

# ANNUAL REPORT

2014-2015



**THE PHOSPHATE COMPANY LIMITED**

# THE PHOSPHATE COMPANY LIMITED

## BOARD OF DIRECTORS

Shri Binod Khaitan  
Shri Hemant Bangur  
Shri Dilip P Goculdas  
Smt. Vijaya Mohan  
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

Messers 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 : www.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

Messers 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

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2015.

	(Amount in ₹ lacs)	
FINANCIAL RESULTS	Current year	Previous year
<b>Turnover &amp; Other Incomes</b>	<b>7,212</b>	<b>7,028</b>
<b>Operating Profit (EBITDA)</b>	<b>609</b>	<b>477</b>
Finance Cost	<b>608</b>	535
Depreciation	<b>99</b>	76
Tax Provision (Net)	<b>(196)</b>	(39)
Share Issue Expenses	<b>11</b>	—
<b>Profit / (Loss) after tax</b>	<b>87</b>	<b>(96)</b>

## BUSINESS PERFORMANCE & AFFAIRS

Turnover and Other Income is higher by 3% at ₹ 7212 lacs in the current year compared to ₹ 7028 lacs in the previous year.

Similarly, sale of Single Super Phosphate Fertiliser comprising of Powder & Granulated was also higher at 60378 tons in current year compared to 58774 tons in previous year.

Company has earned an Operating profit (EBITDA) of ₹ 609 lacs in current year compared to ₹ 477 lacs in previous year.

Government of India has maintained subsidy at the same level of ₹ 3173 per metric ton for every ton of SSP fertiliser sold. Delay in payment of Subsidy from Government is causing considerable stress on working capital.

Sale of other Farm Inputs including Pesticides and Sulphuric Acid (in excess of consumption) was ₹ 254 lacs in current year compared to ₹ 250 lacs in previous year. Your Company wishes to leverage its popular LAKSHMI Brand aggressively by increasing volume from Trading / Production by Job manufacturing.

## DIVIDEND

Your Directors do not propose any dividend for financial year 2014-15 due to increased requirement of funds for working capital (due to delayed subsidy receipt) and routine capital expenditure.

## SHARE CAPITAL

The Company has increased its Authorised Share Capital to ₹ 25 crores by further creation of 150000 Redeemable Preference Shares of Rs.1000 each during the financial year 2014-15. A proposal to issue is under consideration.

## MATERIAL CHANGES AND COMMITMENTS, BETWEEN FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

## SEGMENTWISE PERFORMANCE

Your Company deals in single business segment of FARM inputs and all its business revolves around it.

## EFFECT OF DEPRECIATION & REVALUATION

In terms of transition provision of Schedule II of the Companies Act 2013, depreciation on Fixed Assets amounting to ₹ 378.29 lacs has been recognised from the opening retained earnings in respect of Fixed Assets whose remaining useful life as on 1st April 2014 is nil. Revaluation reserve and revaluation depreciation on building to the extent of ₹ 253.14 lacs and ₹ 162.44 lacs respectively have been written back. Freehold land of the Company has been revalued to ₹ 5762.70 lacs to report its fair value in the financial statements as per valuation report.

## THE PHOSPHATE COMPANY LIMITED

### DIRECTORS

Your Company has been bereaved of its eminent Director Pranab Kumar Bhanjachowdhury who left for his heavenly abode on 16th September 2014. He has been on the Board of Directors since 2013 and had enriched the Company with his expertise. Shri M.D.Damani ceased to be a director of the Company on 24-07-2014. The Board place on record the appreciation for excellent services rendered during the tenure of his Directorship.

**Shri Binod Khaitan** retires by rotation and being eligible, offers himself for re-appointment. **Mrs Vijaya Mohan** has been appointed as an Additional Director in Independent Directory Category and she holds office until the conclusion of this annual general meeting and eligible for reappointment. A notice along with prescribed fee has been received from a member proposing Mrs Vijaya Mohan as a candidate for the office of Director.

Particulars of directors seeking appointment/reappoint being a part of and is annexed with the notice.

### KEY MANAGERIAL PERSONNEL

In compliance with the provisions of Section 203 of the Companies Act 2013, the Company has appointed Shri Ajay Bangur as the Chief Financial Officer. Shri M.D.Damani (FSC01769) continues to be the Company Secretary of the Company.

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Your Board of Directors met 4 times during the financial year 2014-15 on 14th May 2014, 13th August 2014, 11th November 2014 and 14th February 2015. Intervening gap between two meetings is within the limit prescribed under the Companies Act, 2013.

### DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

### DECLARATION BY INDEPENDENT DIRECTOR(S)

All the Independent Directors have submitted their disclosures to the Board that they comply with all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

### APPOINTMENT AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of your Company in its Meeting held on 13th August, 2014, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are –

Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (other than Managing/ Whole-time Directors), Key-Executives and

## **THE PHOSPHATE COMPANY LIMITED**

Senior Management and the Remuneration of Other Employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in ANNEXURE –A and forms part of this Report.

### **FORMAL ANNUAL EVALUATION**

As the ultimate responsibility for sound governance and prudential management of the company lies with its Board, it is imperative that the Board remains continually energized, proactive and effective. An important way to achieve this is through an objective stock taking by the Board of its own performance. The Companies Act, 2013 as well as SEBI through Equity Listing Agreement are inclined on the requirements of evaluation. The Board of Directors, in its Meeting held on 19th May, 2015, undertook the evaluation of its own performance, its Committees and all the individual Directors in FY 2014-15. The review concluded by affirming that the Board as a whole as well as all of its Members, individually and the Committees of the Board continued to display commitment to good governance, ensuring a constant improvement of processes and procedures. It was further acknowledged that every individual Member and Committee of the Board contributed its best to the organisation.

### **INTERNAL CONTROL SYSTEM & AUDIT**

Your Company has an Internal Control System, commensurate with the size, scale and complexity of operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board for its direction.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Your Company has not entered into any transactions within the purview of Section 186 of the Companies Act 2013.

### **SUBSIDIARY COMPANY**

Your Company does not have any subsidiary.

### **FIXED DEPOSITS**

Your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### **HUMAN RESOURCES**

As on March 31, 2015 your company had 41 permanent employees at its manufacturing plant and administrative office. The company acknowledges the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The company maintained cordial relationship with workers and staff during the year.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflicting interest with your company at large.

### **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. Your Company believes in "Zero Tolerance" against unethical practices of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code lays down the standard procedure of business conduct which is expected to be followed by the



## THE PHOSPHATE COMPANY LIMITED

Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

### **VIGIL MECHANISM & WHISTLE BLOWER POLICY**

Your Company has a well defined vigil mechanism to deal with fraud or mismanagement, if any. The Policy ensures that strict confidentiality be maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

### **PREVENTION OF INSIDER TRADING**

Your Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

### **CORPORATE SOCIAL RESPONSIBILITY**

Section 135 of the Companies Act 2013 relating to Corporate Social Responsibility Committee and its obligations are not applicable to your Company as the paid up capital or turnover or net profit is below the threshold limit of ₹ 500 crores ₹ 1000 crores ₹ 5 crores respectively during a financial year. Your company admits that it is significant part of the society and discharges its obligations to the society at large.

### **INSURANCE**

All the properties of your Company are adequately insured.

### **STATUTORY AUDITOR & AUDIT REPORT**

M/s Batliboi Purohit & Darbari, Chartered Accountants, (F.R.No.303086E), the Auditors of the Company are to hold office as statutory auditors to the conclusion of the Annual General Meeting for Financial Year 2016-17 subject to ratification of the appointment by the members at every Annual General Meeting. A certificate has been received to the effect that their re-appointment would be within the prescribed limit under section 141 of the Companies Act, 2013.

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

### **COST AUDITOR & COST AUDIT**

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s. S. Gupta & Co., Cost Accountants (F.R. No. 000020) were appointed as the cost auditors of the Company for the year ending 31st March, 2015. The due date for filing the Cost Audit Reports for the Financial Year ended 31st March, 2014 was 30th September 2014 and it was filed on 29th September, 2014.

### **SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed CS Bajrang Lal Mundhra, Practicing Company Secretary, as the Secretarial Auditor of the Company. The Secretarial Audit report is given in Annexure. Note on Secretarial Auditor Report is self explanatory.

### **AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company, comprises 3 (Three) Members, namely Smt. Vijaya Mohan, Shri Dilip P Goculdas and Shri Suresh Bangur, majority of them being Independent Directors except Shri Suresh Bangur, who is a Non-Independent Executive Director. The Committee met four times in the financial year

## THE PHOSPHATE COMPANY LIMITED

2014-15. Smt. Vijaya Mohan, an Independent Director, is presently the Chairperson of the Audit Committee which was earlier chaired by Late Pranab Kumar Bhanjachowdhury. The Board accepted all the recommendations of the Audit Committee during the year.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Your Company has a duly constituted stakeholder's relationship committee. One meeting of the Committee has been held during the year.

### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form No. MGT-9 forms part of the Board's Report and is annexed herewith as ANNEXURE - B.

### BUSINESS RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the Board of Directors of the company regularly evaluates its associated business risks. At present it has not identified any element of risk threatening existence of the company in dealing with agro input products.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of 124(5) of the Companies Act 2013 (Section 205C of the Companies Act, 1956), your Company has transferred ₹ 43,484/- during the year 2014-15 to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of seven years after declaration of Dividend for the financial year ended 2006-07.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND PARTICULARS OF EMPLOYEES

#### Energy Conservation

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation of energy is achieved.
- No specific investment has been made in reduction in energy consumption apart from installing latest saving equipment.
- Impact of conservation and optimum utilisation of energy are not readily ascertainable and as such its impact on cost cannot be stated absolutely.

#### Technology Absorption

Company's products are manufactured by adopting the available contemporary technology. The Company constantly strives for maintenance in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

#### Foreign Exchange Earnings & Outgo

Particulars	2014-15	2013-14
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
Purchase of Raw Materials (CIF)	<b>US\$ 26,14,88,202</b>	US\$ 34,33,95,805

#### Particulars of Employees

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided by way of Annexure C.

## THE PHOSPHATE COMPANY LIMITED

### CORPORATE GOVERNANCE & MANAGAEMENT DISCUSSION ANALYSIS REPORT

In terms of SEBI circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the revised Clause 49 of Listing Agreement is not applicable to your Company as the Paid-up capital and net worth is below ₹ 10 crores and ₹ 25 crores respectively.

### ACKNOWLEDGEMENTS

The Board places on record its appreciation for the sustained co-operation and support bestowed to your Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges and depositories, auditors, advisors, consultants, associates and all the employees for their helping hand, cooperation and dedicated work. The Board deeply acknowledges the trust and confidence placed on the Company and all its shareholders.

Place : Kolkata  
Dated: 11th August 2015

On behalf of the Board of Directors  
For The Phosphate Co. Ltd.  
Suresh Kr. Bangur                      Binod Khaitan  
Executive Director                      Director  
DIN : 00040682                      DIN : 00128502



# THE PHOSPHATE COMPANY LIMITED

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE A

#### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee (the Committee) has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration.

##### Criteria of selection of Non Executive Directors

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the degree of independence of the Directors in relation to the Company so as to enable the Board to discharge its function and duties effectively. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

##### Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, and reimbursement of expenses for participation in the Board meetings. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

##### CEO & Managing Director - Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the prospective incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

##### Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (the Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval/ratification of the Members of the Company in General Meeting. The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits.

##### Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Committee for its review and approval.

## THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd.)

ANNEXURE B

### FORM MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON**  
*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L24231WB1949PLC017664
ii.	Registration Date	25-02-1949
iii.	Name of the Company	The Phosphate Company Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	14 Netaji Subhas Road, Kolkata-700001 033-22300771, 033-22436236 phosphate@vsnl.net
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 6 Mango Lane Kolkata -700001 033-22435809 mdpldc@yahoo.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Single Super Phosphate	3462101	96.75
2	Others		3.25

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of The Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	- Nil -				
2.					
3.					
4.					

## THE PHOSPHATE COMPANY LIMITED

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoter</b>									
<b>1) Indian</b>									
a) Individual / HUF	927766	47800	975566	27.04	1120566	30000	1150566	31.89	+4.85
b) CentralGovt									
c) State Govt(s)									
d) Bodies Corp	1125010	Nil	1125010	31.19	1125010	Nil	1125010	31.19	0.00
e) Banks / FI									
f) Any Other									
Sub-total (A) (1) :-	2052776	47800	2100576	58.23	2245576	Nil	2275576	63.08	+4.85
<b>2) Foreign</b>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total (A) (2) :-									
<b>B.Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds									
b) Banks / FI	1100	Nil	4300	0.12	1100	Nil	4300	0.12	0.00
c) Central Govt.									
d) State Govt.(s)	240	Nil	240	0.01	240	Nil	240	0.01	0.00
e) Venture Capital Funds									
f) Insurance Companies	333480	Nil	333480	9.24	333480	Nil	333480	9.24	0.00
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1)	334580		338020	9.37	334580		338020	9.37	0.00

## THE PHOSPHATE COMPANY LIMITED

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

#### i. Category-wise ShareHolding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Non Institutions</b>									
<b>a) Bodies Corp.</b>									
(i) Indian	444640	11790	456430	12.65	269640	11790	281430	7.80	-4.85
(ii) Overseas									
<b>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	134766	191748	326514	9.05	143571	183023	326594	9.05	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	385000	Nil	385000	10.67	385000	Nil	385000	10.67	0.00
<b>c) Others (NRI)</b>	300	640	940	0.03	300	560	860	0.03	0.00
Sub-total (B) (2)	964706	204178	1168884	32.40	798511	195373	993884	27.55	- 4.85
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1299286	207618	1506904	41.77	1133241	198663	1331904	36.92	- 4.85
<b>C. Shares held by Custodian for GDRs&amp;ADRs</b>									
Grand Total (A+B+C)	3352062	255418	3607480	100.00	3378817	228663	3607480	100.00	0.00

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### ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	
1	Kanchan Udyog Ltd	176000	4.88		176000	4.88		0
2	Credwyn Holdings (India) Pvt Ltd.	175000	4.85		175000	4.85		0
3	Kettlewell Bullen & Co. Ltd.	170000	4.71		170000	4.71		0
4	Madhav Trading Corporation Ltd.	164880	4.57		164880	4.57		0
5	Nikate Khaitan	64740	1.79		164740	4.57		2.78
6	Chandrakala Khaitan	148280	4.11		148280	4.11		0
7	Joonktollee Tea & Industries Ltd.	138680	3.84		138680	3.84		0
8	Amvi Trade Comm. Pvt. Ltd.	100000	2.77		100000	2.77		0
9	Raj Packwell Ltd.	100000	2.77		100000	2.77		0
10	Nikate Khaitan	90000	2.49		95600	2.65		0.16
11	Wind Power Vinimay Pvt. Ltd.	87840	2.43		87840	2.43		0
12	Binod Kumar Khaitan	7400	0.21		82400	2.28		2.07
13	Bina Bangur	70900	1.97		70900	1.97		0
14	Suresh Kumar Bangur	65000	1.8		65000	1.8		0
15	Madan Gopal Bangur	56100	1.56		56100	1.56		0
16	Srivats Khaitan	55000	1.52		55000	1.52		0
17	Sakate Khaitan	54260	1.5		54260	1.5		0
18	Rajendra Kumar Bangur	53400	1.48		53400	1.48		0
19	Gita Bangur	46200	1.28		46200	1.28		0
20	Suresh Kumar Bangur	40860	1.13		40860	1.13		0
21	Vijay Kumar Bangur	29400	0.81		29400	0.81		0
22	Ramesh Kumar Bangur	27206	0.75		27206	0.75		0
23	Suresh Kumar Bangur	20000	0.55		20000	0.55		0
24	Madan Gopal Bangur	16600	0.46		16600	0.46		0
25	Pradyumna Bangur	15580	0.43		15580	0.43		0
26	Sudarshan Bangur	15300	0.42		15300	0.42		0
27	Aniruudh Bangur	15100	0.42		15100	0.42		0
28	Usha Kiran Bangur	13380	0.37		13380	0.37		0
29	Nikate Khaitan	10000	0.28		10000	0.28		0
30	Sakate Khaitan	10000	0.28		10000	0.28		0
31	The Oriental Co. Ltd.	9610	0.27		9610	0.27		0
32	Ajay Bangur	7800	0.22		7800	0.22		0
33	Madan Gopal Bangur	6800	0.19		6800	0.19		0
34	Bimala Devi	5400	0.15		5400	0.15		0
35	Shree Prakash Bangur	5400	0.15		5400	0.15		0
36	Luxmi Devi	4000	0.11		4000	0.11		0
37	Milan Bangur	4000	0.11		4000	0.11		0
38	Ramesh Kumar Bangur	4000	0.11		4000	0.11		0
39	Rajendra Kumar Bangur	3500	0.1		3500	0.1		0
40	Bangur Traffin Pvt Ltd.	3000	0.08		3000	0.08		0
41	Suresh Kumar Bangur	2000	0.06		2000	0.06		0
42	Sushma Bangur	840	0.02		840	0.02		0
43	Veena Bangur	520	0.01		520	0.01		0
44	Karan Khaitan	500	0.01		500	0.01		0
45	Murli Dhar Khaitan	5900	0.16		300	0.01		-0.15
46	Hemant Bangur	200	0.01		200	0.01		0
	Total	2100576	58.19	Nil	2275576	63.05	Nil	4.86

## THE PHOSPHATE COMPANY LIMITED

### iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year	2100576	58.23	2100576	58.23
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	175000	4.85	175000	4.85
	At the End of the year	2275576	63.09	2275576	63.09

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	₹ 2450.78 lacs	₹ 1351.74 lacs	Nil	₹ 3802.18 lacs
ii) Interest due but not paid		₹ 75.73 lacs	Nil	₹ 75.73 lacs
iii) Interest accrued but not paid				
Total (i + ii + iii)	₹ 2450.78 lacs	₹ 1427.47 lacs	Nil	₹ 3877.91 lacs
Change in Indebtedness during the financial year				
- Addition				
- Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 2193.15 lacs	₹ 1948.24 lacs	Nil	₹ 4141.39 lacs
ii) Interest due but not paid		₹ 75.91 lacs	Nil	₹ 75.91 lacs
iii) Interest accrued but not due				
Total (i + ii + iii)	₹ 2193.15 lacs	₹ 2024.15 lacs	Nil	₹ 4217.30 lacs



## THE PHOSPHATE COMPANY LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Shri Suresh Kumar Bangur	16,10,000
			2,50,000
			Nil
2.	Stock Option		Nil
3.	Sweat Equity		Nil
4.	Commission - as % of profit - others, specify...		Nil Nil
5.	Others, please specify	Nil	
6.	Total (A)		18,60,000
	Ceiling as per the Act		42,00,000

#### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Total Amount			
	Independent Directors	Late P K Bhanja Chowdhury	Shri D P Goculdas	Smt Vijaya Mohan	
	• Fee for attending board committee meetings	35000	63000	30000	1,28,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	35000	63000	30000	1,28,000
	Other Non-Executive Directors	Shri Binod Khaitan	Shri Hemant Bangur		
	• Fee for attending board committee meetings	36000	45000		81,000
	• Commission	Nil	Nil		Nil
	• Others, please specify	Nil	Nil		Nil
	Total (2)	36000	45000		81,000
	Total (B) = (1+2)				2,19,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				42,00,000

## THE PHOSPHATE COMPANY LIMITED

### C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,38,225	16,10,000	24,48,225
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,23,686	2,50,000	3,73,686
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total			28,21,911

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

-NIL-

# THE PHOSPHATE COMPANY LIMITED

## ANNEXURE TO DIRECTORS' REPORT (Contd.)

### ANNEXURE C

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- a) Ratio of remuneration of each director to median remuneration of all the employees of the Company for the financial year 2014-15

Median remuneration of all the employees of the Company for the Financial Year 2014-15	₹ 2.35 lacs
The number of permanent employees on the rolls of Company as on 31 March, 2015	44
The percentage increase in the median remuneration of employees in the Financial Year	25.65%

	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2014-15
<b>Non Executive Non Independent Directors</b>		
Shri Binod Khaitan	0.17:1	- 20%
Shri Hemant Bangur	0.21:1	+25%
<b>Whole-time Directors</b>		
Shri Suresh Kumar Bangur	9.56:1	+12.26%
Shri M.D.Damani (till 24-07-2014)	2.70:1	#
<b>Independent Directors</b>		
Smt Vijaya Mohan (w.e.f 11-11-2014)	0.13:1	#
Shri Dilip P Goculdas	0.30:1	Nil
Late Pranab Kr Bhanj Chowdhury (till 16-09-2014)	0.15:1	#

# Percentage increase in remuneration of the respective persons has been ignored as they have not held office of directorship throughout the year.

- b) Relationship between average increase in remuneration and the Company performance:

Average remuneration per employee per annum increased from ₹3.51 lakhs to ₹3.84 lakhs as at the end of 2014-15, an increase by 9.45%. Sales in this period increased by 2.55%. We consider this to be appropriate.

- c) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	₹ in lakhs
Aggregate remuneration of KMP in Financial Year 2014-15	34.07
Revenue	7270.97
Remuneration of KMPs (as % of revenue)	0.47
Earnings before Depreciation Interest & Tax (EBIDT)	608.95
Remuneration of KMPs (as % of PBT)	5.59

- d) **Market Price and Price Earnings Ratio:**

The company's shares are listed with the Calcutta Stock Exchange Ltd. The shares are sparingly traded and the market capitalisation conforms with net worth as on year end of financial year 2014-15 as well as 2013-14.

## THE PHOSPHATE COMPANY LIMITED

- e) Average percentile increase in the salaries of employees other than the managerial personnel in comparison with the percentile increase in the managerial remuneration:
- f) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company
- g) The Directors of the Company had not availed any variable component of remuneration during the financial year 2014-15.
- h) There is no employee in receipt of remuneration in excess of that paid to the highest paid director during the financial year 2014-15;
- i) The payment of remuneration is in confirmation with the remuneration policy of the company.
- j) There is no employee of the company, who-
  - (a) employed throughout the financial year 2014-15, was in receipt of remuneration which, in the aggregate, was not less than sixty lakh rupees; or
  - (b) employed for a part of the financial year 2014-15, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than five lakh rupees per month; and
  - (c) employed throughout the financial year 2014-15 or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.
- k) There was no woman in the employment of the Company during the financial year 2014-15.

# THE PHOSPHATE COMPANY LIMITED

## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
g)	Amount paid as advances, if any	N.A.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name of the related party	Nature of Contract	Duration of Contract	Salient terms	Date of Board Approval
Shri Suresh Kumar Bangur	Executive Director		Salary/Contribution to PF etc/Perquisites	13-08-12
Shri Ajay Bangur	Chief Financial Officer		Salary/Contribution to PF etc/Perquisites	15-05-14
Shri M D Damani	Company Secretary		Salary/Contribution to PF etc/Perquisites	13-09-89
Art Finance & Trade Pvt. Ltd.	ICD	25-07-14	ICD @ 12% payable on demand	11-08-14
Credwyn Holdings India Pvt. Ltd.	ICD	28-07-14	ICD @ 15% payable on demand	11-08-14
Devendra Finvest & Holding P Ltd.	ICD	02-09-14	ICD @ 13% payable on demand	11-11-14
Credwyn Holdings India Pvt. Ltd.	ICD	19-09-14	ICD @ 15% payable on demand	11-11-14
Kanchan Udyog Ltd.	ICD	21-10-14	ICD @ 12% payable on demand	11-11-14
Devendra Finvest & Holding P Ltd.	ICD	30-10-14	ICD @ 13% payable on demand	11-11-14
Devendra Finvest & Holding P Ltd.	ICD	03-11-14	ICD @ 13% payable on demand	11-11-14
Devendra Finvest & Holding P Ltd.	ICD	18-11-14	ICD @ 13% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	16-12-14	ICD @ 13% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	30-12-14	ICD @ 13% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	10-01-15	ICD @ 13% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	16-01-15	ICD @ 13% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	19-01-15	ICD @ 13% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	24-01-15	ICD @ 13% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	28-01-15	ICD @ 13% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	02-02-15	ICD @ 13% payable on demand	14-02-15
Kanchan Udyog Ltd.	ICD	31-01-15	ICD @ 12% payable on demand	14-02-15
Devendra Finvest & Holding P Ltd.	ICD	24-02-15	ICD @ 13% payable on demand	19-05-15
Devendra Finvest & Holding P Ltd.	ICD	10-03-15	ICD @ 13% payable on demand	19-05-15
Devendra Finvest & Holding P Ltd.	ICD	11-03-15	ICD @ 13% payable on demand	19-05-15
Devendra Finvest & Holding P Ltd.	ICD	20-03-15	ICD @ 13% payable on demand	19-05-15
Kettlewell Bullen & Co Ltd.	ICD	20-03-15	ICD @ 15% payable on demand	19-05-15

No advance has been made to any related party whatsoever.

On behalf of the Board of Directors  
For The Phosphate Co. Ltd.

Suresh Kr. Bangur  
Executive Director  
DIN : 00040682

Binod Khaitan  
Director  
DIN : 00128502

Place : Kolkata  
Dated: 11th August 2015

# THE PHOSPHATE COMPANY LIMITED

## SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
The Phosphate Company Limited  
14, Netaji Subhas Road  
Kolkata – 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Phosphate Company Limited** (hereinafter called “**The Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Company for the financial year ended on 31st March 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (No such transactions, hence not applicable during the year);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. The following laws applicable specifically to the Company :

Fertiliser (Control) Order 1985 issued under the Essential Commodities Act, 1955 by the Central Government.

I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Calcutta Stock Exchange Limited. Secretarial Standards were not notified during the period covered under Audit and as such compliance of Secretarial Standards is not applicable.



## THE PHOSPHATE COMPANY LIMITED

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Listing Agreement etc. mentioned above (as may be applicable to the Company during the period covered under Audit) subject to the following observations:

1. **Special Resolution under Section 180 (1)(a) of the Companies Act 2013 was not passed by postal ballot as required under Section 110 of the Companies Act 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014.**
2. **The Calcutta Stock Exchange Ltd. has suspended trading in the Equity Shares of the Company for alleged non-compliance with certain clauses of the Listing Agreement and / or other SEBI regulations. The Company has submitted request for withdrawal of the suspension along with documentary evidences.**

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has –

- (i) Increased Authorised Share Capital of the Company from Rs. 10 Crores to Rs. 25 Crores by creation of 150000 Redeemable Preference Shares of Rs. 1000 each.
- (ii) Passed Special Resolutions under section 180 of the Companies Act 2013 granting approval for Borrowings up to Rs. 100 Crores and creation of security in connection therewith.

**Place: Howrah**

**Date: 11th August 2015**

**Bajrang Lal Mundhra**  
Practising Company Secretary  
**CP No. 13452 (FCS-3176)**

**Note: This report is to be read along with my letter of even date which forms an integral part of this report.**

To, The Members

The Phosphate Company Limited  
14, Netaji Subhas Road, Kolkata – 700 001

Secretarial Audit Report of even date is to be read along with this letter. I submit that:

1. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, agreements is the responsibility of the management of the Company. My examination was limited to the verification of procedures on test basis.
2. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Howrah**

**Date: 11th August 2015**

**Bajrang Lal Mundhra**  
Practising Company Secretary  
**CP No. 13452 (FCS-3176)**

# 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, 2015, the Statement of Profit & 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 Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified u/S 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards of 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit & Loss, 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.

## THE PHOSPHATE COMPANY LIMITED

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified u/S 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) The Company has adequate internal financial controls over financial reporting of the Company and the same are effectively in operation.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - I) The Company does not have any pending litigations as at 31st March 2015, which would have an impact on its financial position;
    - II) The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long term contracts including derivative contracts;
    - III) There were amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2015.

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

Place : Kolkata  
Dated : 19th May, 2015

## 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, 2015*

- I. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- II. (a) As explained to us, physical verification of Inventory has been conducted at reasonable intervals by the Management.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of Inventory followed by the Management, is reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The Company is maintaining proper records of Inventories and there were no material discrepancies noticed on physical verification of Inventory as compared to the book records.
- III. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses-(a) and (b) of the order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- V. The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013.
- VI. The Central Government has prescribed maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013.
- VII. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2015 for a period of more than 6 months from the date they became payable.

## THE PHOSPHATE COMPANY LIMITED

- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales Tax, Wealth Tax, Customs Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.
- VIII. The Company has been registered for more than 5 years and its accumulated loss at the end of the Financial Year are not more than 50% of its net worth and it has incurred only losses during the Financial Year as well as in the immediate preceding Financial Year
- IX. According to the records of the Company examined by us and the information and explanations given to us during the year the Company has obtained car loan from Bank.
- X. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution.
- XI. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2015, we report that no fund raised on short-term basis have been used for long-term investment by the Company.
- XII. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by Company, noticed or reported during the year, not have been informed of any such case by the Management.

Kolkata  
Dated : 19th May, 2015

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, 2015

	Note No.	31st March, 2015 ₹	31st March, 2014 ₹
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS FUND</b>			
Share Capital	2	3,60,74,800	3,60,74,800
Reserves & Surplus	3	57,08,78,733	3,80,64,120
Non-current liabilities			
Long-Term Liabilities	4	13,50,62,492	15,15,52,679
Long Term Provisions	5	40,05,241	32,98,264
Current Liabilities			
Short Term Borrowings	6	25,89,05,474	21,06,13,659
Trade Payables		16,57,83,912	14,80,02,833
Other Current Liabilities	7	2,77,61,348	2,57,01,930
Misc Current Liabilities		3,99,895	22,03,190
Total		<u>1,19,88,71,895</u>	<u>61,55,11,475</u>
<b>ASSETS</b>			
Fixed Assets			
Tangible Assets	8	68,79,60,377	14,98,02,341
Capital Work-in-Progress		2,20,000	2,04,97,372
Non-Current Investments	9	26,000	26,000
Deferred Tax Assets	10	2,95,83,839	99,87,885
Long Term Loans and Advances	11	52,76,233	52,39,561
Current Assets			
Inventories	12	16,15,24,235	15,21,83,035
Trade Receivables	13	23,79,20,798	19,14,14,954
Cash and Cash Equivalents	14	1,91,23,963	1,64,26,038
Short Term Loans and Advances	15	5,72,36,450	6,99,34,289
Total		<u>1,19,88,71,895</u>	<u>61,55,11,475</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**

Chartered Accountants  
Firm Reg. No. 303086E

**HEMAL MEHTA**

Partner

Membership No. : 063404

**SURESH KUMAR BANGUR**

Executive Director

DIN : 00040682

**M. D. DAMANI**

Secretary

**BINOD KHAITAN**

Director

DIN : 00128502

**AJAY BANGUR**

President & CFO

7, Waterloo Street, Kolkata 700 069

Dated : 19th May, 2015

## THE PHOSPHATE COMPANY LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	31st March, 2015 ₹	31st March, 2014 ₹
<b>INCOME</b>			
Revenue from Operations			
Sales of Products and Subsidy thereon		71,94,41,346	70,15,60,333
Less : Excise Duty		<u>41,20,265</u>	<u>49,75,076</u>
		71,53,21,081	69,65,85,257
Other Income	16	1,17,76,296	12,72,426
Total		<u>72,70,97,377</u>	<u>69,78,57,683</u>
<b>EXPENSES</b>			
Cost of Materials Consumed	17	41,47,25,123	43,09,85,779
Purchase for Trading		2,12,85,413	2,06,16,783
(Increase)/Decrease of Finished Goods	18	1,21,33,484	(1,39,50,111)
Employee Benefits Expense	19	2,19,78,679	1,79,80,846
Manufacturing & Other Expenses	20	19,60,79,848	19,45,63,561
Total		<u>66,62,02,547</u>	<u>65,01,96,858</u>
Profit before Finance Cost, Depreciation, Tax, Exceptional and Extraordinary Items		6,08,94,830	4,76,60,825
<b>Finance Cost</b>	21	6,07,57,116	5,35,12,654
<b>Depreciation</b>		98,78,465	81,99,403
Less : Transfer from Revaluation Reserve		—	(5,60,768)
<b>Exceptional and Extraordinary items</b>			
Share Issue Expenses		11,41,538	15,732
Tax Expense :			
a) Current Tax	22	—	—
b) Deferred Tax		<u>(1,95,95,954)</u>	<u>(38,73,354)</u>
<b>Profit for the year</b>		<u>87,13,665</u>	<u>(96,32,842)</u>
Earnings per Equity Share of Rs. 10 Basic and Diluted	23	2.42	(2.67)
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**

Chartered Accountants  
Firm Reg. No. 303086E

**HEMAL MEHTA**

Partner

Membership No. : 063404

7, Waterloo Street, Kolkata 700 069

Dated : 19th May, 2015

**SURESH KUMAR BANGUR**

Executive Director

DIN : 00040682

**M. D. DAMANI**

Secretary

**BINOD KHAITAN**

Director

DIN : 00128502

**AJAY BANGUR**

President & CFO

# THE PHOSPHATE COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	31st March, 2015		31st March, 2014	
	₹	₹	₹	₹
<b>A. Cash Flow from Operating Activities</b>				
<b>Net Profit before Tax and Extraordinary Items :</b>		<b>(97,40,751)</b>		<b>(1,12,87,275)</b>
Adjustments for :				
Depreciation	<b>98,78,465</b>		76,38,635	
Interest Income	<b>(18,20,993)</b>		(27,40,303)	
Interest Expense	<b>5,80,31,135</b>		4,92,66,915	
Profit on sale of fixed assets	<b>(1,13,19,308)</b>	<b>5,47,69,299</b>	(1,02,248)	5,40,62,999
<b>Operating Profit before Working Capital Changes</b>		<b>4,50,28,548</b>		<b>4,27,75,724</b>
Adjustments for :				
Trade and other Receivables	<b>(3,38,62,491)</b>		3,32,16,805	
Inventories	<b>(93,41,200)</b>		(6,09,31,452)	
Trade Payable	<b>1,80,37,202</b>	<b>(2,51,66,489)</b>	(23,79,230)	(3,00,93,877)
<b>Cash generated from Operations</b>		<b>1,98,62,059</b>		<b>1,26,81,847</b>
Direct Tax paid	<b>17,814</b>		(3,08,195)	
Deferred Revenue	<b>(11,41,538)</b>	<b>(11,23,724)</b>	(15,732)	(3,23,927)
<b>Cash Flow before extra ordinary items</b>		<b>1,87,38,335</b>		<b>1,23,57,920</b>
<b>Net cash flow from operating activities</b>		<b>1,87,38,335</b>		<b>1,23,57,920</b>
<b>B. Cash Flow from investing activities</b>				
Purchase of Fixed Assets	<b>(66,37,164)</b>		(2,25,35,664)	
Sale of fixed assets	<b>1,42,98,291</b>		4,24,540	
Interest Received	<b>18,20,993</b>		27,40,303	
Dividend Received				
<b>Net Cash used in Investing Activities</b>		<b>94,82,120</b>		<b>(1,93,70,821)</b>
<b>C. Cash Flow from financing activities</b>				
Proceeds from issue of Share Capital	—		—	
Proceeds from long term / short term Borrowing	<b>3,25,08,605</b>		3,47,48,417	
Interest paid	<b>(5,80,31,135)</b>		(4,92,66,915)	
<b>Net Cash used in financing activities</b>		<b>(2,55,22,530)</b>		<b>(1,45,18,498)</b>
<b>Net increase in cash and cash equivalents</b>		<b>26,97,925</b>		<b>(2,15,31,399)</b>
<b>Cash and cash equivalents as at 1-4-14 (Opening balance)</b>		<b>1,64,26,038</b>		<b>3,79,57,437</b>
<b>Cash and cash equivalents as at 31-3-15 (Closing balance)</b>		<b>1,91,23,963</b>		<b>1,64,26,038</b>

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

**SURESH KUMAR BANGUR**

Executive Director

DIN : 00040682

**M. D. DAMANI**

Secretary

**BINOD KHAITAN**

Director

DIN : 00128502

**AJAY BANGUR**

President & CFO

7, Waterloo Street, Kolkata 700 069

Dated : 19th May, 2015

# THE PHOSPHATE COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 1. Significant Accounting Policies :

#### 1. Basis of Accounting :

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956, shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standard) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

#### 2. Fixed Assets :

As per requirement of the Provisions of Schedule II of the Companies Act, 2013 the Company has adopted the useful lives as per Part C of the said Schedule II, for all the fixed assets. In accordance with the transitional provisions of the said schedule II, a sum of Rs.378.29 lacs has been recognised in the opening retained earnings in respect of Fixed Assets whose balance useful life as on 1st April 2014 is nil.

#### 3. Depreciation

Depreciation on Fixed Assets have been charged to Accounts on Written Down Value Method except on Plant and Machinery installed during the financial year 1980-81 onwards on Straight Line Method in accordance with Schedule-II of the Companies Act, 2013.

#### 4. Subsidies

Subsidy / Concession receivable on the Company's product are accounted on accrual basis and where there is a reasonable assurance that such subsidy will be receivable and the company will be able to comply with the requirements attached with its realisation.

#### 5. Investments :

Investments are stated at cost unless there is a permanent diminution in value.

#### 6. Inventories :

Inventories of raw materials, stores & spares and packing materials are valued at cost. Finished goods are valued at lower of cost and net realizable value.

#### 7. Revenue Recognition :

The Company generally follows mercantile system of accounting and recognizes revenue as per AS-9 on "Revenue Recognition" issued by ICAI. Sales at invoice value (including Excise, VAT, Freight on Fertilizers). Other income from investments and deposits etc., are accounted on accrual basis inclusive of related tax deducted at source, wherever applicable.

#### 8. Taxes on Income :

Current Tax is determined as the amount of tax payable in respect of Taxable Income for the year in accordance with the provisions of Income-tax Act, 1961.

Deferred tax is recognized for all the timing differences subject to consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.

#### 9. Foreign Exchange Transactions :

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss on settlement/translation is recognized in Statement of Profit & Loss.

#### 10. Employee Benefit :

The Company contributes to EPFO and approved Gratuity Fund. Leave Encashment benefit accrued on retirement/superannuation of employees is provided on accrual basis. Provision for Gratuity liability and

## THE PHOSPHATE COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

Leave Encashment liability are made on the basis of actuarial valuation done at the end of the year by independent actuary.

#### 11. Borrowing Costs :

Borrowing cost are charged to the Statement of Profit & Loss for the period for which they are incurred.

#### 12. Impairment

An impairment loss is accounted when the carrying value of fixed assets exceeds its market value or value in use whichever is higher. Reversal of impairment losses accounted in previous years is considered when there is an indication that the impairment losses accounted earlier for such assets cease to exist or have reduced. No such incidence occurred during the current financial year.

#### 13. Provisions and Contingencies

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable as a result of a past event, and the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.

Contingent liabilities are shown by way of Notes on Account in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date. Re-imbursment expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the reimbursement will be received. Contingent assets are neither recognised nor disclosed in the Accounts.

#### 14. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

	31st March, 2015 ₹	31st March, 2014 ₹
<b>2a. SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
1,00,00,000 Equity Shares of Rs. 10/- each (Previous year 1,00,00,000 Equity Shares of Rs. 10/- each)	10,00,00,000	10,00,00,000
1,50,000 Redeemable Preference Shares of Rs. 100/- each (Previous Year - Rs. Nil)	15,00,00,000	—
	<u>25,00,00,000</u>	<u>10,00,00,000</u>
<b>ISSUED &amp; PAID UP :</b>		
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)	3,60,74,800	3,60,74,800
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

## THE PHOSPHATE COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2015	31st March, 2014
	₹	₹
<b>c. Reconciliation of the number of shares outstanding at the end of the year :</b>		
Equity shares at the beginning of the year	36,07,480	36,07,480
Add : Shares Issued	Nil	Nil
Less : Shares Buy Back	Nil	Nil
Equity shares at the end of the year	<u>36,07,480</u>	<u>36,07,480</u>
<b>3. RESERVES &amp; SURPLUS :</b>		
<b>a. Reserve on Revaluation of Fixed Assets</b>		
As per last Balance Sheet	1,39,73,723	1,45,34,491
Add : Revaluation of Land	57,10,00,000	—
Less : Revaluation on building w/o	90,69,852	—
Less : Transferred to Profit & Loss A/c.	—	5,60,768
Sub-total	<u>57,59,03,871</u>	<u>1,39,73,723</u>
<b>b. General Reserve</b>		
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>
<b>c. Security Premium</b>		
Received during the year	—	—
As per last Balance Sheet	2,62,50,000	2,62,50,000
Sub-total	<u>2,62,50,000</u>	<u>2,62,50,000</u>
<b>d. Profit &amp; Loss Account (incl unabsorbed depn.)</b>		
As per last Balance Sheet	(1,86,95,136)	(90,62,294)
Add : Difference in carrying cost of Fixed Assets (as per Schedule II of the Companies Act 2013)	(3,78,29,200)	—
Add : Profit (loss) for the year	87,13,665	(96,32,842)
Sub-Total	<u>(4,78,10,671)</u>	<u>(1,86,95,136)</u>
Total	<u>57,08,78,733</u>	<u>3,80,64,120</u>
<b>4. Long Term Liabilities :</b>		
<b>Secured Loans :</b>		
<b>a. Corporate Term Loan from a Bank</b>		
Less : Current Maturities (see note 7)	4,20,00,000	6,00,00,000
	(2,00,00,000)	(1,80,00,000)
<b>b. Vehicle Loans from Banks</b>	14,09,041	7,64,706
Less Current Maturities	(1,70,298)	(85,665)
Corporate Loan secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari passu second charge on Current Assets		
Vehicle Loan secured by Current interest rate on Corporate Loan is @14.60% and on Car Loan @ 10.90% per annum		
Current maturities are disclosed under the head Other Current Liabilities.		
<b>Unsecured Loans</b> (Repayable latest by December 2016)		
From Limited Companies	10,00,00,000	10,00,00,000
Dealers Deposits	1,18,23,749	88,73,638
Total	<u>13,50,62,492</u>	<u>15,15,52,679</u>
<b>5. LONG TERM PROVISIONS</b>		
Provision for Leave Encashment	40,05,241	32,98,264
Total	<u>40,05,241</u>	<u>32,98,264</u>

# THE PHOSPHATE COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2015	31st March, 2014
	₹	₹
<b>6. SHORT TERM BORROWINGS :</b>		
<b>Secured</b>		
(i) a) Cash Credit from Banks	15,26,99,571	17,10,74,051
b) Buyers Credit in Foreign Currency from Banks	2,32,05,903	1,32,39,608
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		
<b>Unsecured</b>		
From Limited Companies	8,30,00,000	2,63,00,000
<b>Total</b>	<b>25,89,05,474</b>	<b>21,06,13,659</b>
<b>7. OTHER CURRENT LIABILITIES :</b>		
Interest accrued and due	75,91,050	75,72,581
Dividend unpaid / unclaimed	—	43,684
Current Maturities of Long Term Liabilities (Refer Note 4)	2,01,70,298	1,80,85,665
<b>Total</b>	<b>2,77,61,348</b>	<b>2,57,01,930</b>

## 8. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March 2014	Additions	Sales/ Adjustments	As at 31st March 2015	As at 31st March 2014	For the period	Sales / Adjust-ment	As at 31st March 2015	As at 31st March 2015	As at 31st March 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>TANGIBLE ASSETS :</b>										
Land	52,70,000	57,10,00,000(a)	—	57,62,70,000	—	—	—	—	57,62,70,000	52,70,000
Buildings	4,99,28,287	2,20,58,768	2,53,14,082(b)	4,66,72,973	2,45,38,354	20,52,693	1,57,93,512	1,07,97,535	3,58,75,438	2,53,89,933
Plants & Machinery	19,41,00,274	38,40,903	5,98,62,628	13,80,78,549	7,9462,788	66,55,116	2,02,98,358	6,58,19,546	7,22,59,003	11,46,37,486
Computer	19,98,826	3,25,420	—	23,24,246	17,61,384	2,11,028	(21,810)	19,94,222	3,30,024	2,37,442
Water & Acid Installations	40,18,228	—	—	40,18,228	17,15,042	2,09,452	(6,53,210)	25,77,704	14,40,524	23,03,186
Laboratory Equipments	2,02,994	5,79,650	—	7,82,644	1,10,046	80,578	(82)	1,90,706	5,91,938	92,948
Furniture & Fittings	22,75,997	1,09,794	64,500	23,21,291	18,26,414	1,48,782	(52,002)	20,27,198	2,94,093	4,49,583
Motor Cars & Trucks	29,80,016	—	—	29,80,016	15,75,550	5,17,494	—	20,93,044	8,86,972	14,04,466
Electric Installations	3,68,606	—	—	3,68,606	3,51,309	3,322	(1,590)	3,56,221	12,385	17,297
	26,11,43,228	59,79,14,535	8,52,41,210	77,38,16,553	11,13,40,887	98,78,465	3,53,63,176(c)	8,58,56,176	68,79,60,377	14,98,02,341
Plant Under Erection	—	—	—	—	—	—	—	—	2,20,000	2,04,97,372
<b>TOTAL</b>	26,11,43,228	59,79,14,535	8,52,41,210	77,38,16,553	11,13,40,887	98,78,465	3,53,63,176	8,58,56,176	68,81,80,377	17,02,99,713
<b>PREVIOUS YEAR</b>	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

Note : (a) Revaluation of Land

(b) Revaluation of Building written off.

(c) Net of :-

- i. Depreciation on Revaluation of Building written back
- ii. Depreciation adjusted on disposal of fixed assets
- Sub total
- iii. Less : Difference of carrying cost in excess of residual value recognised in opening balance of retained earnings

	₹
i.	1,62,44,230
ii.	5,69,48,146
Sub total	7,31,92,376
iii.	3,78,29,200
	<u>3,53,63,176</u>

## THE PHOSPHATE COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2015	31st March, 2014
	₹	₹
<b>9. NON-CURRENT INVESTMENTS :</b>		
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	<u>20,000</u>	<u>20,000</u>
Total	<u>26,000</u>	<u>26,000</u>
<b>10. DEFERRED TAX :</b>		
<b>Deferred Tax Asset</b>		
Losses / Unabsorbed depreciation under Income Tax	4,07,08,250	3,18,22,912
<b>Deferred Tax Liability</b>		
Related to time difference of Depreciation on fixed assets	<u>1,11,24,411</u>	<u>2,18,35,027</u>
Total	<u>2,95,83,839</u>	<u>99,87,885</u>
<b>11. LONG TERM LOANS &amp; ADVANCES :</b>		
(Unsecured considered good)		
Security Deposits	44,69,903	44,15,417
Advance for Taxation (net of provision) Rs. NIL, previous year Rs. 10,12,705)	<u>8,06,330</u>	<u>8,24,144</u>
Total	<u>52,76,233</u>	<u>52,39,561</u>
<b>12. INVENTORIES :</b>		
(As valued and certified by the Management)		
Raw materials	10,81,90,560	8,72,36,965
Packing Materials	30,28,023	22,67,184
Stores & Spare Parts	1,27,76,273	1,30,44,192
Finished Goods	<u>3,75,29,379</u>	<u>4,96,34,694</u>
Total	<u>16,15,24,235</u>	<u>15,21,83,035</u>
<b>13. TRADE RECEIVABLES :</b>		
(Unsecured considered good)		
Outstanding for a period exceeding six months	32,17,231	30,09,871
Below six months	5,41,80,252	7,81,99,893
Subsidy from Central Government	<u>18,05,23,315</u>	<u>11,02,05,190</u>
Total	<u>23,79,20,798</u>	<u>19,14,14,954</u>



# THE PHOSPHATE COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2015 ₹	31st March, 2014 ₹
<b>14. CASH &amp; CASH EQUIVALENTS :</b>		
Balances with Bank :		
Current A/c.	17,542	61,573
Unpaid Dividend	—	43,684
Fixed Deposit A/c. (pledged against margin/guarantee)	1,85,76,710	1,58,61,360
Cash on hand	5,29,711	4,59,421
Total	<u>1,91,23,963</u>	<u>1,64,26,038</u>
<b>15. SHORT TERM LOANS AND ADVANCES :</b>		
(Unsecured Considered Good)		
Advance recoverable in Cash or kind or for value to be received	5,70,36,746	6,97,09,285
Advance with Central Excise	1,99,704	2,25,004
Sub-Total	<u>5,72,36,450</u>	<u>6,99,34,289</u>
Unsecured considered doubtful	—	4,05,987
Less : Provision for Doubtful Debt	—	4,05,987
Total	<u>5,72,36,450</u>	<u>6,99,34,289</u>
<b>16. OTHER INCOME :</b>		
Profit on Sale of Fixed Assets	1,13,19,308	1,02,248
Liability no longer required	26,388	—
Interest on Margin Money	25,271	1,70,988
Profit on Sale of Redeem of M.F. Units	75,191	11,136
Scrap Sales	3,30,138	9,88,054
Total	<u>1,17,76,296</u>	<u>12,72,426</u>
<b>17. COST OF MATERIALS CONSUMED :</b>		
Raw Materials		
Rock Phosphate	29,52,13,607	34,03,03,937
Sulphuric Acid	9,52,74,502	6,53,07,671
Spent Acid	42,26,729	69,64,021
Others	21,73,785	24,46,776
Packing Materials	1,78,36,500	1,59,63,374
Total	<u>41,47,25,123</u>	<u>43,09,85,779</u>
<b>18. INCREASE/(DECREASE) IN FINISHED GOODS :</b>		
Closing stock	3,75,29,379	4,96,34,694
Less : Opening Stock	(4,96,34,694)	(3,58,59,835)
Balance	(1,21,05,315)	1,37,74,859
Add : Increase / (Decrease) in Excise Duty	(28,169)	1,75,252
Total	<u>(1,21,33,484)</u>	<u>1,39,50,111</u>

## THE PHOSPHATE COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2015	31st March, 2014
	₹	₹
<b>19. EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages, Bonus, Gratuity etc.	1,79,33,957	1,47,22,610
Staff Welfare	24,12,404	19,27,911
Contribution to :		
Provident & Other Funds	15,05,457	12,30,923
Employees State Insurance	1,26,861	99,402
Total	2,19,78,679	1,79,80,846
<b>20. MANUFACTURING &amp; OTHER EXPENSES</b>		
Payment to Auditors : (inclusive of service tax)		
Audit Fee	28,090	28,090
Certification Fee	48,315	46,066
Tax Audit Fee	11,236	11,236
Consumption of Stores and Spares	59,77,067	67,21,661
Director's Fees	1,60,000	1,80,000
Committee Meeting Fee	65,000	65,000
Dealers Margin	2,49,30,753	2,56,63,860
Distribution Expenses	78,08,029	1,87,43,830
Freight & Delivery Expenses	6,30,01,816	5,45,34,361
Packing Expenses	34,60,138	34,95,306
Information & Technology Expenses	60,909	38,925
Insurance	3,32,376	3,77,658
Legal & Consultancy Expenses	6,21,643	4,38,417
Manufacturing & Supervision Charges	1,06,16,242	97,36,217
Miscellaneous Expenses	52,86,235	34,87,112
Motor Vehicle Expenses	7,46,643	6,33,633
Other Maintenance	20,04,544	18,64,648
Power and Fuel	2,20,91,284	2,13,29,678
Rates and Taxes	9,07,541	9,53,387
Rent	12,67,000	4,27,500
Storage & Handling	1,90,74,227	1,84,61,532
Repairs to Building	5,86,829	9,17,304
Repairs to Machinery	3,37,040	8,19,146
Repairs to Others	3,36,661	5,89,329
VAT & CST	2,52,03,468	2,45,86,678
Brokerage & Commission	—	7,000
Excise on Transfer of Goods	11,16,762	—
Provision for Doubtful Debts	—	4,05,987
Total	19,60,79,848	19,45,63,561

## THE PHOSPHATE COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2015	31st March, 2014
	₹	₹
<b>21. FINANCE COST :</b>		
Interest	5,80,31,135	4,92,66,915
Less : Received	<u>18,20,993</u>	<u>27,40,303</u>
	<b>5,62,10,142</b>	<b>4,65,26,612</b>
Bank Charges	42,95,558	64,51,491
Other Charges	<u>2,51,416</u>	<u>5,34,551</u>
Total	<u><b>6,07,57,116</b></u>	<u><b>5,35,12,654</b></u>
<b>22. CURRENT TAX :</b>		
In view of past losses and unabsorbed depreciation, there is no current tax payable		
<b>23. EARNING PER SHARE (EPS) :</b>		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	<b>87,13,665</b>	(96,32,842)
Weighted Average number of Equity Shares used as demoninating for calculating EPS	<b>36,07,480</b>	36,07,480
Basic and Diluted earning per share	<b>2.42</b>	(2.67)
Face Value per Equity Share	<b>10.00</b>	10.00
<b>24. COMMITMENT :</b>		
Commitment of Capital Expenditure not provided for in the accounts estimated at Rs. 30,00,000/- (Previous year Rs. 1,47,00,000/-)		
<b>25. CONTINGENT LIABILITIES :</b>		
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/-)		



## THE PHOSPHATE COMPANY LIMITED

### NOTES TO FINANCIAL STATEMENTS (CONTD.)

		31st March, 2015 ₹	31st March, 2014 ₹
<b>B. TRANSACTION WITH ASSOCIATES / RELATED PARTIES :</b>			
	<b>Loan Received in lacs</b>	<b>Loan Repaid in lacs</b>	<b>Interest Paid in lacs</b>
a.	Art Finance & Trade Pvt. Ltd. (Previous year)	173.00 84.00	173.00 134.00
b.	Credwyn Holdings India Pvt. Ltd. (Previous year)	210.00 N.A.	25.00 50.00
c.	Joonktolle Tea & Industries Ltd. (Previous year)	Nil 1000.00.	150.01 42.90.
d.	Madhab Trading Corporation Ltd. (Previous year)	25.00 Nil	25.00 200.00
e.	Adelina Investments Pvt. Ltd. (Previous year)	Nil 36.00	Nil 43.00
f.)	Devendra Finvest & Holding Pvt. Ltd. (Previous year)	452.00 690.00	452.00 690.00
g)	Phosphate Enterprise & Investment Ltd. (Previous year)	58.00 N.A.	5.50 N.A.

30. In absence of informations relating to micro small and medium enterprises, information relating to current indebtedness are not ascertainable.

### 31. 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.

## THE PHOSPHATE COMPANY LIMITED

Outstanding exposure and hedging thereof as on 31.03.2015 are as follows :

Particulars	Amount	Amount
I Exposure	US\$	US\$
a. Payable for imports made	21,73,903	20,51,500
b. Payable for buyers credit availed	3,67,138	2,18,882
c. Payable for import contract executed	—	—
I Hedging		
a. Forwards / Futures purchased	25,78,000	21,11,000

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

Signatures to the notes on Accounts.

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

**SURESH KUMAR BANGUR**  
Executive Director  
DIN : 00040682  
**M. D. DAMANI**  
Secretary

**BINOD KHAITAN**  
Director  
DIN : 00128502  
**AJAY BANGUR**  
President & CFO

7, Waterloo Street, Kolkata 700 069  
Dated : 19th May, 2015

## **BOOK-POST**

If undelivered please return to :

**THE PHOSPHATE COMPANY LIMITED**

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