

Annual Report

for the year ended 31st March, 2010



THE PHOSPHATE COMPANY LIMITED

THE PHOSPHATE COMPANY LIMITED

BOARD OF DIRECTORS

Shri G.D.BANGUR, Chairman
Shri BINOD KHAITAN
Shri N.A.BHADURI
Shri M.D.DAMANI, Director & Secretary

BANKERS

State Bank of India, Kolkata
State Bank of Mysore, Kolkata
Syndicate Bank, Kolkata

AUDITORS

Messrs Batliboi, Purohit & Darbari

REGISTERED OFFICE

14, N.S.Road, Kolkata-700001
Tel.033-2230 0771(3lines)
Fax.91-33-2243 6236
E.Mail-phosphate@vsnl.net

WORKS

45, Ramkrishna Road, Rishra,
Hooghly (W.Bengal)-712248
Tel.033-2672 1448/1497
Fax.91-33-2672 2270
E.Mail-pclsuper@vsnl.net

REGISTRAR & TRANSFER AGENT

Messrs Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata-700001
Tel.:033-2243 5029/5809

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THE PHOSPHATE COMPANY LIMITED

NOTICE

Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at Somany Conference Hall of Merchants' Chamber of Commerce, 15B Hemant Basu Sarani, Kolkata-700001 on Saturday, the 4th September, 2010 at 11.30 AM to transact the following business :-

- 1) To receive and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2010 and Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
- 2) To elect a Director in place of Shri Binod Khaitan, who retires by rotation and being eligible offers himself for re-election.
- 3) To elect a Director in place of Shri Gopal Das Bangur, who retires by rotation and being eligible offers himself for re-election.
- 4) To appoint Auditors and to fix their remuneration.

Registered Office :
14, Netaji Subhas Road,
Kolkata-700001.
Dated: 30th July, 2010

By Order of the Board
M. D. Damani
Director & Secretary

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
2. Members who hold shares in Dematerialized form are requested to bring their Client ID and DP ID nos. for easier identification of attendance at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the 1st September, 2010 to 4th September, 2010 (both days inclusive).
4. A member desirous of obtaining any information concerning the accounts and operation of the Company is requested to send his queries to the Company at least 7 days before the date of the meeting, so that the information required by the member is made available at the meeting.
5. Members who have not encashed their dividend warrant for F.Y. 2006-07 are requested to write to the Company.
6. Pursuant to Section 205A of the Companies Act, 1956, as amended: -
 - a) All unclaimed/unpaid dividends upto the Financial Year 1993-94 have been transferred to the General Revenue Account of Central Government. Members concerned are requested to claim the amount from the Registrar of Companies, West Bengal.

THE PHOSPHATE COMPANY LIMITED

- b) Unclaimed dividend for the financial years 1994-95 to 1998-99 have been transferred and thereafter, there remain no unpaid or unclaimed for a period of 7 years to be transferred to the Investor Education and Protection Fund of the Central Government and no payment shall be made in respect of any such claim.
7. Members attending the meeting are requested to bring their Copy of the Annual Report with them to the meeting.
8. As per the provisions of the Companies Act, 1956, as amended, facility for making nomination is available to individual shareholder. The prescribed form can be obtained from the Company.
9. As per SEBI's circular in respect of transaction involving transfer of shares in physical form of a listed company, it is mandatory for the transferee(s) to furnish a copy of PAN card for registration of transfer of Shares.
10. Details of Directors seeking appointment/re-appointment;
- i. **Shri Binod Khaitan** aged 67 years, a Commerce Graduate & MBA (Geneva) is on the Board of Directors of the Company since December 1990. He is an eminent businessman with wide experience and associated with leading social & charitable organisations. He holds directorships in Electro Steel Casting Ltd., Art Finance & Trade Ltd. and Adelina Investment Pvt. Ltd.
- ii. **Shri G. D. Bangur**, aged 64 years, is the Chairman of the Company since March 2000. He is a Commerce Graduate from University of Calcutta and belongs to the pioneer Industrial Group of Bangurs. He has a wide experience of more than 43 years in managing various industries viz. Jute, Textile, Engineering, Plantation. He has been Chairman of Indian Jute Manufacturers Association and Indian Wire Rope Association and was associated with Indian Chamber of Commerce, Kolkata. At present he is the Chairman & Managing Director of Gloster Jute Mills Ltd. and Chairman of Joonktollee Tea & Industries Ltd. and holds directorship in a number of other companies.

THE PHOSPHATE COMPANY LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors present their Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

	all in ₹ rupees
Sales & Other Income	12,52,28,280
Operating Profit	1,37,79,872
Interest	1,28,45,619
Gross Profit	9,34,253
Depreciation	8,55,378
Net Profit	78,875
Extra Ordinary Item – VRS or Voluntary Retirement Scheme	(74,96,633)
Deferred Tax Credit Liability Written Back	23,72,325
Profit/(Loss) after Tax	(50,45,433)

YEAR IN RETROSPECT

Global economy is recovering despite glitches from Euro countries. India is witnessing good growth all around. Agriculture Production is robust and price of almost all agro-produce is high, this augurs well for us, as Agro input Industry.

Policy of Variable Concession on Single Super Phosphate (SSP) fertiliser based on monthly variation in Raw material prices remained operative from 1-5-2008 to 30-9-2009 by extending policy from time to time.

Effective from 1-10-2009 SSP concession policy was revert back to fixed concession regime with a marked change in Retail Pricing Scheme. FREE pricing was introduced wherein PRICES were decided by manufacturers in place of Government controlled prices.

Change in pricing policy gave a fillip to the industry. This resulted in rise in All India SSP production by 22.10% over previous year. Our production at Udaipur also increased but the same is not comparable. However, this also resulted in higher price SSP for farmers who showed resistance in purchasing high price SSP in comparison to other heavily subsidised comparable fertiliser.

Your company's production agreement with DMCC, Khemli (Rajasthan) resulted in production and sale of 16005 MT and 14830 MT of SSP respectively, during the year. Due to change in management at DMCC, our agreement was terminated with them w.e.f. 31-3-2010.

Turnover of the company during the year was ₹1252 lacs in comparison to ₹457 lacs in previous year. Company has been able to turn the table and made Operating profit, Gross Profit and Net Profit in the year under review in place of losses suffered last year. However your Directors do not recommend any dividend for the year under review.

CURRENT SCENERIO

Effective from 1-5-2010, Government of India has introduced Nutrient Based Subsidy (NBS) Policy for all decontrolled P & K Fertiliser, giving same rate of subsidy to all phosphate based fertiliser. Our long standing demand to include SULPHUR and CALCIUM as secondary nutrient, besides PHOSPHOROUS as primary nutrient in SSP has been partially met, as Sulphur has been recognised as one of the Nutrient. Both these measures have resulted in more than doubling of subsidy amount for SSP from ₹2000/- to ₹4400/-.

Considering judicious, long-term and positive approach of Government of India, your company has decided to restart the operation at Rishra works. As per NBS policy, company is gearing up its plant & machinery to produce

THE PHOSPHATE COMPANY LIMITED

Boronated(Powder / Granulated) Single super Phosphate and hopes to start production by August 2010. Further Government has allowed crop specific customised fertiliser. Accordingly, company plans to revamp its NPK fertiliser plant to produce customised fertiliser. Your company envisages a capital expenditure of ₹4.50 crores in phased manner to achieve desired quality product.

FUTURE STRATEGY

Your works / factory at Rishra is facing infrastructure bottleneck. Narrow Roads all around the factory and heavy movement of railway and bus commuters due to close proximity of Railway Station as well as Inter-State Bus terminal restricts movement of Heavy Trucks at times and often creates jam. Therefore, your management is preparing a road map to shift the entire production line to new spacious place in next 3 years.

RISK & CONCERN

Your Company's product is agro input, the demand of which is dependent on good monsoon and fair climatic conditions besides Government policy.

TECHNOLOGY ABSORPTION CONSERVATION OF ENERGY,AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no manufacturing activity during the year under review, hence any technology absorption and conservation of energy in manufacturing of product does not take place. However, information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in an annexure and forms a part of this Report.

FIXED DEPOSITS

Your Company has not accepted any deposit from the public under Section 58A of the Companies Act, 1956 and the Deposit Rules during the year under review.

INDUSTRIAL RELATIONS

The relations with the employees remained cordial. Generous VRS offered by management was accepted by all the workers.

PARTICULARS OF EMPLOYEES

As per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are given as per Annexure and forms a part of this Report.

DIRECTORS

Shri Binod Khaitan and Shri G. D. Bangur retire by rotation and being eligible, offers themselves for re-appointment. Particulars of the retiring directors are appended in the notes forming part of the notice for the ensuing General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance to Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby state :

1. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors have arranged preparation of the Annual Accounts on a going concern basis.

THE PHOSPHATE COMPANY LIMITED

CORPORATE GOVERNANCE

Your company does not fall under the provisions of the revised clause 49 of Listing Agreement. However, Corporate Governance practice are being followed by the Company.

COMPULSORY DEMAT

Trading in your company's shares has been made compulsory in dematerialized form as notified by SEBI. Your company's International Security Identification Number (ISIN) is INE398C01016.

LISTING OF EQUITY SHARES

Equity shares of your company are listed with The Calcutta Stock Exchange Association Ltd. under scrip code no 10026031 and annual listing fee has been paid for the year 2010-11. An application has been made for listing with Bombay Stock Exchange through The Calcutta Stock Exchange.

COST AUDIT

Since the the suspension of works at Rishra has been lifted only in the last quarter of the period under review, applications are being moved to the Ministry of Corporate Affairs, New Delhi, requesting to keep in abeyance Cost Audit Orders on your Company's product till the production commences.

INSURANCE

All the properties of the company are adequately insured.

SECRETARIAL AUDIT & RECONCILIATION OF CAPITAL

As stipulated by SEBI, a firm of Chartered Accountants carried out secretarial audit and reconciliation of total admitted capital every quarter and their reports were submitted to The Calcutta Stock Exchange.

AUDITORS

Messers. Batliboi, Purohit & Darbari, Chartered Accountants, the Auditors of the Company also retire at the ensuing Annual General Meeting and are eligible for re-appointment. Observations by auditors in their report in schedule VI regarding non provision of Gratuity liability is self explanatory in Note 7 of Schedule R.

ADEQUACY OF INTERNAL CONTROLS

The company has adequate internal control system commensurate to its size and business. M/s. R. D. Daga & Co., Chartered Accountants, has been appointed Internal Auditors, to conduct internal audit on the companies' activities.

CEO'S CERTIFICATE

A certificate from the Chief Executive of the Company on the Financial Statements of the Company, in terms of clause 49 of the Listing Agreement, placed before the Board and was taken on record.

COMPLIANCE OFFICER & MEANS OF COMMUNICATION

Shri M. D. Damani, Director & Secretary, is the Compliance Officer. He is available at the Registered Office of the company at 14, Netaji Subhas Road, Kolkata-700 001. Tel. : 033-2230-0771 - 3, Fax : 033-2243-6236, Mob : 09681096817, E-mail : phosphate@vsnl.net

Registrar & Share Transfer Agents : M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata - 700 001, Tel : 91-033-2243 5029 / 5809

ACKNOWLEDGEMENT

The Directors wish to record their appreciation of dedication and commitments of the employees and the teamwork displayed by them. Your Directors are also thankful to State Bank of India, State Bank of Mysore, Syndicate Bank, Central Government, State Government, Shareholders, Customers, Dealers & Vendors for the continuous support and assistance.

Kolkata
Dated : 30th July, 2010

On behalf of the Board
G. D. Bangur
Chairman

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT

A. Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming a part of the Directors' Report.

I. CONSERVATION OF ENERGY

Disclosure of Particulars with respect to conservation of energy

		This Year		Previous Year
A. Power and Fuel Consumption				
1. Electricity:				
(a) Purchased:				
Units	'000KWH	—		—
Total	Rs./Lacs	—		—
Rate/Unit	Rs./KWH	—		—
(b) Own generation:				
(i) Through Diesel Generator				
Units	'000KWH	—		—
Unit per litre of Diesel oil	'000KWH	—		—
Cost/Unit	Rs./KWH	—		—
(ii) Through Steam Turbine/Generator	'000KWH	—		—
2. Coal (Specify & Where Used):				
Quantity	Tonnes	—		—
Total Cost	Rs./Lacs	—		—
Average Rate Rs./Tonne	—		—	
3. Furnace Oil :				
Quantity	KL	—		—
Total Cost	Rs./Lacs	—		—
Average Rate Rs./KL	—		—	
4. Others/Internal Generation :	'000KWH	—		—
B. Consumption per unit of Production				
	Electricity (KWH/MT)	Furnace Oil (LTRS/MT)	Electricity (KWH/MT)	Furnace Oil (LTRS/MT)
Superphosphate	—	—	—	—
Sulphuric Acid	—	—	—	—
Granulated Fertiliser	12.00	11.06	—	—
Sodium Silico Fluoride	—	—	—	—

II. FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings	Rs./Lacs	Nil		Nil
Outgo	Rs./Lacs	208.02		6.80

B. Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

Name	Age	Designation/ Nature of Duty	Remuneration	Qualification & Experience	Date of Commencement of Employment	Previous Employment held with	% of Equity held
Shri Suresh Bangur	56	Chief Executive (Production & Development)	Rs. 10,38,446/-	B. Com 37yrs.	15th Oct., 1982	M/s. Raj Luxmi Associates	4.4%

NOTES :

1. Remuneration includes Salary, House rent Allowance, Contribution to Provident fund, Superannuation Annuity policy, Leave Travel Assistance, Club Membership fee, Reimbursement of medical expenses and other perquisites evaluated on the basis of Income Tax Act, 1961 & Rules framed thereunder.
2. Gratuity has not been included in remuneration.
3. Nature of Employment : Non Contractual.
4. Terms & Conditions - As per Company's Rules.

On behalf of the Board
G. D. BANGUR
Chairman

THE PHOSPHATE COMPANY LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED

We have audited the attached Balance Sheet of THE PHOSPHATE COMPANY LIMITED as at March 31, 2010 and also the Profit and Loss Account & Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report as follows :

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

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except as provided in clause vi of this Schedule.
- v. On the basis of the written representations received from the Directors as on March 31, 2010, which have been taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (l) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required, *subject to Note 7 of Schedule R regarding non-provision of Gratuity liability of Rs. 1794489/- and resultant effects thereof on the profit of the year and net assets position as on March 31, 2010, give a true and fair view in conformity with the accounting principles generally accepted in India;*
 - a. in the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2010,
 - b. in the case of the Profit and Loss Account of the loss for the year ended on that date and,
 - c. in the case of Cash Flow Statement of the cash flows for the year ended on that date.

For BATLIBOI, PUROHIT & DARBARI

Firm Reg. No. 303086E

Chartered Accountants

HEMAL MEHTA

Partner

Membership No. : 063404

Kolkata

Dated : 30th July, 2010

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our report of even date to the members of THE PHOSPHATE COMPANY LIMITED on the accounts for year ended 31st March, 2010.

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. The company has not disposed of any substantial part of its fixed assets during the year.
2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancy were noticed on physical verification.
3. The Company has neither taken nor granted any loan secured / unsecured from / to Companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii)(b) to (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us there are adequate internal Control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
5. Based on our audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 have been so entered. In our opinion and according to the information and explanations given to us, there are no transactions with such parties exceeding a value of Rupees five lacs in respect of each party during the year.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As explained to us the Company is maintaining Cost records pursuant to the order made by the Central Government under Section 209 (1)(d) of the Companies Act, 1956. However, we are not required to carry out and have not carried out any detailed examination of such accounts and records.
9. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty and cess applicable to it with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding at the year end for a period of more than six month from the date they become payable.

According to the records of the Company there are no dues outstanding of sales tax on account of any dispute, other than the following :

Name of the Statute	Period to which relates	Amount (Rs.)	Forum where dispute is pending
Income Tax Act	A.Y. 2006-07	51,22,889/-	CIT Appeals

10. The Company have accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year but had cash losses in immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. According to the information and explanations given to us and based on the documents and records produced to us the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
14. The Company does not deal or trade in shares securities and other investments.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. We have been informed by the management that the funds raised on short-term basis have not been used for long-term investments and vice-versa.
18. The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company does not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For BATLIBOI, PUROHIT & DARBARI
Firm Reg. No. 303086E
Chartered Accountants
HEMAL MEHTA
Membership No. : 063404

Kolkata 30th July, 2010

THE PHOSPHATE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	31st March, 2010		31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
SHAREHOLDERS FUND					
Share Capital	'A'	1,73,24,800		1,73,24,800	
Reserves & Surplus	'B'	<u>4,20,97,377</u>	5,94,22,177	<u>4,77,03,578</u>	6,50,28,378
LOAN FUNDS					
Secured	'C'	7,05,40,807		4,25,16,501	
Unsecured	'D'	<u>5,11,48,297</u>	12,16,89,104	<u>3,79,22,742</u>	8,04,39,243
Deferred Tax Liability (net)			2,20,647		25,92,972
	TOTAL		<u>18,13,31,928</u>		<u>14,80,60,593</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
	'E'				
Gross Block		20,92,25,524		20,97,24,159	
Less : Depreciation		<u>12,08,91,915</u>		<u>11,99,38,217</u>	
Net Block		8,83,33,609		8,97,85,942	
Add : Capital Work-in-Progress		<u>12,03,226</u>	8,95,36,835	<u>4,84,531</u>	9,02,70,473
INVESTMENTS	'F'		26,000		26,000
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	'G'	5,72,74,726		2,58,86,247	
Sundry Debtors	'H'	6,48,35,927		2,87,32,957	
Cash & Bank Balances	'I'	39,31,331		4,04,986	
Loans & Advances	'J'	<u>1,24,75,946</u>		<u>1,19,85,318</u>	
		13,85,17,930		6,70,09,508	
Less :					
CURRENT LIABILITIES & PROVISION					
Current Liabilities	'K'	6,13,14,898		1,44,98,785	
Provision for Leave Encashment		15,50,919		17,13,613	
Provision for Gratuity		10,33,383		19,93,383	
Provision for Taxation		<u>11,07,535</u>		<u>12,34,139</u>	
		6,50,06,735		1,94,39,920	
NET CURRENT ASSETS			7,35,11,195		4,75,69,588
Miscellaneous Expenditure			<u>1,82,57,898</u>		<u>1,01,94,532</u>
Deferred Revenue Expenditure					14,80,60,593
	TOTAL		<u>18,13,31,928</u>		<u>14,80,60,593</u>

Notes on Accounts & Accounting Policies

The Schedules 'A' to 'K' and 'R' referred to above form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our Report of even date.

For **BATLIBOI, PUROHIT & DARBARI**

Firm Reg. No. 303086E

Chartered Accountants

HEMAL MEHTA

Partner

Membership No. : 063404

7, Waterloo Street, Kolkata 700 069

Dated : 30th July, 2010

M. D. DAMANI
Director & Secretary

BINOD KHATTAN
Director

G. D. BANGUR
Chairman

THE PHOSPHATE COMPANY LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	31st March, 2010		31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
INCOMES					
Turnover & Other Income	'L'		12,52,28,280		4,57,49,198
	TOTAL		<u>12,52,28,280</u>		<u>4,57,49,198</u>
EXPENDITURE					
(Increase)/Decrease of Finished Goods	'M'		(1,23,07,700)		(78,91,920)
Consumption & Purchase of materials	'N'		6,51,23,347		2,62,12,749
Payments to employees	'O'		90,52,353		1,25,96,133
Manufacturing & Other expenses	'P'		4,95,80,408		1,79,45,530
Interest (net)	'Q'		1,28,45,619		62,67,949
Depreciation		14,16,146		15,67,585	
Less : Transfer from Revaluation Reserve		<u>5,60,768</u>	<u>8,55,378</u>	<u>5,60,768</u>	<u>10,06,817</u>
	TOTAL		<u>12,51,49,405</u>		<u>5,61,37,258</u>
Profit / (Loss) before Tax & Extra Ordinary Items			78,875		(1,03,88,060)
Extra Ordinary Items			<u>74,96,633</u>		<u>45,88,633</u>
Profit/(Loss) before Tax			(74,17,758)		(1,49,76,693)
Provisions					
Current Income Tax		—		—	
Fringe Benefit Tax		—		96,250	
Fringe Benefit Tax Excess Provision written back		—		(7,839)	
Deferred Tax Liability written back		<u>(23,72,325)</u>	<u>(23,72,325)</u>	<u>(73,13,372)</u>	<u>(72,24,961)</u>
Profit / (Loss) after Tax			(50,45,433)		(77,51,732)
Balance Brought forward			<u>(38,67,416)</u>		<u>38,84,316</u>
	TOTAL		<u>(89,12,849)</u>		<u>(38,67,416)</u>
Basic and Diluted Earning per Share (Rs.) (Refer Note No. 18)			(2.91)		(4.47)

Notes on Accounts & Accounting Policies 'R'

The Schedules 'L' to 'Q' and 'R' referred to above form an integral part of the Profit & Loss Account. This is the Profit & Loss Account referred to in our Report of even date.

For **BATLIBOI, PUROHIT & DARBARI**

Firm Reg. No. 303086E

Chartered Accountants

HEMAL MEHTA

Partner

Membership No. : 063404

7, Waterloo Street, Kolkata 700 069

Dated : 30th July, 2010

M. D. DAMANI

Director & Secretary

BINOD KHAITAN

Director

G. D. BANGUR

Chairman

THE PHOSPHATE COMPANY LIMITED

SCHEDULES

	31st March, 2010		31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'A'				
SHARE CAPITAL				
Authorised				
50,00,000	Equity Shares of Rs. 10/- each	5,00,00,000		5,00,00,000
Issued, Subscribed & Paid up :				
17,32,480	Equity Shares of Rs. 10/- each (of the above Equity Shares 9,84,360 of Rs 10/- each allotted as fully Paid-up by way of Bonus Shares by Capitalisation of Share Premium & General Reserve)	1,73,24,800		1,73,24,800
	TOTAL	1,73,24,800		1,73,24,800
SCHEDULE 'B'				
RESERVES & SURPLUS				
a.	Reserve on Revaluation of Fixed Assets			
	As per last Balance Sheet	1,67,77,563	1,73,38,331	
	Less : Transferred to Profit & Loss A/c.	5,60,768	5,60,768	1,67,77,563
b.	General Reserve			
	As per last Balance Sheet	3,47,93,431		3,47,93,431
c.	Profit & Loss Account			
	Balance C/f	(89,12,849)		(38,67,416)
	TOTAL	4,20,97,377		4,77,03,578
SCHEDULE 'C'				
LOAN FUNDS SECURED				
1. TERM LOANS				
(a)	HDFC Bank Ltd. (Car Loan)	41,488		1,95,600
(b)	(i) State Bank of India (FCNRB Loan)	—		44,06,340
	(ii) State Bank of Mysore (Corporate Loan)	1,87,50,000		2,00,00,000
2. CASH CREDITS				
	State Bank of India	1,47,80,837		1,01,71,550
	State Bank of Mysore	1,77,21,431		8,13,726
	Syndicate Bank	1,92,47,051		69,29,285
	TOTAL	7,05,40,807		4,25,16,501
1. TERM LOANS				
(a)	Secured by first charge by way of Hypothecation of Car purchased under the Scheme.			
(b)	(i) Secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari-passu second charge on current assets and (ii) Secured by way of 1st charge on entire fixed assets.			
2. CASH CREDITS				
Secured by hypothecation by way of pari-passu first charge of all existing and future Stocks of Raw Materials, Finished goods, Stores, present and future Book Debts and pari-passu second Charge by way of equitable mortgage on immovable property and on Fixed Assets.				

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

31st March, 2010 31st March, 2009
Rs. Rs.

SCHEDULE 'D'

UNSECURED LOANS

From Limited Companies	4,25,00,000	3,00,00,000
From Dealers security deposits	72,59,000	72,59,000
Interest accrued and due	<u>13,89,297</u>	<u>6,63,742</u>
TOTAL	<u>5,11,48,297</u>	<u>3,79,22,742</u>

SCHEDULE 'E'

FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Upto 31st March 2009	Addi- tions	Sales/ Adjust- ments	Total upto 31st March 2010	Upto 31st March 2009	For the year	Sales/ Adjust- ments	Upto 31st March 2010	As at 31st March 2010	As at 31st March 2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
i) LAND & BUILDING										
a) Land	52,70,000	—	—	52,70,000	—	—	—	—	52,70,000	52,70,000
b) Buildings	4,09,58,360	—	—	4,09,58,360	2,27,17,507	11,13,693	—	2,38,31,200	1,71,27,160	1,82,40,853
ii) PLANT & MACHINERY										
a) Plants	15,68,68,109	—	—	15,68,68,109	9,20,74,054	3,019	—	9,20,77,073	6,47,91,036	6,47,94,055
b) Computer at Head Office	12,96,961	—	—	12,96,961	9,93,768	73,611	—	10,67,379	2,29,562	3,03,193
c) Computer at Factory	5,06,514	—	—	5,06,514	4,20,652	3,473	—	4,24,125	82,369	85,862
d) Water & Acid Installations	1,88,449	—	—	1,88,449	1,85,075	—	—	1,85,075	3,374	3,374
e) Laboratory Equipments	89,534	—	—	89,534	81,541	—	—	81,541	7,993	7,993
f) Railway Sidings	1,01,090	—	—	1,01,090	1,01,072	—	—	1,01,072	18	18
g) Electric Installations	3,55,631	—	—	3,55,631	3,44,377	—	—	3,44,377	11,254	11,254
iii) MOTOR CARS & TRUCKS	20,57,891	—	5,41,614	15,16,277	14,06,447	1,55,995	4,62,448	10,99,994	4,16,283	6,51,444
iv) FURNITURE & FITTINGS	20,31,620	42,979	—	20,74,599	16,13,724	66,355	—	16,80,079	3,94,520	4,17,896
	20,97,24,159	42,979	5,41,614	20,92,25,524	11,99,38,217	14,16,146	4,62,448	12,08,91,915	8,83,33,609	8,97,85,942
v) PLANT UNDER ERECTION	—	—	—	—	—	—	—	—	12,03,226	4,84,531
TOTAL	20,97,24,159	42,979	5,41,614	20,92,25,524	11,99,38,217	14,16,146	4,62,448	12,08,91,915	8,95,36,835	9,02,70,473
PREVIOUS YEAR	21,00,82,370	33,050	3,91,261	20,97,24,159	11,87,02,553	15,67,585	3,31,921	11,99,38,217	9,02,70,473	9,18,64,348

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2010	31st March, 2009
	Rs.	Rs.
SCHEDULE 'F'		
INVESTMENTS (AT COST)-Long term		
Other than Trade (Unquoted)		
a. 6 year National Savings Certificates (VIII Issue) (deposited as security with Collector of Customs, Kolkata)	6,000	6,000
b. 6 year National Saving Certificates (VIII Issue) (deposited as security with Sales Tax Department, Udaipur)	20,000	—
TOTAL	<u>26,000</u>	<u>6,000</u>
SCHEDULE 'G'		
INVENTORIES		
(As valued and certified by the Management)		
Stores & Spare Parts (At Cost)	1,10,61,869	1,12,22,344
Packing Materials (At Cost)	6,92,654	8,90,695
Raw Materials (At Cost)	2,31,07,690	36,68,395
Finished Goods (At Cost including excise or Net realisable value which ever is lower)	2,24,12,513	1,01,04,813
TOTAL	<u>5,72,74,726</u>	<u>2,58,86,247</u>
SCHEDULE 'H'		
SUNDRY DEBTORS		
(Unsecured considered good)		
Debts outstanding for a period exceeding six months	13,13,056	16,51,138
Other Debts	6,35,22,871	2,70,81,819
TOTAL	<u>6,48,35,927</u>	<u>2,87,32,957</u>
SCHEDULE 'I'		
CASH & BANK BALANCES		
Cash in Hand	2,32,791	1,57,458
Balances with Scheduled Banks in		
Current Accounts	1,63,606	1,03,264
Unpaid Dividend A/c.	43,934	44,264
Fixed Deposit Accounts (Pledged against Margin / Guarantees)	<u>34,91,000</u>	<u>1,00,000</u>
TOTAL	<u>36,98,540</u>	<u>2,47,528</u>
TOTAL	<u>39,31,331</u>	<u>4,04,986</u>

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2010		31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'J'				
LOANS AND ADVANCES				
(Unsecured Considered Good)				
Advance recoverable in Cash or in kind or for value to be received		46,69,543		38,02,405
Security Deposits		46,91,753		49,97,745
Advance with Central Excise		2,60,189		2,60,189
Advance for Taxation		<u>28,54,461</u>		<u>29,24,979</u>
TOTAL		<u>1,24,75,946</u>		<u>1,19,85,318</u>
SCHEDULE 'K'				
CURRENT LIABILITIES				
Security Deposits		12,07,640		12,07,640
Others		5,98,20,473		1,29,52,505
Dividend unpaid / unclaimed		43,934		44,264
Interest accrued but not due		2,42,851		2,94,376
TOTAL		<u>6,13,14,898</u>		<u>1,44,98,785</u>
SCHEDULE 'L'				
TURNOVER & INCOME				
Sales	7,01,88,893		2,70,64,544	
Less : Excise Duty	<u>—</u>	7,01,88,893	<u>—</u>	2,70,64,544
Concession		5,37,08,612		1,86,10,403
Other Income (Refer Note No. 5)		13,30,775		74,251
TOTAL		<u>12,52,28,280</u>		<u>4,57,49,198</u>
SCHEDULE 'M'				
INCREASE/(DECREASE) IN FINISHED GOODS				
Closing Stock		2,24,12,513		1,01,04,813
Less : Opening Stock		<u>1,01,04,813</u>		<u>22,12,893</u>
Balance		1,23,07,700		78,91,920
Add : Increase/(Decrease) in Excise Duty		<u>—</u>		<u>—</u>
TOTAL		<u>1,23,07,770</u>		<u>78,91,920</u>

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2010	31st March, 2009
	Rs.	Rs.
SCHEDULE 'N'		
CONSUMPTION & PURCHASE OF MATERIALS		
Raw Materials	6,11,51,162	96,03,237
Packing Materials	39,43,145	6,44,489
Purchase of finished goods	29,040	1,59,65,023
	<u>6,51,23,347</u>	<u>2,62,12,749</u>
SCHEDULE 'O'		
PAYMENTS TO EMPLOYEES		
Salary, Wages, Bonus, Gratuity etc.	70,81,764	1,02,09,015
Staff Welfare	11,73,004	13,96,504
Contribution to :		
Provident & Other Funds	7,30,981	9,09,302
(Including Administrative Charges)		
Employee State Insurance	66,604	81,312
	<u>90,52,353</u>	<u>1,25,96,133</u>
SCHEDULE 'P'		
MANUFACTURING & OTHER EXPENSES		
Consumption of Stores & Spares	2,15,542	—
Power & Fuel	15,65,017	14,71,213
Repairs & Maintenance		
Building	50,580	7,829
Machinery	70,872	—
Other Maintenance	8,59,822	6,80,703
	<u>92,02,875</u>	<u>6,72,874</u>
Processing charges	92,02,875	22,77,000
Freight, Delivery & Handling Charges	2,67,69,160	46,25,455
Insurance	1,94,580	3,12,144
Rent	2,90,000	3,00,000
Rates & Taxes	8,79,629	8,79,629
Bank Charges	10,61,750	17,55,512
Miscellaneous Expenses	29,27,731	23,37,204
Motor Vehicle Expenses	4,88,450	6,02,089
Brokerage & Commission	2,99,705	—
Auditors Remuneration (incl. service tax) :		
Audit Fee	23,163	23,163
Tax Audit Fee	8,273	8,273
Certification Fees	25,379	12,362
	<u>56,815</u>	<u>43,798</u>
Charity & Donation	2,000	2,240
Legal & Consultancy Charges	1,65,080	2,18,530
Distribution Expenses	17,20,781	10,40,944
Directors' Fees	22,000	22,000
Sales Tax of earlier year	30,992	1,69,380
VAT & CST	26,93,057	10,40,944
Information & Technology Expenses	3,431	12,463
Loss on Sale of Motorcar	10,539	—
Foreign Exchange Rate Difference	—	1,54,282
TOTAL	<u>4,95,80,408</u>	<u>1,79,45,530</u>

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2010		31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'Q'				
INTEREST				
On Term Loan	32,16,688		14,26,576	
Others	99,38,873		56,85,930	
	<u>1,31,55,561</u>		<u>71,12,506</u>	
Less : received from others (Gross) (T.D.S. Rs. 30,303/- Previous Year Rs. 1,76,154/-)	<u>3,09,942</u>	<u>1,28,45,619</u>	<u>8,44,557</u>	62,67,949
TOTAL		<u>1,28,45,619</u>		<u>62,67,949</u>

SCHEDULE 'R'

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

1. Commitment of Capital Expenditure not provided in the Accounts estimated at Rs. 32,90,000/- (Previous year Rs. 22,00,000/-).
2. Contingent Liabilities not provided for in respect of :-
 - (I) Guarantee Rs. 1,99,660/- (Previous year Rs. 1,99,660-)
 - (II) Income Tax matter under appeal Rs. 51,22,889/- (Previous year Rs. 92,45,341/-)
3. Investments - Short Term

Purchased and sold during the year

Name of the Fund	No. of units	Value Rs.
UTI Liquid Cash Plan Institutional Growth Option	10242.027	1,50,00,000
UTI Treasury Advantage Institutional Plan - Growth Option	12573.773	1,50,02,141
4. a) Satisfaction of Car Loan is pending with Company Law Board, Kolkata
5. Other Income includes Miscellaneous Income Rs. 1,62,193/- (Previous year Rs. 971/-) Liabilities no longer required written back Rs. 11,28,406/- (Previous year Rs. 22,677/-), Profit on sale of Investment Rs. 17,132/- (Previous year Rs. 38,208/-), Insurance Claim Rs. 23,044/- (Previous year 11,285/-)
6. Repairs to Building include Stores Rs. 12,487/- (Previous year Rs. 7,828/-)
7. Disclosure as per AS15 (revised)

	Gratuity (Funded) Rs.	Leave Encashment (Non Funded) Rs.
Valuation of Obligations at the beginning of the year	59,48,579	17,13,613
Expected Return on Plan Asset	3,16,415	—
Interest Cost	3,32,851	1,12,416
Current Service Cost	—	74,128
Benefits Paid	(35,75,875)	(6,16,813)
Actuarial Gain/(Loss)	(3,03,426)	2,67,575
Value of Plan Asset at year end	13,52,310	—
Value of Obligation at the end of the year	41,80,182	15,50,919
Balance recognised in the accounts	—	15,50,919
8. Staff welfare include Superannuation Benefit Policies Rs. 3,07,400/- (Previous year Rs. 2,81,700/-)
9. Expenditure in Foreign Currency — Purchase of Raw Materials (C & F Value) Rs. 2,07,76,500/- (Previous year Rs. NIL), Interest on FCNRB Loan Rs. 25,988/- (Previous Year 6,80,249/-).

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2010		31st March, 2009	
	%	Rs.	%	Rs.
10. Remuneration to a Director				
Salaries		4,48,500		4,18,800
Contribution to Provident Fund & Superannuation Policy		1,18,812		1,10,808
Other Perquisites		1,41,015		1,29,960
11. Value of Raw Materials, Stores & Spare Parts consumed.				
a) Raw Materials :				
Imported	—	—	—	—
Indigenous	100.00	6,11,51,162	100.00	96,03,237
b) Stores & Spare Parts				
Imported	—	—	—	—
Indigenous	100.00	2,15,542	—	—
12. Extra ordinary items consists of compensation paid under voluntary retirement scheme :				
i. Contract workers Rs. 22,95,000/- (Previous year Rs. 20,40,000/-)				
ii. Employees 1/5th of total expenditure on this account Rs. 52,01,633/- (previous year Rs. 25,48,633/-) balance has been shown under Miscellaneous expenditure as Deferred Revenue Expenditure to be amortised over the future years equally.				
13. Disclosure of transactions with related parties				
a. Shri M. D. Damani		Director & Secretary		
b. Remuneration		Rs. 7,08,327/-		Rs. 6,59,568/-
14. In absence of informations relating to micro small and medium enterprises, information relating to current indebtedness, as required under Schedule VI, Part I of the Companies Act, 1956 are not readily ascertainable.				
15. Provision for excise duty only on closing stock of sulphuric acid meant for only sales has been provided.				
16. Sales includes materials processed from outside.				
17. a) In view of losses no provision for tax has been made				
b) Deferred Tax				
i. Deferred Tax Liabilities		As on	Current	As on
Difference between carrying amount of fixed assets in the financial statements and income tax return		31.3.2010	Year	31.3.2009
		1,19,93,185	(12,87,891)	1,07,05,294
ii. Deferred Tax Asset				
Depreciation loss carried forward for set off in future years		1,17,72,538	36,60,216	81,12,322
Net Deferred Tax Liability (Asset)		2,20,647	(23,72,325)	25,92,972
a. Current year's difference credited to Profit & Loss Account				
b. Net Liability at opening adjusted against General Reserve				
18. Earning per Share :				
		31st March, 2010		31st March, 2009
		Rs.		Rs.
i) Profit/(Loss) after tax		(50,45,433)		(77,51,732)
ii) Number of Equity Shares		17,32,480		17,32,480
iii) Nominal value of ordinary shares		10.00		10.00
iv) Basic / Diluted Earnings per shares		(2.91)		(4.47)

SCHEDULES (contd.)

THE PHOSPHATE COMPANY LIMITED

19. Information of Licensed Capacity and quantitative information for class of goods manufactured, consumed, sold, closing & consumption of Raw Materials.

	31st March, 2010		31st March, 2009	
	M.T.s	Rs.	M.T.s	Rs.
A. Licensed Capacity per annum				
Super phosphate	1,60,700		1,60,700	
Granulated Fertiliser	36,000		36,000	
Sulphuric Acid	79,200		79,200	
Synthetic Cryolite	540		540	
Sodium Silico Fluoride	540		540	
B. Installed Capacity per annum				
Super phosphate	1,20,000		1,20,000	
Granulated Fertiliser	48,000		48,000	
Sulphuric Acid	79,200		79,200	
Sodium Silico Fluoride	540		540	
C. Opening Stock of Finished Goods				
Super phosphate	1,579	84,32,489	123	5,40,569
Sulphuric Acid	333	16,72,324	333	16,72,324
Sodium Silico Fluoride	—	—	—	—
		<u>1,01,04,813</u>		<u>22,12,893</u>
D. Production				
Super phosphate (including granulated 126 MT) (processed by third party 16005 MT, previous year 3960 MT & purchased 5150 MT)	16,131		9,110	
Sulphuric Acid	—		—	
Sodium Silico Fluoride	—		—	
E. Raw Materials consumed				
Rock phosphate	9,505	5,36,96,695	2,311	87,20,764
Sulphur	—	—	—	—
Sulphuric Acid	5,849	65,29,260	—	—
Spent Acid	330	3,39,772	1,502	8,82,473
Others	—	5,85,435	—	—
		<u>6,11,51,162</u>		<u>96,03,237</u>
F. Sales				
Super phosphate	14,830	7,01,58,893	7,654	2,70,64,544
Sulphuric Acid	20	30,000	—	—
Sodium Silico Fluoride	—	—	—	—
		<u>7,01,88,893</u>		<u>2,70,64,544</u>
G. Closing Stock of Finished Goods				
Super phosphate (Incl. Granulated)	2,880	2,07,40,189	1,579	84,32,489
Sulphuric Acid	333	16,72,324	333	16,72,324
		<u>2,24,12,513</u>		<u>1,01,04,813</u>

THE PHOSPHATE COMPANY LIMITED

SCHEDULES R (contd.)

20. Significant Accounting Policies :

i. **Basis of Accounting :**

The Financial Statements are prepared under the historical cost convention on accrual basis.

ii. **Fixed Assets & Depreciation :**

Depreciation on Fixed Assets have been charged to Accounts on Written Down Value Method except on Plant & Machinery installed during the financial year 1980-81 onwards on Straight Line Method in accordance with the rate specified in Schedule XIV (as amended) of the Companies Act, 1956.

iii. **Investments :**

Investments are stated at Cost unless there is a permanent diminution in Value.

iv. **Inventories valuation :**

Raw materials, Stores & Spare Parts and Packing Materials at Cost; Finished Goods at Cost or net realisable value whichever is lower.

v. **Sales :**

Sales at invoice value (including Excise, VAT & CST).

vi. **Retirement Benefit :**

a) The Company contributes to E.P.F.O and approved Gratuity Fund.

b) Leave Encashment benefit accrued on retirement / superannuation of employees is provided on actuarial basis.

vii. **Foreign Currency transaction :**

Transactions in foreign exchange are accounted at the exchange rates prevailing on the date of the transactions. Payments and outstanding foreign currency liabilities are re-stated at the prevailing rate unless covered by forward exchange contracts. The expenses/gains on account of exchange difference on payment or on translation is recognised in the Profit & Loss Account.

THE PHOSPHATE COMPANY LIMITED

21. Information pursuant to part IV of Shedule VI of the Companies Act, 1956

Balance sheet abstract and company's general business profile

I. Registration Details

Registration No.	017664	State Code	21
Balance Sheet Date	31.03.2010		

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	181332	Total Assets	181332
Sources of Funds :			
Paid up Capital	17325	Reserves & Surplus	42097
Secured Loans	70541	Unsecured Loans	51148
Deferred Tax Liability	221		
Application of Funds :			
Net Fixed Assets	89537	Investments	26
Net Current Assets	73511	Misc. Expenditure	18258
Accumulated Loss	NIL		

IV. Performance of the Company (Amount in Rs. thousands)

Turnover	125228	Total Expenses	125149
Profit before Tax	79	Profit after Tax	-5045
Earnings Per Share in Rs.	-2.91	Dividend rate %	NIL

V. Generic Names of Principal Products of Company

Item Code No.	(ITC Code)	0310310
Product Description	SINGLE SUPER PHOSPHATE PHOSPHATIC FERTILIZER	
Item Code No.	(ITC Code)	28070001
Product Description	SULPHURIC ACID INORGANIC CHEMICALS	

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

Signatures to Schedules 'A' to 'R'

For **BATLIBOI, PUROHIT & DARBARI**
 Firm Reg. No. 303086E
 Chartered Accountants
HEMAL MEHTA
 Partner
 Membership No. : 063404

7, Waterloo Street, Kolkata 700 069
 Dated : 30th July, 2010

M. D. DAMANI
 Director & Secretary

BINOD KHAITAN
 Director

G. D. BANGUR
 Chairman

THE PHOSPHATE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	31st March, 2010		31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary Items :		78,875		(1,03,88,060)
Adjustments for :				
Depreciation	8,55,378		10,06,817	
Investments	(17,132)		(38,207)	
Fixed Assets	10,539		(1,110)	
Interest / Dividend	1,28,45,619	1,36,94,404	62,67,949	72,35,449
Operating Profit before Working Capital Changes		1,37,73,279		(31,52,611)
Adjustments for :				
Trade and other Receivables	(3,66,64,116)		1,97,52,248	
Inventories	(3,13,88,479)		(1,08,71,156)	
Trade Payable	4,56,93,419	(2,23,59,176)	32,28,291	1,21,09,383
Cash generated from Operations		(85,85,897)		89,56,772
Interest paid	(1,31,55,561)		(71,12,506)	
Direct Tax paid	(56,086)		(2,77,446)	
Deferred Revenue	(80,63,366)	(2,12,75,013)	(1,01,94,532)	(1,75,84,484)
Cash Flow before extra ordinary items		(2,98,60,910)		(86,27,712)
Payment under Voluntary Retirement Scheme		74,96,633		45,88,633
Net cash flow from operating activities		(3,73,57,543)		(1,32,16,345)
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(7,61,674)		(33,050)	
Sales of fixed assets	68,627		60,450	
Purchase of Investments	(1,50,00,000)		(50,41,916)	
Sale of Investments	1,50,17,132		50,60,123	
Interest Received	3,09,942		8,44,557	
Net Cash used in Investing Activities		(3,65,973)		8,90,164
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	—		—	
Proceeds from long term / short term Borrowing	4,12,49,861		(1,36,54,528)	
Net Cash used in financing activities		4,12,49,861		(1,36,54,528)
Net increase in cash and cash equivalents		35,26,345		(2,59,80,709)
Cash and cash equivalents as at 1-4-09 (Opening balance)		4,04,986		2,63,85,695
Cash and cash equivalents as at 31-3-10 (Closing balance)		39,31,331		4,04,986

This is the Cash Flow Statement referred to in our Report of even date

For **BATLIBOI, PUROHIT & DARBARI**
 Firm Reg. No. 303086E
 Chartered Accountants
HEMAL MEHTA
 Partner
 Membership No. : 063404

7, Waterloo Street, Kolkata 700 069
 Dated : 30th July, 2010

M. D. DAMANI
 Director & Secretary

BINOD KHAITAN
 Director

G. D. BANGUR
 Chairman



THE PHOSPHATE COMPANY LIMITED

Registered Office : 14, N. S. Road, Kolkata-700 001

NAME AND ADDRESS

ANNUAL GENERAL MEETING ON 04.09.2010 AT 11.30 A.M.

Somany Conference Hall
Merchants' Chamber of Commerce
15B, Hemant Basu Sarani,
Kolkata - 700 001.

ADMISSION SLIP

PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL

FOLIO NO. : DP ID : CL ID NO. :	HOLDING
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<input type="checkbox"/>	MEMBER	<input type="checkbox"/>	PROXY
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NAME OF THE PROXY (IN CAPITAL LETTERS)

I hereby register my presence at the meeting.

Signature of the Member/Proxy

THE PHOSPHATE COMPANY LIMITED

Registered Office : 14, N. S. Road, Kolkata-700 001

I/We

.....

of

in the district of being a member/members of **The Phosphate Co. Ltd.**

hereby appoint of

in the district of

or failing him of

in the district of

as my/our Proxy to vote for me/us on my/our behalf on the Annual General Meeting of the Company to be held on Thursday, the 4th September, 2010 and at any adjournment thereof.

Signed this day of 2010

PROXY FORM MUST REACH COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING

AFFIX REVENUE STAMP

FOR OFFICE USE ONLY

PROXY NO.	DATE OF RECEIPT
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Signature

BOOK-POST

If undelivered please return to :

THE PHOSPHATE COMPANY LIMITED

14, Netaji Subhas Road, 3rd floor
Kolkata - 700 001