹)	Volume (No. of Shares)	Date	Low (₹)	Volume (No. of Shares)	Average (₹)
March 2013	11 th	20.35	2,077	26 th	17.10	1,724	18.93
April 2013	11 th	19.95	503	15 th	16.05	800	17.94
May 2013	17 th	21.00	5,100	2 nd	18.20	500	19.56
June 2013	11 th	20.45	1,000	28 th	18.00	412	19.24
July 2013	3 rd	19.95	2	30 th	17.50	300	18.58
August 2013	12 th	18.25	402	29 th	16.35	200	17.17

(Source: www.nseindia.com)

Notes

- High, low and average prices are of the daily closing prices.
- In case of two days with the same closing price, the date with higher volume has been considered.



The closing prices of equity shares as on December 24, 2010 (the trading day immediately following the day on which the resolution of the Board of Directors was passed approving the Rights Issue) on BSE and the NSE were ₹ 39.60 and ₹ 39.05, respectively.

- a. The week end closing prices of the equity shares for last four weeks on BSE and NSE are provided in the table below:

Week ended on	Closing Price (In ₹)	
	BSE*	NSE**
September 6, 2013	17.25	17.55
August 30, 2013	16.75	17.15
August 23, 2013	17.85	16.50
August 16, 2013	17.95	18.25 ¹

*Source: www.bseindia.com ** Source: www.nseindia.com

¹ There was no trading on this day. The last date of trading prior to this day was August 12, 2013

- b. The highest and lowest prices of the equity shares on BSE and NSE for last four weeks are provided in the table below:

Name of the stock exchange	Highest (In ₹)	Date	Lowest (In ₹)	Date
BSE	18.75	August 22, 2013	16.75	August 30, 2013
NSE	18.30	September 5, 2013	16.35	August 29, 2013

Notes

- High and low prices are of the daily closing prices.
 - In case of two days with the same closing price, the date with higher volume has been considered.
- c. The closing current market price as of September 6, 2013 on BSE was ₹ 18.15 per share and NSE was ₹ 17.40 per share.

The Issue Price of ₹ 17/- has been arrived at by our Company in consultation with the Lead Manager.



SECTION VI - LEGAL AND OTHER INFORMATION**OUTSTANDING LITIGATIONS AND DEFAULTS**

All pending matters involving our Company which, if they result in an adverse outcome would materially and adversely affect our operations or our financial position, have been disclosed in this section.

There are no matters which are pending or which have arisen in the immediately preceding ten years, which have not been transferred to UPL, formerly Search Chem Industries Limited, pursuant to the Scheme of Amalgamation, involving:

- (1) Issues of moral turpitude or criminal liability on the part of our Company
- (2) Material violations of statutory regulations by our Company
- (3) Economic offences where proceedings have been initiated against our Company.

In terms of Part E of Schedule VIII of SEBI Regulations, which sets out disclosure requirements the purpose of inclusion in the letter of offer, the following materiality tests have been applied for disclosure of litigations involving our Company:

1.1 For the outstanding litigations which may not have any impact on our future revenues:

- (a) Where the aggregate amount involved in such individual litigation exceeds one per cent of the net worth of our Company as per last completed financial year; or
- (b) Where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in single case individually may not exceed one per cent of the net worth of our Company as per the last completed financial year.

1.2 For the outstanding litigations which may have any impact on the future revenues:

- (a) Where the aggregate amount involved in such individual litigation is likely to exceed one per cent of the total revenue of our Company as per last completed financial year; or
- (b) Where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in single case individually may not exceed one per cent of the total revenue of our Company, if similar cases put together collectively exceed one per cent of total revenue of our Company as per last completed financial year.

Pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:

Cases filed against our Company**A. Consumer cases**

1. *Appeal filed by Rajendra Girase against our Company before the State Consumer Dispute Redressal Commission, Aurangabad Bench*

Rajendra Girase filed a consumer complaint against our Company before the District Consumer Dispute Redressal Forum, Aurangabad (“**Forum**”) alleging that the papai seeds purchased from Chetan Krishi Seva Kendra which were produced and marketed by our Company were below expectation. The Forum passed an order (“**Award**”) directing our Company to pay a sum of ₹ 52,550/- as compensation and ordered compliance within 30 days from the receipt of the order. The Complainant refused to accept the compensation and filed an Appeal (No.1302 of 2007 in Complaint No.75 of 2007) challenging the Order before the State Consumer and Dispute Redressal Commission, Aurangabad Bench in October 2007. The appeal is currently pending before the State Consumer Disputes Redressal Commission.



B. Tax litigations involving

Please read the following disclosure of tax litigations involving our Company in conjunction with the table on contingent liability given at the end of this chapter.

1. The Assistant Commissioner of Income Tax has filed an appeal number 1858/A/2002 dated May 31, 2002 before the Income Tax Appellate Tribunal against the order of the Commissioner of Income Tax (Appeals) for the assessment year 2005-2006 on the following grounds:
 - a. Commissioner of Income Tax (appeals) has erred in passing direction to the assessing officer to exclude excise duty from the total turnover while working out the relief under section 80HHC of the Income Tax Act.
 - b. Commissioner of Income Tax (appeals) has erred in passing direction to the assessing officer to include non industrial undertaking income.

The matter is pending.

2. The Deputy Commissioner of Income Tax, Mumbai has filed an appeal ITA 4342/M/03 dated June 2003 with the Income Tax Appellate Tribunal (“**ITAT**”) against the Order of Commissioner of Income Tax (Appeals) (“**CIT**”) dated March 7, 2002 for the assessment year 1997-1998. The Order has been challenged on the following grounds:

- (a) CIT (A) erred in Holding that invocation of section 40A(2)(b) is totally misplaced without appreciating the fact that booking of unreasonable and excessive expenses is one and the same thing as suppressing income by undercharging sister concern.
- (b) Allowing our Company’s claim without appreciating the fact that the provision of section 40A(2)(a) are placed in the Act to bring into book this type of tax saving adjustments.
- (c) Allowing our Company’s claim without appreciating ratio laid down by the Supreme Court that is colorable devices cannot be part of tax.

The matter is currently pending.

3. The Assistant Commissioner of Income Tax, Mumbai has filed an appeal ITA 1620/A/2002 dated May 16, 2002 with the Income Tax Appellate Tribunal (“**ITAT**”) against the Order of Commissioner of Income Tax (Appeals) (“**CIT**”) dated March 8, 2002 for the assessment year 1997-1998. The Order has been challenged on the following grounds:

- (a) CIT (A) erred in deleting or reducing the following additions or disallowable:
 1. Excise duty refund receivable- ₹ 10,23,41,640;
 2. Duty drawback receivable- ₹ 22,28,063;
 3. Interest claimed under section 36(i)(iii)- ₹ 1,38,75,423
 4. Salary and wages under section 37 (1)- ₹ 30,70, 217;
 5. Depreciation- ₹ 5,69,38,127;
 6. Under section 43B-P.F-ESI- ₹ 1,00,21,910;
 7. Wealth tax liability- ₹ 1,64,209.

The matter is currently pending.

4. The Deputy Commissioner of Income Tax, Mumbai has filed an appeal with the Income Tax Appellate Tribunal (“**ITAT**”) against the Order of Commissioner of Income Tax (Appeals) (“**CIT**”) dated April 25, 2005 for the assessment year 1999-2000. The Order has been challenged on the following grounds:

- (a) The CIT erred in treating product registration expenses amounting to ₹ 1,37,93,917/- and research & development expenses amounting to ₹ 3,89,70,006/- as revenue in nature.
- (b) The CIT erred in deletion of disallowance of ₹ 3,81,092 under section 36(1)(va) and of ₹ 10,74,857 under section 43B made by the assessing officer on account of provident fund contribution made beyond the due date.
- (c) The CIT erred in deletion of disallowance of ₹ 2,95,73,585 on account of legal fees.

The matter is currently pending.



5. The Deputy Commissioner, Mumbai has filed an appeal with the Income Tax Appellate Tribunal (“ITAT”) against the Order of Commissioner of Income Tax (Appeals) (“CIT”) for the assessment year 2000-2001. The Order has been challenged on the following grounds:
- Addition made by the Assessing Officer on account of loss of ₹ 1,51,67,500/- incurred by the assessee on the cancellation of forward contract.
 - Deletion of disallowance of ₹ 6,25,756/- made by the Assessing Officer on account of penalty paid by our Company.
 - Restricting disallowances from ₹ 9,23,55,134/- to ₹ 5,85,61,165/- on account of interest paid on the borrowed funds utilized for non-business purpose of advancing loan to Search Chem Industries Limited.
 - Restricting disallowances made by the Assessing Officer on account of sales promotion expenses from ₹ 25,00,000/- to ₹ 15,00,000/- and in treating Product registration expenses of ₹ 33,53,154/- and Research and Development expenses of ₹ 4,67,31,101/- as revenue in nature.
 - Allowing 10% of Data Access Fee of ₹ 14,41,77,000/- and Task Force expenses of ₹ 7,68,26,307/.

The matter is currently pending.

6. The Assistant Commissioner of Income Tax, CC-38, Mumbai filed an appeal ITA 1812/M/06 dated March 17, 2006 against the Commissioner of Income Tax (Appeals) order dated December 30, 2005 (“Order”) for the assessment year 2002-2003. The Order has been challenged due to:
- Deleting the additions by treating product registration expenses of ₹ 20,07,684 and research and development expenses of ₹ 3,05,38,830/- as revenue expenses.
 - Erred in directing the assessing officer to allow 1/5th of ₹ 88,70,985/- by treating the data access fees as revenue expenditure.
 - Deletion of disallowance on account of delayed payment of employee's contribution towards PF and ESIC of ₹ 57,00,023/- disallowed under section 36(1)(va) and employer's contribution of ₹ 4,024,927 disallowed under section 43B.
 - Treating sales tax refund of ₹ 13,06,862/- as part of the profit eligible for deduction under section 80IB.
 - The CIT erred in directing the assessing officer not to consider the amount of excise duty and sales tax totaling to ₹ 37,83,51,575 as part of total turnover for the purpose of deduction under section 80HHC.
 - Erred in directing the assessing officer not to exclude the 90% of job work charges, sales tax refund, discount, excess provision written back, sundry credit written back, exchange rate difference and 50% of miscellaneous receipts (sale of scrap only) from the business profit while computing profit of the business for the purpose of deduction u/s.80HHC.
 - Erred in directing the assessing officer not to exclude 90% of the exchange difference amounting to ₹ 593.06 lacs while computing the profits of the business for the purpose of deduction under section 80 HHC.

The matter is currently pending.

7. The Deputy Commissioner of Income Tax, CC-38, Mumbai filed an appeal ITA 6236/M/10 dated August 16, 2010 against the Commissioner of Income Tax (Appeals) order dated June 10, 2010 (“Order”) for the assessment year 2003-2004. The Order has been challenged due to:
- Deleting the additions by treating product registration expenses of ₹ 16,03,765 and research and development expenses of ₹ 2,12,12,857 by treating data access fees as revenue in nature.
 - Erred in directing the assessing officer to allow 1/5th of ₹ 17,29,35,565/- by treating the data access fees as revenue expenditure.
 - Erred in directing the assessment officer to treat sales tax refund of ₹ 1,78,754 and job work charges of ₹ 13,75,000 as part of the profit eligible for deduction.
 - Erred in directing the assessment officer not to exclude the entire amount of DEPB proceeds of ₹ 20,58,00,000 from the profits of the business but only the profit arising on the transfer of the DEPB for computation of deduction under section 80HHC relying on the decision of the ITAT Mumbai.

The matter is currently pending.



Cases filed by our Company

A. Consumer cases

1. Appeals filed by our Company before the State Consumer Disputes Redressal Forum at Mumbai.

Our Company has filed four appeals before the State Consumer Disputes Redressal Commission at Mumbai against Manohar (Appeal no. 880 of 2007 in Complaint No: 313 of 2006), Vitthal Yeshwant Wankhede and another (Appeal no. 882 of 2007 in Complaint no. 315 of 2006), Ramrao Bansode (Appeal no. 881 of 2007 in Complaint no. 315 of 2006) and Kisan Bansode (Appeal no. 883 of 2007 in Complaint no. 316 of 2006) (individually referred to as “**Respondent**”). The facts of the four appeals and the amounts involved therein are the same and are as follows:

On December 22, 2005, the Respondent purchased seeds from Vijay Beej Masonry Stores, which were marketed by our Company. On allegedly not achieving the desired results, the Respondent filed a complaint with the District Consumer Redressal Forum, Aurangabad (“**Forum**”), the Blocked Development Officer and the Jilla Parishad. The Forum relied on a report of the Agriculture Development Officer and passed an order in the captioned matter on May 19, 2007 (“**Order**”), awarding a compensation of ₹ 1,41,075/- to the Respondent. Our Company appealed against the Order before the State Consumer Disputes Redressal Commission at Mumbai (“**Commission**”) in August 2007 (“**Appeal**”) by challenging the Order on the grounds that the same is contrary to legal principles, is misconceived, untenable and is contrary to the provisions of the Consumer Protection Act, 1986. Our Company has stated that the seeds must be sent to a laboratory for testing and that the report of the Agriculture Development Officer was prepared without following the norms prescribed under law and hence should not have been relied upon by the Forum. Subsequently, the State Consumer Dispute Redressal Commission vide common order dated December 11, 2012 modified the Order and directed our Company to pay to the Respondent ₹ 1,10,000 for expected loss of yield of crop and ₹ 3,000 towards mental agony and ₹ 2,000 as cost of the complaint.

B. Tax litigations

Please read the following disclosure of tax litigations involving our Company in conjunction with the table on contingent liability given at the end of this chapter.

1. Our Company has filed an appeal with the High Court of Gujarat against an Order of the Income Tax Appellate Tribunal (“**ITAT**”) for the assessment year 1992-1993.

Our Company has appealed as to whether the ITAT was right in law holding that the alleged income from Advance License Benefit receivable is taxable in the year under consideration even though the said income has accrued to our Company in the subsequent years and whether the ITAT was correct in holding that the premium paid for the leasehold land is not revenue expenditure and not allowable. Our Company has also challenged whether the ITAT was correct in holding that the premium of leasehold land cannot be allowed on proportionate basis spread over the period of lease which is totally contrary to the decision of Supreme Court in the case of Madras Industrial Investment Corporation Limited v CIT (225 ITR 802).

The matter is currently pending.

2. Our Company has filed an appeal ITA No. 1408/Ahd/97 dated April 11, 1997 with the Income Tax Appellate Tribunal (“**ITAT**”) against order dated January 21, 1997 passed by Commissioner of Income Tax- (Appeals)-I, Surat for the assessment year 1993-1994. The Company has challenged due to:

- a. Inclusion of the Advance License Benefit amounting to ₹ 5,46,20,751/- in the total income inter-alia on the ground that no income had accrued to our Company until imports were made and raw materials were consumed in the subsequent year.
- b. Not allowing the claim in respect of deduction of a sum of ₹ 22,88,579/- paid to Gujarat Industrial Development Corporation as premium on lease hold.
- c. Not allowing the deduction in respect of the ₹ 8,07,600/- being the payment of stamp duty for transfer of rights in the lease hold land on the ground that expenses were incurred as a consequences of the scheme of amalgamation of a company with our Company and not for purpose of raising authorized share capital and conducting survey and expenditure was in the nature of revenue and not capital.



- d. Rejection by the CIT of Company's claim for deduction in respect of a sum of ₹ 42,911/- representing miscellaneous expenses for facilitating the use of leasehold land as the expenses constituted revenue expenditure eligible for deduction under section 37 (1), ITA.
- e. Disallowing a sum of ₹ 4,60,500/-, representing a registration fee and stamp duty for increase in authorized capital as expenditure did not represent capital expenditure, it represented revenue expenditure.
- f. Allowing depreciation in respect of items of plant and machinery costing less than ₹ 5000 each at ₹ 97,311/- as against ₹ 7,78,490/- on the grounds that depreciation in respect of full amount ought to have been allowed as per the first proviso to section 32 (1) (ii), ITA and each item of addition constituted plant and machinery on which 100% depreciation is eligible since cost did not exceed ₹ 5,000/-.
- g. Upholding of the action of Deputy Commissioner in considering the claim of depreciation as per revised statement of depreciation submitted by the Deputy Commissioner, as depreciation was eligible on the higher written down value without considering the deduction of interest capitalized in the assessment year 1992-93 (claim for deduction of interest capitalized had not been allowed as a deduction).
- h. Upholding of the action of Deputy Commissioner, in allowing the deductions under section 80 I/ IA after deducting depreciation eligible under section 32 on the ground that deduction under section 80 I and section 80 IA ought to have been allowed on the profits of the concerned undertakings without deducting the depreciation eligible under section 32 in view of the fact that depreciation under section 32 is eligible on the basis of the block assets for our Company as a whole and not in respect of individual assets of the concerned industrial undertakings and accordingly depreciation cannot be allocated to the different industrial undertakings as per the scheme of the Income Tax Act, 1961 in respect of allowance depreciation of the concept of block of assets.
- i. Upholding of the action of Deputy Commissioner in computing the deduction under section 80 HHC on the grounds that error in rejecting additional grounds of appeal on the ground that our Company had not made any such claim before the assessing officer and had not furnished any working of claim for deduction under section 80 HHC during the course of the appellate proceedings in spite of the fact that no such details were called for.

The matter is currently pending.

3. Our Company has filed an appeal ITA No. 154/A/1998 dated January 29, 1998 with the Income Tax Appellate Tribunal ("ITAT"), against order dated November 24, 1997 passed by Commissioner of Income Tax-(Appeals) I, Surat for the assessment year 1994-1995. Our Company has filed the appeal due to:
 - a. Including in the total income of Advance License Benefit receivables of ₹ 8,02,38,750/- as no income has accrued to our Company until imports were made and raw materials were consumed in the subsequent year and advance license benefit was not transferable and no income accrued to our Company until raw materials were actually imported.
 - b. Allowing deduction in respect of non-refundable deposit paid to Bombay Suburban Electricity Supply Limited for electric connection only to the extent of ₹ 55,000/- instead of ₹ 1,28,345/-.
 - c. Rejecting the claim made by our Company in respect of deduction of traveling expenses and salary and wages amounting to ₹ 1,05,54,024/- and ₹ 33,80,439/- respectively, capitalized in the books as expenses represented revenue expenditure eligible for deduction under section 37 (1) and expenditure is revenue in nature and cannot be termed as capital expenditure.
 - d. Disallowing a sum of ₹ 28,967/- under the provisions of Rule 6 B in respect of expenditure on presentation of articles as presentation of articles not advertisement as the articles did not bear the logo of our Company as the person who received it were aware of the name who had presented such articles.
 - e. Disallowing a sum of ₹ 23,56,302/- out of repairs to building and repair to other by treating the same as capital expenditure as the same expenses were incurred for maintaining and repairing the existing assets and accordingly did not result in any benefit in the capital field.
 - f. Allowing deduction as computed by our Company on the ground that deduction under section 80 I and section 80 IA ought to have been allowed on the profits of the concerned undertakings without restricting the total deduction to 30% of the gross total income.
 - g. Upholding of the action of Deputy Commissioner in calculating depreciation of in respect of blocks of assets other than the block of assets relating to plant and machinery eligible for 100%



depreciation, even though no claim was made by our Company in respect of the same on the ground that depreciation being an allowance can be allowed only if claimed by our Company.

- h. Non-consideration of the interest levied under section 243 B on the ground that Interest under section 234 B could be levied only on the amount of assessed tax paid and could not be levied on the amount of refund of tax granted in intimation.

The matter is currently pending.

4. Our Company has filed an appeal with the CIT against Order dated March 7, 2002 giving effect to the order of the Income Tax Appellate Tribunal, Ahmedabad (“ITAT”) for the assessment year 1995-1996. Our Company has filed the appeal due to:
 - a. Disallowing deduction in respect of non- refundable deposits paid to Mahanagar Telephone Nigam Limited aggregating to ₹ 3,40,900/- and in respect of claim for deduction of prior period adjustments amounting ₹ 16,60,207/-.
 - b. Disallowing deduction in respect of expenditure amounting to ₹ 1,01,89,977/- debited in the accounts of the previous year relevant to assessment year 1995-96 and not allowing the deductions under section 80 I and 80 IA.
 - c. Reducing the deduction already allowed to the assessee in the assessment order dated August 6, 1998 due to erroneous computation of deduction under section 80HHC.

The matter is currently pending.

5. Our Company filed an appeal dated May 2, 2002 with the ITAT, against the Order dated March 6, 2002, giving effect to the order of the ITAT, Ahmedabad for the assessment year 1995-1996. Our Company has filed an appeal due to:
 - a. The action of the CIT in reiterating the directions issued to the Additional Commissioner of Income Tax, in respect of non- refundable deposits paid to Mahanagar Telephone Nigam Limited aggregating to ₹ 3,40,900/- and thereby entitling the Additional Commissioner of Income-Tax to cover up the earlier deficient work by restoring the matter back to him for the third time.
 - b. Setting aside the ground pertaining to deduction in respect of non- refundable deposits paid to Mahanagar Telephone Nigam Limited aggregating to ₹ 3,40,900/-.
 - c. Allowing deduction in respect of the claim for deduction of prior period adjustments amounting to ₹ 16,60,207/- thereby entitling the Additional Commissioner of Income-Tax to cover up the earlier deficient work by restoring the matter back to him for the third time.
 - d. Setting aside the ground in respect of the claim for deduction of prior period adjustments amounting to ₹ 16,60,207/-.
 - e. Holding that deduction amounting to ₹ 7,48,68,772/- allowed in the Order dated August 6, 1998 by the assessing officer can in no way be reduced, subject however to verification of figures appearing in the certificates, thereby, entitling the Additional Commissioner of Income-Tax to cover up the earlier deficient work by restoring the matter back to him for the third time.

Our appeal was allowed by the ITAT vide its order dated April 8, 2010. The matter is currently pending.

6. Our Company has filed an appeal with the Income Tax Appellate Tribunal (“ITAT”), against order dated March 7, 2002 passed by CIT- I, Surat for the assessment year 1996-1997. Our Company has filed an appeal due to:
 - a. The CIT holding that provisions of sections 80 AB are applicable to the computation of deduction under sections 80 I and 80 IA, and the deductions under section 80 I and 80 IA are to be computed at 30% of the Business Income on the ground of ignoring the specific directions given by the CIT on page 8 of the appellate Order dated March 15, 2000 bearing appeal no. Cas (I)/179/99- 2000. Our Company has also stated the ground of reducing exchange difference amounting to ₹ 2,20,59,629/- from “Profits of the Business’ without appreciating the fact that specific directions had been issued to treat the said amount as ‘turnover’. The exchange difference amounting to ₹ 2,20,59,629/- was not included in ‘export turnover’ while the same was included in ‘total turnover’. Our Company has also stated the ground of treating the loss amounting to ₹ 12,58,278/- in respect of export of traded goods as nil while computing adjusted profits of the business.



- b. Application of section 40A (2) (b) by the CIT to a transaction of sale on the ground that section 40 A (2) (b) can be applied only to expenditure and that no addition can be made in respect of sale of White Phosphorous at differential rates.
- c. Upholding of the action of Joint Commissioner of Income-tax of levying interest under section 234B amounting to ₹ 1,20,42,473/- in the notice of demand when no specific directions for such levy were issued in the assessment order.

The matter is currently pending.

7. Our Company has filed an appeal with the Commissioner of Income Tax (Appeals) (“CIT”) against order dated November 20, 2000 giving effect to the Order of the Joint Commissioner of Income Tax (“JCIT”) for the assessment year 1996-1997. Our Company has filed an appeal due to:
 - a. Not granting relief in respect of computation of long term capital gains arising on sale of undertaking and in not quantifying the capital loss to be carried forward to assessment year 1997-1998 after re-computing the long term capital gains and in not re-computing the long term capital gains arising on sale of undertaking by excluding an amount of ₹ 1,38,89,304/- being interest capitalized in the books of account but not allowed as a revenue expenditure in the assessment order passed for assessment year 1995-1996.
 - b. Allowing deductions under sections 80-I and 80-IA on the ground that as per the directions of the Commissioner of Income Tax (Appeals), the qualifying amounts for the deductions under sections 80-I and 80 IA ought to be restricted to 30% of Gross Total Income i.e ₹ 9,40,76,587/- (being 30% of ₹ 31,35,88,625/-) instead of computing the said deductions under sections 80-I and 80- IA of the Business Income.
 - c. Alleged wrongful computation of the deduction under section 80 HHC on the ground of reducing exchange difference amounting to ₹ 2,20,59,629 /-while computing “profits of the business”. Our Company has challenged reducing exchange difference on exports amounting to ₹ 2,20,59,629/- while computing “Profits of the Business” without appreciating the fact that specific directions had been issued to not to exclude the same from ‘export turnover’ and ‘total turnover’, treating the loss amounting to ₹ 12,58,278/- in respect of export of traded goods as nil while computing adjusted profits of the business.
 - d. Application of section 40A (2) (b) by the CIT to a transaction of sale on the ground that section 40 A (2) (b) can be applied only to expenditure and no addition can be made in respect of sale of White Phosphorous at differential rates.
 - e. Upholding of the action of Joint Commissioner of Income-tax of levying interest under section 234B amounting to ₹ 1,20,42,473/- without issuing specific directions for such levy. Reliance has been placed by our Company upon the decision of the Hon’ble Supreme Court in the case of CIT vs Ranchi Club Limited.

The matter is currently pending before the High Court.

8. Our Company has filed an appeal with the ITAT against the order dated March 7, 2002 passed by the Commissioner of Income Tax (Appeals) - VI, Surat for the assessment year 1997-1998. Our Company has filed the appeal as the Assessing Officer had neither adjudicated on the issues set aside by the CIT in order dated January 19, 2001 nor passed a speaking order. The CIT had no power to set aside any issue to the Assessing Officer with effect from June 1, 2001 and a speaking order ought have been passed by the him, on the issues such as Disallowance out of interest paid (₹ 2,54,45,725/-), Additions in respect of sale of white phosphorus at different rates (₹ 2,34,52,490/-) and Claim for deduction in respect of expenses treated as deferred revenue expenditure in the accounts- Research and development expenses (₹ 2,31, 56,500/-) and Avalon service Charges (₹ 1,79,17,996/-) which had been set aside to the Assessing Officer in the Appellate order dated January 19, 2001. Our Company has also stated that the Assessing Officer has issued directions given in the appellate order dated January 19, 2001 to follow appellate orders for assessment years 1995-96 and 1996-97.

Our Company has also prayed for the following:

- a. Disallowance of ₹ 2,54,45,725/- out of interest paid as interest payments were made wholly and exclusively for the purpose of the business. Additionally, there was no justification for computing notional interest at 18% and the Share Capital and Reserves and Surplus of our Company amounted to ₹ 385.74/- crores.



- b. Addition of ₹ 2,34,52,490/- made under section 40 A (2) (b), ITA in respect of the sale of white phosphorus as section 40 A (2) (b) could apply only to expenditure incurred and cannot apply to a transaction of sale and full justification had been provided for charging lower rates to its sister concerns as compared to rates charged to the outside parties. Further, for making the addition, the fair market value of white phosphorus had been taken on the basis of the arithmetic average of ₹ 130.80/- and ₹ 144/- per kg, ignoring the fact that market value of white phosphorus was affected by various factors including credit worthiness, quantity supplied, packing, etc and for the purpose of comparison, the sales made at higher rates of ₹ 144/- were not excluded.
- c. Disallowance of ₹ 2,31,56,500/-, in respect of expenses incurred on research and development for existing products but treated as deferred revenue expenses in the accounts on the ground that the said expenditure has been incurred on research and development and accordingly, allowable as a deduction under section 35.
- d. Disallowance of ₹ 1,79,17,996/-, made in respect of services charges for computer software treated as deferred revenue expenditure in the accounts on the ground that the expenditure represented only expenditure on software allowable under section 37 (1) since the expenditure on hardware has already been capitalized and accordingly no portion of the capital expenditure was included in the aforesaid amount.
- e. Disallowance of ₹ 96,045/- made under section 40 (a) (iia) in respect of wealth- tax paid on the ground that section 40 (a) (iia) is not attracted as the definition of wealth- tax given in Explanation to section 40 (a) (iia) specifically excludes any particular assets of the business and in the case at hand wealth- tax is paid only on certain specified assets and not on the value of all assets of the business. Further, Company has without prejudice to the above sought deletion of the addition of ₹ 96,045/- on that the ground that the same has resulted into double disallowance.
- f. Re-computation of the deduction under section 80 HHC which has been computed as nil as while computing the “profits of the business”, 90% of the Management Service Charges (₹ 3,56,90,000/-), Discount (₹ 10,53,433/-) and Miscellaneous Receipts (₹ 44,86,093/-) ought not to be reduced from the profits of the business since the said items are not specifically required to be reduced from the profits of the business as per definition given in clause (baa) of the Explanation below section 80 HHC (4A). Further 90 % of exchange difference amounting to ₹ 2,77,21,673/- ought not to be reduced while computing profits of the business in view of the fact that the said amount represented turnover. Our Company has also stated that only the net amount of interest received by our Company ought to have been reduced while computing the profits of the business as per Explanation (baa) below section 80 HHC (4 A). Our Company has further stated that we had credited in the profit and loss Account, an amount of ₹ 3,22,81,466/- as interest received and had debited an amount of ₹ 46,14,76,435/- as interest paid. As interest paid was more than interest received, no portion of the interest ought to have been reduced while computing the profits of the business for the purpose of working out deduction under section 80 HHC. Our Company has also claimed that the word ‘receipts’ as referred to in the Explanation (baa) below section 80 HHC (4A) refers only to the net receipts and accordingly, gross receipts of interest cannot be reduced from the profits of the business.
- g. Re-computation of the deduction under section 80 HHC which has been computed as nil as while computing the “total turnover”, excise duty amounting to ₹ 38,66,80,373/- and sales- tax amounting to ₹ 6,12,06,238/- ought to be included as a part of the total turnover in view of the fact that the ‘total turnover’ has to be made comparable with the term ‘export turnover’ and since export turnover does not include excise duty and sales- tax, the total turnover should also have been taken exclusive of excise duty and sale- tax. Further, a sum of ₹ 14,84,43,037/- (i.e. ₹ 15,56,36,635/- – ₹ 71,93,593/-) in respect of sale proceeds realized after September 30, 1997 for which the extension of time up to September 30, 1998 was granted under the provisions of section 80 HHC (2) (a) of the Act ought to have been included in the ‘export turnover’. Additionally, exchange difference amounting to ₹ 2,77,21,673/- ought to have been included as part of the export turnover and total turnover for the purpose of computing deduction under section 80 HHC.
- h. Re-computation of the deduction under section 80 HHC which has been computed as nil as while profits attributable to export of traded goods resulted in a negative figure, the deduction under section 80 HHC (3) (b) in respect of export of traded goods ought to have been at nil.
- i. Re-computation of the deduction under section 80-I and 80-IA, which was computed as nil, to be computed with items of ‘other income’ not being excluded from the ‘profits of the eligible undertakings’. The deduction under section 80-I and 80-IA ought to be computed with reference to the profits of the eligible undertakings and not with reference to the ‘profits and gains of the business’. The Management service charges had already been excluded while computing the profits of the eligible undertakings and further exclusion resulted in double disallowance thereof.



Further, since advance license benefit and pass book benefit have been treated as income in the year of import of the eligible raw materials, the reversal of the said advance license benefit and pass book benefit amounting to ₹ 14,61,35,678/- and ₹ 13,24,36,891/- respectively ought to be reduced while computing cost of raw materials for the purpose of 'profits of the eligible undertakings. Alternatively, as per the departmental stand of considering the benefits as income in the year of export, the income deemed to have been received amounting to ₹ 9,17,77,247/- and ₹ 19,96,61,366/- as advance license and pass book benefit respectively ought to be reduced from the cost of the raw materials for working out the profits of the eligible units. Additionally, the deduction ought to be allowed on profits eligible undertakings and ought not to be restricted to 30 % on the gross total income.

- j. Re-computation of the book profits on the ground that the starting point was taken as "Profits after Tax". Further our Company has submitted that the profit on sale of investments ought to be excluded while computing the book profits under section 115 JA as the expression book profits is intended to be confined to "business profits" and not to income chargeable to tax under the head 'capital gains'.

The matter is currently pending.

9. Our Company has filed an appeal with the Income Tax Appellate Tribunal ("ITAT") against an order of Additional CIT (Assistant), Special Range – 1, Surat for the assessment year 1998-1999.

The assessment under appeal was finished under section 143 (3) of the IT Act on an income of ₹ 23,95,36,557/-. The Assessing Officer had made certain additions/ disallowances in the total income of our Company. On appeal, the CIT has deleted/ reduced disallowances to ₹ 18,86,39,590/-. Our Company has preferred an appeal on the ground that the order of the CIT is erroneous.

The matter is currently pending.

10. Our Company has filed an appeal with the Income Tax Appellate Tribunal ("ITAT"), against the appellate order dated March 8, 2002 passed by the CIT-IV, Surat for the assessment year 1998-1999. Our Company has filed the appeal due to:

- a. Inclusion of Advance License Benefit receivables amounting to ₹ 7,39,87,997/- in the total income on the ground that no income has accrued to our Company until imports were made and raw materials were consumed, which events took place in the subsequent year and advance license benefit was not transferable and no income accrued to our Company until raw materials were actually imported.
- b. Inclusion of the Pass Book Benefit receivables amounting to ₹ 8,88,18,879/- in the total income on the ground that no income had accrued to the company until the credit was received in the pass book which event took place in the subsequent years.
- c. Disallowing the claim for deduction of the proportionate premium of ₹ 12,61,261/- in respect of premium paid on lease hold land in the assessment years 1992-93, 1993-94, 1995-96 and 1997-98, over the period of the lease, as per ratio of the decision of the Hon'ble Supreme Court in the case of Madras Industrial Investment Corporation Limited v. CIT (225 ITR 802).
- d. Disallowing an amount of ₹ 2,27,18,505/- out of interest paid on the ground that wrong observation that diversion of interest funds is quite clear and notional interest at 18% was considered for disallowance without giving any justification or basis for the same.
- e. Upholding of the action of the Additional Commissioner in including in the total income the sum of ₹ 72,00,000/- being premium on special import license credited to the Profit and Loss Account, on the ground that As per provisions of section 28 (iia), ITA only profits on sale of license is chargeable to tax and that the said licenses were neither sold nor utilized during the year.
- f. Setting aside the ground pertaining to deduction in respect of provision for leave encashment on the ground that CIT has no power to set aside an issue to the Assessing Officer. It was also stated that the CIT did not abide by the decision of the Supreme Court in the case of Bharat Earth Movers v CIT.
- g. Disallowing a sum of ₹ 20,00,000/- on an ad hoc basis out of sales promotion expenses.
- h. Rejecting the claim for deduction in respect of wealth tax paid amounting to ₹ 1,64,209/- on the ground that the same were covered by the provisions of section 40 (a) (iia) of the Act, on the



ground that section 40 (a) (iia) is not attracted since the definition of “wealth-tax” given in the Explanation to section 40 (a) (iia) specially excludes any tax chargeable with reference to the value of any particular asset of the business and in the instant case, wealth tax is paid only on certain specified assets and not on the value of all the assets of the business.

- i. Disallowing claim for deduction amounting to ₹ 3,12,57,602/- in respect of expenses incurred during the year and treated as deferred revenue expenditure in the accounts on the ground that Product registration expenditure amounting to ₹ 1,72,75,132/- has crystallised and Expenditure incurred for Research and Development amounting to ₹ 1,39,82,470/- is revenue in nature as it is not incurred of ran advantage of enduring benefit, and even if research and development expenditure is to be treated as capital expenditure, the same ought to have been allowed under section 35, ITA.
- j. Following the appellate order for the earlier assessment year holding that the legal fee amounting to ₹ 1,12,96,162/- being an amount paid in advance would be ineligible for deduction under section 37 of the Act, on the ground of error in referring to arbitration expenses in connection with fraudulent encashment of letter of credit which had no bearing with the concerned ground.
- k. Imposing depreciation upon our Company on the ground that for computing deduction under section 80I and 80 IA, the depreciation allowed under section 32 can only be apportioned and if only the depreciation claimed under section 32 is allowed, then only the said amount could be considered while computing deduction under section 80I and 80IA.
- l. Setting aside for verification the disallowance of a sum of ₹ 27,32,354/- out of employer’s contribution to provident Fund under section 43B and employee’s contribution to Provident Fund under section 36 (1) (va) of the Act, on the ground of not following the ratio of the decision of the ITAT, Bangalore bench in the case of Hunsur Plywood Works Limited vs DCIT (54 ITD 394) wherein the Tribunal has held that no disallowances ought to be made if the payments have been made during the relevant previous year.
- m. Upholding disallowance in respect of the employer’s contribution to ESIC amounting to ₹ 17,257/-
- n. Rejecting claims under section 80HHC, ITA. Our Company has challenged the action of the CIT in rejecting the claim of Reduction of 90% of the Management Service Charge amounting to ₹ 3,92,20,000/-, Discount amounting to ₹ 52,89,021/- and Miscellaneous Receipts amounting to ₹ 1,11,97,442/- from the ‘profits of the business’ even though the said items were not specifically required to be reduced as per the definition given in clause (baa) of the Explanation below section 80HHC (4A).
- o. Disallowing the deduction under section 80 IA on the ground that deduction under section 80 IA ought to have been allowed on the profits of the concerned undertakings without deducting the depreciation eligible under section 32 in view of the fact that depreciation under section 32 is eligible on the basis of block of assets for our company as whole and not in respect of individual assets of the concerned industrial undertaking and accordingly, depreciation cannot be allocated to the different industrial undertakings as per scheme of the income-tax Act, 1961 in respect of allowance of depreciation on the concept of block of assets.
- p. Reducing a sum of ₹ 26,10,01,876/- from the profits and gains of the business”, on the ground that the said income was not “ derived from an industrial undertaking” without any justification or basis and without considering the costs, etc debited in the accounts in respect thereof.
- q. Including the profit on sale of investment of ₹ 24,49,320/- while computing ‘book-profits’.
- r. Including dividend income amounting to ₹ 1,52,36,623/- exempt under section 10(33) of Chapter III of the act in the computation of ‘book profits’ as per the provisions of section 115 JA of the Act.
- s. Not reducing the sum of ₹ 57,62,287/- in respect of prior period adjustments (net) debited to the profit and loss account while computing the book profit as per section 115 JA, ITA.
- t. Not reducing a sum of ₹ 84,84,172/- being the amount payable under the section 115 O in respect of tax on distributed profits while computing ‘book profits’ as per section 115 JA as the tax paid on distributed profits is paid under section 115 O of the Act and as per the Explanation to Sub-section 2 of section 115 JA only the amount of income-tax paid or payable and the provision therefore is required to be added while computing the book profit as per section 115 JA. Accordingly the said amount is not required to be added back while computing the book profits as per section 115 JA.
- u. Not excluding a sum of ₹ 5,00,000/- being provision for wealth tax while computing the book



profits as per section 115 JA as wealth tax is does not represent income tax the said amount is not required to be added back while computing the book profits as per section 115 JA.

- v. Computation of interest under section 243 B amounting to ₹ 3,53,27,680/-.

The matter is currently pending.

11. Our Company has filed an appeal with the ITAT against the assessment order dated March 24, 2004 passed by the CIT for the assessment year 1999-2000. Our Company has filed an appeal due to:

- a. Inclusion of the Advance License Benefit receivable amounting to ₹ 2,11,64,259/- and Pass Book Benefit Receivables amounting to ₹ 16,00,23,119/- on the ground that no income had accrued to our Company until the imports were made and the raw material were consumed in the subsequent year.
- b. Inclusion of a sum of ₹ 24,00,000/- in respect of premium on special import license credited to the profit and loss account on the ground that only profit on sale of the License is chargeable to tax and that the said license were neither sold nor utilized during the relevant previous year.
- c. Rejection of our Company's claim for deduction in respect of salary and wages amounting to ₹ 29,94,085/- capitalized in the books of account on the ground that the said expenses represented revenue expenditure eligible for deduction under section 37 (1).
- d. Disallowing an amount of ₹ 18,46,485/- as expenditure for earning tax free income on the ground that no expenditure had been incurred for earning such tax free income.
- e. Disallowing an amount of ₹ 56,63,041/- out of interest paid by computing notional interest income at 18% and disallowing out of interest paid, the difference between the said notional interest computed at 18% and the interest received on the ground that no justification was given for computing notional interest at 18%.
- f. Reducing 90% of the Management Service Charges (₹ 442.50/- lacs), Sales Tax Refund (₹ 26.93/- lacs), Discount (₹ 34.71/- lacs), Excess Provision Written Back (₹ 140.25/- lacs), Exchange Rate Difference (₹ 94.55/- lacs), Refund of electricity duty (₹ 60.81/- lacs) and Miscellaneous Receipts (₹ 47.97/- lacs) from the profits of the business inspite of the fact that the said items were not specifically required to be reduced from the profits of the business as per the definition given in clause (baa) of the Explanation below section 80 HHC (4A).
- g. Disallowing the claim of deduction of ₹ 1,84,078/- in respect of proportionate premium paid on leasehold land over the period of the lease, as per the ratio of the decision of the Supreme Court in the case of Madras Industrial Investment Corporation Limited vs CIT (225 ITR 802).
- h. Imposing interest in respect of refunds granted prior to June 1, 2003 on the ground that section 243 D has been inserted by the Finance Act, 2003 with effect from June 1, 2003 and hence not applicable to refund granted prior to June 1, 2003.

The matter is currently pending.

12. Our Company has filed an appeal to the Income Tax Appellate Tribunal ("ITAT") against the order dated March 8, 2004 passed by the CIT, Central Circle VI for the assessment year 2000-2001. The appeal has been filed due to:

- a. Upholding of the action of Deputy Commissioner to include advance licence benefit receivable at ₹ 4,64,74,214/- and Pass Book Benefit receivable in total income as no income had accrued to our Company until the imports were made and the raw material were consumed, which events took place in the subsequent year.
- b. Upholding of the action of Deputy Commissioner of not allowing the claim for deduction of the proportionate premium of ₹ 12,61,261/- in respect of premium paid on lease hold land in the assessment years 1992-93, 1993-94, 1995-96 and 1997-98, over the period of the lease.
- c. Including depreciation in respect of all the block of assets even though no claim was made by the our Company in respect of the same except in the case of the block pertaining to plant and machinery eligible for depreciation at the rate of 25%.
- d. Upholding of the action of Deputy Commissioner of disallowing an amount of ₹ 19,92,012/- as expenditure incurred for earning interest free income in spite of the fact that as during the previous



- year, no additional investments were made and the dividend received related to the investment made in earlier years. Further, no expenditure had been incurred for earning tax free income. The fact that earning of interest and dividend was indivisible activity carried out by our Company since there was commonness of management and control was also not considered.
- e. Upholding of the action of Deputy Commissioner in disallowing a sum of ₹ 4,47,51,665/- out of interest paid on the ground that Interest payment were not made wholly and exclusively for the purposes of the business.
 - f. Upholding of the action of Deputy Commissioner of disallowance ₹ 15,00,000/- out of sales promotion expenses.
 - g. Allowing claim for deduction of ₹ 2,21,00,330/- only, out expenses amounting to ₹ 22,10,03,307/-, being Data Access Fee paid ₹ 14,41,77,000/- and Aluminum Phosphide Tash Force Expenses ₹ 7,68,26,307/- incurred during the year and accepted as deferred revenue expenditure in the accounts, on the ground that the entire liability for Data Access Fees had not accrued and the very nature of the expenses under both the heads is such that they are not confined to a particular year and accordingly, restricted the said deduction to only 1/10th.
 - h. Rejection of its claim for deduction of ₹ 2,97,61,667/- in respect of legal fees treated as advance in the books of account on the ground that our Company had failed to prove that the liability had crystallized during the relevant previous year.
 - i. Rejection of its claim in respect of salary and wages amounting to ₹ 30,81,245/- capitalised in the books of account.
 - j. Upholding of the action of Deputy Commissioner of disallowance of an amount of ₹ 31,739/- in respect of employer's contribution to ESIC under section 43 B, ITA without appreciating the fact that clause (b) of section 43 B was not attracted to such contribution.
 - k. Direction to compute deduction under section 80 IB. The CIT directed to exclude Advance License Benefit receivables, the Pass Book Benefit receivable and profit on sale of import of license from the profits and gains derived from the eligible undertakings and include advance license benefit reversal and pass book benefit reversal as part of the cost of raw materials without excluding the corresponding notional reversals also from the cost for the purpose of working the profits of the eligible undertakings.
 - l. Direction to compute deduction under section 80 HHC, to reduce 90% of the management service charges, job work charges, refund of electricity duty and discount received included in 'other income' of schedule 'N' of the profit and Loss Account in spite of the fact that the said items were not specifically required to be reduced and that gross amount of interest received had to be reduced ignoring the submission that as our Company had credited in the Profit and Loss account, an amount of ₹ 2,93,19,740/- as interest received and had debited an amount of ₹ 35,31,54,603/- as interest paid, the interest paid being more than the interest received, no portion of the interest received ought to have been reduced for the purpose of working out deduction under section 80 HHC.
 - m. Allowing deduction in respect of tender deposits and inter- corporate deposits written off amounting ₹ 23,65,302/- and ₹ 3,00,000/- respectively without appreciating the fact that aforesaid sundry debit balances written off amounting to ₹ 26,65,302/- represents business loss and eligible for deduction under section 28.

Subsequently, our Company filed an application ITA No.3456/Mum/04 dated August 25, 2007 before the ITAT for additional grounds of appeal. The additional grounds are as follows:

- a. For the purpose of computing book profit under section 115 JA, deduction under clause (viii) of the explanation in respect of profits eligible for deduction under section 80HHC ought to be computed on the basis of the book profit and not on the basis of the profit and gains of business or profession as per normal provisions of the Income Tax Act.
- b. Deduction in respect of expenditure for service charges for computer software amounting to ₹ 35,83,599 being 1/5th of ₹ 1,79,17,996 incurred in assessment year 1997-1998 as per the CIT (A) order for the assessment year 1997-1998.

The matter is currently pending.



13. Our Company has filed an appeal with the Income Tax Appellate Tribunal against an order of Commissioner of Income Tax (Appeals) dated February 18, 2005 (“Order”) for the assessment year 2001-2002. The Order has been challenged due to:
- Inclusion of Advance License Benefit receivable amounting to ₹ 3,29,55,054/- and Pass Book Benefit receivable amounting to ₹ 23,40,93,786/- in the total income as no income had accrued until imports were made in the subsequent year.
 - Error committed in not allowing the claim for deduction of ₹ 1,84,078/-.
 - Depreciation forced in respect of all the block of assets even though no claim was made by our Company in respect of the same, in the case of the block pertaining to plant and machinery eligible for depreciation at the rate of 25%.
 - The disallowance of an amount of ₹ 18,46,485/- being an expenditure incurred for earning tax free income though no income had been earned for earning tax free income.
 - The rejection of our claim for deduction of ₹ 1,47,04,451/- in respect of legal fees paid during the year but treated as an advance in the books of account and the rejection of our Company’s claim for deduction in respect of salary and wages amounting to ₹ 24,19,704/- capitalized in the books of account.

The matter is currently pending.

14. Our Company filed an appeal with the Income Tax Appellate Tribunal (“ITAT”) against the Order dated March 28, 2005 passed by the Commissioner of Income Tax (Appeals), Central -VI for the assessment period of April 1, 1995 to February 15, 2002 on the ground that an error had been made in confirming disallowance to the extent of ₹ 93,82,411/- in respect of non verifiable cash expenses under the heading “Clearing and Forwarding Expenses”.

The matter is currently pending.

15. Our Company has filed an appeal with the Income Tax Appellate Tribunal (“ITAT”) against an order under Section 250, ITA passed by the Commissioner of Income Tax (Appeals) (“CIT”) dated January 12, 2009 (“Order”) for the assessment year 2001-2002 on the ground that the CIT erred in withholding the action of the Assistant Commissioner of Income Tax in disallowing an amount of ₹ 65,73,231/- out of expenditure incurred in foreign currency in respect of export to Iraq.

The matter is currently pending.

16. Our Company has filed an appeal bearing number ITA NO.8375/M/2011 dated December 4, 2011 (“Appeal”) before the Income Tax appellate Tribunal against the order of the Commissioner of Income Tax (Appeals) (“CIT”) dated September 20, 2011 for the assessment year 2001-2002 on the ground that the Commissioner of Income Tax (Appeals) erred in upholding the action of the Deputy Commissioner of Income Tax in levying penalty under section 271 (1) (c) of the Act amounting to ₹ 23,00,630 on the assumption that the assessee deliberately filed inaccurate particulars and claimed the expenses on account of “kick backs” paid in the form of ‘Inland Transportation Fees’ and ‘After Sales Service Fees’ ignoring all the evidences furnished during assessment proceedings as well as penalty proceedings under section 271 (1) (c) of the Income Tax Act.

17. Our Company has filed an appeal with the Income Tax Appellate Tribunal (“ITAT”) against an order under Section 250, ITA passed by the Commissioner of Income Tax (Appeals) (“CIT”) dated January 12, 2010 (“Order”) for the assessment year 2002-2003 on the ground that the CIT erred in withholding the action of the Assistant Commissioner of Income Tax in disallowing an amount of ₹ 53,19,254/- out of expenditure incurred in foreign currency in respect of export to Iraq.

The matter is currently pending.

18. Our Company has filed an appeal with the Income Tax Appellate Tribunal against an Order of Commissioner of Income Tax (Appeals) dated December 30, 2005 for the assessment year 2002-2003.



Our Company has challenged the taxability of Advance License Benefit of ₹ 9,79,19,084/- by its inclusion and the Pass Book Benefit receivables of ₹ 21,20,29,429/- in the total income as no income has accrued to our Company until imports were made and raw materials were consumed, which events took place in the subsequent year.

Our Company has challenged the non inclusion of its entire claim of deduction as expenditure of Data Access Fee of ₹ 88,70,985/- and rejection of Claim of Deduction in respect of salary and wages capitalized in the accounts of ₹ 66,43,098/-, disallowing ₹ 9,57,490/- as expenditure incurred for earning tax free income.

Our Company has challenged that 'Profits and gains derived from the business of an industrial undertaking' is eligible for deduction under section 80 IB and not only 'profits and gains derived from an industrial undertaking'. Our Company has also challenged the erroneous levy of interest under section 234 D, ITA amounting to ₹ 8,84,153.

The matter is currently pending.

19. Our Company has filed an appeal bearing number ITA NO.8387/M/2011 dated December 4, 2011 ("Appeal") against the order of the Commissioner of Income Tax (Appeals) ("CIT") dated September 20, 2011 for the assessment year 2002-2003 on the ground that the Commissioner of Income Tax (Appeals) erred in upholding the action of the Deputy Commissioner of Income Tax in levying penalty under section 271 (1) (c) of the Act amounting to ₹ 18,98,974 on the assumption that the assessee deliberately filed inaccurate particulars and claimed the expenses on account of "kick backs" paid in the form of 'Inland Transportation Fees' and 'After Sales Service Fees' ignoring all the evidences furnished during assessment proceedings as well as penalty proceedings under section 271 (1) (c) of the Income Tax Act.
20. Our Company has filed an appeal dated August 10, 2010 before the Income Tax Appellate Tribunal ("ITAT") against an order passed by the Commissioner of Income Tax (Appeals) ("CIT") dated June 10, 2010 ("Order") passed under section 250 of the Income Tax Act, 1961 ("ITA") for the assessment year 2003-2004. The Order has been challenged due to:
- Inclusion of Advance License Benefit receivable amounting to ₹ 10,36,86,304/-.
 - Disallowance of Duty Entitlement Pass Book Scheme benefit receivable amounting to ₹ 20,92,37,167/- on the ground that no income had accrued to our Company until imports were made and raw materials consumed during the subsequent financial.
 - Disallowance of the claimed deduction of ₹ 17,29,35,565/- in expenses treated as Deferred Revenue Expenditure in the accounts on the ground that product registration expenditure is not capital expenditure.
 - Disallowance of claim for deduction in respect of salary and wages amounting to ₹ 22,61,933/- capitalized in the books of account as expenses represented revenue expenditure eligible for deduction under section 37 (1), ITA.
 - Inclusion of the amount of salary and wages capitalized in the accounts and in the assessment order amounting to ₹ 22,61,933/- while computing the amount eligible for depreciation. Our Company has also stated that depreciation ought to be granted on the basis of written down value of the various block of assets as finally determined in the earlier year consequent to the appellate orders for the earlier assessment years.
 - The addition made under section 92C(4), ITA of an amount of ₹ 45,00,000/- being commission at the rate of 0.6% on corporate financial guarantees provided amounting to ₹ 7,511.60/- lacs on behalf of associated enterprises to meet with the arm's length principle on the basis of the order passed by the transfer pricing officer under section 92CA (3), ITA.
 - The deduction computed under section 80 IB, ITA.
 - The deduction computed under section 80 HHC.
 - Short Granting of Credit in respect of Tax deducted at Source ₹ 1,18,412/- as our Company has not yet received the certificates in respect of tax deducted at source and credit in respect of the same ought to be granted once the certificates are submitted.

The matter is currently pending.



21. Our Company has filed an appeal bearing number CIT-41-143/2003-04 dated April 30, 2012 (“**Appeal**”) against the order of the Assistant Commissioner of Income Tax dated March 30, 2012 for the assessment year 2003-2004 on the following grounds:
- that the Assistant Commissioner of Income Tax erred in upholding the action of the Deputy Commissioner of Income Tax in levying penalty under section 271 (1) (c) of the Act amounting to ₹ 5,52,41,810.
 - Erred in levying penalty under section 271 (1) (c) in respect of disallowance of deduction in respect of data access fees paid amounting to ₹ 13,83,48,452.
 - Deduction in respect of salary and wages capitalized in the books of accounts amounting to ₹ 22,61,933.
 - Erred in levying penalty under section 271 (1) (C) in respect of deduction claimed under section 80 IB amounting to ₹ 14,80,13,630.

The matter is currently pending.

22. Our Company has filed an appeal dated January 23, 2012 before the commissioner of Income Tax (Appeals) against the order dated December 30, 2011 (“**Order**”) for the assessment year 2009-10 on the following grounds:
- The assessing officer erred in disallowing a sum of ₹ 21,58,986 on the ground of mismatch of details.
 - The assessing officer erred in non grant of refund amounting to ₹ 24,45,840 and interest under section 244A short granted.

The matter is pending.

23. Our Company has filed an appeal dated May 2, 2013 before the commissioner of Income Tax (Appeals) against the order dated March 30, 2013 (“**Order**”) for the assessment year 2010-11 on the following grounds:
- The assessing officer erred in disallowing an amount of ₹ 8,13,05,480 being the entire expenditure debited to the profit and loss account as expenditure incurred for earning tax free income under section 14A of the Income Tax Act (“**Act**”).
 - The assessing officer erred in treating profit arising on sale of property amounting to ₹ 27,36,10,728 as income taxable under the head “Profits and Gains from Business and Profession” instead of “Capital Gains”.
 - The assessing officer erred in levying interest under section 234B of the Act amounting to ₹ 47,92,496.
 - The assessing officer erred in levying interest under section 234C of the Act amounting to ₹ 7,96,676.

The matter is pending.

The following table contains the tax payable by our Company, including interest, as per the last assessment order received by us. The table also contains the contingent liability arising from income tax proceedings involving our Company, as of March 31, 2013.

Sl No.	Assessment Year	Tax payable including interest as per last Assessment Order (₹)	Contingent Liability as on March 31, 2013 (₹)
1	1990-91	21,499	Nil
2	1992-93	4,75,54,182	75,54,182
3	1993-94	5,46,33,882	Nil
4	1994-95	1,85,11,343	Nil
5	1995-96	5,76,46,165	2,36,87,214
6	1996-97	2,26,98,049	Nil
7	1997-98	6,48,23,820	1,84,68,490
8	1998-99	2,59,60,124	14,60,124



Sl No.	Assessment Year	Tax payable including interest as per last Assessment Order (₹)	Contingent Liability as on March 31, 2013 (₹)
9	1999-2000	3,29,13,051	Nil
10	2000-2001	9,57,27,615	2,07,27,615
11	2001 – 2002	3,75,84,670	2,25,84,670
	Penalty - 2001 -		
12	2002	23,00,630	23,00,630
13	2002 – 2003	12,89,80,983	5,70,90,983
	Penalty - 2002 -		
14	2003	18,98,974	18,98,974
15	2003 – 2004	21,15,86,949	16,00,86,949
16	2009-2010	33,88,396	Nil
17	2010-2011	5,25,33,059	1,90,33,059
	Total	85,87,63,391	33,48,92,890



GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India, relevant state governments and various government agencies/authorities required for our present business and there are no further pending/expired/about to expire licenses/approvals required for carrying on our present business activities.



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue of Equity Shares to the Equity Shareholders of our Company as on the Record Date is being made in accordance with the resolution passed by our Board of Directors under Section 81(1) of the Companies Act, at its meeting held on December 23, 2010.

Prohibition by SEBI and various agencies/ other regulatory bodies

Our Company, our associates, our Promoters, our Promoter Group companies, or the companies with which the Directors are associated as directors or promoters, have not been prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

None of our Company, our associates, our Promoters or the members of the Promoter Group have been declared willful defaulters by the RBI or any Government authority and no violations of securities laws have been committed by them in the past and no proceedings in relation to such violations are currently pending against them.

None of our Directors are associated in any manner with any entity which is engaged in securities market related business and is registered with SEBI for the same.

None of our Directors hold current or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on BSE or the NSE or in a listed company which has been / was delisted from any stock exchange.

We confirm that there are no proceedings initiated by SEBI, Stock Exchanges or ROC, etc on our Company/Promoters/Directors/Group Companies.

Eligibility for the Issue

Our Company is an existing listed company registered under the Companies Act whose equity shares are listed on BSE and NSE. It is eligible to make this Rights Issue in terms of Chapter IV of the SEBI Regulations.

Our Company is eligible to make reduced disclosures in the Letter of Offer as per clause 5 under Part E of Schedule VIII of the SEBI ICDR Regulations as it is in compliance with the following:

- (a) our Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of filing the Draft Letter of Offer with SEBI;
- (b) the reports, statements and information referred to in sub-clause (a) above are available on the website of any recognised stock exchange with nationwide trading terminals, i.e., BSE and the NSE or on a common e-filing platform specified by SEBI;
- (c) our Company has investor grievance-handling mechanism which includes meeting of the Shareholders' or Investors' Grievance Committee at frequent intervals, appropriate delegation of power by the Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Note: We are eligible to make reduced disclosures in the Letter of Offer. However, we have undertaken to disclose full financial information pertaining to our Company.

Furthermore, as on the date of filing of this Letter of Offer, our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Equity Listing Agreement.



DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED / CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS OFFER DOCUMENT. THE LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, KEYNOTE CORPORATE SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 29, 2010 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATIONS LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE OFFER DOCUMENT PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - a) THE OFFER DOCUMENT FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b) ALL THE LEGAL REQUIREMENTS TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c) THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE AS THE ISSUE IS NOT UNDERWRITTEN.



5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE OFFER DOCUMENT WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE OFFER DOCUMENT. – NOT APPLICABLE AS THE PRESENT ISSUE IS A RIGHTS ISSUE.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUES OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE OFFER DOCUMENT – NOT APPLICABLE AS THE PRESENT ISSUE IS A RIGHTS ISSUE.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE AS THE PRESENT ISSUE IS A RIGHTS ISSUE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FORM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURHTER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE OFFER DOCUMENT THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN THE ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.



12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE OFFER DOCUMENT:

- a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE ISSUER AND
- b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO THE ADVERTISEMENT IN TERMS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE OFFER DOCUMENT WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY KEYNOTE CORPORATE SERVICES LIMITED' AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR. - NOT APPLICABLE AS THE PRESENT ISSUE IS A RIGHTS ISSUE.

17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

THE PROMOTER/ DIRECTORS OF OUR COMPANY CONFIRM THAT NO INFORMATION/ MATERIAL LIKELY TO HAVE A BEARING ON THE DECISION OF INVESTORS IN RESPECT OF THE SHARES OFFERED IN TERMS OF THE OFFER DOCUMENT HAS BEEN SUPRESSED WITHHELD AND/ OR INCORPORATED IN THE MANNER THAT WOULD AMOUNT TO MIS-STATEMENT/ MISREPRESENTATION AND IN THE EVENT OF ITS TRANSPIRING AT ANY POINT IN TIME TILL ALLOTMENT/ REFUND AS THE CASE MAY BE, THAT ANY INFORMATION/ MATERIAL HAS BEEN UPRESSESSED/ WITHHELD AND/ OR AMOUNTS TO A MIS-STATEMENT/ MISREPRESENTATION, THE PROMOTERS/ DIRECTORS UNDERTAKE TO REFUND THE ENTIRE APPLICATION MONIES TO ALL SUBSCRIBERS WITHIN 7 DAYS THEREAFTER WITHOUT PREJUDICE TO THE PROVISIONS OF SECTION 63 OF THE COMPANIES ACT.

**Caution**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares in the Issue.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

The Lead Manager and our Company shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with SEBI.

Investors who invest in this Issue will be deemed to have represented to our Company and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be BSE.

Disclaimer Clause of BSE

BSE has given vide its letter no. DCS/PREF/NP/IP-RT/1019/10-11 dated February 4, 2011 permission to our Company to use BSE's name in this Letter of Offer as one of the Stock Exchanges on which the Equity Shares are proposed to be listed. BSE has scrutinized the Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. BSE does not in any manner: (i) warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or (ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or (iii) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

The NSE has given vide its letter no. NSE/LIST/157769-W dated February 4, 2011 permission to our Company to use NSE's name in this Draft Letter of Offer as one of the Stock Exchanges on which the Equity Shares are proposed to be listed. The NSE has scrutinized the Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Letter of



Offer has been cleared or approved by NSE, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, its management or any scheme or project of our Company.

Every person who desires to apply for or otherwise acquire any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

The Draft Letter of Offer was filed with the Corporation Finance Department of the SEBI, located at SEBI Western Regional Office, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad – 380 009, India for its observations. Pursuant to SEBI's observations, this Letter of Offer has been filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Selling Restrictions

The distribution of this Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue to the shareholders of our Company and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to shareholders who have provided an Indian address. The Abridged Letter of Offer, along with CAF, shall be dispatched through registered post or speed post to all the existing shareholders at least three days before the date of opening of the issue; Provided that, the Letter of Offer shall be given by our Company or Lead Manager to any existing shareholder who has made a specific request in this regard.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, those circumstances, this Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

For further details, please see "Notice to Overseas Shareholders" on page v of this Letter of Offer.

Listing

The existing equity shares are listed on BSE and NSE. We have received the in-principle approvals in respect of the Equity Shares to be offered in terms of the Letter of Offer from BSE and NSE. We will apply to BSE and NSE for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. If the listing and trading approvals for the Equity Shares to be issued pursuant to this Issue is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer.

We will issue and dispatch Allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.



If such allotment is not made or money is not repaid within eight days from the day we become liable to repay it, we and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money with interest as prescribed under Section 73 of the Companies Act.

Issue Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Approximate Amount (₹ in lacs)	As percentage of total expenses	As a percentage of Issue size
Fees of the Intermediaries	56.50	56.50	0.75
Advertising, Printing and stationery expenses (including courier and distribution charges)	10.50	10.50	0.14
Others (listing fees, depositories' fees, auditor fees, out of pocket reimbursements, etc)	33.00	33.00	0.44
Total	100.00	100.00	1.33

Fees Payable to the Lead Manager to the Issue

The fees payable to the Lead Manager to the Issue are set out in the engagement letter issued by our Company to the Lead Manager entered into by our Company with the Lead Manager, copies of which are available for inspection at the registered office of our Company.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue are set out in the engagement letter issued by our Company to the Registrar.

Investor Grievances and Redressal System

We have adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement as well as a well-arranged correspondence system developed for letters of routine nature. The share transfer and dematerialization for our Company is being handled by the Registrar and Share Transfer Agent, Sharepro Services (India) Private Limited. Letters are filed category wise after being attended to. The Redressal norm for response time for all correspondence including shareholders complaints is within 7 (seven) to 10 (ten) days.

The Shareholders/Investors Grievances Committee consists of Mr. Pradeep Goyal as Chairman and Mr. Arun Asher and Ms. Swati Mayekar as members of the said committee. All investor grievances received by our Company have been handled by the Registrar and Share Transfer agent in consultation with the compliance officer.

The contact details of the Registrar and Share Transfer agent to the company are as follows:

Sharepro Services (India) Private Limited

13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072

Tel: +91 22 6772 0300;

Fax: +91 22 2859 1568

Email: rights@shareproservices.com

Website: www.shareproservices.com

Contact Person: Mr. Abraham K.G.

SEBI Registration Number: INR 000001476*

* The SEBI registration certificate is valid till August 15, 2013. As required under SEBI Regulations, the Registrar has made an application vide its letter dated May 13, 2013 with SEBI for renewal of its certificate of registration.

**Investor grievances arising out of this Issue**

Our Company's investor grievances arising out of the Issue will be handled by Sharepro Services (India) Private Limited, who is the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice/ share certificate / refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact telephone / cell numbers, email id of the first applicant, number and type of shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be 7-10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the compliance officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/share certificates/ demat credit/refund orders etc.

Additionally, we have been registered with the SEBI Complaints Redress System ("SCORES") as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Mr. K. M. Thacker

Company Secretary and Compliance Officer

Uniphos Enterprises Limited

8, Shri Krishna Commercial Centre
6, Udoyg Nagar, Off S. V. Road,
Goregaon (West),
Mumbai- 400 062

Tel: +91 22 2875 5486

Fax: +91 22 2875 3485

E-mail: thackerkm@uniphos.com

Status of Complaints

- a. Total number of complaints received during Fiscal 2011: 11
- b. Total number of complaints received during Fiscal 2012: 6
- c. Total number of complaints received during Fiscal 2013: 7
- d. Average Time normally taken for disposal of various types of investor complaints: 7-10 days from the date of receipt of complaints.

Status of outstanding investor complaints

As on June 30, 2013, there were no outstanding investor complaints.



SECTION VII - OFFERING INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer and the enclosed CAF, the MoA and AoA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, as amended, applicable guidelines and regulations issued by SEBI, or other statutory authorities and bodies from time to time, the Listing Agreements entered into by our Company, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time. **All rights/obligations of Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.**

Please note that equity shareholders being QIBs and Non-Institutional Investors, can participate in this Issue only through ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities / centers where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, please refer to “Procedure for Application through the Applications Supported by Blocked Amount Process” on page 117.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Rights Issue in respect of the equity shares held in the electronic form and on the register of members of our Company in respect of the equity shares held in physical form at the close of business hours on the Record Date, fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the equity shares held in the electronic form or appears in the register of members as an Equity Shareholder of our Company as on the Record Date, i.e., Thursday, September 19, 2013, you are entitled to the number of Equity Shares as set out in Part A of the enclosed CAFs.

The distribution of the Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. The Company is making the issue of Equity Shares on a rights basis to the Equity Shareholders and the Letter of Offer, Abridged Letter of Offer and the CAFs will be dispatched only to those Equity Shareholders who have a registered address in India. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

Principal Terms of this Issue

Face Value

Each Equity Share will have the face value of ₹ 2.

Issue Price

Each Equity Share shall be offered at an Issue Price of ₹ 17/- for cash at a premium of ₹ 15/- per Equity Share. The Issue Price has been arrived at after consultation between our Company and the Lead Manager.

**Entitlement Ratio**

The Equity Shares are being offered on a rights basis to the Equity Shareholders in the ratio of 173 Equity Shares for every 100 equity shares held on the Record Date i.e., Thursday, September 19, 2013.

Terms of Payment

The full amount of ₹ 17/- per Equity Share is payable on application.

Fractional Entitlements

Fractional entitlement if any will be rounded off to the next higher integer and the share required for the same will be adjusted from one of the promoter's entitlement.

Ranking

The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares shall rank *pari passu*, in all respects including dividend, with our existing equity shares.

Mode of payment of dividend

In the event of declaration of dividends, we shall pay dividends to equity shareholders as per the provisions of the Companies Act and the provisions of our Articles of Association.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing equity shares are currently listed and traded on BSE (Scrip Code: 500429) and the NSE (Scrip Code – UNIENTER) under the ISIN INE037A01022. The fully paid up Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges under the existing ISIN for fully paid up Equity Shares of our Company.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

We have received "in-principle" approvals for the listing of the Equity Shares to be issued pursuant to the Issue in accordance with Clause 24(a) of the Listing Agreement from BSE and NSE pursuant to letters, both, dated February 4, 2011. We will apply to BSE and NSE for final approval for the listing and trading of the Equity Shares. All steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares to be allotted pursuant to the Issue shall be taken as per the regulatory requirement.

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;



- Right to free transferability of Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

Arrangements for Disposal of Odd Lots

Our Company's shares will be traded in dematerialized form only and therefore the marketable lot is one (1) share. Therefore, there is no possibility of any odd lots.

Restrictions on transfer and transmission of shares and on their consolidation/ splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

General Terms of the Issue

Market Lot

The market lot for the Equity Shares in dematerialised mode is one Equity Share. In case an Equity Shareholder holds equity shares in physical form, we would issue to the allottees one certificate for the Equity Shares allotted to each folio ("**Consolidated Certificate**") and in case an Equity Shareholder seeks allotment in demat form (whether existing equity shares being held in demat or physical form) and provides all relevant and correct details we would allot him in demat form. In respect of Consolidated Certificates, we will upon receipt of a request from the respective Equity Shareholders, split such Consolidated Certificates into smaller denominations within one week's time from the receipt of the request in respect thereof, subject to a maximum of five denominations. We shall not charge a fee for splitting any of the Consolidated Certificates.

Joint Holders

Where two or more persons are registered as the holders of any equity shares, they shall be deemed to hold the same as joint tenants with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

In terms of Section 109A of the Companies Act, nomination facility is available in respect of the Equity Shares. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Equity Shareholders who are individuals, a sole Equity Shareholder or the first named Equity Shareholder, along with other joint Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of the Company or such other person at such addresses as may be notified by the Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 1956, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.



Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with the Company, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant (“DP”) of the investor would prevail. Any investor desirous of changing the existing nomination is requested to inform its respective DP.

Notices

All notices to the Equity Shareholder(s) required to be given by the Company shall be published in one English national daily with wide circulation, one Hindi national daily with wide circulation and one regional language daily newspaper with wide circulation in Gujarati daily and/or, will be sent by ordinary post/registered post/speed post to the registered holders of the equity shares from time to time.

Additional Subscription by the Promoters

Our Promoter/ Promoter Group, either jointly or severally, intend to subscribe to their Rights Entitlement in this Issue, in full, subject to the terms of this Letter of Offer and applicable laws. Subject to compliance with applicable laws including the Takeover Code, the Promoter/ Promoter Group, either jointly or severally, reserve the right to subscribe for (1) additional Equity Shares of our Company and/or (2) the unsubscribed portion if any, to the extent that the holding of Promoter/Promoter Group does not exceed 75% of the post Issue paid up capital of our Company. One of the Promoter/ Promoter Group entity Nerka Chemicals Private Limited has provided an undertaking dated July 12, 2013 to this effect.

As a result of the subscription, our Promoter/Promoter Group may acquire Equity Shares over and above their respective entitlements in this Issue, which may result in an increase of their shareholding above the current shareholding along with the Rights Entitlement. Such subscription and acquisition of additional Equity Shares by our Promoter / Promoter Group through the Issue, if any, shall be made in accordance with applicable laws. Further, such acquisition is exempted from the obligation to make an open offer as the conditions prescribed in Regulation 10(4) (b) of the Takeover Code are duly complied with.

For further details, please refer to “Terms of the Issue - Basis of Allotment” on page 116.

Procedure for Application

The CAF for Equity Shares would be printed in black ink for all Equity Shareholders. In case the original CAFs are not received by the Investor or is misplaced by the Investor, the Investor may request the Registrars to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither the Company nor the Registrar shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit.

Please note that Equity Shareholders being QIBs, Non-Institutional Investors and other Equity Shareholders (whose application amount exceeds ₹ 2,00,000) can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

Please also note that by virtue of Circular No. 14, dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Any Equity Shareholders being an OCB is required to obtain prior approval from RBI for applying in this Issue.

**The CAF consists of four parts:**

- Part A: Form for accepting the Rights Equity Shares and for applying for additional Rights Equity Shares;
Part B: Form for renunciation;
Part C: Form for application by renounee(s);
Part D: Form for request for Split Application Forms.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares offered, either in full or in part, by filling Part A of the enclosed CAFs and submit the same along with the application money payable to the Banker to the Issue or any of the collection branches as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard. Investors at centres not covered by the branches of collecting banks can send their CAFs together with the cheque drawn at par on a local bank at Mumbai/ demand draft payable at Mumbai to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see “Mode of Payment for Resident Equity Shareholders/Investors” and “Mode of Payment for Non-Resident Equity Shareholders/Investors” on pages 131 and 132, respectively of this Letter of Offer.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Shareholder is entitled to.

If the Equity Shareholder applies for an investment in Equity Shares, then he can:

- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement of Equity Shares in part;
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares (by requesting for split forms);
- Apply for his Rights Entitlement in full and apply for additional Equity Shares;
- Renounce his Rights Entitlement in full.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under “Basis of Allotment” on page 116 of this Letter of Offer.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renounee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register any Equity Shares in favour of more than three persons (including joint holders), partnership firm(s) or their nominee(s), minors, HUF, any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold equity shares, as the case may be). Additionally, existing Equity Shareholders may not renounce in favor of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.



Renunciation by OCBs

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders of our Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of Renounee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such renounee obtains a prior approval from the RBI. On submission of such approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Renunciation by non-resident shareholders

Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non Resident or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF, without which the CAF shall be rejected on technical grounds. For further details please refer to “Grounds for Technical Rejection under ASBA Investors” and “Grounds for Technical Rejection for non-ASBA Investors” on page 122 and on page 129 respectively.

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for our Company of the person(s) applying for Equity Shares in Part ‘C’ of the CAF to receive Allotment of such Equity Shares. The Renounees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part ‘A’ of the CAF must not be used by the Renounee(s) as this will render the application invalid. Renounee(s) will have no further right to renounce any Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Equity Shares offered to an Equity Shareholder in favour of one Renounee

If you wish to renounce the offer indicated in Part ‘A’, in whole, please complete Part ‘B’ of the CAF. In case of joint holding, all joint holders must sign Part ‘B’ of the CAF. The person in whose favour renunciation has been made should complete and sign Part ‘C’ of the CAF. In case of joint Renounees, all joint Renounees must sign this part of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renounees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part ‘D’ of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with our Company, the application is liable to be rejected.



Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker to the Issue on or before the Issue Closing Date along with the application money in full. The Renouncee cannot further renounce.

Change and/or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors of our Company shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

Option Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (<i>All joint holders must sign</i>)
2. Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (<i>All joint holders must sign</i>)
3. Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s)	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once.
OR	
Renounce your Rights Entitlement to all the Equity Shares offered to you to more than one Renouncee	On receipt of the SAF take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncees should fill in and sign Part C for the Equity Shares accepted by them.
4. Renounce your Rights Entitlement in full to one person (<i>Joint Renouncees are considered as one</i>).	Fill in and sign Part B (<i>all joint holders must sign</i>) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (<i>All joint Renouncees must sign</i>)
5. Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that the options 3 and 4 mentioned in the above table will not be available to the shareholders applying through ASBA process.

In case of equity shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of equity shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

**Please note that:**

- Part 'A' of the CAF must not be used by any person(s) other than the Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for Split Application Forms/SAF should be made for a minimum of one Equity Share or, in either case, in multiples thereof and one SAF for the balance Equity Shares, if any.
- Request by the Investor for the SAFs should reach the Registrar on or before Friday, October 11, 2013.
- Only the Equity Shareholder to whom this Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor (s) by post at the applicant's risk.
- Equity Shareholders may not renounce in favour of persons or entities in the United States, who are not Qualified Institutional Buyers (as defined the US Securities Act), or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Equity Shares in Part 'C' of the CAF to receive Allotment of such Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with us or the Depositories.
- Non-resident Equity Shareholders: Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares allotted as a part of this Issue shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- Applicants must write their CAF number at the back of the cheque / demand draft.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Investor, the Registrar to the Issue will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within eight days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he / she shall face the risk of rejection of both the applications.

Neither the Registrar nor the Lead Managers or us, shall be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Application on Plain Paper – non ASBA

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft, net of bank and postal charges payable at Mumbai which should be drawn in favour of the **“Uniphos Enterprises – Rights Issue - R”** in case of the resident shareholders and non-resident shareholders applying on non-repatriable basis and in favor of **“Uniphos Enterprises – Rights Issue – NR”** in case of the non-resident shareholders applying on repatriable basis and send the same by registered/ speed post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date.



Furthermore, Equity Shareholders have an option to print application on plain paper from the website of the Registrar to the Issue, i.e. www.shareproservices.com, by providing his/ her folio. no. / DP ID/ Client ID in order to enable the Equity Shareholder to apply for the Issue. Further, they also can make an application on plain paper giving necessary details as given below.

The envelope should be superscribed “**Uniphos Enterprises – Rights Issue - R**” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis and “**Uniphos Enterprises – Rights Issue – NR**” in case of non-resident shareholders applying on repatriable basis.

The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Uniphos Enterprise Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ 17/- per Equity Share;
- Particulars of cheque/draft;
- Savings/Current Account Number and name and address of the bank where the Equity Shareholder will be depositing the refund order. In case of Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue.
- Share certificate numbers and distinctive numbers of equity shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- Signature of the Equity Shareholders to appear in the same sequence and order as they appear in our records or the Depositories' records
- In case of Non Resident Equity Shareholders, NRE/ FCNR/ NRO A/c No. name and address of the bank and branch;
- If payment is made by a draft purchased from an NRE/ FCNR/ NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/FCNR/ NRO A/c; and
- Additionally, all such applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”). I/we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/we understand that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company has reason to believe is, a resident of the United States.

I/We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.



I/We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Equity Shares is/are, outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

Last date for Application

The last date for submission of the duly filled in CAF is Saturday, October 26, 2013.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer/ Abridged Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided in the Basis of Allotment” referred below.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to Allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.
- b) Allotment to the Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of equity shares held by them on the Record Date, provided there is an under-subscribed portion after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of the Board / Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

Fractional entitlement if any will be rounded off to the next higher integer and the share required for the same will be adjusted from one of the promoter’s entitlement.

- c) Allotment to Renounees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential Allotment.
- d) Allotment to any other person as the Board may in its absolute discretion deem fit provided there is surplus available after making full Allotment under (a), (b) and (c) above.



Our Promoter/ Promoter Group, either jointly or severally, intend to subscribe to their Rights Entitlement in this Issue, in full, subject to the terms of this Letter of Offer and applicable laws. Subject to compliance with applicable laws including the Takeover Code, the Promoter/ Promoter Group, either jointly or severally, reserve the right to subscribe for (1) additional Equity Shares of our Company and/or (2) the unsubscribed portion if any, to the extent that the holding of Promoter/Promoter Group does not exceed 75% of the post Issue paid up capital of our Company. One of the Promoter/ Promoter Group entity Nerka Chemicals Private Limited has provided an undertaking dated July 12, 2013 to this effect.

As a result of the subscription, our Promoter/Promoter Group may acquire Equity Shares over and above their respective entitlements in this Issue, which may result in an increase of their shareholding above the current shareholding along with the Rights Entitlement. Such subscription and acquisition of additional Equity Shares by our Promoter / Promoter Group through the Issue, if any, shall be made in accordance with applicable laws. Further, such acquisition is exempted from the obligation to make an open offer as the conditions prescribed in Regulation 10(4)(b) of the Takeover Code are duly complied with.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangements.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS

Please note in accordance with the provisions of SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non-Institutional Investors, complying with the eligibility conditions of SEBI circular dated December 30, 2009, must mandatorily invest through the ASBA process. For further details please refer to “Grounds for Technical Rejection for ASBA Investors” on page 122.

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Equity Shareholders who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up, specifying the number of the bank account maintained with the Self Certified Syndicate Bank (“SCSB”) in which the Application Money will be blocked by the SCSB.

The Lead Manager, the Company, its directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html. For details on designated branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

ASBA Investors who are eligible to apply under the ASBA Process

An ASBA Investor is an investor (either Equity Shareholder or Renouncee) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs.



All QIBs and Non-Institutional Investors, complying with the above conditions, must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process.

CAF

The Registrar will despatch the CAF to all Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A and Part C of the CAF respectively. Application in electronic mode will only be available with such SCSBs who provide such facility. The Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard.

Mode of payment

The ASBA Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI Regulations, into the separate bank account maintained by our Company as per the provisions of section 73(3) of the Companies Act. The balance amount remaining after the finalisation of the basis of Allotment shall be either unblocked by the SCSBs or refunded to the Investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The SCSB may reject the application at the time of acceptance of CAF if the bank account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Options available to the ASBA Investors applying under the ASBA Process

The summary of options available to the ASBA Investors is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (<i>All joint holders must sign</i>)
2. Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (<i>All joint holders must sign</i>)



The ASBA Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Equity Shareholder have selected to apply through the ASBA process option.

Please note that Equity Shareholders being QIBs and Non-Institutional Investors can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares that you are entitled to, provided that you are eligible to apply for Equity Shares under applicable law and you have applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “Terms of the Issue - Basis of Allotment” on page 116.

If you desire to apply for additional Equity Shares please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Renunciation under the ASBA Process

Renouncees are eligible to participate in this Issue through the ASBA Process.

Application on Plain Paper - ASBA

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper.

Furthermore, Equity Shareholders have an option to print application on plain paper from the website of the Registrar to the Issue, i.e. www.shareproservices.com, by providing his/ her folio. no. / DP ID/ Client ID in order to enable the Equity Shareholder to apply for the Issue. Further, they also can make an application on plain paper giving necessary details as given below.

The envelope should be superscribed “*Uniphos Enterprises – Rights Issue*” and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with our Company, must reach the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Uniphos Enterprise Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of equity shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount to be blocked at the rate of ₹ 17/- per Equity Share; and
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue.
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Additionally, all such applicants are deemed to have accepted the following:



“I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”). I/we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. I/we understand that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company has reason to believe is, a resident of the United States or other restricted jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement and/or the Equity Shares is/are, outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/We acknowledge that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Option to receive Equity Shares in Dematerialized Form

EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD OR THE DETAILS OF THE DEPOSITORY ACCOUNT AS MENTIONED BY RENOUNCEE(S) IN THE APPLICATION FORM.

Issuance of Intimation Letters

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in this Issue, along with:

- The number of Equity Shares to be allotted against each successful ASBA Application;
- The amount to be transferred from the ASBA Account to the separate bank account opened by the Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

General instructions for Equity Shareholders applying under the ASBA Process

- (a) Please read the instructions printed on the CAF carefully.
- (b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected. The CAF must be filled in English.



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- (c) The CAF/plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
- (d) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended credit” and no allotment and credit of Equity Shares shall be made into the accounts of such Investors.**
- (e) All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- (f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.
- (g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
- (h) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole applicant Equity Shareholder, folio numbers and CAF number.
- (i) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws are eligible to participate.
- (j) ASBA Investors who intend to subscribe the Equity Shares of our Company under this Issue shall be eligible to participate under the ASBA Process.
- (k) All Investors (apart from Retail Individual Investors) having bank accounts with SCSBs that are providing ASBA in cities / centres where such Investors are located, are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection. All Investors are encouraged to make use of the ASBA facility wherever such facility is available.
- (l) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading “Application on Plain Paper - ASBA” on page 119.
- (m) **In terms of SEBI circulars dated September 13, 2012 and January 2, 2013, SCSBs should ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

Do's:

- a. Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in.
- b. Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.
- c. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.



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- d. Ensure that your Indian address is available to our Company and the Registrar, in case you hold equity shares in physical form or the depository participant, in case you hold equity shares in dematerialised form;
 - e. Ensure that the CAFs are submitted at the SCSBs and details of the correct bank account have been provided in the CAF.
 - f. Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
 - g. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the bank account maintained with the respective SCSB, of which details are provided in the CAF and have signed the same.
 - h. Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF in physical form.
 - i. Except for CAFs submitted on behalf of the Central or State Government and the officials appointed by the courts, each applicant should mention their PAN allotted under the I. T. Act.
 - j. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
 - k. Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts:

- a. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- b. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- c. Do not pay the amount payable on application in cash, by money order or by postal order.
- d. Do not send your physical CAFs to the Lead Manager to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
- e. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- f. Do not apply if the ASBA account has been used for five applicants.
- g. Do not apply through the ASBA Process if you are not an ASBA Investor.
- h. Do not instruct your respective banks to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection for ASBA Investors

In addition to the grounds listed under “Grounds for Technical Rejection for non-ASBA Investors” on page 129 of this Letter of Offer, applications under the ABSA Process are liable to be rejected on the following grounds:

- a) Application on a SAF (unless all the SAFs are used by the original shareholder).
- b) Application for Allotment of Rights Entitlements or additional shares in physical form (in case the existing holding is in dematerialized form).
- c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.



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- d) Sending CAF to a Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
 - e) Insufficient funds are available with the SCSB for blocking the amount.
 - f) Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
 - g) Account holder not signing the CAF or declaration mentioned therein.
 - h) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
 - i) CAFs which have evidence of being executed in/dispatched from restricted jurisdiction.
 - j) Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
 - k) Submission of more than five CAFs per ASBA Account.
 - l) Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
 - m) Submitting the GIR instead of the PAN.
 - n) An Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
 - o) The Application by an Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 each and has not done so through the ASBA process.
 - p) Applications by SCSBs not complying with the SEBI circulars dated September 13, 2012 and January 2, 2013, whereby SCSBs need to ensure that for making applications on own account using ASBA facility, they should have a separate account in own name with any other SEBI registered SCSBs. Such account should be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Depository account and bank details for Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF.

Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository demographic details of these Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.



These Demographic Details would be used for all correspondence with such Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by the Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account linked to the DP ID. Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Equity Shareholders (including the order of names of joint holders), (b) the DP ID and (c) the beneficiary account number, then such applications are liable to be rejected.

Underwriting

The Issue is not underwritten.

Issue Schedule

Issue Opening Date:	Friday, September 27, 2013
Last date for receiving requests for SAFs:	Friday, October 11, 2013
Issue Closing Date:	Saturday, October 26, 2013

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ share certificates/demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service (“NECS”) except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement (“RTGS”).

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted and are entitled to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding share certificates will be kept ready within three months from the date of Allotment thereof or such extended time as may be approved by our Company Law Board under Section 113 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.



The letter of allotment / refund order would be sent by registered post/ speed post to the sole/ first Investors registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Investors having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
2. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to our Company or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
3. Direct Credit – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. RTGS – If the refund amount exceeds ₹ 2 lacs, the investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner permissible under the banking laws, which are in force, and are permitted by the SEBI from time to time.

Refund payment to Non- resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian Rupees based on the U.S. dollars equivalent which ought to be refunded. Indian Rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.



Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the relative share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. The Company has signed a tripartite agreement with NSDL on May 2, 1997 which enables the Investors to hold and trade in equity shares in a dematerialized form, instead of holding the equity shares in the form of physical certificates. The Company has also signed a tripartite agreement with CDSL on April 9, 1999 which enables the Investors to hold and trade in equity shares in a dematerialized form, instead of holding the equity shares in the form of physical certificates.

In this Issue, the allottees who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/or dematerialized form should be made.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.*
- For Equity Shareholders already holding equity shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original equity shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Equity Shareholders and the names are in the same order as in our records.
- The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.



- If incomplete/ incorrect beneficiary account details are given in the CAF, then such shares will be credited to a demat suspense a/c which shall be opened by the Company as specified in the SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009.
- The Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.
- Dividend or other benefits with respect to the Rights Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Investors

- (a) Please read the instructions printed on the enclosed CAF carefully.
- (b) Application should be made on the printed CAF, provided by our Company except as mentioned under the head "Application on Plain Paper – non ASBA" on page 114 of this Letter of Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.

The CAF together with the cheque/demand draft should be sent to the Banker to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected.

- (c) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN number allotted under the I.T. Act, 1961, irrespective of the amount of the application. **CAFs without PAN will be considered incomplete and are liable to be rejected.**
- (d) Investors, holding equity shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
- (e) All payment should be made by cheque/demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.



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- (f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company.
- (g) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.
- (h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint Investors who are Renounees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- (i) Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- (j) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the date of Allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of equity shares held in physical form and to the respective depository participant, in case of equity shares held in dematerialized form.
- (k) SAFs cannot be re-split.
- (l) Only the Equity Shareholder(s) and not Renounee(s) shall be entitled to obtain SAFs.
- (m) Investors must write their CAF number at the back of the cheque /demand draft.
- (n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- (o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected.
- (p) No receipt will be issued for application money received. The Banker to the Issue / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- (q) The distribution of the Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Equity Shares.



Do's for non-ASBA Investors:

- a. Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;
- b. Read all the instructions carefully and ensure that the cheque/ draft option is selected in part A of the CAF and necessary details are filled in;
- c. In the event you hold equity shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;
- d. Ensure that your Indian address is available to our Company and the Registrar, in case you hold equity shares in physical form or the depository participant, in case you hold equity shares in dematerialised form;
- e. Ensure that the CAFs are submitted at the collection centres of the Banker to the Issue only on prescribed forms;
- f. Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF;
- g. Ensure that you receive an acknowledgement from the collection centers of the collection bank for your submission of the CAF in physical form;
- h. Ensure that you mention your PAN allotted under the I.T. Act with the Application Form, except for Application on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- i. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;
- j. Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- a. Do not apply if you are not eligible to participate in this Issue in terms of the securities laws applicable to your jurisdiction;
- b. Do not apply on duplicate CAF after you have submitted a CAF to a collection center of the collection bank;
- c. Do not pay the amount payable on application in cash, by money order or by postal order;
- d. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- e. Do not submit Application accompanied with Stock invest;

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications may be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);
- Age of Investor(s) not given (in case of Renouncees);
- Application for Allotment of Rights Entitlements or additional shares in physical form (in case the existing holding is in dematerialized form).
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;



- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Equity Shareholder does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Letter of Offer;
- CAFs not duly signed by the sole/joint Investors;
- CAFs by OCBs without specific RBI approval;
- CAFs accompanied by outstation cheques / post-dated cheques / money order / postal order / outstation demand draft;
- In case no corresponding record is available with the depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that, among other thing, the subscriber is not located in restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/dispensed from restricted jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws);
- CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- Applications by Renounees who are persons not competent to contract under the Indian Contract Act, 1872, including minors; and
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- QIBs and other Equity Shareholders applying for Equity Shares in this Issue for value of more than ₹ 2,00,000 who hold equity shares in dematerialised form, applying through the non-ASBA process.
- Equity Shareholders not being individuals or HUFs applying for Equity Shares in this Issue for a value not exceeding ₹ 2,00,000, who hold equity shares in dematerialised form, applying through the non-ASBA process.
- The application by an Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.

Please read the Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

Please note that Equity Shareholders being QIBs and Non-Institutional Investors can participate in this Issue only through the ASBA process. Retail Individual Investors whose application amounts do not exceed ₹ 2,00,000 can participate in this Issue either through the ASBA process or the non ASBA process.

Investment by FIIs

In accordance with the current regulations, the following restrictions are applicable for investment by FIIs:

No single FII can hold more than 10% of our Company's post-Issue paid-up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each subaccount shall not exceed 5% of the total paid-up share capital of our Company, in case such sub-account is a foreign corporate or an individual.

Applications will not be accepted from FIIs in restricted jurisdictions.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. Applications will not be accepted from FIIs in restricted jurisdictions.



Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“SEBI VCF Regulations”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“SEBI AIF Regulations”) prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by QFIs

In terms of circulars dated January 13, 2012, SEBI and RBI have permitted investment by QFIs in Indian equity issues, including in rights issues. A QFI can invest in this Issue through its depository participant with whom it has opened a demat account. No single QFI can hold more than 5% of the paid up equity capital of our Company at any point of time. Further, the aggregate shareholding of all QFIs shall not exceed 10% of the paid up equity capital of the Company at any point of time.

Applications will not be accepted from QFIs in restricted jurisdictions.

QFI applicants having bank accounts with SCSBs that are providing ASBA in cities / centers where such Investors are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such Investors are liable for rejection.

Mode of payment for Resident Equity Shareholders/ Investors

- All cheques / drafts accompanying the CAF should be drawn in favour of the Collecting Bank (specified on the reverse of the CAF), crossed ‘A/c Payee only’ and marked “*Uniphos Enterprises – Rights Issue - R*”;

Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Banker to the Issue, crossed ‘A/c Payee only’ and marked “*Uniphos Enterprises – Rights Issue - R*” payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager or the Registrar. Applicants are requested to strictly adhere to these instructions.



Mode of payment for Non-Resident Equity Shareholders/ Investors

As regards the application by non-resident Equity Shareholders, the following conditions shall apply:

- Individual non-resident Indian applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can obtain application forms from the following address:

Sharepro Services (India) Private Limited

13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka, Andheri (East)
Mumbai – 400 072

Tel: +91 22 6772 0300

Fax: +91 22 2859 1568

Email: rights@shareproservices.com

Website: www.shareproservices.com

Contact Person: Mr. Abraham K.G.

SEBI Registration Number: INR 000001476*

** The SEBI registration certificate is valid till August 15, 2013. As required under SEBI Regulations, the Registrar has made an application vide its letter dated May 13, 2013 with SEBI for renewal of its certificate of registration.*

Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

- All non-resident Investors should draw the cheques/ demand drafts in favour of “**Uniphos Enterprises – Rights Issue – NR**”, crossed “A/c Payee only” for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.
- Non-resident Investors applying from places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges drawn in favour of Banker to the Issue, crossed “A/c Payee only” and marked “**Uniphos Enterprises – Rights Issue – NR**” payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made by demand draft payable at Mumbai/cheque payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
- By cheque/draft on a Non-Resident External Account (NRE) or FCNR Account maintained in India; or
- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable in Mumbai; or FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.
- Non-resident investors applying with repatriation benefits should draw cheques/drafts in favour of “**Uniphos Enterprises – Rights Issue - NR**” and must be crossed ‘account payee only’ for the full application amount, net of bank and postal charges.
- FIIs registered with SEBI must remit funds from special non-resident rupee deposit account; or



- Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- In the case of NRI Investors who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRI Investors who remit their application money through Indian Rupee drafts from abroad, refunds and other disbursements, if any, will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Investor's bankers.
- Payments through NRO accounts will not be permitted.

Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding equity shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- All cheques/drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of '**Uniphos Enterprises – Rights Issue – R**' and must be crossed 'account payee only' for the full application amount, net of bank and postal charges. The CAFs duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant are liable to be rejected.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.
- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

**Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act which is reproduced below:

“Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to Allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Dematerialized dealing

The Company has entered into agreements dated May 2, 1997 and April 9, 1999 with NSDL and CDSL, respectively.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Banker to the Issue / Registrar to the Issue / SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date.

If such money is not repaid within eight days from the day our Company becomes liable to repay it, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under Section 73 of the Companies Act.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

- i. All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to sub-section (3) of Section 73 of the Companies Act;
- ii. Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- iii. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- iv. The Company may utilize the funds collected in this Issue only after finalization of Basis of Allotment.



Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of Allotment.
3. The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by our Company.
4. The Company undertakes that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the basis of Allotment.
6. The certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within the specified time.
7. No further issue of securities affecting equity capital of the Company shall be made till the securities issued/offered through the Letter of Offer Issue are listed or till the application monies are refunded on account of non-listing, under-subscription etc.
8. At any given time there shall be only one denomination of equity shares of our Company.
9. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
10. All information shall be made available by the Lead Manager and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.
11. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

(A) If our Company does not receive the minimum subscription of ninety per cent of the issue, the entire subscription shall be refunded to the applicants within fifteen days from the date of closure of the issue.

(B) If there is delay in the refund of subscription by more than 8 days after the issue becomes liable to pay the subscription amount (i.e. fifteen days after closure of the issue), our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

Our Promoter/ Promoter Group, either jointly or severally, intend to subscribe to their Rights Entitlement in this Issue, in full, subject to the terms of this Letter of Offer and applicable laws. Subject to compliance with applicable laws including the Takeover Code, the Promoter/ Promoter Group, either jointly or severally, reserve the right to subscribe for (1) additional Equity Shares of our Company and/or (2) the unsubscribed portion if any, to the extent that the holding of Promoter/Promoter Group does not exceed 75% of the post Issue paid up capital of our Company. One of the Promoter/ Promoter Group entity Nerka Chemicals Private Limited has provided an undertaking dated July 12, 2013 to this effect.

As a result of the subscription, our Promoter/Promoter Group may acquire Equity Shares over and above their respective entitlements in this Issue, which may result in an increase of their shareholding above the current



shareholding along with the Rights Entitlement. Such subscription and acquisition of additional Equity Shares by our Promoter / Promoter Group through the Issue, if any, shall be made in accordance with applicable laws. Further, such acquisition is exempted from the obligation to make an open offer as the conditions prescribed in Regulation 10(4)(b) of the Takeover Code are duly complied with.

Important

- Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.
- All enquiries in connection with this Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and superscribed '*Uniphos - Rights Issue*' on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Sharepro Services (India) Private Limited

13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka, Andheri (East)
Mumbai – 400 072

Tel: +91 22 6772 0300

Fax: +91 22 2859 1568

Email: rights@shareproservices.com

Website: www.shareproservices.com

Contact Person: Mr. Abraham K.G.

SEBI Registration Number: INR 000001476*

** The SEBI registration certificate is valid till August 15, 2013. As required under SEBI Regulations, the Registrar has made an application vide its letter dated May 13, 2013 with SEBI for renewal of its certificate of registration.*

The Issue will remain open for 30 days.



SECTION VIII - STATUTORY AND OTHER INFORMATION**Option to subscribe**

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. The Company has signed a tripartite agreement with NSDL on May 2, 1997 which enables the Investors to hold and trade in equity shares in a dematerialized form, instead of holding the equity shares in the form of physical certificates. The Company has also signed a tripartite agreement with CDSL on April 9, 1999 which enables the Investors to hold and trade in equity shares in a dematerialized form, instead of holding the equity shares in the form of physical certificates.

In this Issue, the allottees who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/or dematerialized form should be made.

The Equity Shareholders of the Company who are holding the equity shares in the physical form have an option to subscribe to this Issue in either the dematerialized form or in the physical form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.



MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by the company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the registered office of our company between 11.00 a.m. to 2.00 p.m. on any working day from the date of this Letter of Offer until the date of the closure of the Issue.

(A) MATERIAL CONTRACTS

1. Memorandum of Understanding (MOU) dated December 23, 2010 between the Company and Keynote Corporate Services Ltd., Lead Manager to the issue.
2. MOU dated December 23, 2010 between Company and Sharepro Services (I) Private Ltd., Registrar to the Issue.
3. Tripartite Agreement dated May 2, 1997 between the Company, National Securities Depository Ltd. (NSDL) and Sharepro Services (I) Pvt. Ltd.
4. Tripartite Agreement dated April 9, 1999 between the Company, Central Depository Services (India) Limited (CDSL) and Sharepro Services (I) Pvt. Ltd.
5. Banker's to the Issue Agreement dated September 7, 2013 between the Company, Keynote Corporate Services Limited, Sharepro Services (I) Pvt. Ltd. and Axis Bank Limited.

(B) DOCUMENTS FOR INSPECTION

1. Memorandum & Articles of Association of our Company;
2. Certificate of incorporation of our Company dated May 29, 1969 and subsequent fresh certificates of incorporation dated August 22, 1983, February 3, 1986, November 25, 1992, March 30, 1993 and October 8, 2003;
3. Resolution of the Board of Directors under section 81(1) of Companies Act, 1956 passed in its meeting dated December 23, 2010 authorising the Issue;
4. Resolution of the Board of Directors passed in its meeting dated September 7, 2013 approving this Letter of Offer;
5. Annual reports of our Company for the last five financial years;
6. Report of M/s. S.V. Ghatalia & Associates LLP, Chartered Accountants & Statutory Auditors of our Company dated July 24, 2013 on reformatted audited financial statements of our Company for the financial years ended March 31, 2013, 2012, 2011, 2010 and 2009;
7. A statement of tax benefits dated July 24, 2013 received from M/s. S.V. Ghatalia & Associates LLP, Chartered Accountants & Statutory Auditors of our Company regarding tax benefits available to our Company and its shareholders;
8. Certificate dated July 16, 2013 from M/s. Jawahar Thacker & Co., Chartered Accountants regarding "sources & deployment of funds";
9. Letter of Offer dated May 31, 1993 in respect of preceding rights issue made by our Company;
10. Scheme of Arrangement and Re-structuring in the nature of a de-merger approved by the Hon'ble High Court of Gujarat at Ahmedabad on August 28, 2003 pursuant to which all the assets and liabilities pertaining to the manufacturing division of United Phosphorus Limited ("UPL") were transferred to Search Chem Industries Limited ("SCIL"). UPL was renamed as Uniphos Enterprises Limited and SCIL was renamed as United Phosphorus Limited;



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11. Consents of the Directors, Company Secretary & Compliance Officer, Lead Manager to the Issue, Legal Advisor to the Issue, Statutory Auditors, Banker to the Issue and Registrar to the Issue to include their names in the Letter of Offer to act in their respective capacities;
 12. Certificate dated December 23, 2010 from our Company as regards compliance with conditions enumerated in Para 1 of Part E under Schedule VIII of SEBI Regulations;
 13. Due Diligence Certificate dated December 29, 2010 by Keynote Corporate Services Ltd., Lead Manager to the Issue;
 14. In-principle listing approval(s) dated February 4, 2011 from BSE & NSE respectively;
 15. Observation letter no. WRO II/SM/DK/RI/UEL/0615/2013 dated March 18, 2013 received from SEBI;

**SECTION IX - DECLARATION**

We hereby certify that no statement made in this Offer Document contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with this Issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Offer Document are true and correct.

Name	Signature
Mr. Rajnikant Devidas Shroff	Sd/-
<i>Chairman and Managing Director</i>	
Mrs. Sandra Rajnikant Shroff	Sd/
<i>Non Executive Vice Chairman</i>	
Mr. Jaidev Rajnikant Shroff	Sd/
<i>Non-Executive Director</i>	
Mr. Arun Chandrasen Ashar	Sd/
<i>Independent Director</i>	
Mr. Pradeep Goyal	Sd/
<i>Independent Director</i>	
Mrs. Swati Sandesh Mayekar	Sd/
<i>Independent Director</i>	

Place: Mumbai
Date: September 7, 2013

Mr. K. M. Thacker
Company Secretary & Compliance Officer