

ANNUAL REPORT

2013-2014



THE PHOSPHATE COMPANY LIMITED

THE PHOSPHATE COMPANY LIMITED

BOARD OF DIRECTORS

Shri Binod Khaitan
Shri Hemant Bangur
Shri Dilip P Goculdas
Shri P. K. Bhanjachaudhury
Shri Suresh Kumar Bangur – Executive Director

PRESIDENT

Shri Ajay Bangur

SECRETARY

Shri M. D. Damani

BANKERS

State Bank of India
State Bank of Mysore
Syndicate Bank

AUDITORS

Messrs Batliboi, Purohit & Darbari
Chartered Accountants

REGISTERED OFFICE

14, Netaji Subhas Road, Kolkata-700001
Tel.033-2230 0771(3 lines)
Fax.91-33-2243 6236
E.Mail-phosphate@vsnl.net
Website <http://phosphate.co.in>

WORKS

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

REGISTRARS & TRANSFER AGENTS

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

DIRECTORS' REPORT

TO THE MEMBERS

The Directors present their Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2014

	Rs. in lacs	
	Current year	Previous year
FINANCIAL RESULTS		
Turnover & Other Incomes	7,028	6,234
Operating Profit (EBITDA)	468	259
Finance Cost	504	442
Depreciation	76	57
Net Profit (Loss)	(113)	(240)
M2M Provision	22	—
Tax Provision Net	(39)	(80)
Share Issue Expenses	—	3
Profit (Loss) after tax	(96)	(163)

OPERATION

Turnover and other Income is higher by 13% from Rs. 62.34 crore in previous year Rs. 70.28 crores in current year. Government of India maintained subsidy at the same level of previous year Rs. 3173 per metric ton of Single Super Phosphate Fertiliser sold.

Operating Profit (EBITDA) was significantly higher at Rs. 468 lacs compared to Rs. 259 lacs in previous year.

Production of Single Super Phosphate Fertiliser (Green) recorded a Growth of 8% from 56321 tons in 2012-13 to 60613 tons in 2013-14. Sales of Single Super Phosphate fertiliser in Powder form was at 48130 tons compared to 48646 tons in previous year. Sales of value added Single Super Phosphate Fertiliser in Granulated Form was more than doubled from last year at 10644 tons from 4405 tons.

The Company continues to keep on hold the production of Sulphuric Acid as the overall business dynamics do not warrant resumption of production.

CREDIT RATING

As per BASEL II norms, Company's working capital facilities has been rated by INDIA RATINGS & RESEARCH PRIVATE LIMITED, a FITCH Group Company, wherein Fund Based Working Facility and Corporate Term Loan has been rated as IND B and Non Fund Based Working Capital Facilities has been rated as IND A4.

RISK & CONCERN

Your Company's product is agro input, the demand of which is dependent on good monsoons 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 Annexure A and forms a part of this Report.

FIXED DEPOSITS

Your Company has not accepted any deposit from the public during the year under review.

INDUSTRIAL RELATIONS

The relation 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

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are given as per Annexure B and forms a part of this Report.

CHANGES IN COMPANY LAW

The Companies Act, 2013 ('the Act') has been passed replacing the age old Companies Act, 1956. Rules and procedures thereunder are being notified and your Company is taking necessary steps to comply with the requirements of the new Act. The Company has already formed, reconstituted and renamed various Committees in terms of the requirements of the Act and adopted the Terms of Reference for the said Committees as prescribed in the Act. Steps are in hand to implement various other provisions of the Act to ensure compliance at the appropriate time.

DIRECTORS

Shri Hemant Bangur retires by rotation and being eligible, offers himself for re-appointment.

Shri M.D.Damani resigned from the Board w.e.f. 24-07-2014. The Board put on record the dedicated services rendered by Shri Damani during the long tenure of his directorship and vacancy caused not filled up.

In accordance with the provisions of the Section 149 of the Companies Act, 2013 your Board of Directors recommends the appointment of **Shri Dilip Pratapsingh Goculdas** and **Shri Pranab Kumar Bhanjachoudhury** as Independent Directors to hold office from the date of this annual general meeting for 5 (five) consecutive years. The Company has received notices under Section 160 of the Companies Act, 2013 from members signifying their intention to propose their candidatures for the office of Independent Directors at the ensuing Annual General Meeting.

The Company has received declarations from all the independent directors confirming that they meet the criteria of independence as prescribed under the Companies Act 2013 and Listing Agreement with Stock Exchange.

Your Board recommends their re-appointment.

Particulars of Director seeking appointment/re-appointment are appended in the notes forming a part of the notice calling the ensuing annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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 judgments 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 had prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Policies and Code of Conduct which set out the principle of running the Company with fairness, transparency and accountability. A report on the Corporate Governance forming a part of the Directors Report is attached. A certificate from the Auditors of the Company regarding compliance of the Corporate Governance is given in the Annexure.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion & Analysis Report as required under Listing Agreement is annexed and forms part of this report.

COST AUDIT

As per the requirement of Central Government and pursuant to Section 148(3) of the Companies Act 2013 and on the recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s S. Gupta &

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Co., Cost Accountants for conducting audit of cost records of the company in respect of Fertiliser and Sulphuric Acid of the Company for the financial year ending 31st March 2015 at a remuneration of Rs.13,500/- and Rs.7,500/- respectively plus out of pocket expenses and applicable taxes, subject to approval of the shareholder.

Central Government has approved the appointment of M/s S.Gupta & Co., Cost Accountants for conducting Cost Audit of Fertiliser and Sulphuric Acid for the year 2013-14. Since there was no production of Sulphuric Acid in 2013-14, an application is being moved to the Ministry of Corporate Affairs, New Delhi, requesting them to keep Cost Audit Order for Sulphuric Acid in abeyance till the production of Sulphuric Acid re-commences.

The due date for filing Cost Audit Report for FY.2012-13 was 30-09-2013 and the report was filed within due date on 15-09-2013, by M/s S.Gupta & Co., Cost Accountants, who have conducted Cost Audit of Fertiliser.

INSURANCE

All the properties of the Company are adequately insured.

AUDITORS & AUDITORS REPORT

M/s Batliboi, Purohit & Darbari, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from the Auditors that their re-appointment, if made, would be within the prescribed limits under Section 149(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Audit Committee and the Board recommends the re-appointment of M/s Batliboi, Purohit & Darbari, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the Annual General Meeting for Financial Year 2016-17.

The Notes on financial statements referred to in Auditors Report are self explanatory and do not call for any further comments.

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 company's activities.

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 & Auditors for the continuous support and assistance.

Kolkata
Dated: 13th August 2014

On behalf of the Board of Directors
For The Phosphate Co. Ltd.
Hemant Bangur Binod Khaitan
Director Director

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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

A. Power and Fuel Consumption	This Year	Previous Year	
1. Electricity:			
(a) Purchased:			
Units	'000KWH	1743980	1695504
Total	Rs./Lacs	146.50	139.18
Rate/Unit	Rs./KWH	8.40	8.21
(b) Own generation : Nil			
2. Coal (Specify & Where Used):			
Quantity	Tonnes	349.320	163.610
Total Cost	Rs./Lacs	38.08	17.30
Average Rate	Rs./Tonne	10900	10574
3. Furnace Oil : Nil			
4. Others/Internal Generation :	'000KWH	—	—
B. Consumption per unit of Production	Electricity	Coal	Electricity
	(KWH/MT)	(MT/MT)	(KWH/MT)
Superphosphate	26.59	—	28.82
Sulphuric Acid	—	—	—
Granulated Fertiliser	11.14	0.300	12.80
Sodium Silico Fluoride	35.00	—	35.64
II. FOREIGN EXCHANGE EARNINGS & OUTGO			
Earnings	Rs./Lacs	Nil	Nil
Outgo	Rs./Lacs	3433.96	2910.96
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 (Rs.)	Qualification & Experience	Date of Commencement of Employment	Previous Employment held with	% of Equity held
Shri Suresh Kumar Bangur	61	Executive Director	20,01,427/-	B. Com 41 yrs.	15th October 1982	M/s. Raj Luxmi Associates	4.33

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 : Contractual.

Kolkata
Dated: 13th August 2014

*On behalf of the Board of Directors
For The Phosphate Co. Ltd.*
Hemant Bangur *Binod Khaitan*
Director *Director*

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MANAGEMENT DISCUSSION AND ANALYSIS

Agriculture & Fertilizer:

Current Agriculture productivity in India, on a per hectare basis is low compared to global benchmark and will need to significantly improve to meet the ever increasing demand for food.

Better farming practices, mechanization, balanced soil nutrition including addressing micro-nutrient deficiencies and subsidy recalibration are required to catapult the agricultural sector to the next level and bring it on par with global benchmarks. The industry believes that the Government will embrace and implement the policies required to achieve this goal.

All India SSP Performance:

On All India Basis capacity utilization of SSP Industry reduced from 58.4% to 49.2% in 2013-14. Resulted decline in production from 44.35 Lac tons to 41.68 Lac tons in 2013-14. Likewise dispatch was down by 3.5% from 42 Lac tons to 40.7 Lac tons in 2013-14.

Company's Performance

Production and Sale of Company Product-wise as under (in M.T.)

Item	Production			Sales		
	2013-14	2012-13	Growth	2013-14	2012-13	Growth
Green Super	60,613	56,321	+7.62	—	—	—
Single Super Phosphate+	57,123	56,371	+1.33	58,774	53,384	+10.09
Sodium Silico Fluoride	168	294	-42.86	165	274	-39.78

+ including Powder & Granulated

The Company reported an operating profit (EBITDA) of Rs. 468 Lacs in current year against an operating profit of Rs. 259 Lacs in previous year. After providing for finance cost, depreciation, tax Adjustments and Share Issue Expenses, the Company reported a net loss of Rs. 96 Lacs against of Rs. 163 Lacs in the previous year.

Internal Control System and their adequacy

The Company has proper and adequate system of internal controls commensurate with its size and scale of operation to protect all its assets against loss from unauthorized use or disposition. All transactions are authorized, recorded and reported in conformity with generally accepted accounting principles. Internal Controls are also reviewed by the Internal Auditor.

Human Resource

Human Capital forms the critical part of an enterprises privileged assets. The company continued its commitment to acquire, develop and enhance its human potential. With a dedicated strategy of empowering people at all levels and encourage taking decisions supplemented with free flow of information and ideas, has helped in strengthening its human capital base.

Opportunities

Though SSP is in the category of Direct Fertilizer, it contains multi nutrients and still cheapest Fertilizer available to farmers. Therefore demand of SSP is assumed to grow in years to come.

Threats

Poor weather conditions or any adverse government policy may affect company's operation.

Future Outlook

Government of India has maintained the subsidy for the year 2014-15 at Rs. 3,173/- pmt. New Central Government has said that a new fertilizer policy conducive of all stakeholders will be announced shortly. It is hoped that high use of Urea fertilizer due to disruptive NBS policy will be rectified, which should augur well for company.

Cautionary Statement

Statement in this management discussion and analysis describing the Company's objective, Projection, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied as many factors like, availability of raw materials, changes in political and economic environment in India, applicable Statues, Labor Relations and Interest Costs etc., may affect the Company's Operations.

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REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

The Company's Philosophy on governance is founded upon and structured on a rich legacy of ethical and transparent business conduct at building trust amongst diverse stakeholders on fairness, transparency and ethical behavior.

Board of Directors

The Company's Board of Directors comprises of an optimal complement of independent professionals experienced promoters as-well-as Company Executives having in-depth knowledge of the business and the industry. It represents a mix of professionalism, experience and knowledge. The size and composition of the Board conform to the requirements of the Corporate Governance Code under the Listing Agreement with the Stock Exchange.

i) Composition & Category

The Board of Directors of your Company as on 31st March, 2014 consisted of six directors as under :

NAME OF DIRECTORS	CATEGORY
Shri Binod Kumar Khaitan	Promoter/Non Executive Director
Shri Hemant Bangur	Promoter/Non Executive Director
Shri Suresh Kumar Bangur	Promoter/ Executive Director
Shri Dilip Pratapsingh Goculdas	Independent/ Non Executive Director
Shri Pranab Kumar Bhanjachaudhury	Independent / Non Executive Director
Shri Murali Dhar Damani	Non Promoter/Executive Director

None of the Directors on the Board holds the office of director in more than 20 companies or memberships in committees of the Board in more than 10 committees or Chairmanship of more than 5 committees.

ii) Board Proceedings

In terms of the Company's Corporate Governance Policy, all statutory and other significant material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of the Shareholders.

iii) Attendance at the Board Meetings/last AGM etc.

Five Board Meetings were held on the following dates:

28.05.2013	15.07.2013	12.08.2013	14.11.2013	14.02.2014
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The attendance of the directors at the Board Meetings held during the year is given in the chart below which also shows details of the number of Directorships, Committee Chairmanships/ memberships held by them in other companies excluding private limited companies, foreign companies, membership of managing committees of various chambers/bodies and alternate directorships during the Financial Year under review,

Name of the Director	No of Board Meetings Attended	Attendance at last AGM held on 12.08.2013	Directorship/Committee Chairman/Membership in other Companies
Shri Binod Khaitan	5	Yes	2 Companies & 1 committee
Shri Hemant Bangur	4	Yes	10 Companies & 4 committees
Shri Suresh Kumar Bangur	5	Yes	3 Companies
Shri Dilip Pratapsingh Goculdas	4	Yes	3 Companies
Shri Pranab Kumar Bhanjachowdhury	5	Yes	1 Company
Shri Murali Dhar Damani	5	Yes	Nil

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Board Committees

There are three committees of the Board viz., Audit Committee, Nomination & Remuneration Committee and Shareholder's Relationship Committee.

Matters requiring the Board's attention/approval will be placed before the Board along with Minutes of the respective Committees. The terms of reference, role and composition of these Committees are provided below:

Audit Committee

Composition

Audit Committee consists of three Directors namely Shri Pranab Kumar Bhanjachaudhury. Non Executive Independent Directors as Chairman, Shri Dilip Pratapsingh Goculdas - Non Executive Independent Director as Member and Shri Suresh Kumar Bangur - Executive Promoter Director as Member with Shri M. D. Damani as Secretary of the Committee.

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and Revised Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

Power of the Audit Committee

- To investigate any activity within its terms of reference.
- To seek information of any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it consider necessary.

Role of the Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
- Reviewing with the management, annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the director's Report in the terms of sub-section (2AA) of Section 217 of the Companies act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to the financial statements.
 - Disclosure of related party transactions.
 - Qualification in draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statements of uses / application of funds raised through an issue (public issue, right issue preferential issue, etc.), the statement of funds utilized for purpose other than those

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stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public issue, and making appropriate recommendation to the Board to take up steps in this matter.

- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transaction of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors, any significant findings and follow-up thereon.
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature, and reporting the matter to the Boards.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approve the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance or discharging that function) after assessing qualifications, experience and background of the candidate.
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors.
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Reviewing the following information:
 - o The Management Discussion and Analysis of financial condition and results of operations;
 - o Statements of significant related party transactions (as defined by the Audit Committee), submitted by managements;
 - o Management letter/ letters of internal control weakness issued by the statutory auditors;
 - o Internal audit reports relating to internal control weakness; and
 - o The appointment, removal and terms of remuneration of internal auditors.
- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statements before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company.

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- The Committee will also carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Meeting Details

Four meeting of the Committee were held during the financial year under review.

Management Discussion & Analysis Report:

This Annual Report contains a separate and detailed Management Discussion & Analysis Section.

Stakeholders Relationship Committee

Composition:

Stakeholders Relationship Committee consisting of three members, Shri Binod Khaitan, Non Executive Promoter Director as Chairman, Shri Suresh Kumar Bangur, Executive Promoter Director and Shri M. D. Damani, Director was formed during the financial year under review.

The Committee is primarily responsible to review all matters connected with the Company's transfer of shares and redressal of shareholders' complaints. The Committee also monitors the implementation and compliance with the Company's code of conduct for prohibition of Insider Trading.

The Committee's composition and the terms of reference meets with the requirements of Clause 49 of the Listing Agreement and provision of the Companies Act, 2013.

Terms of Reference of the Committee, inter alia, includes the following:

The terms of reference of the Committees are to look into redressal of Shareholder's/Investor's complaints relating to non-receipt of notices, share certificates, annual reports, dividends, transfer of shares, dematerialization of shares and other grievances and to oversee the performance of the Company's Registrars and Transfer Agents and approval of transfer / transmission / sub-division / rematerialisation of shares, issue of duplicate share certificates etc.. Registrar & Share Transfer Agents M/s Maheshwari Datamatics Pvt. Ltd. (MDPL) will give periodical reports to the Committee about all the above activities. Further, all transfers/ transmissions and other work will be done under authentication of Company officials as per advice/approval of MDPL. The Committee will also carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable

Meeting Details

One meeting of the Committee was held during the financial year under review wherein meeting fees was unanimously forgone by the Committee Members.

Compliance Officer:

Mr. Murali Dhar Damani, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India.

The details of complaints received and attended to during the year are given below:

- No. of complaints received from shareholders: Nil
- No. of complaints resolved / redressed: Nil
- No. of complaints pending as on 31st March, 2014: Nil

No requests for share transfers and dematerialisation received during the financial year were pending for more than two weeks.

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Nomination & Remuneration Committee

Composition:

Nomination & Remuneration Committee comprised of three members, Shri Dilip Pratapsingh Goculdas, Non Executive Independent Director as Chairman with Shri Hemant Bangur Non Executive Promoter Director and Shri Pranab Kumar Bhanjachowdhury, Non Executive Independent Director as member.

Terms of Reference of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration to Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of independent Directors and the Board
- To device a policy on Board Diversity
- To recommend / review remuneration of Managing Director(s) and Whole time Director(s) based on their performance and defined assessment criteria

Meeting Details

One meeting of the Committee was held during the financial year under review.

The details relating to the remuneration of Directors, as required under the Clause 49 of the Listing Agreement, have been given under a separate section, viz. Remuneration to Directors in this report.

Remuneration Policy

i. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fee @ Rs. 10,000 for each meeting of the Board and Rs. 5,000 for each meeting of Committee attended thereof by them.

ii. Remuneration to Whole time Director(s)

The appointment of Whole time Director(s) are governed by resolutions passed by the Board of Directors, Shareholders of the Company and also the respective Agreements executed between them and the Company which cover the terms of such appointment and payment of remuneration etc.

Remuneration to Directors

Non-Executive Directors

(Rs.)

Name	Board Sitting Fees	Committee Meetings
Shri Binod Khaitan	50,000	NIL
Shri Hemant Bangur	40,000	5,000
Shri Dilip Pratapsingh Goculdas	40,000	30,000
Shri Pranab Kumar Bhanjachaudhury	50,000	30,000
Total	1,80,000	65,000

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Executive Directors :

	Shri S K Bangur 01.04.13 to 31.03.14	Shri M.D.Damani 01.04.13 to 31.03.14
Earnings	Amount	Amount
Salary	12,00,000	6,53,400
Benefits	8,01,427	3,87,240
Total	20,01,427	10,40,640
Service Contract	3 years w.e.f. 13.08.2012	2 years w.e.f. 27.07.2012

Notes :

i. Service Contracts, Severance Fees and Notice Period :

The appointment of Executive Directors is governed by resolutions adopted by the Board of Directors and the shareholders of the Company, which covers the terms and conditions of such appointment read with the service rules of the Company. Separate Service Contracts have been entered into by the Company with the Executive Directors. There is no provision for payment of severance fee under the resolutions governing the appointment of Whole-time Directors. The resignation of Executive Directors becomes effective upon acceptance by the Board.

ii. Employees Stock Option Scheme :

The Company does not have any Stock Option Scheme.

iii. Performance Linked Incentives :

The Company has internal norms for assessing the performance of its senior executives including Whole-time Directors and any payment thereof require the approval of the Board.

CEO / CFO Certification

As required under Clause 49 of the Listing Agreement, a Certificate was placed before the Board in its meetings held on 15th May, 2014 from Chief Executive Officer designated as Executive Director as appended be treated as Certificate from CEO / CFO.

May 10, 2014

To

The Board of Directors
The Phosphate Co. Ltd.
Kolkata-700001

This is to certify that –

- a) I have reviewed financial statements and the cash flow statement for the year ended 31-03-2014 and that to the best of my knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered in to by the company during the year which are fraudulent, illegal or violate of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I

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have disclosed to the auditors deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

- d) I have indicated to the auditors
- i) significant changes in the internal control over financial reporting during the year,
 - ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of management or an employee having a significant role in the company's internal control system over financial reporting.

Suresh Kumar Bangur
Executive Director

Statutory Compliance Certification

Based on representation by the concerned departments a certificate relating to necessary statutory compliances on quarterly basis, issued by Director & Secretary, is placed before the Board for its perusal.

General Body Meetings

The last three Annual General Meetings :

Sl.	Date	Time	Venue	Special Resolutions passed
1	12th August, 2013	11.30 a.m	Somany Conference Hall of MCC Chamber of Commerce & Industry, 15, Hemant Basu Sarani, Kolkata-700001.	1
2	13th August, 2012	11.30 a.m	Somany Conference Hall of MCC Chamber of Commerce & Industry, 15, Hemant Basu Sarani, Kolkata-700001.	2
3	29th Sept., 2011	11.30 a.m	Somany Conference Hall of MCC Chamber of Commerce & Industry, 15, Hemant Basu Sarani, Kolkata-700001.	NIL

Meeting by Postal Ballot

No resolution was passed by Postal Ballot during the year ended 31st March 2014 and no resolution is proposed to be passed by postal ballot at ensuing Annual General Meeting.

Disclosures

(a) Related party transactions

The Company has not entered into transaction(s) of materially significant nature with its Promoters or Directors or their relatives etc. that have potential conflict with the interest of the Company at large.

Transactions with the related parties have been disclosed in Note no. 30 of the Notes to the Financial Statements.

THE PHOSPHATE COMPANY LIMITED

(b) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI or any statutory authorities on matters related to capital markets, during the last three years.

(c) Whistle Blower Policy

The Company has formulated a Whistle Blower Policy. It provides opportunities to employees to access in good faith to the Management concerns in which they observe unethical or improper practice.

(d) Risk Minimization Policy

The Company has formulated risk minimization policy for the guidance by the Board Members to ensure that executive management controls risk through means of a properly defined framework. The same is being monitored from time to time to ensure that all identified risks are provided for adequately.

(e) Details of use of Public funds obtained in the last three years :

The Company has raised funds through preferential issue of equity shares of Rs.10/- each at a premium of Rs.14/- per equity share. Fund has been utilized as stated in the notice of Postal Ballot dated 18th January, 2013.

(f) Compliance with Mandatory requirements and adoption of Non-mandatory requirements

All mandatory requirements of the Corporate Governance Code are being complied with. Non-mandatory requirements, will be reviewed by the Board periodically.

Particulars of appointment of Directors

This forms part of the Notice convening the Annual General Meeting.

Means of Communication

- a. The quarterly, half-yearly and annual results of the Company are published in prominent dailies such as 'The Echo of India' in English and ' Arthik Lipi ' in Bengali. No separate communications are sent to the Shareholders. The results are also posted on the Company's website <http://phosphate.co.in> shortly after these are submitted to the Stock Exchanges.
- b. No presentations to the Shareholders, Institutional Investors or to Analysts have been made during the year under review

Code of Conduct

A Code of Conduct has been laid down by the Board. This code is derived from the fundamental principle on which The Phosphate Company Limited's corporate philosophy is based, namely, trusteeship, accountability and ethical corporate citizenship and is applicable to all Directors, senior management and employees of the Company. This has been accepted by all Directors and Senior Executives.

Code of Conduct for Prevention of Insider Trading

The Phosphate Company Limited's has a Code of Conduct for Prevention of Insider Trading in the shares of the Company. The Code, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

THE PHOSPHATE COMPANY LIMITED

Shareholder Information

Annual General Meeting
Date, Time & venue : Friday, 26th September, 2014 at 1:00 P.M. at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15 Hemant Basu Sarani, Kolkata-700001

Financial Calendar (tentative)

Financial Results

1st quarter : By 14th August, 2014
 2nd quarter : By 15th November, 2014
 3rd quarter : By 15th February, 2015
 4th quarter : By 31st May, 2015
 Book Closure : 22nd September, 2014 to 26th September, 2014 (both days inclusive)
 Dividend : The Board of Directors have not recommended any dividend for the year ended 31st March, 2013
 Listing on Stock Exchanges : The Company's equity shares are listed on The Calcutta Stock Exchange Limited (CSE).
 Listing Fee / Custody Fees : Annual Listing fee to CSE has been paid upto the year 2014-15
 Annual Custody fees have been paid to NSDL and CDSL for 2014-15
 Stock Code : Calcutta Stock Exchange Limited (CSE) : 10026031(Physical)
 : INE398C01016(Demat)

There was no transaction of shares on CSE during the year.

Distribution of Shareholding as on 31st March, 2014

Shareholding	Number of Holders	Percentage	Number of Shares	Percentage
Upto 500	865	80.0185	154248	4.2758
501 to 1000	99	9.1582	72280	2.0036
1001 to 2000	47	4.3478	67770	1.8786
2001 to 3000	10	0.9251	25900	0.7180
3001 to 4000	9	0.8326	32540	0.9020
4001 to 5000	2	0.1850	9756	0.2704
5001 to 10000	10	0.9251	78390	2.1730
10001 and above	39	3.6078	3166596	87.7786
Grand Total	1081	100.0000	3607480	100.0000

THE PHOSPHATE COMPANY LIMITED

Statement showing Shareholding Pattern as on 31st March, 2014

Category	Number of Shares Held	Percentage of Shareholding
A. Shareholding of Promoter & Promoter Group		
a. Individuals / HUFs	924046	27.0429
b. Bodies Corporate	1176530	31.1855
B. Public Shareholding		
a. Financial Institutions / Banks	4300	0.1192
b. Insurance Companies	333480	9.2440
c. Bodies Corporate	456670	12.6590
d. Indian Public	711514	19.7233
e. NRIs	940	0.0261
Grand Total	3607480	100.0000

Share Transfer System :

The share transfers duly received with documentation being in order are processed within 15 days from the date of receipt. Shares meant for the purpose of transfer/transmission in physical form, should be lodged with the Company's Registrar & Share Transfer Agent at the address given above. Executives of the Company are authorized to approve the share transfer/transmission of shares on the recommendation of Maheshwari Datamatics Pvt. Ltd. , Registrar & Share Transfer Agents, and transferred shares are dispatched to the transferee immediately.

As required under Clause 47(c) of the Listing Agreement(s) entered into with the Stock Exchanges, a certificate is obtained every six months from a Company Secretary in Practice, inter-alia, confirming completion of transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within one month of their lodgment. The certificates are forwarded to the Stock Exchanges, where the equity shares are listed, within 24 hours of issuance.

Dematerialization of Shares :

The Company's scrips form part of the SEBI's Compulsory Demat segment for all investors. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar & Share Transfer Agents - Maheshwari Datamatics Pvt. Ltd.

Outstanding GDRs / ADRs / Warrants or any convertible instruments. etc.

The Company has not issued these types of securities.

Plant Location :

45, Ramakrishna Road, Rishra,
Hooghly (W. Bengal)-712248
Tel. 033-26721448/1497, Fax. 91-33-26722270
E.mail-pclsuper@vsnl.net

Address for Correspondence :

Registered Office :

14, Netaji Subhas Road, Kolkata-700001
Tel. 033-22300771(3lines), Fax. 91-33-22436236
E.Mail-phosphate@vsnl.net

THE PHOSPHATE COMPANY LIMITED

Registrar and Share Transfer Agents :

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane (Surendra Mohan Ghosh Sarani),
2nd Floor, Kolkata – 700 001
Tel : (033) 2243 5809, 2248 2248, Fax : (033) 2247 4787
E-mail: mdpl@cal.vsnl.net.in.

**Compliance Officer &
Means of Communication :**

Shri M.D.Damani, Company Secretary, is the Compliance Officer
He is available at the Registered Office of the Company
at 14, Netaji Subhas Road, Kolkata - 700001.
Tel : 033-22300771-3, Fax : 033-22436236
Mob : 09681096817, Email : phosphate@vsnl.net

Certificate on Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement.

To
The Members of
The Phosphate Co. Ltd.

We have examined the compliance of conditions of Corporate Governance by The Phosphate Co. Ltd., for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Date : August 12, 2014

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

THE PHOSPHATE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of The Phosphate Company Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of THE PHOSPHATE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

THE PHOSPHATE COMPANY LIMITED

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Kolkata
Dated : 15th May, 2014

THE PHOSPHATE COMPANY LIMITED

Annexure to Independent Auditors' Report

Referred to in the Independent Auditors' Report of even date to the members of The Phosphate Company Limited the financial statements as of and for the year ended 31st March, 2014

- i.
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion, and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- iii.
 - (a) The Company has taken inter-corporate loan unsecured from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 11,34,00,000/- and the year-end balance of inter corporate loan from such parties was Rs. 10,00,00,000/-. The Company has not granted any loan to anybody covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) In our opinion, the rate of interest and other terms and conditions on which inter corporate loans has been taken from a Company, is not prima facie, prejudicial to the interest of the Company.
 - (c) The Company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

THE PHOSPHATE COMPANY LIMITED

- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax, sales tax, wealth tax, service tax and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax and service-tax which have not been deposited on account of any dispute.
- x. The Company has accumulated losses as at the end of the financial year end and has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and 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 during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.

THE PHOSPHATE COMPANY LIMITED

- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata
Dated : 15th May, 2014

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

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF ACCOUNT

THE PHOSPHATE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

	Schedule	31st March, 2014 ₹	31st March, 2013 ₹
EQUITY & LIABILITIES			
SHAREHOLDERS FUND			
Share Capital	2	3,60,74,800	3,60,74,800
Reserves & Surplus	3	3,80,64,120	4,82,57,730
Non-current liabilities			
Long-Term Liabilities	4	16,96,38,344	9,89,86,758
Long Term Provisions	5	32,98,264	27,28,599
Current Liabilities			
Short Term Borrowings	6	21,06,13,659	24,70,86,493
Trade Payables		14,80,02,833	15,09,18,687
Other Current Liabilities	7	76,16,265	70,79,641
Short Term Provisions		22,03,190	—
Total		<u>61,55,11,475</u>	<u>59,11,32,708</u>
ASSETS			
Fixed Assets			
Tangible Assets	8	14,98,02,341	15,62,85,743
Capital Work-in-Progress		2,04,97,371	—
Non-Current Investments	9	26,000	26,000
Deferred Tax Assets (Liabilities)	10	99,87,886	61,14,531
Long Term Loans and Advances	11	52,39,561	48,02,134
Current Assets			
Inventories	12	15,21,83,035	9,12,51,583
Trade Receivables	13	19,14,14,954	27,93,51,724
Cash and Cash Equivalents	14	1,64,26,038	3,79,57,437
Short Term Loans and Advances	15	6,99,34,289	1,53,43,556
Total		<u>61,55,11,475</u>	<u>59,11,32,708</u>

Significant Accounting Policies

Notes 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

M. D. DAMANI
Director & Secretary

SURESH KUMAR BANGUR

Executive Director

AJAY BANGUR
President & CFO

BINOD KHAITAN

Director

P. K. BHANJACHAUDHURY
Director

7, Waterloo Street, Kolkata 700 069

Dated : 15th May, 2014

THE PHOSPHATE COMPANY LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	Year ended 31st March, 2014 ₹	Year ended 31st March, 2013 ₹
INCOME			
Revenue from Operations		70,15,60,333	62,23,30,939
Sales of Products and Subsidy thereon		49,75,076	42,13,730
Less : Excise Duty		<u>69,65,85,257</u>	<u>61,81,17,209</u>
Other Income	16	12,72,426	11,01,518
Total		<u>69,78,57,683</u>	<u>61,92,18,727</u>
EXPENSES			
(Increase)/Decrease of Finished Goods	17	(1,39,50,111)	(2,88,04,985)
Cost of Materials Consumed	18	43,18,94,581	48,48,88,458
Purchase for Trading		2,06,16,783	24,30,307
Employees Benefits Expense	19	1,79,80,846	1,60,63,017
Manufacturing & Other Expenses	20	19,45,63,561	11,87,50,628
Total		<u>65,11,05,660</u>	<u>59,33,27,425</u>
Profit before Interest, Depreciation & Tax (EBIDTA)		4,67,52,023	2,58,91,302
Finance Cost	21	5,04,00,663	4,42,04,869
Depreciation		81,99,403	62,54,278
Less : Transfer from Revaluation Reserve		<u>5,60,768</u>	<u>5,60,768</u>
Profit before extraordinary items		(1,12,87,275)	(2,40,07,077)
Extraordinary items		—	—
Share Issue Expenses		15,732	2,93,913
M 2 M Reserve Expenses		22,03,190	—
Profit before Tax		(1,35,06,197)	(2,43,00,990)
Tax Expense :			
Current Tax	22	—	—
Earlier year Tax Provision		—	2,66,973
Deferred Tax		<u>(38,73,355)</u>	<u>(83,09,314)</u>
Profit for the year		<u>(96,32,842)</u>	<u>(1,62,58,649)</u>
Earnings per Equity Share of Rs. 10 Basic and Diluted	23	(2.67)	(9.11)
Significant Accounting Policies	1		

Notes 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

M. D. DAMANI
Director & Secretary

SURESH KUMAR BANGUR

Executive Director

AJAY BANGUR
President & CFO

BINOD KHAITAN

Director

P. K. BHANJACHAUDHURY
Director

7, Waterloo Street, Kolkata 700 069

Dated : 15th May, 2014

THE PHOSPHATE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	31st March, 2014		31st March, 2013	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary Items :		(1,12,87,275)		(2,40,07,077)
Adjustments for :				
Depreciation	76,38,635		56,93,510	
Fixed Assets	(1,02,248)		(93,111)	
Interest / Dividend	4,65,26,613	5,40,63,000	3,95,65,410	4,51,65,809
Operating Profit before Working Capital Changes		4,27,75,725		2,11,58,732
Adjustments for :				
Trade and other Receivables	3,32,16,805		(2,63,33,393)	
Inventories	(6,09,31,452)		(3,79,80,574)	
Trade Payable	(23,79,230)	(3,00,93,877)	9,30,98,722	2,87,84,755
Cash generated from Operations		1,26,81,848		4,99,43,487
Interest paid	(4,92,66,916)		(4,17,79,710)	
Direct Tax paid	(3,08,195)		10,62,462	
Deferred Revenue	(15,732)	(4,95,90,843)	(2,93,913)	(4,10,11,161)
Cash Flow before extra ordinary items		(3,69,08,995)		89,32,326
Net cash flow from operating activities		(3,69,08,995)		89,32,326
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(2,25,35,664)		(2,10,14,102)	
Sale of fixed assets	4,24,540		2,57,200	
Interest Received	27,40,303		22,14,300	
Net Cash used in Investing Activities		(1,93,70,821)		(1,85,42,602)
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	—		4,50,00,000	
Proceeds from long term / short term Borrowing	3,47,48,417		(1,53,43,542)	
Net Cash used in financing activities		3,47,48,417		2,96,56,458
Net increase in cash and cash equivalents		(2,15,31,399)		2,00,46,182
Cash and cash equivalents as at 1-4-13 (Opening balance)		3,79,57,437		1,79,11,255
Cash and cash equivalents as at 31-3-14 (Closing balance)		1,64,26,038		3,79,57,437

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

M. D. DAMANI
 Director & Secretary

SURESH KUMAR BANGUR
 Executive Director

AJAY BANGUR
 President & CFO

BINOD KHAITAN
 Director

P. K. BHANJACHAUDHURY
 Director

7, Waterloo Street, Kolkata 700 069
 Dated : 15th May, 2014

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies :

i. Basis of Accounting :

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles in India, the Provisions of the Companies Act, 1956 and the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956. Accounting policies have been followed consistently.

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 Freight on fertiliser) & 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. The expenses / gains on account of exchange difference on payment is recognised in the Profit & Loss Account.

	31st March, 2014	31st March, 2013
	₹	₹
2a. SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs. 10/- each (Previous year 50,00,000 Equity Shares of Rs. 10/- each)	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
36,07,480 Equity Shares of Rs. 10/- each (of the above 9,84,360 Equity Shares allotted as fully paid-up by way of Bonus Shares by capitalisation of Share Premium & General Reserve)	<u>3,60,74,800</u>	<u>3,60,74,800</u>
TOTAL	<u>3,60,74,800</u>	<u>3,60,74,800</u>

b. The details of the shareholders holding more than 5% shares

Name of the Shareholder	No.	%	No.	%
Carwin Trading Pvt. Ltd.	210000	5.82	210000	5.82
Devi Prasad Taparia	200000	5.54	200000	5.54
Life Insurance Corporation of India	189240	5.25	189240	5.25
Joonktolle Tea & Industries Ltd.	138680	4.16	138680	4.16

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2014 ₹	31st March, 2013 ₹
c. Reconciliation of the number of shares outstanding at the end of the year		
Equity shares at the beginning of the year	36,07,480	17,32,480
Add : Shares Issued	Nil	18,75,000
Less : Shares Buy Back	Nil	Nil
Equity shares at the end of the year	36,07,480	36,07,480
3. RESERVES & SURPLUS		
a. Reserve on Revaluation of Fixed Assets		
As per last Balance Sheet	1,45,34,491	1,50,95,259
Less : Transferred to Profit & Loss A/c.	5,60,768	5,60,768
Sub-total	<u>1,39,73,723</u>	<u>1,45,34,491</u>
b. General Reserve		
As per last Balance Sheet	1,65,35,533	1,65,35,533
Sub-total	<u>1,65,35,533</u>	<u>1,65,35,533</u>
c. Security Premium		
Received during the year	—	2,62,50,000
As per last Balance Sheet	2,62,50,000	—
Sub-total	<u>2,62,50,000</u>	<u>2,62,50,000</u>
d. Profit & Loss Account		
As per last Balance Sheet	(90,62,294)	71,96,355
Add : Profit (loss) for the year	(96,32,842)	(1,62,58,649)
Sub-Total	<u>(1,86,95,136)</u>	<u>(90,62,294)</u>
Total	<u>3,80,64,120</u>	<u>4,82,57,730</u>
4. Long Term Liabilities :		
Secured Loans :		
a. Corporate Term Loan from a Bank	6,00,00,000	—
b. Vehicle Loans from Banks	7,64,706	2,53,120
a) Secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari passu second charge on Current Assets		
b) Secured by first charge by way of hypothecation of cars purchased under the scheme		
Terms of repayment – equal monthly instalments over the term of loans		
Unsecured Loans		
(Repayable latest by December 2015)		
From Limited Companies	10,00,00,000	9,00,00,000
Dealers Deposits	88,73,638	87,33,638
Total	<u>16,96,38,344</u>	<u>9,89,86,758</u>
5. LONG TERM PROVISIONS		
Provision for Leave Encashment	32,98,264	27,28,599
Total	<u>32,98,264</u>	<u>27,28,599</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2014	31st March, 2013
	₹	₹
6. SHORT TERM BORROWINGS		
Secured		
Cash Credit from Banks	17,10,74,051	12,96,60,578
Buyers Credit in Foreign Currency from Banks (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 colaterally pari-passu second charge on fixed assets and equitable mortgage on immovable property)	1,32,39,608	1,87,25,915
Unsecured		
From Limited Companies	2,63,00,000	9,87,00,000
Total	21,06,13,659	24,70,86,493
7. OTHER CURRENT LIABILITIES		
Interest accrued and due	75,72,581	70,35,957
Dividend unpaid / unclaimed	43,684	43,684
Total	76,16,265	70,79,641

8. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March 2013	Additions	Sales/ Adjustments	As at 31st March 2014	Upto 31st March 2013	For the period	Sales / Adjust-ment	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS										
Land	52,70,000	—	—	52,70,000	—	—	—	—	52,70,000	52,70,000
Buildings	4,99,28,287	—	—	4,99,28,287	2,22,64,156	22,74,198	—	2,45,38,354	2,53,89,933	2,76,64,131
Plants & Machinery	19,66,09,615	3,58,201	28,67,542	19,41,00,274	7,80,35,634	53,31,728	25,51,506	8,08,15,856	11,32,84,418	11,85,73,981
Computer	19,66,801	32,025	—	19,98,826	17,21,965	39,419	—	17,61,384	2,37,442	2,44,836
Water & Acid Installations	35,95,565	4,22,663	—	40,18,228	1,86,401	1,75,573	—	3,61,974	36,56,254	34,09,164
Laboratory Equipments	1,35,005	67,989	—	2,02,994	96,140	13,906	—	1,10,046	92,948	38,865
Furniture & Fittings	21,80,272	2,06,085	1,10,360	22,75,997	18,66,345	64,173	1,04,104	18,26,414	4,49,583	3,13,927
Motor Cars & Trucks	20,28,686	9,51,330	—	29,80,016	12,77,939	2,97,611	—	15,75,550	14,04,466	7,50,747
Electric Installations	3,68,606	—	—	3,68,606	3,48,514	2,795	—	3,51,309	17,297	20,092
	26,20,82,837	20,38,293	29,77,902	26,11,43,228	10,57,97,094	81,99,403	26,55,610	11,13,40,887	14,98,02,341	15,62,85,743
Plant Under Erection	—	—	—	—	—	—	—	—	2,04,97,371	—
TOTAL	26,20,82,837	20,38,293	29,77,902	26,11,43,228	10,57,97,094	81,99,403	26,55,610	11,13,40,887	17,02,99,712	15,62,85,743
PREVIOUS YEAR	21,25,35,990	4,98,55,781	3,08,934	26,20,82,837	9,96,87,661	62,54,278	1,44,845	10,57,97,094	15,62,85,743	14,16,90,008

Gross Block of Fixed Assets includes Rs. 3,02,17,953/- (Previous year Rs. 3,02,17,953/-) on account of revaluation carried out in 1985. Consequent to the said revaluation there is additional charge of depreciation of Rs. 5,60,768/- (Previous year Rs. 5,60,768/-) and equivalent amount has been withdrawn from Revaluation Reserve & credited to Profit & Loss Account. This has no impact on profit for the year.

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2014 ₹	31st March, 2013 ₹
9. NON-CURRENT INVESTMENTS		
Other than trade - In Government or Trust Securities :		
6 year National Savings Certificate (VIII Issue) deposited as Security with Collector of Customs	6,000	6,000
6 year National Savings Certificate (VIII Issue) deposited as Security with Sales Tax Department, Udaipur	20,000	20,000
Total	<u>26,000</u>	<u>26,000</u>
10. DEFERRED TAX		
Deferred Tax Asset		
Lossed / Unabsorbed depreciation under Income Tax	3,18,22,912	2,73,64,903
Deferred Tax Liability		
Related to time difference of Depreciation on fixed assets	2,18,35,026	2,12,50,372
Total	<u>99,87,886</u>	<u>61,14,531</u>
11. LONG TERM LOANS & ADVANCES		
(Unsecured considered good)		
Security Deposits	44,15,417	42,86,185
Advance for Taxation (net of provisions) Rs. NIL, previous year Rs. 10,12,705)	8,24,144	5,15,949
Total	<u>52,39,561</u>	<u>48,02,134</u>
12. INVENTORIES		
(As valued and certified by the Management)		
Raw materials	8,72,36,965	4,11,45,013
Packing Materials	22,67,185	13,03,385
Stores & Spare Parts	1,30,44,191	1,29,43,350
Finished Goods	4,96,34,694	3,58,59,835
Total	<u>15,21,83,035</u>	<u>9,12,51,583</u>
13. TRADE RECEIVABLES		
(Unsecured considered good)		
Outstanding for a period exceeding six months	30,09,871	229
Below six months	7,81,99,893	6,25,02,286
Subsidy from Central Government	11,02,05,190	21,68,49,209
Total	<u>19,14,14,954</u>	<u>27,93,51,724</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2014	31st March, 2013
	₹	₹
14. CASH & CASH EQUIVALENTS		
Balances with Bank :		
Current A/c.	61,573	67,858
Unpaid Dividend	43,684	43,684
Fixed Deposit A/c. (pledged against margin/guarantee)	1,58,61,360	3,71,79,125
Cash on hand	4,59,421	6,66,770
Total	1,64,26,038	3,79,57,437
15. SHORT TERM LOANS AND ADVANCES		
(Unsecured Considered Good)		
Advance recoverable in Cash or in kind or for value to be received	6,97,09,285	1,50,48,475
Advance with Central Excise	2,25,004	2,95,081
Sub-Total	6,99,34,289	1,53,43,556
Unsecured considered doubtful	4,05,987	—
Less : Provision for Doubtful Debt	4,05,987	—
Sub-Total	—	—
Total	6,99,34,289	1,53,43,556
16. OTHER INCOME		
Profit on Sale of Fixed Assets	1,02,248	93,111
Interest on Margin	1,70,988	—
Profit on Sale of Redeem of M.F. Units	11,136	—
Scrap Sales	9,88,054	10,08,407
Total	12,72,426	11,01,518
17. INCREASE/(DECREASE) IN FINISHED GOODS		
Closing stock	4,96,34,694	3,58,59,835
Less : Opening Stock	(3,58,59,835)	(68,07,011)
Balance	1,37,74,859	2,90,52,824
Add : Increase / (Decrease) in Excise Duty	1,75,252	(2,47,839)
Total	1,39,50,111	2,88,04,985
18. COST OF MATERIALS CONSUMED		
Raw Materials		
Rock Phosphate	34,12,12,739	35,39,47,018
Sulphuric Acid	6,53,07,671	10,14,06,826
Spent Acid	69,64,021	1,40,61,757
Others	24,46,776	22,30,200
Packing Materials	1,59,63,374	1,32,42,657
Total	43,18,94,581	48,48,88,458

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2014 ₹	31st March, 2013 ₹
19. EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Bonus, Gratuity etc.	1,47,22,610	1,31,07,041
Staff Welfare	19,27,911	17,09,469
Contribution to :		
Provident & Other Funds	12,30,923	11,03,783
Employees State Insurance	99,402	1,42,724
Total	<u>1,79,80,846</u>	<u>1,60,63,017</u>
20. MANUFACTURING & OTHER EXPENSES		
Payment to Auditors : (inclusive of service tax)		
Audit Fee	28,090	28,090
Certification Fee	46,066	47,752
Tax Audit Fee	11,236	11,236
Audit Committee Fee	65,000	—
Consumption of Stores and Spares	67,21,661	90,73,872
Director's Fees	1,80,000	2,00,000
Distribution Expenses	4,67,50,395	1,37,24,667
Freight, Delivery	5,19,05,298	3,94,49,931
Packing Expenses	37,81,664	40,47,370
Information & Technology Expenses	38,925	20,772
Insurance	3,77,658	3,26,147
Legal & Consultancy Expenses	4,38,417	3,23,029
Manufacturing & Supervision Charges	97,36,217	50,63,921
Miscellaneous Expenses	34,87,112	25,18,280
Motor Vehicle Expenses	6,33,633	4,89,058
Other Maintenance	18,64,648	21,60,525
Power and Fuel	2,13,29,678	1,61,33,152
Rates and Taxes	9,53,387	9,19,961
Rent	4,27,500	10,45,144
Storage & Handling	1,84,61,532	25,80,644
Repairs to Building	9,17,304	8,20,015
Repairs to Machinery	8,19,146	11,32,475
Repairs to Others	5,89,329	4,34,371
VAT & CST	2,45,86,678	1,82,00,216
Brokerage & Commission	7,000	—
Provision for Doubtful Debts	4,05,987	—
Total	<u>19,45,63,561</u>	<u>11,87,50,628</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2014	31st March, 2013
	₹	₹
21. FINANCE COST		
Interest	4,92,66,916	4,17,79,710
Less : Received	(27,40,303)	(22,14,300)
	4,65,26,613	3,95,65,410
Bank Charges	64,51,491	37,45,382
Other Charges	5,34,551	6,82,864
Foreign Exchange Rate Difference Loss / (Gains)	(31,11,992)	2,11,213
Total	5,04,00,663	4,42,04,869
22. CURRENT TAX		
In view of losses and unabsorbed depreciation there is no current tax payable		
23. EARNING PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(96,32,842)	(1,62,58,649)
Weighted Average number of Equity Shares used as demoninating for calculating EPS	36,07,480	36,07,480
Basic and Diluted earning per share	(2.67)	(9.11)
Face Value per Equity Share	10.00	10.00
24. COMMITMENT		
Commitment of Capital Expenditure not provided for in the accounts estimated at Rs. 1,47,00,000/- (Previous year Rs. 22,00,000/-)		
25. CONTINGENT LIABILITIES		
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. 2,71,910/- in respect of TDS deposit for A.Y. 2007-08 before C.I.T. (A). (Previous year Rs. 2,71,910/-)		
26. SATISFACTION OF CAR LOAN		
Petition is pending with Company Law Board, Kolkata Bench		

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2014	31st March, 2013
	₹	₹
27. DISCLOSURE AS PER AS15 (REVISED)		
	Gratuity (Funded)	Leave Encashment (Non Funded)
Valuation of Obligations at the beginning of the year	74,73,047	27,28,599
Expected Return on Plan Asset	6,36,565	—
Interest Cost	6,24,420	2,31,931
Current Service Cost	4,28,480	1,26,609
Benefits Paid	(2,53,846)	—
Actuarial Gain / (Loss)	5,55,338	2,11,125
Value of Plan Asset at year end	89,45,700	—
Value of Obligation at the end of the year	88,27,437	32,98,264
Balance recognised in the accounts	—	32,98,264
28. EXPENDITURE IN FOREIGN CURRENCY		
Purchase of Raw Materials (C & F value)	34,33,95,805	29,10,96,358
29. VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED		
a. Raw Materials	%	%
Imported	82.04	75.05
Indigenous	17.96	24.95
b. Stores & Spare Parts		
Imported	—	—
Indigenous	100.00	100.00
30 A. DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES (AS-18)		
(a) Name of Key Management Personnel		
i. Shri Suresh Kumar Bangur — Executive Director		
ii. Shri M. D. Damani — Director & Secretary		
(b) Remuneration paid to Key Management Personnel		
Salaries	18,53,400	16,71,900
Contribution to Provident Fund & Superannuation Policy	5,10,052	4,48,467
Other Perquisites	6,78,615	6,40,379

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2014 ₹	31st March, 2013 ₹	
B. TRANSACTION WITH ASSOCIATES / RELATED PARTIES			
	Loan Received in lacs	Loan Repaid in lacs	Interest Paid in lacs
a. Art Finance & Trade Pvt. Ltd. (Previous year)	84.00 164.00	134.00 136.00	8.77 14.89
b. Credwyn Holdings Pvt. Ltd. (Previous year)	N.A. 125.00	50.00 75.00	5.89 8.77
c. Joonktolle Tea & Industries Ltd. (Previous year)	1000.00 N.A.	Nil N.A.	42.90 N.A.
d. Madhab Trading Corporation Ltd. (Previous year)	Nil 200.00	200.00 Nil	14.24 16.79
e. Adelina Investments Pvt. Ltd. (Previous year)	36.00 7.00	43.00 Nil	2.66 0.69

31. 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 ascertainable.

32. FOREIGN CURRENCY EXPOSURE

The Company, commensurate with its forex risk management policy towards imports, buyers credit and import contracts enters into foreign currency forward contracts and currency options contracts to manage its exposure in foreign exchange rate variations.

Outstanding exposure and hedging thereof as on 31.03.2014 are as follows :

Particulars	Amount US\$	Amount US\$
I Exposure		
a. Payable for imports made	20,51,500	38,47,400
b. Payable for buyers credit availed	2,18,882	3,41,231
c. Payable for import contract executed	—	—
II Hedging		
a. Forwards Futures purchased	21,11,000	21,62,000
b. Call Options purchased	—	14,60,000

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

Signatures to the notes on Accounts.

For **BATLIBOI, PUROHIT & DARBARI**

Firm Reg. No. 303086E

Chartered Accountants

HEMAL MEHTA

Partner

Membership No. : 063404

7, Waterloo Street, Kolkata 700 069

Dated : 15th May, 2014

M. D. DAMANI
Director & Secretary

SURESH KUMAR BANGUR
Executive Director

AJAY BANGUR
President & CFO

BINOD KHAITAN
Director

P. K. BHANJACHAUDHURY
Director

BOOK-POST

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THE PHOSPHATE COMPANY LIMITED

14, Netaji Subhas Road, 3rd floor

Kolkata - 700 001