

Annual Report

for the year ended 31st March, 2011



THE PHOSPHATE COMPANY LIMITED

THE PHOSPHATE COMPANY LIMITED

BOARD OF DIRECTORS

Shri G.D.BANGUR, (upto 1st August 2011)
Shri BINOD KHAITAN
Shri HEMANT BANGUR (from 1st August 2011)
Shri N.A.BHADURI (upto 24th June 2011)
Shri M.D.DAMANI, Director & Secretary

BANKERS

State Bank of India
State Bank of Mysore
Syndicate Bank

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
E-mail : mdpl@cal.vsnl.net.in
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 Thursday, the 29th September, 2011 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, 2011 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 Hemant Bangur, who retires by rotation and being eligible offers himself for re-election.
- 3) To appoint Auditors and to fix their remuneration.

Registered Office :
14, Netaji Subhas Road,
Kolkata-700001.
Dated: 1st August, 2011

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 16th September, 2011 to 21st September, 2011 (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.
 - 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.

THE PHOSPHATE COMPANY LIMITED

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. SEBI has made trading in shares of the Company compulsory in dematerialised form for all investors w.e.f. 27/2/2001 under ISIN : INE398C01016. Shareholders are requested to get their share holding dematerialised.
10. Ministry of Corporate Affairs vide its circular no. 17/2011 dated 21/04/2011 & 18/2011 dated 29/04/2011 has taken Green Initiative in the Corporate Governance by allowing the companies to send various notices / documents including audited financial results, directors report, auditors report, general meeting notices to the members through electronic mode to the registered email addresses of the shareholders.

Members are therefore requested to register their email addresses with the Company at its Registered Office and also keep a note to inform any change in their email address.

11. 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.
12. Details of Directors seeking appointment/re-appointment;

Shri Hemant Bangur aged 39 years, a Post Graduate in International Trade has been appointed to fill in the casual vacancy on August 1, 2011 and retire by rotation in the ensuing Annual General Meeting. He is currently Chairman of The Cochin Malabar Estates & Industries Ltd., executive vice chairman of Joonktolle Tea & Industries Ltd. and holding directorships in various companies including Gloster Ltd. He has wide experience in tea, coffee, rubber, jute and real-estate industry. Presently, he is senior vice-president of Tea Association of India. He has keen interests in modernization and expansions of industry.

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, 2011.

FINANCIAL RESULTS

	₹ in '000
Sales & Other Income	4,76,640
Operating Profit	16,989
Interest	12,962
Gross Profit	4,027
Depreciation	3,224
Net Profit	803
Deferred Tax Credit Liability provided	687
Profit after Tax	116

OPERATION

The Company's Rishra Plant commenced trial production as per schedule in August 2010 and went into Commercial Production by October 2010. The Company's Flagship product LAXMI BRAND Single Super Phosphate was very well accepted in the market.

The company produced 36305 MTs during the period under review as compared to 16131 MTs in the previous year (produced by third party on job work basis). The sale of fertiliser was 34291 MTs as compared to 14830 MTs in the previous year.

The company continued to keep on hold the production of Sulphuric Acid at its Rishra facility as the overall business dynamic did not warrant the resumption of the product.

The new Nutrient based fertiliser subsidy policy announced by the Govt. of India last year is very progressive and shall help restore the soil fertility of the nation. The previous policy, which was heavily biased in favour of Nitrogen have caused immense damage to the nation's soil. As there has been a radical change in the fertiliser subsidy policy, there has been frequent fine tuning and change in documentation procedures which is leading to unwarranted confusion and uncertainties to the Industry.

Rising crude prices and strong demand for agrochemicals across the world is causing significantly upward revision in the price of fertiliser raw-materials. The problem has been accentuated because of the political uncertainties in the main supplying countries of MENA (Middle East & North Africa) region. As the prices of agricultural produce have become quite remunerative, the Company continues to experience strong demand for its product.

FUTURE STRATEGY

The Company intends to run its Rishra facilities at its optimum capacity and market the same in its traditional markets of rural Bengal. The rising cost of agricultural labour and the substantial reduction in availability of agricultural labours all over the country warrants a change in the product mix of fertiliser inputs in the farming sector particularly in respect of the method and form of fertiliser application. While liquid fertiliser are used in the more advanced commercial agricultural farm lands of the Western Hemisphere, the same is not the panacea in the Indian context. The immediate future in the fertiliser industry appears to be in the form of mixed granulated fertiliser i.e. NPK. The Company has an existing Granulation plant based on Furnance oil. However, as the liquid fuels are likely to be expensive in the long run, your Company is contemplating to install a state of the art granulation plant based on an alternative viable feed stock for making NPK and other complex fertilisers.

THE PHOSPHATE COMPANY LIMITED

The precarious state of finance of the Union of India is causing uncertainty regarding the timing of receipt of fertiliser subsidy. With rising cost of raw material; the working capital requirement of the Company has significantly shot up. The combined effect of delay in disbursement and rising cost of raw materials warrant a significant enhancement of the working capital. To augment its working capital and to source capital contribution for the envisaged new plant the Company shall soon come with a proposal to enhance its capital base.

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

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.

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

Your Company has been bereaved of its eminent Director Nares Acharya Bhaduri who left for his heavenly abode on 24th June 2011. He has been on the Board of Directors since 1995 and had enriched the Company. The Board took on record the appreciation for excellent services rendered during tenure of his Directorship.

Shri Hemant Bangur has been appointed to fill in the casual vacancy and retires by rotation and being eligible, offers himself for re-appointment. Particulars of the retiring director are appended in the notes forming part of the notice for the ensuing General Meeting

Shri G. D. Bangur has resigned from the Board of Directors of the Company w.e.f. the close of 1st August, 2011. He has been on the Board since March 2000 and had enriched the Company with his wide industrial experience and able guidance. The Board took on record the appreciation for excellent services rendered during tenure of his Directorship.

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 Ltd. under scrip code no 10026031 and annual listing fee has been paid for the year 2011-12. Application made for listing with Bombay Stock Exchange through The Calcutta Stock Exchange is pending.

COST AUDIT

On lifting of suspension of works at Rishra, only fertiliser has been manufactured during the year under review. Therefore application is being moved to the Ministry of Corporate Affairs, New Delhi, requesting to keep in abeyance Cost Audit Order on your Company's product Sulphuric Acid till the production re-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 para IV regarding non provision of Gratuity liability is self explanatory in Note 7 of Schedule S.

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 was placed before the Board and 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, E-mail : mdpl@cal.vsnl.net.in, 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 : 1st August, 2011

On behalf of the Board
Binod Khaitan
Director

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	1110920		234184			
Total	Rs./Lacs	72.17		13.26			
Rate/Unit	Rs./KWH	6.50		5.66			
(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	Rs./Tonne	—		—			
3. Furnace Oil :							
Quantity	KL	—		20			
Total Cost	Rs./Lacs	—		4.10			
Average Rate	Rs./KL	—		20501			
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	27.08	—	—	—			
Sulphuric Acid	—	—	—	—			
Granulated Fertiliser	—	—	12.00	11.06			
Sodium Silico Fluoride	—	—	—	—			
II. FOREIGN EXCHANGE EARNINGS & OUTGO							
Earnings	Rs./Lacs	Nil		Nil			
Outgo	Rs./Lacs	1019.41		208.02			
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	57	Chief Executive (Production & Development)	Rs. 11,27,692/-	B. Com 38yrs.	15th Oct., 1982	M/s. Raj Luxmi Associates	4.41

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
BINOD KHAITAN
Director

Kolkata

Dated : 1st August, 2011

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, 2011 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, 2011, which have been taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 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 S regarding non-provision of Gratuity liability of Rs. 8,66,947/- and resultant effects thereof on the profit of the year and net assets position as on March 31, 2011, 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, 2011,
 - b. in the case of the Profit and Loss Account of the profit 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

Chartered Accountants

Firm Reg. No. 303086E

HEMAL MEHTA

Partner

Membership No. : 063404

Kolkata

Dated : 1st August, 2011

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, 2011.

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 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 and 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
Chartered Accountants
Firm Reg. No. 303086E
HEMAL MEHTA
Membership No. : 063404

Kolkata 1st August, 2011

THE PHOSPHATE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	31st March, 2011		31st March, 2010	
		₹	₹	₹	₹
SOURCES OF FUNDS					
SHAREHOLDERS FUND					
Share Capital	'A'	1,73,24,800		1,73,24,800	
Reserves & Surplus	'B'	<u>2,33,95,829</u>	4,07,20,629	<u>4,20,97,377</u>	5,94,22,177
LOAN FUNDS					
Secured	'C'	7,97,25,492		7,05,40,807	
Unsecured	'D'	<u>5,24,36,433</u>	13,21,61,925	<u>5,11,48,297</u>	12,16,89,104
Deferred Tax Liability (net)			9,06,113		2,20,647
TOTAL			<u>17,37,88,667</u>		<u>18,13,31,928</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	'E'	23,22,57,814		20,92,25,524	
Less : Depreciation		<u>11,40,42,680</u>		<u>12,08,91,915</u>	
Net Block		<u>11,82,15,134</u>		8,83,33,609	
Add : Capital Work-in-Progress		—	11,82,15,134	<u>12,03,226</u>	8,95,36,835
INVESTMENTS	'F'		26,000		26,000
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	'G'	8,76,62,686		5,72,74,726	
Sundry Debtors	'H'	11,36,23,342		6,48,35,927	
Cash & Bank Balances	'I'	1,43,22,326		39,31,331	
Loans & Advances	'J'	<u>1,38,07,908</u>		<u>1,24,75,946</u>	
		<u>22,94,16,262</u>		13,85,17,930	
Less :					
CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	'K'	17,09,81,833		6,13,14,898	
Provisions	'L'	<u>28,86,896</u>		<u>36,91,837</u>	
		<u>17,38,68,729</u>		6,50,06,735	
NET CURRENT ASSETS			5,55,47,533		7,35,11,195
Miscellaneous Expenditure			—		1,82,57,898
Deferred Revenue Expenditure					
TOTAL			<u>17,37,88,667</u>		<u>18,13,31,928</u>

Notes on Accounts & Accounting Policies

'S'

The Schedules 'A' to 'L' and 'S' 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**

Chartered Accountants

Firm Reg. No. 303086E

HEMAL MEHTA

Partner

Membership No. : 063404

7, Waterloo Street, Kolkata 700 069

Dated : 1st August, 2011

M. D. DAMANI
Director & Secretary

BINOD KHAITAN
Director

G. D. BANGUR
Chairman

THE PHOSPHATE COMPANY LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	31st March, 2011		31st March, 2010	
		₹	₹	₹	₹
INCOMES					
Turnover & Other Income	'M'		47,66,40,091		12,52,28,280
	TOTAL		<u>47,66,40,091</u>		<u>12,52,28,280</u>
EXPENDITURE					
(Increase)/Decrease of Finished Goods	'N'		(1,84,32,257)		(1,23,07,700)
Consumption & Purchase of materials	'O'		42,02,59,088		6,51,23,347
Payments to employees	'P'		91,43,424		90,52,353
Manufacturing & Other expenses	'Q'		4,86,81,247		4,95,80,408
Interest (net)	'R'		1,29,62,005		1,28,45,619
Depreciation		37,84,768		14,16,146	
Less : Transfer from Revaluation Reserve		5,60,768	32,24,000	5,60,768	8,55,378
	TOTAL		<u>47,58,37,507</u>		<u>12,51,49,405</u>
Profit / (Loss) before Tax & Extra Ordinary Items			8,02,584		78,875
Extra Ordinary Items		(1,82,57,898)			(74,96,633)
Add : Transferred from General Reserve		1,82,57,898	—		—
Profit/(Loss) before Tax			8,02,584		(74,17,758)
Provisions					
Current Income Tax			—		—
Deferred Tax Liability provided (written back)		6,85,466	6,85,466	(23,72,325)	(23,72,325)
Profit / (Loss) after Tax			1,17,118		(50,45,433)
Balance Brought forward			(89,12,849)		(38,67,416)
Balance Carried forward			<u>(87,95,731)</u>		<u>(89,12,849)</u>
Basic and Diluted Earning per Share (Rs.)			0.07		(2.91)

Notes on Accounts & Accounting Policies

'S'

The Schedules 'M' to 'R' and 'S' 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**

Chartered Accountants
Firm Reg. No. 303086E

HEMAL MEHTA

Partner

Membership No. : 063404

7, Waterloo Street, Kolkata 700 069
Dated : 1st August, 2011

M. D. DAMANI
Director & Secretary

BINOD KHAITAN
Director

G. D. BANGUR
Chairman

THE PHOSPHATE COMPANY LIMITED

SCHEDULES

	31st March, 2011		31st March, 2010	
	₹	₹	₹	₹
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	1,62,16,795		1,67,77,563
	Less : Transferred to Profit & Loss A/c.	5,60,768	1,56,56,027	<u>5,60,768</u> 1,62,16,795
b.	General Reserve			
	As per last Balance Sheet	3,47,93,431		3,47,93,431
	Less : Transferred to Profit & Loss A/c.	1,82,57,898	1,65,35,533	
c.	Profit & Loss Account			
	Balance C/f		(87,95,731)	<u>(89,12,849)</u>
	TOTAL		2,33,95,829	<u>4,20,97,377</u>
SCHEDULE 'C'				
LOAN FUNDS SECURED				
1. TERM LOANS				
(a)	HDFC Bank Ltd. (Car Loan)	6,00,020		41,488
(b)	Syndicate Bank (Car Loan)	4,50,000		—
(c)	State Bank of Mysore (Corporate Loan)	1,37,50,000		1,87,50,000
2. CASH CREDITS				
	State Bank of India	1,70,07,965		1,47,80,837
	State Bank of Mysore	2,53,16,265		1,77,21,431
	Syndicate Bank	2,26,01,242		<u>1,92,47,051</u>
	TOTAL		7,97,25,492	<u>7,05,40,807</u>
1. TERM LOANS				
(a) & (b) Secured by first charge by way of Hypothecation of Cars purchased under the Scheme.				
(c) Secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari-passu second charge on Current 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 fixed assets & equitable mortgage on immovable property.				

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2011	31st March, 2010
	₹	₹
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	20,000
TOTAL	26,000	26,000
SCHEDULE 'G'		
INVENTORIES		
(As valued and certified by the Management)		
Stores & Spare Parts (At Cost)	99,77,862	1,10,61,869
Packing Materials (At Cost)	14,30,425	6,92,654
Raw Materials (At Cost)	3,52,84,151	2,31,07,690
Finished Goods (At Cost including excise or Net realisable value which ever is lower)	4,09,70,248	2,24,12,513
TOTAL	8,76,62,686	5,72,74,726
SCHEDULE 'H'		
SUNDRY DEBTORS		
(Unsecured considered good)		
Government of India (A/c. Subsidy)	10,13,77,320	6,15,17,292
Debts outstanding for a period exceeding six months	7,39,918	13,13,056
Below six months	1,15,06,104	20,05,579
TOTAL	11,36,23,342	6,48,35,927
SCHEDULE 'I'		
CASH & BANK BALANCES		
Cash in Hand	3,81,444	2,32,791
Balances with Scheduled Banks in		
Current Accounts	85,198	1,63,606
Unpaid Dividend A/c.	43,684	43,934
Fixed Deposit Accounts (Pledged against Margin / Guarantees)	1,38,12,000	34,91,000
TOTAL	1,43,22,326	39,31,331

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2011		31st March, 2010	
	₹	₹	₹	₹
SCHEDULE 'J'				
LOANS AND ADVANCES				
(Unsecured Considered Good)				
Advance recoverable in Cash or in kind or for value to be received		61,69,512		46,69,543
Security Deposits		46,91,908		46,91,753
Advance with Central Excise		2,42,410		2,60,189
Advance for Taxation		27,04,078		28,54,461
TOTAL		1,38,07,908		1,24,75,946
SCHEDULE 'K'				
CURRENT LIABILITIES				
Security & Other Deposit		12,56,638		12,07,640
Sundry Creditors		16,94,85,117		5,98,20,473
Dividend unpaid / unclaimed		43,684		43,934
Interest accrued but not due		1,96,394		2,42,851
TOTAL		17,09,81,833		6,13,14,898
SCHEDULE 'L'				
PROVISIONS				
Provisions for Leave Encashment		18,74,191		15,50,919
Provisions for Gratuity		—		10,33,383
Provisions for Taxation		10,12,705		11,07,535
TOTAL		28,86,896		36,91,837
SCHEDULE 'M'				
TURNOVER & INCOME				
Sales & Subsidy	47,59,71,695		12,38,97,505	
Less : Excise Duty	77,611	47,58,94,084	—	12,38,97,505
Other Income (Refer Note No. 4)		7,46,007		13,30,775
TOTAL		47,66,40,091		12,52,28,280
SCHEDULE 'N'				
INCREASE/(DECREASE) IN FINISHED GOODS				
Closing Stock		4,09,70,248		2,24,12,513
Less : Opening Stock		2,24,12,513		1,01,04,813
Balance		1,85,57,735		1,23,07,700
Add : Increase/(Decrease) in Excise Duty		(1,25,478)		—
TOTAL		1,84,32,257		1,23,07,700

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2011		31st March, 2010	
	₹	₹	₹	₹
SCHEDULE 'O'				
CONSUMPTION & PURCHASE OF MATERIALS				
Raw Materials		21,39,70,345		6,11,51,162
Packing Materials		65,15,591		39,43,145
Purchase of finished goods		19,97,73,152		29,040
TOTAL		42,02,59,088		6,51,23,347
SCHEDULE 'P'				
PAYMENTS TO EMPLOYEES				
Salary, Wages, Bonus, Gratuity etc.	72,69,458		70,81,764	
Staff Welfare	11,41,211		11,73,004	
Contribution to :				
Provident & Other Funds	6,58,677		7,30,981	
(Including Administrative Charges)				
Employee State Insurance	74,078		66,604	
TOTAL		91,43,424		90,52,353
SCHEDULE 'Q'				
MANUFACTURING & OTHER EXPENSES				
Consumption of Stores & Spares		24,37,591		2,15,542
Power & Fuel		65,59,493		15,65,017
Repairs & Maintenance				
Building	1,83,617		50,580	
Machinery	8,17,330		70,872	
Other Maintenance	11,71,744	21,72,691	8,59,822	9,81,274
Processing charges		—		92,02,875
Manufacturing & Supervisions Charges		18,60,932		—
Freight, Delivery & Handling Charges		1,68,79,938		2,67,69,160
Insurance		96,594		1,94,580
Rent		1,82,000		2,90,000
Rates & Taxes		3,19,602		8,79,629
Bank Charges		4,96,829		10,61,750
Miscellaneous Expenses		27,99,493		29,27,231
Motor Vehicle Expenses		3,84,649		4,88,450
Expenses prior to Re-commissioning of Production		20,14,519		—
Brokerage & Commission		3,90,451		2,99,705
Auditors Remuneration (incl. service tax) :				
Audit Fee	27,575		23,163	
Tax Audit Fee	8,273		8,273	
Certification Fees	22,622	58,470	25,379	56,815
Charity & Donation		3,500		2,000
Legal & Consultancy Charges		2,78,890		1,65,080
Distribution Expenses		51,35,034		17,20,781
Directors' Fees		32,000		22,000
Sales Tax of earlier year		3,486		31,492
VAT & CST		44,60,222		26,93,057
Information & Technology Expenses		37,876		3,431
Loss on Sale of Motorcar		191		10,539
Foreign Exchange Rate Difference		20,59,357		—
Excise Duty on Sales		17,439		—
TOTAL		4,86,81,247		4,95,80,408

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2011		31st March, 2010	
	₹	₹	₹	₹
SCHEDULE 'R'				
INTEREST				
On Term Loan	25,72,415		32,16,688	
Others	1,11,06,033		99,38,873	
	<u>1,36,78,448</u>		<u>1,31,55,561</u>	
Less : received from others (Gross) (T.D.S. Rs. 69,308/- Previous Year Rs. 30,303/-)	<u>7,16,443</u>	<u>1,29,62,005</u>	<u>3,09,942</u>	<u>1,28,45,619</u>
TOTAL		<u>1,29,62,005</u>		<u>1,28,45,619</u>

SCHEDULE 'S'

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

1. Commitment of Capital Expenditure not provided in the Accounts estimated at Rs. 22,00,000/- (Previous year Rs. 32,90,000/-).
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. 51,22,889/-)
 - (III) Performance Commitment Rs. 50,70,000/- (Previous year NIL)
3. Satisfaction of Car Loan petition is pending with Company Law Board, Kolkata
4. Other Income includes Miscellaneous Income Rs. 2,693/- (Previous year Rs. 1,62,193/-) Liabilities no longer required written back Rs. 1,81,521/- (Previous year Rs. 11,28,406/-). Profit on sale of Investment NIL (Previous year Rs. 17,132/-), Insurance Claim NIL (Previous year Rs. 23,044/-), Profit on sale of Fixed Asset (Motor Car) Rs. 34,700/- (Previous year NIL), Rent Rs. 5,27,093/- (Previous year NIL).
5. Repairs to Building includes items consumed from general stores Rs. 95,201/- (Previous year Rs. 12,487/-)
6. Repairs to Machinery includes items consumed from general stores Rs. 1,26,468/- (Previous year NIL).
7. Disclosure as per AS15 (revised)

	Gratuity (Funded)	Leave Encashment (Non Funded)
	₹	₹
Valuation of Obligations at the beginning of the year	41,80,182	15,50,919
Expected Return on Plan Asset	1,08,105	—
Interest Cost	3,26,497	1,23,302
Current Service Cost	—	91,976
Benefits Paid	(1,97,927)	(19,294)
Actuarial Gain/(Loss)	2,473	1,27,288
Value of Plan Asset at year end	32,97,353	—
Value of Obligation at the end of the year	49,59,781	18,74,191
Balance recognised in the accounts	—	18,74,191
8. Contribution made to Gratuity fund during the year Rs. 20,33,383/-
9. Staff welfare include Superannuation Benefit Policies Rs. 3,38,500/- (Previous year Rs. 2,81,700/-)
10. Expenses incurred prior to 31st August 2010 re-commissioning of production under the Heads : Payment to Employees Rs. 14,52,727/- Manufacturing & Other Expenses Rs. 24,72,469/- and Interest Rs. 55,21,198/- totalling to Rs. 94,46,394/- were net-off by reducing the profit on impaired Fixed Assets Rs. 74,31,875/-. The balance Rs. 20,14,519/- is shown under the head - Expenses Prior to Recommissioning of Production in Schedule Q of the Profit & Loss Account.
11. Expenditure in Foreign Currency — Purchase of Raw Materials (C & F Value) Rs. 10,19,40,807/- (Previous year Rs. 2,07,76,500), Interest on FCNRB Loan NIL (Previous Year Rs. 25,988/-).

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2011		31st March, 2010	
	%	₹	%	₹
12. Remuneration to a Director				
Salaries		4,82,900		4,48,500
Contribution to Provident Fund & Superannuation Policy		1,28,140		1,18,812
Other Perquisites		1,53,175		1,41,015
13. Value of Raw Materials, Stores & Spare Parts consumed.				
a) Raw Materials :				
Imported	69.70	14,91,30,089	—	—
Indigenous	30.30	6,48,40,256	100.00	6,11,51,162
b) Stores & Spare Parts				
Imported	—	—	—	—
Indigenous	100.00	24,37,591	100.00	2,15,542
14. Compensation paid on Voluntary Retirement Scheme Rs. 1,82,57,898/- has been shown earlier under Deferred Revenue Expenditure has now been adjusted from General Reserve under Extra Ordinary item as per accounting standard.				
15. A. Disclosure of transactions with related parties				
a. Shri M. D. Damani		Director & Secretary		
b. Remuneration		Rs. 7,64,215/-		Rs. 7,08,327/-
B. Transactions with Associates		Loan Received	Loan Repaid	Interest Paid
a. Art Finance & Trade Pvt. Ltd.		Rs. 90.65 lacs	Rs. 30.50 lacs	Rs. 6,04,398
b. Gloster Ltd.		Rs. 600.00 lacs	Rs. 600.00 lacs	Rs. 25,96,439
c. Kettlewell Bullen & Co. Ltd.		Rs. 50.00 lacs	Rs. 50.00 lacs	Rs. 85,808
16. 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.				
17. Provision for excise duty on closing stock of sulphuric acid and super phosphate meant for sales has been provided.				
18. Sales include trading goods.				
19. a) In view of c/f losses no provision for tax has been made				
b) Deferred Tax		As on 31.3.2011	Current Year	As on 31.3.2010
i. Deferred Tax Liabilities				
Difference between carrying amount of fixed assets in the financial statements and income tax return		1,79,85,847	59,92,662	1,19,93,185
ii. Deferred Tax Asset				
Depreciation loss carried forward for set off in future years		1,70,79,734	53,07,196	1,17,72,538
Net Deferred Tax Liability (Asset)		9,06,113	6,85,466	2,20,647
a. Current year's difference credited to Profit & Loss Account		—	—	—
20. Earning per Share :		31st March, 2011	31st March, 2010	
		₹	₹	
i) Profit/(Loss) after tax		1,17,118	(50,45,433)	
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		0.07	(2.91)	

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

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

	31st March, 2011		31st March, 2010	
	M.T.s	₹	M.T.s	₹
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	2,880	2,07,40,189	1,579	84,32,489
Sulphuric Acid	333	16,72,324	333	16,72,324
Sodium Silico Fluoride	—	—	—	—
		<u>2,24,12,513</u>		<u>1,01,04,813</u>
D. Production				
Super phosphate (including granulated NIL) (processed by third party Nil, previous year 3960 MT & purchased 16005 MT)	36,305		16,131	
Sulphuric Acid	—		—	
Sodium Silico Fluoride	—		—	
E. Raw Materials consumed				
Rock phosphate	20,409	14,91,30,090	9,505	5,36,96,695
Sulphur	—	—	—	—
Sulphuric Acid	11,952	6,00,09,144	5,849	65,29,260
Sulphuric Acid (Captive consumption)	242	—	—	—
Spent Acid	1,561	45,56,681	330	3,39,772
Others	—	2,74,430	—	5,85,435
		<u>21,39,70,345</u>		<u>6,11,51,162</u>
F. Sales & Subsidy				
Super phosphate (Including subsidy Rs. 16,02,95,278/- previous year Rs. 5,37,08,612/-)	34,291	27,44,90,460	14,830	12,38,67,505
Sulphuric Acid	26	1,58,941	20	30,000
Sodium Silico Fluoride	—	—	—	—
Others	—	20,13,22,294	—	—
		<u>47,59,71,695</u>		<u>12,38,97,505</u>
G. Closing Stock of Finished Goods				
Super phosphate (Incl. Granulated)	4,894	4,05,76,409	2,880	2,07,40,189
Sulphuric Acid	65	3,93,839	333	16,72,324
		<u>4,09,70,248</u>		<u>2,24,12,513</u>

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

22. 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 & Subsidy).

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

23. 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	31.03.2011		

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	173789	Total Assets	173789
Sources of Funds :			
Paid up Capital	17325	Reserves & Surplus	23397
Secured Loans	79725	Unsecured Loans	52436
Deferred Tax Liability	906		
Application of Funds :			
Net Fixed Assets	118215	Investments	26
Net Current Assets	55548	Misc. Expenditure	0
Accumulated Loss	NIL		

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

Turnover	476640	Total Expenses	475838
Profit before Tax	803	Profit after Tax	117
Earnings Per Share in Rs.	0.07	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	

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

Signatures to Schedules 'A' to 'S'

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants
Firm Reg. No. 303086E
HEMAL MEHTA
Partner
Membership No. : 063404

7, Waterloo Street, Kolkata 700 069
Dated : 1st August, 2011

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, 2011

(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	31st March, 2011		31st March, 2010	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary Items :		8,02,584		78,875
Adjustments for :				
Depreciation	32,24,000		8,55,378	
Investments	—		(17,132)	
Fixed Assets	(74,66,575)		10,539	
Interest / Dividend	1,29,62,005	87,19,430	1,28,45,619	1,36,94,404
Operating Profit before Working Capital Changes		95,22,014		1,37,73,279
Adjustments for :				
Trade and other Receivables	(5,02,69,760)		(3,66,64,116)	
Inventories	(3,03,87,960)		(3,13,88,479)	
Trade Payable	10,89,56,824	2,82,99,104	4,56,93,419	(2,23,59,176)
Cash generated from Operations		3,78,21,118		(85,85,897)
Interest paid	(1,36,78,448)		(1,31,55,561)	
Direct Tax paid	55,553		(56,086)	
Deferred Revenue	—	(1,36,22,895)	(80,63,366)	(2,12,75,013)
Cash Flow before extra ordinary items		2,41,98,223		(2,98,60,910)
Payment under Voluntary Retirement Scheme		—		74,96,633
Net cash flow from operating activities		2,41,98,223		(3,73,57,543)
B. Cash Flow from Investing activities				
Purchase of Fixed Assets	(3,85,78,381)		(7,61,674)	
Sales of fixed assets	1,35,81,889		68,627	
Purchase of Investments	—		(1,50,00,000)	
Sale of Investments	—		1,50,17,132	
Interest Received	7,16,443		3,09,942	
Net Cash used in Investing Activities		(2,42,80,049)		(3,65,973)
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	—		—	
Proceeds from long term / short term Borrowing	1,04,72,821		4,12,49,861	
Net Cash used in financing activities		1,04,72,821		4,12,49,861
Net increase in cash and cash equivalents		1,03,90,995		35,26,345
Cash and cash equivalents as at 1-4-10 (Opening balance)		39,31,331		4,04,986
Cash and cash equivalents as at 31-3-11 (Closing balance)		1,43,22,326		39,31,331

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

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants

Firm Reg. No. 303086E

HEMAL MEHTA

Partner

Membership No. : 063404

7, Waterloo Street, Kolkata 700 069

Dated : 1st August, 2011

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 29.09.2011 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.:	HOLDING
DP ID:	
CL ID NO.:	

<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 29th September, 2011 and at any adjournment thereof

Signed this day of 2011

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

Signature

THE PHOSPHATE COMPANY LIMITED

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