

ANNUAL REPORT

2015-2016



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 (upto 17.3.2016)
Shri Shankar Banerjee w.e.f. 10.08.2016

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
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

THE PHOSPHATE COMPANY LIMITED

Contents	Page
Directors' Report	3
Annexure to Directors' Report	9
Secretarial Auditor Report	25
Auditors' Report	28
Balance Sheet	34
Profit & Loss Sheet	35
Cash Flow Statement	36
Notes to Financial Statements	37
Consolidated Auditors' Report	49
Consolidated Balance Sheet	56
Consolidated Profit and Loss Statement	57
Consolidated Cash Flow Statement	58
Notes on consolidated Financial Statement	59

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, 2016.

(Amount in ₹ lacs)

FINANCIAL RESULTS	Current year	Previous year
Turnover & Other Incomes	8,712	7,271
Operating Profit (EBITDA)	1,122	609
Finance Cost	665	608
Depreciation	104	99
Net Tax Provision	185	(196)
Share Issue Expenses	—	11
Profit after tax	169	87

BUSINESS PERFORMANCE & AFFAIRS

Your Company has earned a Revenue of Rs. 8712 lacs in the year 2015-16 compared to Rs. 7212 lacs in the previous year.

Production of Single Super Phosphate Fertiliser (Green) recorded a Growth of 8% at 63712 tons in current year up from 58803 tons in previous year.

Sales of Single Super Phosphate Fertiliser comprising of Powder & Granulated was also higher at 61574 tons in current year compared to 60379 tons in previous year.

Subsidy from Government of India was at Rs. 3173 per metric ton for every ton of SSP fertiliser sold in 2015-16. However, Government has reduced subsidy for the year 2016-17 to Rs. 2373 per metric ton. Delay in payment of Subsidy from Government is causing considerable stress on working capital.

Sale of other Farm Input like Pesticides, Growth Promoters etc. and Sulphuric Acid (in excess of consumption) was at Rs. 847 Lacs compared to Rs. 269 Lacs in last year.

Company is aggressively expanding its portfolio of other Agro Inputs. In this direction, Company has obtained registration from Central Insecticides Board for manufacturing 28 different varieties of Insecticides and 2 varieties each of Fungicides and Herbicides totalling 32 products. The Company is looking for technical / financial collaborator / partner who can offer knowhow for manufacturing pesticides / fungicides / herbicides.

SUBSIDIARY COMPANY

Your Company has acquired entire paid up equity share capital of M/s Abhinandan Goods Pvt. Ltd. making it wholly owned subsidiary company. As a strategic option, a part of the land and adjacent buildings and other infrastructure has been transferred to the Subsidiary Company at market rate to develop the agro-input business comprising pesticides/herbicides and plant nutrients. Execution of Conveyance Deed is pending for necessary compliance. Particulars of subsidiary company is presented in Form AOC-1 as per Annexure – D forming a part of the Board's Report.

DIVIDEND

Your Directors do not propose any dividend for financial year 2015-16 to conserve funds.

TRANSFER TO GENERAL RESERVES

Your Directors do not propose to transfer any amount to the General Reserve of the Company.

THE PHOSPHATE COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis comprising details of the overview, industry structure and development and different product groups of the Company is appended and forms an integral part of the Boards Report.

CREDIT RATING

The Company bank loans have been rated by India Ratings, a Fitch Group Company, as under :

Fund Based Working Capital Limits : IND B/Stable

Non Fund Based Working Capital Limits : IND A4

SHARE CAPITAL

There has been no alteration of share capital during the year.

SEGMENT WISE PERFORMANCE

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

DIRECTORS

There has been no change in the composition of the Board of Directors during the year under review.

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

Shri Bangur has been re-appointed by the Board on 10th August 2016 as Whole Time Director subject to confirmation in the ensuing Annual General Meeting. Approval of the shareholders is sought for the appointment of Shri Bangur to continue as Whole-Time Director designated as Executive Director on the terms and conditions as mentioned in the resolution which are placed before you as per explanatory statement attached to the notice.

Particulars of the Directors seeking appointment / re-appointment are appended in the notes forming part of the notice for the ensuing Annual General Meeting.

WOMAN DIRECTOR

In terms of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has appointed Ms. Vijaya Mohan (DIN: 02474421) who is serving on the Board of the Company, since 11th November 2014.

KEY MANAGERIAL PERSONNEL

Shri Suresh Kumar Bangur , Executive Director/CEO (DIN: 00040862) and Shri Ajay Bangur, President/CFO are the Key Managerial Personnel.

Shri M.D.Damani (FSC01769) retired as Secretary of the Company w.e.f. 18th March 2016.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Your Board of Directors met 5 times during the financial year 2016-17 on 19th May 2015, 11th August 2015, 4th November 2015, 9th February 2016 and 25th March 2016. 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

THE PHOSPHATE COMPANY LIMITED

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 independent Directors hold office for a fixed period of five years and are not liable to retire by rotation. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (LODR) Regulations. The terms of appointment of Independent Directors are available in the Company's web site www.phosphate.co.in.

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 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 –C 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 25th March 2016, undertook the evaluation of its own performance, its Committees and all the individual Directors in FY 2015-16. 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.

THE PHOSPHATE COMPANY LIMITED

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, 2016 your company had 47 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. Particulars of employees required under section 197(12) of the Companies Act 2013 read with Rule 5(1) of Companies (Management and Administration) Rules 2014 is annexed in Annexure G and forms an integral part of this report.

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.

CONSOLIDATE FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiary, which forms a part of the Annual Financial Statements, have been prepared in accordance with the provisions of section 129(3) of the Companies Act 2013. The salient features of the Financial Statement including details of performance and financial position of the Subsidiary Company is presented in the prescribed format in Form AOC-1 as per Annexure-A forming a part of the Board's Report.

CODE OF CONDUCT

The Code of Conduct, adopted by your Board of Directors, is applicable to Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct in relation to the Company's business and reputation. The Code covers commitment to responsibility and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

Your Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's whistle blower policy to deal with fraud or mismanagement, if any. The Policy ensures that strict confidentiality be maintained whilst dealing with concerns and that no discrimination will be meted out to any person for a genuinely raised concern.

PREVENTION OF INSIDER TRADING

Your Company's Code of Conduct for Prevention of Insider Trading 2015, approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

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 Rs. 500 crores Rs. 1000 crores Rs. 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.

THE PHOSPHATE COMPANY LIMITED

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, 2016. The due date for filing the Cost Audit Reports for the Financial Year ended 31st March, 2015 was 30th September 2015 and was filed on that date. They have been reappointed for the Financial year ended 31st March, 2017 by the Board of Directors.

INTERNAL AUDITORS

Your Directors have reappointed m/s R.D.Daga & Co., Chartered Accountants (FRN:305158E) for the financial year ended 31st March, 2017.

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, Practising Company Secretary, as the Secretarial Auditor of the Company. The Secretarial Audit report is given in Annexure-H and forms part of the Board's Report. 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 2015-16. 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 - F.

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. It has an elaborate risk management procedure and in place systematic approach to mitigate risk associated with accomplishment of objectives and operations. 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

There was no amount lying unclaimed/ unpaid with the Company for transfer to the Investor Education and Protection Fund pursuant to the provisions of 124(5) of the Companies Act 2013.

THE PHOSPHATE COMPANY LIMITED

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

Energy Conservation

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption apart from installing latest saving equipment.
- c) 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	2015-16	2014-15
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
Purchase of Raw materials (CIF)	Rs. 25,89,30,967	Rs. 26,14,88,202

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.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES

The Company has filed a writ-petition with Honb'l High Court at Kolkata challenging the constitutional validity of West Bengal Tax on Entry of Goods into Local Areas Act 2012.

A writ petition before Honb'l High Court at Kolkata is pending for recovery of freight subsidy from Central Government.

CORPORATE GOVERNANCE

In terms of SEBI circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the revised Clause 49 of Listing Agreement and Reg. 15 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 Corporate Governance is not applicable to your Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments occurring after 31st March 2016 affecting the financial position of the Company requiring disclosure.

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.

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

Kolkata
Dated: 10th August 2016

(Suresh Kumar Bangur)
Executive Director
DIN:00040682

(Binod Khaitan)
Director
DIN:00128502

THE PHOSPHATE COMPANY LIMITED

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development :

India is primarily an agrarian economy and in conjunction with the need to feed its increasing population makes agriculture as a primary sector of Indian economy. India also needs to be self reliant in food grains to conserve precious foreign exchange. Single Super Phosphate (SSP) Fertilizer industry is the ground-breaking fertilizer industry in the country. SSP fertilizer contains Sulphur and Calcium besides Phosphorus so it is an ideal manure to abolish sulphur deficiency in soil resulting into increase in yield of potato, rice tobacco, oilseeds etc. to a great extent.

Segment wise – Product wise performance:

The Company operates primarily in agro-input segment. During the year under review, your company achieved production of 52401 MT of Powdered Single Super Phosphate, 7842 MT of Granulated Single Super Phosphate (GSP) as against production of 50363 MT of Powdered Single Super Phosphate and 10528 MT of GSP in the previous year.

The Company reported an operating profit (EBITDA) of Rs.1122 lacs in current year including profit on sale of fixed assets of Rs.862 lacs against an operating profit of Rs.609 lacs including profit on sale of fixed assets Rs.113 lacs in previous year. After providing for finance cost, depreciation, Tax Adjustments and Share Issue Expenses, the Company reported a net profit of Rs.169 lacs against profit of Rs.87 lacs in the previous year.

Internal Control Systems 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 and all transactions are authorized, recorded and reported in conformity with generally accepted accounting principles. Internal Controls are also reviewed by the Internal Auditor.

Human Resources:

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 encouraging to take decisions supplemented with free flow of information and ideas, has helped in strengthening its human capital base of the Company.

Opportunities:

The Company's manufacturing unit situated at Rishra in the Hooghly district of West Bengal which put it in a good stead to effectively service demand. Location of the unit at the center of the market and proximity to seaport coupled with a dedicated multi-disciplinary work force has all along enabled the company to respond to spurts in demand. The Company's "LAKSHMI" brand of produce is well accepted in the market as premium quality product which has also created a benchmark in terms of reliability and output.

Threats:

Since the company's business is dependent upon policy of the Government and good monsoon, any change therein may likely to affect the projections and plans of the company. Any adverse movement in Rupee/Dollar parity can also effect Company's operation.

Future Outlook:

For an industry linked with food grain production to meet the requirement of ever-growing population, the outlook seems positive. Despite India being third largest producer of fertilizer in the world, is also 2nd largest importer and therefore there is a scope of increasing production of fertilizer to cater the demand of farmers and restrict import to conserve precious foreign exchange. Government of India has reduced subsidy for Fy 2016-17. However, this time price of raw materials is softening. Moreover, there is a forecast of Good Monsoon. All these factors will affect demand and should spell well being for the Company.

THE PHOSPHATE COMPANY LIMITED

Risks and Concerns:

The Company's business activities are related to agriculture sector whose fortunes are linked with nature in the form of proper and timely monsoon. Further socio-economic conditions are also guiding factors in affecting the performance of the agriculture sector and in turn profitability of the company.

Further, the company primarily caters the demand in the state of West Bengal and is not in a position to shift its materials to other states in the event of any unfavorable business conditions in the parent state. Further, cheaper imported indigenously manufactured materials are getting more sway in the market, which not only affects soil quality and output but leaves a lasting impact on the agriculture prospect.

Discussion on financial performance with respect to operational performance

Performance of the company is summarized below:

(in MTs)

Particulars	2015-16	2014-15
Production of Superphosphate (Green)	63772	58803
Sales of Superphosphate (Powder & Granulated)	61573	60379
Acid Sales	13105	4940
Other Agro Inputs (Rs. in lacs)	154	15

Revenue earned from the operation is as tabulated below:

(Rs. in lacs)

Particulars	2015-16	2014-15
Sale of Superphosphate (Powder & Granulated)	6997	6888
Sale of Acids	693	254
Sales of other Agro Inputs	154	15
Profit on sale of fixed assets	862	113
EBIDT	1122	609

Disclosure of Accounting Treatment:

The Financial Statements have been prepared in conformity with the applicable accounting standards with proper explanations justifying the cause of any deviation wherever occurred. The notes to the financial statements read with the auditors reports both stand-alone and consolidated give the necessary disclosure of all the relevant accounting treatments in the financial statements appended with the Board Report forming the Annual Report for 2015-16.

Cautionary Statement:

Statement in this management discussion and analysis describing the Company's objectives, 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 Statutes, Labour Relations and Interest Costs etc., may affect the company's operations.

THE PHOSPHATE COMPANY LIMITED

Annexure B

Disclosure Pursuant to Schedule V of Listing Obligation and Disclosure Requirement) Regulation 2015

A. Related Party Disclosures

Compliance of Accounting Standards:

Sl. No.	In the Accounts of	Particulars	Year end balance	Maximum amount outstanding during the year
1	Holding Company	Loans and Advance to Subsidiary Company	Nil	Nil
2	Subsidiary Company	Loans and Advance to Holding Company	Nil	Nil
3	Holding Company	Specified investments	Rs. 24 lacs	Rs. 24 lacs

B. Management Discussion and Analysis

Management discussion and analysis is presented in Annexure forming a part of the Board's Report.

C. Disclosure of Accounting Treatment

Financial Statements have been prepared in consonance with the applicable Accounting Standards and there has been no deviations accounting treatment prescribed under the appropriate accounting standards.

D. Disclosures with respect to demat suspense account/ unclaimed suspense account

1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil
5	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Nil

THE PHOSPHATE COMPANY LIMITED

Annexure C

POLICY FOR SELECTION & APPOINTMENT OF DIRECTORS & 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 D

FORM NO. AOC -1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries Part "A": Subsidiaries

(Rs. in Lacs)

Sl. No.	Particulars	Details
1	Name of the subsidiary	Abhinandan Goods Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting period as that of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
4	Share capital	24.00
5	Reserves & Surplus	4.68
6	Total Assets	878.59
7	Total Liabilities	878.59
8	Investments	Nil
9	Turnover*	0.60
10	Profit before Taxation	0.25
11	Provision for Taxation	0.05
12	Profit after Taxation	0.20
13	Proposed dividend	Nil
14	% of shareholding	100

* other income

Notes:

- Names of subsidiaries which are yet to commence operations : Nil.
- Names of subsidiaries which have been liquidated or sold during the year : Nil

Since there are no Associate Company or Joint Venture, the Part B is not applicable

On behalf of the Board of Directors

For The Phosphate Co. Ltd.

Kolkata
Dated: 10th August 2016

(Suresh Kumar Bangur)
Executive Director
DIN : 00040682

(Binod Khaitan)
Director
DIN : 00128502

THE PHOSPHATE COMPANY LIMITED

Annexure E

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	02-04-2015	ICD @ 12% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	02-04-2015	ICD @ 13% repayable on demand	19-05-2015
Kanchan Udyog Ltd.	ICD	02-04-2015	ICD @ 12% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	06-04-2015	ICD @ 13% repayable on demand	19-05-2015
Kanchan Udyog Ltd.	ICD	21-04-2015	ICD @ 12% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	22-04-2015	ICD @ 13% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	24-04-2015	ICD @ 13% repayable on demand	19-05-2015

THE PHOSPHATE COMPANY LIMITED

Name of the related party	Nature of Contract	Duration of Contract	Salient terms	Date of Board Approval
Art Finance & Trade Pvt. Ltd.	ICD	27-04-2015	ICD @ 12% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	29-04-2015	ICD @ 13% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	08-05-2015	ICD @ 13% repayable on demand	19-05-2015
Kanchan Udyog Ltd.	ICD	08-05-2015	ICD @ 12% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	12-05-2015	ICD @ 13% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	12-05-2015	ICD @ 13% repayable on demand	19-05-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	19-05-2015	ICD @ 13% repayable on demand	11-08-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	04-06-2015	ICD @ 13% repayable on demand	11-08-2015
Devendra Finvest & Holding Pvt Ltd.	ICD	01-07-2015	ICD @ 13% repayable on demand	11-08-2015
Kanchan Udyog Ltd.	ICD	02-07-2015	ICD @ 12% repayable on demand	11-08-2015
Art Finance & Trade Pvt. Ltd.	ICD	18-08-2015	ICD @ 12% repayable on demand	04-11-2015
Kanchan Udyog Ltd.	ICD	18-08-2015	ICD @ 12% repayable on demand	04-11-2015
Phosphate Enterprise & Investment Ltd.	ICD	22-08-2015	ICD @ 10% repayable on demand	04-11-2015
Credwyn Holdings India Pvt. Ltd.	ICD	08-10-2015	ICD @ 15% repayable on demand	04-11-2015
Devendra Finvest & Holding Pvt. Ltd.	ICD	19-10-2015	ICD @ 13% repayable on demand	04-11-2015
Devendra Finvest & Holding Pvt. Ltd.	ICD	07-11-2015	ICD @ 13% repayable on demand	09-02-2016
Art Finance & Trade Pvt. Ltd.	ICD	11-11-2015	ICD @ 12% repayable on demand	09-02-2016
Art Finance & Trade Pvt. Ltd.	ICD	30-11-2015	ICD @ 12% repayable on demand	09-02-2016
Art Finance & Trade Pvt. Ltd.	ICD	31-12-2015	ICD @ 12% repayable on demand	09-02-2016
Credwyn Holdings India Pvt. Ltd.	ICD	29-01-2016	ICD @ 15% repayable on demand	09-02-2016
Devendra Finvest & Holding Pvt Ltd.	ICD	19-02-2016	ICD @ 13% repayable on demand	30-05-2016
Kherapati Vanijya Ltd.	ICD	29-02-2016	ICD @ 15% repayable on demand	30-05-2016
Devendra Finvest & Holding Pvt Ltd.	ICD	02-03-2016	ICD @ 13% repayable on demand	30-05-2016
Devendra Finvest & Holding Pvt Ltd.	ICD	16-03-2016	ICD @ 13% repayable on demand	30-05-2016
The Oriental Company Ltd.	ICD	16-03-2016	ICD @ 15% repayable on demand	30-05-2016
Abhinandan Goods Pvt. Ltd.	Sale/ Transfer	25-03-2016	Sale of Land & Building	09-02-2016
No advance has been made to any related party whatsoever.				

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

Kolkata
Dated: 10th August 2016

(Suresh Kumar Bangur) (Binod Khaitan)
Executive Director Director
DIN : 00040682 DIN : 00128502

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	88.82
2	Others		11.18

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.	M/s. Abhinandan Goods Pvt. Ltd. 14, N. S. Road Kolkata -700 001	U24100WB2009PTC133717	Holding	100	2(87)(ii)

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	
A.Promoter									
1) Indian									
a) Individual / HUF	1120566	30000	1150566	31.89	1120566	30000	1150566	31.89	Nil
b) CentralGovt									
c) State Govt(s)									
d) Bodies Corp	1125010	Nil	1125010	31.19	1300010	Nil	1300010	36.04	+4.85
e) Banks / FI									
f) Any Other									
Sub-total (A) (1) :-	2245576	30000	2275576	63.08	2420576	30000	2450576	67.93	+4.85
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total (A) (2) :-									
B.Public Shareholding									
1) Institutions									
a) Mutual Funds									
b) Banks / FI	1100	3200	4300	0.12	1100	3200	4300	0.12	Nil
c) Central Govt.									
d) State Govt.(s)	240	Nil	240	0.01	240	Nil	240	0.01	Nil
e) Venture Capital Funds									
f) Insurance Companies	333480	Nil	333480	9.24	333480	Nil	333480	9.24	Nil
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1)	334820	3200	338020	9.37	334820	3200	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	
2) Non Institutions									
a) Bodies Corp.									
(i) Indian	269640	11790	281430	7.80	114640	11790	126430	3.50	
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	143571	183023	326594	9.05	143061	182853	325914	9.03	-0.22
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	385000	Nil	385000	10.67	345000	0	345000	9.56	-10.40
c) Others (NRI)	300	560	860	0.03	980	560	1540	0.04	+33.33
Sub-total (B) (2)	798511	195373	993884	27.55	603681	195203	798884	22.13	19.62%
d) NBFC's Registered with RBI	0	0	0	0	20000	0	20000	0.55	+100.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1133241	198663	11331904	36.92	623681	195203	818884	32.07	13.14
C. Shares held by Custodian for GDRs&ADRs									
Grand Total (A+B+C)	33378817	228663	3607480	100.00	3378837	228643	3607480	100.00	Nil

THE PHOSPHATE COMPANY LIMITED

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		339880	9.42		4.85
5	Nikate Khaitan	164740	4.57		164740	4.57		0
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	95600	2.65		95600	2.65		0
11	Wind Power Vinimay Pvt. Ltd.	87840	2.43		87840	2.43		0
12	Binod Kumar Khaitan	82400	2.28		82400	2.28		0
13	Bina Bangur	70900	1.97		70900	1.97		0
14	Suresh Kumar Bangur	65000	1.80		65000	1.80		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	1.50		54260	1.50		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	0.10		3500	0.10		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	300	0.01		300	0.01		0
46	Hemant Bangur	200	0.01		200	0.01		0
	Total	2275576	63.05	Nil	2450576	67.90	Nil	4.85

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	2275576	63.05	2275576	63.05
	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	2450576	67.90	2450576	67.90

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	₹ 2193.15 lacs	₹ 1948.24 lacs	Nil	₹ 4131.39 lacs
ii) Interest due but not paid		₹ 75.91 lacs	Nil	₹ 75.91 lacs
iii) Interest accrued but not paid				
Total (i + ii + iii)	₹ 2193.15 lacs	₹ 2024.15 lacs	Nil	₹ 4207.30 lacs
Change in Indebtedness during the financial year				
- Addition		₹ 1016.43 lacs	Nil	₹ 923.94 lacs
- Reduction	₹ 269.99 lacs	₹ 75.91 lacs	Nil	₹ 345.90 lacs
Net Change	₹ 269.99 lacs	₹ 940.52 lacs	Nil	₹ 578.04 lacs
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 1923.16 lacs	₹ 2872.18 lacs	Nil	₹ 4795.34 lacs
ii) Interest due but not paid		₹ 92.49 lacs	Nil	₹ 92.49 lacs
iii) Interest accrued but not due				
Total (i + ii + iii)	₹ 1923.16 lacs	₹ 2964.67 lacs	Nil	₹ 4887.83 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	21,38,156
			2,59,669
			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)	23,97,825	
	Ceiling as per the Act	42,00,000	

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Total Amount		
	Independent Directors	Shri D P Goculdas	Smt Vijaya Mohan	
	• Fee for attending board committee meetings	65000	75000	140000
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (1)	65000	75000	140000
	Other Non-Executive Directors	Shri Binod Khaitan	Shri Hemant Bangur	
	• Fee for attending board committee meetings	50000	55000	105000
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (2)	50000	55000	105000
	Total (B) = (1+2)			245000
	Total Managerial Remuneration			2642825
	Overall Ceiling as per the Act			4200000

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	10,81,673	21,38,156	32,19,829
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,34,138	2,65,204	3,99,342
	(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			36,19,171

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

-NIL-

Kolkata
Dated: 10th August 2016

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

(Suresh Kumar Bangur) (Binod Khaitan)
Executive Director Director
DIN : 00040682 DIN : 00128502

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd.)

ANNEXURE G

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 2015-16

Median remuneration of all the employees of the Company for the Financial Year 2015-16	₹ 2.47 lacs
The number of permanent employees on the rolls of Company as on 31 March, 2016	47
The percentage increase in the median remuneration of employees in the Financial Year	12.37%

	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2015-16
Non Executive Non Independent Directors		
Shri Binod Khaitan	0.20:1	+25%
Shri Hemant Bangur	0.20:1	Nil
Whole-time Directors		
Shri Suresh Kumar Bangur	9.94:1	+6.72%
Independent Directors		
Smt Vijaya Mohan (w.e.f 11-11-2014)	0.30:1	#
Shri Dilip P Goculdas	0.26:1	-7.14%

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 ₹3.66 lakhs to ₹4.23 lakhs as at the end of 2015-16, an increase by 15.45%. Sales in this period increased by 9.51%. 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 2015-16	60.17
Revenue	7878.39
Remuneration of KMPs (as % of revenue)	0.76
Earnings before Depreciation Interest & Tax (EBIDT)	1122.42
Remuneration of KMPs (as % of PBT)	5.36

- 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 2015-16 as well as 2014-15..

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: 14.90% : 9.07%.
- f) Comparison of the remuneration of Key Managerial Personnel against the performance of the company.

(Rs. in lacs)

Particulars	Total
Aggregate remuneration of KMP in Financial Year 2015-16	60.14
Revenue	7878.39
Remuneration of KMPs (as % of revenue)	0.76
Earnings before Depreciation Interest & Tax (EBDIT)	1122.42
Remuneration of KMPs (as % of PBT)	5.36

- g) The Directors of the Company had not availed any variable component of remuneration during the financial year 2015-16.
- h) There is no employee in receipt of remuneration in excess of that paid to the highest paid director during the financial year 2015-16;
- i) The payment of remuneration is in confirmation with the remuneration policy of the company.
- j) There is no employee of the company, who-
- employed throughout the financial year 2015-16, was in receipt of remuneration which, in the aggregate, was more than sixty lakh rupees; or
 - employed for a part of the financial year 2015-16, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was more than five lakh rupees per month; and
 - employed throughout the financial year 2015-16 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 2015-16.

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

Kolkata
Dated: 10th August 2016

(Suresh Kumar Bangur) (Binod Khaitan)
Executive Director Director
DIN : 00040682 DIN : 00128502

THE PHOSPHATE COMPANY LIMITED

Annexure-H

Secretarial Audit Report

For the financial year ended 31st March 2016

[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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, 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:

We 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 2016 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 Schemes 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;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

THE PHOSPHATE COMPANY LIMITED

VI. The following laws applicable specifically to the Company as per representation given by the Company:

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

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with the Calcutta Stock Exchange Limited.

During the period under review the Company has generally 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. Equity Shares of the Company continues to be suspended for trading at The Calcutta Stock Exchange Ltd. The Company is taking efforts for withdrawal of the suspension.
2. The Company is in the process of updating its website to comply with all applicable provisions.
3. Shri M. D. Damani retired from the office of Company Secretary.

We 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. There was no change in the composition of the Board of Directors during the period under review.

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.

We 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.

We further report that during the audit period the Company has

- (i) acquired 100% shares of M/s. Abhinandan Goods Pvt. Ltd. and thereby the above said Abhinandan Goods Pvt. Ltd. has become wholly owned subsidiary of the Company.
- (ii) sold a part of the land and building thereon to the above said wholly owned subsidiary. However, Execution of conveyance deed in favour of the subsidiary is pending.

Place: Kolkata
Date: 8th August 2016

For **B. L. Mundhra & Associates**
Company Secretaries
(Unique Identification Code: S2015WB339500)
(BAJRANG LAL MUNDHRA)
Proprietor FCS 3176, CP No. - 13452

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

THE PHOSPHATE COMPANY LIMITED

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. We 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. Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, we 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: Kolkata
Date: 8th August 2016

For **B. L. Mundhra & Associates**
Company Secretaries
(Unique Identification Code: S2015WB339500)
(BAJRANG LAL MUNDHRA)
Proprietor FCS 3176, CP No. - 13452

THE PHOSPHATE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of THE PHOSPHATE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone 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 the Accounting Standards specified under Section 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 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 standalone 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its 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, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" 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 it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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 which would impact its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.;
 - iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Date:30.05.2016

For **Batliboi, Purohit & Darbari**
Chartered Accountants
Firm's Registration No. 303086E
HEMAL MEHTA
Partner
Membership No. 063404

THE PHOSPHATE COMPANY LIMITED

Annexure A to the Independent Auditor's Report to the members of The Phosphate Company Limited dated 30/05/2016

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) We have checked the title deeds of immovable properties and the same are found to be in the name of the company.
- (ii) (a) The Management has conducted the physical verification of Inventory at reasonable intervals.
- (b) No discrepancies were noticed on physical verification of the Inventory as compared to book records which has been properly dealt with in the Books of Account.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly clause 3(iii)(a),(b)& (c) of the Order are not applicable.
- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security given by it during the year.
- (v) The Company has not accepted deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) On the basis of the records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Government of India under Sub section (I) of Section 148 of the Act have been made and maintained by the Company. However, we are not required to carry out and have not carried out any detailed examination of such records and accounts.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) According to the information and explanation given to us, the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have been deposited.
- (viii) The Company has not defaulted in repayment of dues to financial institutions or banks.
- (ix) The Company has not raised money by way of public offer (including debt instruments). The money raised by term loans were applied for the purposes for which they were raised.
- (x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

THE PHOSPHATE COMPANY LIMITED

- (xii) The Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company;
- (xiii) (a) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013.
(b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards in note no. 29 (B) to the financial statements.
- (xiv) The company has not made both preferential allotment and private placement of shares and also fully & partly convertible debentures during the year under review. Hence section 42 of the Companies Act, 2013 is not applicable to the company.
- (xv) The company has not entered into with non-cash transactions with directors and persons connected with him. Hence the provisions of section 192 of Companies Act, 2013 are not applicable to the company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

Place: Kolkata
Date:30.05.2016

For **Batliboi, Purohit & Darbari**
Chartered Accountants
Firm's Registration No. 303086E
HEMAL MEHTA
Partner
Membership No. 063404

THE PHOSPHATE COMPANY LIMITED

Annexure B to the Independent Auditor's Report to the members of The Phosphate Company Limited dated 30/05/2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of The Phosphate Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

THE PHOSPHATE COMPANY LIMITED

- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Kolkata
Date:30.05.2016

For **Batliboi, Purohit & Darbari**
Chartered Accountants
Firm's Registration No. 303086E
HEMAL MEHTA
Partner
Membership No. 063404

THE PHOSPHATE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	31st March, 2016 ₹	31st March, 2015 ₹
EQUITY & LIABILITIES			
SHAREHOLDERS FUND			
Share Capital	2	3,60,74,800	3,60,74,800
Reserves & Surplus	3	52,82,28,618	57,08,78,733
Non-current liabilities			
Long-Term Borrowings	4	12,51,15,329	13,50,62,492
Long Term Provisions	5	44,53,255	40,05,241
Current Liabilities			
Short Term Borrowings	6	34,02,28,035	25,89,05,474
Trade Payables		18,08,60,938	16,57,83,912
Other Current Liabilities	7	2,34,39,541	2,77,61,348
Misc Current Liabilities		65,54,600	3,99,895
Total		<u>1,24,49,55,116</u>	<u>1,19,88,71,895</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	8	62,91,53,023	68,79,60,377
Capital Work-in-Progress		4,79,499	2,20,000
Non-Current Investments	9	24,32,000	26,000
Deferred Tax Assets (Liabilities)	10	1,10,71,341	2,95,83,839
Long Term Loans and Advances	11	61,35,272	52,76,233
Current Assets			
Inventories	12	16,29,67,172	16,15,24,235
Trade Receivables	13	35,40,58,123	23,79,20,798
Cash and Cash Equivalents	14	1,83,83,272	1,91,23,963
Short Term Loans and Advances	15	6,02,75,414	5,72,36,450
Total		<u>1,24,49,55,116</u>	<u>1,19,88,71,895</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

VIJAY MOHAN

Director

DIN : 02474421

AJAY BANGUR

President & CFO

7, Waterloo Street, Kolkata 700 069

Dated : 30th May, 2016

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	31st March, 2016 ₹	31st March, 2015 ₹
INCOME			
Revenue from Operations			
Sales of Products and Subsidy thereon (Gross)		78,78,39,127	71,94,41,346
Less : Excise Duty		41,07,329	41,20,265
Sale of Products and Subsidy thereon (net)		<u>78,37,31,798</u>	<u>71,53,21,081</u>
Other Income	16	8,75,10,738	1,17,76,296
Total		<u>87,12,42,536</u>	<u>72,70,97,377</u>
EXPENSES			
Cost of Materials Consumed	17	45,07,96,950	41,47,25,123
Cost of Trading Goods		6,90,04,089	2,12,85,413
(Increase)/Decrease in Inventories of Finished Goods	18	(1,23,56,783)	1,21,33,484
Employee Benefits Expense	19	2,48,72,570	2,19,78,679
Manufacturing & Other Expenses	20	22,66,83,234	19,60,79,848
Total		<u>75,90,00,060</u>	<u>66,62,02,547</u>
Profit before Interest, Depreciation and Tax (EBIDTA)		11,22,42,476	6,08,94,830
Finance Cost	21	6,64,63,379	6,07,57,116
Depreciation		1,04,13,497	98,78,465
Exceptional and Extraordinary items			
Share Issue Expense		—	11,41,538
Tax Expenses :			
a) Current Tax	22	—	—
b) Deferred Tax		1,85,12,498	(1,95,95,954)
Profit for the year after Tax		<u>1,68,53,102</u>	<u>87,13,665</u>
Earnings per Equity Share of Rs. 10 Basic and Diluted	23	4.67	2.42
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 : 30th May, 2016

SURESH KUMAR BANGUR

Executive Director

DIN : 00040682

M. D. DAMANI

Secretary

VIJAY MOHAN

Director

DIN : 02474421

AJAY BANGUR

President & CFO

THE PHOSPHATE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016		31st March, 2015	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary Items :		3,53,65,600		(97,40,751)
Adjustments for :				
Depreciation	1,04,13,497		98,78,465	
Interest Income	(17,32,078)		(18,20,993)	
Interest Expense	6,32,22,664		5,80,31,135	
Profit on sale of fixed assets	(8,62,18,791)	(1,43,14,708)	(1,13,19,308)	5,47,69,299
Operating Profit before Working Capital Changes		2,10,50,892		4,50,28,548
Adjustments for :				
Trade and other Receivables	(11,95,34,865)		(3,38,62,491)	
Inventories	(14,42,937)		(93,41,200)	
Trade Payable	1,73,57,938	(10,36,19,864)	1,80,37,202	(2,51,66,489)
Cash generated from Operations		(8,25,68,972)		1,98,62,059
Direct Tax paid	(5,00,463)		17,814	
Deferred Revenue	—	(5,00,463)	(11,41,538)	(11,23,724)
Cash Flow before extra ordinary items		(8,30,69,435)		1,87,38,335
Net cash flow from operating activities		(8,30,69,435)		1,87,38,335
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(1,45,97,732)		(66,37,164)	
Sale of fixed assets	8,70,41,664		1,42,98,291	
Interest Received	17,32,078		18,20,993	
Dividend Received	—		—	
Net Cash used in Investing Activities		7,41,76,010		94,82,120
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	—		—	
Proceeds from long term / short term Borrowing	7,13,75,398		3,25,08,605	
Interest paid	(6,32,22,664)		(5,80,31,135)	
Net Cash used in financing activities		81,52,734		(2,55,22,530)
Net increase in cash and cash equivalents		(7,40,691)		26,97,925
Cash and cash equivalents (Opening balance)		1,91,23,963		1,64,26,038
Cash and cash equivalents (Closing balance)		1,83,83,272		1,91,23,963

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

VIJAY MOHAN

Director

DIN : 02474421

AJAY BANGUR

President & CFO

7, Waterloo Street, Kolkata 700 069

Dated : 30th May, 2016

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 :

- i. Fixed Assets are stated at their original cost of acquisition less depreciation except for Land which is shown at revalued figure.
- ii. Capital work-in-progress is stated at the amount expended upto the date of Balance Sheet.

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 Currency 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-imbursement 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, 2016 ₹	31st March, 2015 ₹		
2a. SHARE CAPITAL :				
AUTHORISED :				
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	15,00,00,000		
	<u>25,00,00,000</u>	<u>25,00,00,000</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)	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.	%
Madhav Trading Corpn. Ltd.	339880	9.42	164880	4.57
Life Insurance Corporation of India	189240	5.25	189240	5.25
Carwin Trading Pvt. Ltd.	35000	0.97	210000	5.82
Devi Prasad Taparia	120000	3.33	200000	5.54

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	₹	₹
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	36,07,480
Add : Shares Issued	Nil	Nil
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	57,59,03,871	1,39,73,723
Add : Revaluation of Land	—	57,10,00,000
Less : Revaluation on Land/building w/o	5,95,03,217	90,69,852
Sub-total	51,64,00,654	57,59,03,871
b. General Reserve		
As per last Balance Sheet	1,65,35,533	1,65,35,533
Sub-total	1,65,35,533	1,65,35,533
c. Security Premium Account		
As per last Balance Sheet	2,62,50,000	2,62,50,000
Sub-total	2,62,50,000	2,62,50,000
d. Profit & Loss Account		
As per last Balance Sheet	(4,78,10,671)	(1,86,95,136)
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	1,68,53,102	87,13,665
Sub-Total	(3,09,57,569)	(4,78,10,671)
Total	52,82,28,618	57,08,78,733
4. Long Term Borrowings :		
Secured Loans :		
a. Corporate Term Loan from a Bank	2,55,00,000	4,20,00,000
Less : Current Maturities (see note 7)	(1,40,00,000)	(2,00,00,000)
b. Vehicle Loans from Banks	12,38,407	14,09,041
Less Current Maturities	(1,91,021)	(1,70,298)
Corporate Loan secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari passu second charge on Current Assets		
Vehicle Loans secured by first charge by way of hypothecation of cars purchased under the Scheme		
Current interest rate on Corporate Loan is @14.05% and on Car Loan @ 10.90% per annum		
Current maturities are disclosed under the head Other Current Liabilities		
Unsecured (Repayable latest by December 2017)		
From Limited Companies	10,00,00,000	10,00,00,000
Dealers Deposits	1,25,67,943	1,18,23,749
Total	12,51,15,329	13,50,62,492
5. LONG TERM PROVISIONS		
Provision for Leave Encashment	44,53,255	40,05,241
Total	44,53,255	40,05,241

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	₹	₹
6. SHORT TERM BORROWINGS :		
Secured		
a) Cash Credit from Banks	14,79,71,537	15,26,99,571
b) 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)	1,76,06,498	2,32,05,903
Unsecured		
From Limited Companies	17,46,50,000	8,30,00,000
Total	34,02,28,035	25,89,05,474
7. OTHER CURRENT LIABILITIES :		
Interest accrued and due	92,48,520	75,91,050
Current Maturities of Long Term Liabilities (Refer Note 4)	1,41,91,021	2,01,70,298
Total	2,34,39,541	2,77,61,348

8. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March 2015	Additions	Sales/ Adjustments	As at 31st March 2016	As at 31st March 2015	For the period	Sales / Adjust-ment	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
	₹Rs.	Rs ₹.	₹	₹	₹	₹	₹	R ₹	₹	₹
TANGIBLE ASSETS :										
Land	57,62,70,000	—	5,95,41,046	51,67,28,954	—	—	—	—	51,67,28,954	57,62,70,000
Buildings	4,66,72,973	57,50,000	14,63,001	5,09,59,972	1,07,97,535	23,45,440	13,89,851	1,17,53,124	3,92,06,848	3,58,75,438
Plants & Machinery	13,80,78,549	45,22,789	3,39,86,823	10,86,14,515	6,58,19,546	65,59,561	3,32,89,926	3,90,89,181	6,95,25,334	7,22,59,003
Computer	23,24,246	17,141	—	23,41,387	19,94,222	1,21,384	—	21,15,606	2,25,781	3,30,024
Water & Acid Installations	40,18,228	—	—	40,18,228	25,77,704	2,09,452	—	27,87,156	12,31,072	14,40,524
Laboratory Equipments	7,82,644	—	—	7,82,644	1,90,706	1,53,912	—	3,44,618	4,38,026	5,91,938
Furniture & Fittings	23,21,291	8,38,949	3,07,482	28,52,758	20,27,198	4,64,728	2,92,485	21,99,441	6,53,317	2,94,093
Motor Cars & Trucks	29,80,016	8,03,354	—	37,83,370	20,93,044	5,56,691	—	26,49,735	11,33,635	8,86,972
Electric Installations	3,68,606	—	—	3,68,606	3,56,221	2,329	—	3,58,550	10,056	12,385
	77,38,16,553	1,19,32,233	9,52,98,352	69,04,50,434	8,58,56,176	1,04,13,497	3,49,72,262	6,12,97,411	62,91,53,023	68,79,60,377
Plant Under Erection	—	—	—	—	—	—	—	—	4,79,499	2,20,000
TOTAL	77,38,16,553	1,19,32,233	9,52,98,352	69,04,50,434	8,58,56,176	1,04,13,497	3,49,72,262	6,12,97,411	62,96,32,522	68,81,80,377
PREVIOUS YEAR	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

Note : (a) Revaluation of Land

(b) Revaluation of Building written off.

(c) Net of :-

i. Depreciation on Revaluation of Building written back	1,62,44,230
ii. Depreciation adjusted on disposal of fixed assets	5,69,48,146
Sub total	7,31,92,376
iii. Less : Difference of carrying cost in excess of residual value recognised in opening balance of retained earnings	3,78,29,200
	3,53,63,176

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	₹	₹
9. NON-CURRENT INVESTMENTS :		
Trade -		
(Investment in 240000 Equity Shares of Rs. 10/- each of wholly owned subsidiary M/s. Abhinandan Goods Pvt. Ltd.	24,06,000	0.00
Other than Trade :		
In Government or Trust Securities :		
(VIII Issue) deposited as Security with 6 year National Savings Certificate 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	24,32,000	26,000
10. DEFERRED TAX :		
Deferred Tax Asset		
Losses / Unabsorbed depreciation under Income Tax	2,39,24,835	4,07,08,250
Deferred Tax Liability		
Related to time difference of Depreciation on fixed assets	1,28,53,494	1,11,24,411
Total	1,10,71,341	2,95,83,839
11. LONG TERM LOANS & ADVANCES :		
(Unsecured considered good)		
Security Deposits	48,28,479	44,69,903
Advance for Taxation (net of provisions) Rs. NIL, previous year Nil)	13,06,793	8,06,330
Total	61,35,272	52,76,233
12. INVENTORIES :		
(As valued and certified by the Management)		
Raw materials	10,00,93,049	10,81,90,560
Packing Materials	20,31,155	30,28,023
Stores & Spare Parts	1,10,68,732	1,27,76,273
Finished Goods	4,97,74,236	3,75,29,379
Total	16,29,67,172	16,15,24,235
13. TRADE RECEIVABLES :		
(Unsecured considered good)		
Outstanding for a period exceeding six months	26,77,775	32,17,231
Below six months	12,97,85,478	5,41,80,252
Subsidy from Central Government	22,15,94,870	18,05,23,315
Total	35,40,58,123	23,79,20,798

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

R	31st March, 2016 ₹	31st March, 2015 ₹
14. CASH & CASH EQUIVALENTS :		
Balances with Bank :		
Current A/c.	77,889	17,542
Fixed Deposit A/c. (pledged against LC margin/guarantee)	1,79,20,660	1,85,76,710
Cash on hand	3,84,723	5,29,711
Total	<u>1,83,83,272</u>	<u>1,91,23,963</u>
15. SHORT TERM LOANS AND ADVANCES :		
(Unsecured Considered Good)		
Advance recoverable in Cash or kind or for value to be received	6,00,63,660	5,70,36,746
Advance with Central Excise	2,11,754	1,99,704
Total	<u>6,02,75,414</u>	<u>5,72,36,450</u>
16. OTHER INCOME :		
Profit on Sale of Fixed Assets	8,62,18,791	1,13,19,308
Liability no longer required	3,12,334	26,388
Interest on Margin Money	36,349	25,271
Profit on Sale of Mutual Fund	1,57,364	75,191
Scrap Sales	7,85,900	3,30,138
Total	<u>8,75,10,738</u>	<u>1,17,76,296</u>
17. COST OF MATERIALS CONSUMED :		
Raw Materials		
Rock Phosphate	30,58,64,030	29,52,13,608
Sulphuric Acid	12,42,01,714	9,52,74,502
Spent Acid	40,71,847	42,26,729
Others	19,22,595	21,73,784
Packing Materials	1,47,36,784	1,78,36,500
Total	<u>45,07,96,950</u>	<u>41,47,25,123</u>
18. INCREASE/(DECREASE) IN FINISHED GOODS :		
Closing stock	4,97,74,236	3,75,29,379
Less : Opening Stock	(3,75,29,379)	(4,96,34,694)
Balance	1,22,44,857	(1,21,05,315)
Add : Increase / (Decrease) in Excise Duty	1,11,926	(28,169)
Total	<u>1,23,56,783</u>	<u>(1,21,33,484)</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	Rs. ₹Rs	₹.
19. EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Bonus, Gratuity etc.	2,03,79,948	1,79,33,957
Staff Welfare	26,55,950	24,12,404
Contribution to :		
Provident & Other Funds	16,87,425	15,05,457
Employees State Insurance	1,49,247	1,26,861
Total	2,48,72,570	2,19,78,679
20. MANUFACTURING & OTHER EXPENSES		
Payment to Auditors : (inclusive of service tax)		
Audit Fee	34,350	28,090
Certification Fee	58,268	48,315
Tax Audit Fee	17,175	11,236
Audit Committee Fee	55,000	65,000
Consumption of Stores and Spares	77,58,745	59,77,067
Director's Fees	1,90,000	1,60,000
Dealers Margin Expenses	2,69,28,227	2,49,30,753
Distribution Expenses	1,37,12,306	78,08,029
Freight, Delivery Expenses	8,40,24,938	6,30,01,816
Packing Expenses	40,53,416	34,60,138
Information & Technology Expenses	46,983	60,909
Insurance charges	4,00,724	3,32,376
Legal & Consultancy Expenses	8,90,348	6,21,643
Manufacturing & Supervision Charges	1,16,89,613	1,06,16,242
Miscellaneous Expenses	35,39,987	52,86,235
Motor Vehicle Expenses	7,85,186	7,46,643
Other Maintenance Expenses	22,12,613	20,04,544
Power and Fuel Expenses	1,91,48,980	2,20,91,284
Rates and Taxes	12,12,069	9,07,541
Rent Expenses	14,00,687	12,67,000
Storage & Handling Expenses	1,74,64,901	1,90,74,227
Repairs to Building Expenses	8,00,619	5,86,829
Repairs to Machinery Expenses	7,14,869	3,37,040
Repairs to Others Expenses	2,99,544	3,36,661
VAT & CST Expenses	2,82,31,843	2,52,03,468
Excise on Transfer of Goods Expenses	10,11,843	11,16,762
Total	22,66,83,234	19,60,79,848

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	₹	₹Rs.
21. FINANCE COST :		
Interest	6,32,22,664	5,80,31,135
Less : Received	17,32,078	18,20,993
	<u>6,14,90,586</u>	<u>5,62,10,142</u>
Bank Charges	47,18,091	42,95,558
Other Charges	2,54,702	2,51,416
Total	<u>6,64,63,379</u>	<u>6,07,57,116</u>
22. CURRENT TAX :		
In view of past 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	1,68,53,102	87,13,665
Weighted Average number of Equity Shares used as demoninating for calculating EPS	36,07,480	36,07,480
Basic and Diluted earning per share	4.67	2.42
Face Value per Equity Share	10.00	10.00
24. COMMITMENT :		
Commitment of Capital Expenditure not provided for in the accounts estimated at Rs. 26,70,000/- (Previous year Rs. 30,00,000/-)		
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/-)		
iii. Entry Tax Matters Rs. 57,91,365/- (Previous year Rs. 24,43,550/-) The Company has filed a writ petition with Honb'le High Court at Kolkata challenging the constitutional validity of West Bengal Tax on Entry of Goods into Local Areas Act 2012. The management is of the opinion that judgement will be in the Company's favour and it will get full relief.		

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016		31st March, 2015	
	₹		₹Rs.	
Rs.	Rs.		Rs.	
26. DISCLOSURE AS PER AS15 (REVISED) :				
	Gratuity (Funded)		Leave Encashment (Non Funded)	
	2015-16	2014-15	2015-16	2014-15
a. Expenses recognised in the Statement of Profit & Loss				
i. Current service Cost	5.65	5.53	2.17	1.42
ii. Interest Cost	8.66	7.06	3.20	2.64
iii. Expected return on Plan Assets	8.70	7.16	—	—
iv. Net actuarial loss / (gain) recognised in the year	-2.33	6.25	-0.89	3.01
Total	3.28	11.68	4.48	7.07
b. Change in defined benefit obligation during the year				
Present value of defined obligation at the beginning of the year	108.20	88.28	40.05	32.98
Interest Cost	8.66	7.06	3.20	2.64
Current Service Cost	5.65	5.53	2.17	1.42
Benefits Paid	—	—	—	—
Actuarial Gain/(Loss) on obligation	-1.18	7.33	-0.89	3.01
Present value of defined obligation at the end of the year	121.33	108.20	44.53	40.05
c. Change in fair value of plan assets during the year				Not applicable as the scheme is unfunded
Fair value of plan assets at the beginning of the year	108.70	89.45		
Expected return of Plan Assets	8.70	7.16		
Contributions	11.00	11.00		
Benefits paid	—	—		
Actuarial Gain/(Loss) on plan assets	1.15	1.09		
Fair value of plan assets at the end of the year	129.55	108.70		
d. Balance sheet movements				
Net assets / liability at the beginning of the year	0.50	1.18	40.05	32.98
Contribution made during the year	11.00	11.00	—	—
Expenses	3.28	11.68	4.48	7.07
Net assets / liability at the end of the year	8.22	0.50	44.53	40.05
e. Actuarial Assumptions				
Superannuation Age	58 years	58 years	58 years	58 years
Discount rate	8.00%	8.00%	8.00%	8.00%
Inflation rate	7.50%	7.50%	7.50%	7.50%
Return on Asset	8.00%	8.00%	N.A.	N.A.

THE PHOSPHATE COMPANY LIMITED

	31st March 2016	31st March 2015
27. EXPENDITURE IN FOREIGN CURRENCY :		
Purchase of Raw Materials (C & F value)	25,89,30,967	26,14,88,202
28. VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED :		
a. Raw Materials	%	%
Imported	75.66 32,99,15,974	74.38 29,52,13,607
Indigenous	24.34 10,61,44,212	25.62 10,16,75,016
b. Stores & Spare Parts		
Imported	—	—
Indigenous	100.00 77,58,745	100.00 59,77,067
29. A. DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES (AS-18) :		
(a) Name of Key Management Personnel		
i. Shri Suresh Kumar Bangur — Executive Director / CEO		
ii. Shri Ajay Bangur — President / CFO		
iii. Shri M. D. Damani — Secretary#		
# Shri Damani resigned from the directorship of the Company w.e.f. 17-03-2106		
(b) Remuneration paid to Key Management Personnel		
Salaries	37,58,861	35,29,987
Contribution to Provident Fund & Superannuation Policy	10,35,299	9,50,790
Other Perquisites	12,22,836	11,73,915

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016 ₹	31st March, 2015 ₹	
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)	162.50 173.00	80.00 173.00	13.19 15.57
b. Credwyn Holdings India Pvt. Ltd. (Previous year)	215.00 210.00	100.00 25.00	42.64 17.98
c. Devndra Finvest & Holding Pvt. Ltd. (Previous year)	414.00 452.00	345.00 452.00	35.22 23.25
d. Joonktolle Tea & Industries Ltd. (Previous year)	Nil Nil	Nil Nil	150.41 150.01
e. Kanchan Udyog Ltd. (Previous year)	265.00 225.00	28.00 225.00	30.61 25.20
f. Kettlewell Bullen & Co. Ltd. (Previous year)	Nil 145.00	75.00 Nil	19.97 25.12
g. Kherapati Vanijya Ltd. (Previous year)	100.00 Nil	Nil Nil	1.31 Nil
h. Madhab Trading Corporation Ltd. (Previous year)	Nil 25.00	Nil 25.00	Nil 0.83
i. Phosphate Enterprise & Investments Ltd. (Previous year)	57.00 58.00	2.00 58.00	4.98 5.50
j) The Oriental Company Ltd. (Previous year)	160.00 100.00	100.00 Nil	17.68 9.00
30.	A part of Land and Building thereon has been sold to the company's wholly owned subsidiary M/s. Abhinandan Goods Pvt. Ltd. Execution of Conveyance Deed is pending for necessary compliance.		
31.	A writ petition before Hon'ble High Court at Kolkata is pending for recovery of freight rebate from Central Government.		
32.	In absence of informations relating to micro small and medium enterprises, information relating to current indebtedness are not ascertainable.		

THE PHOSPHATE COMPANY LIMITED

33. 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 31.03.2016 are as follows :

Particulars	31st March, 2016	31st March, 2015
	Amount	Amount
I Exposure	US\$	US\$
a. Payable for imports made	20,88,510	21,73,903
b. Payable for buyers credit availed	2,58,948	3,67,138
c. Payable for import contract executed	2,63,500	—
II Hedging		
a. Forwards / Futures purchased	26,00,000	25,78,000

34. 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

7, Waterloo Street, Kolkata 700 069

Dated : 30th May, 2016

SURESH KUMAR BANGUR

Executive Director

DIN : 00040682

M. D. DAMANI

Secretary

VIJAY MOHAN

Director

DIN : 02474421

AJAY BANGUR

President & CFO

THE PHOSPHATE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of THE PHOSPHATE COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary M/s Abhinandan Goods Pvt. Ltd. (the Holding Company and its wholly owned subsidiary together referred to as "the Group") which comprises the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). While conducting the 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 there under.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

THE PHOSPHATE COMPANY LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of its wholly owned subsidiary company whose financial statements reflect total assets of Rs.878.59 lakhs as at 31st March, 2016, total revenues of Rs.0.60 lakhs and net cash inflow amounting to Rs.35.64 lakhs for the year ended on that date, as considered in the consolidated financial statements. The wholly owned subsidiary's financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the wholly owned subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditors' report of the Holding Company and subsidiary company, to whom the Order applies, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its wholly owned subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its wholly owned subsidiary company (incorporated in India) and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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

THE PHOSPHATE COMPANY LIMITED

according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements if the wholly owned subsidiary as noted in "Other Matters":

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 25 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
- iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Batliboi, Purohit & Darbari**
Chartered Accountants
Firm's Registration No. 303086E
HEMAL MEHTA
Partner
Membership No. 063404

Place: Kolkata
Date: 30.05.2016

Annexure A to the Independent Auditor's Report to the members of The Phosphate Company Limited dated 30/05/2016

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

- (1) (a) The Holding Company and its wholly owned subsidiary company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) We have checked the title deeds of immovable properties and the same are found to be in the name of the Holding Company.
- (2) (a) The Management has conducted the physical verification of Inventory at reasonable intervals.
- (b) No discrepancies were noticed on physical verification of the Inventory as compared to book records which has been properly dealt with in the Books of Account.
- (3) According to information and explanations given to us, the Holding Company and its wholly owned subsidiary company have not granted any loans, secured or unsecured to companies, or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly clause 3(iii) (a), (b) & (c) of the Order are not applicable.
- (4) The Holding Company and its wholly owned subsidiary company have complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security given by them during the year.
- (5) The Holding Company and its wholly owned subsidiary company have not accepted deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (6) On the basis of the records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Government of India under Sub section (l) of Section 148 of the Act are applicable to and have been made and maintained by the Holding Company and its wholly owned subsidiary company. However, we are not required to carry out and have not carried out any detailed examination of such records and accounts.
- (7) (a) The Holding Company and its wholly owned subsidiary company have generally been regular in

THE PHOSPHATE COMPANY LIMITED

depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

- (b) According to the information and explanation given to us, the dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have been deposited.
- (8) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the Holding Company and its wholly owned subsidiary company have not defaulted in the repayment of dues to financial institutions or banks.
- (9) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the Holding Company and its wholly owned subsidiary company have not raised money by way of public offer (including debt instruments). The money raised by term loans was applied for the purposes for which they were raised.
- (10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Holding Company and its wholly owned subsidiary company or fraud on the Holding Company and its wholly owned subsidiary company by their officers or employees have been noticed or reported during the year.
- (11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided by the Holding Company and its wholly owned subsidiary company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (12) In our opinion and the opinion of the other auditor, the Holding Company and its wholly owned subsidiary company are not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- (13) (a) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013.
- (b) The details of transactions during the year have been disclosed in the Consolidated Financial Statements as required by the applicable accounting standards – Refer Note 29(B) to the consolidated financial statements.
- (14) Based upon the audit procedures performed and the information and explanations given by the management, the Holding Company and its wholly owned subsidiary company have not made both preferential allotment and private placement of shares and also fully & partly convertible debentures during the year under review. Hence section 42 of the Companies Act, 2013 is not applicable to the Holding Company and its wholly owned subsidiary company.
- (15) Based upon the audit procedures performed and the information and explanations given by the management, the Holding Company and its wholly owned subsidiary company have not entered into with non-cash transactions with directors and persons connected with him. Hence the provisions of section 192 of Companies Act, 2013 are not applicable to the Holding Company and its wholly owned subsidiary company.
- (16) In our opinion and the opinion of the other auditor and according to the information and explanations given to us and the other auditor, the Holding Company and its wholly owned subsidiary company are not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

For **Batliboi, Purohit & Darbari**
Chartered Accountants
Firm's Registration No. 303086E
HEMAL MEHTA
Partner
Membership No. 063404

Place: Kolkata
Date: 30.05.2016

THE PHOSPHATE COMPANY LIMITED

Annexure B to the Independent Auditor's Report to the members of The Phosphate Company Limited dated 30/05/2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of The Phosphate Company Limited ("the Holding Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

THE PHOSPHATE COMPANY LIMITED

- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Kolkata
Date: 30.05.2016

For **Batliboi, Purohit & Darbari**
Chartered Accountants
Firm's Registration No. 303086E
HEMAL MEHTA
Partner
Membership No. 063404

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF ACCOUNTS

THE PHOSPHATE COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	31st March, 2016 ₹	31st March, 2015 ₹
EQUITY & LIABILITIES			
SHAREHOLDERS FUND			
Share Capital	2	3,60,74,800	3,60,74,800
Reserves & Surplus	3	52,86,96,400	57,08,78,733
Non-current liabilities			
Long-Term Borrowings	4	12,51,15,329	13,50,62,492
Long Term Provisions	5	44,53,255	40,05,241
Current Liabilities			
Short Term Borrowings	6	37,37,28,035	25,89,05,474
Trade Payables		18,16,66,663	16,57,83,912
Other Current Liabilities	7	2,34,39,541	2,77,61,348
Misc Current Liabilities		65,54,600	3,99,895
	Total	<u>1,27,97,28,623</u>	<u>1,19,88,71,895</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	8	71,06,66,341	68,79,60,377
Capital Work-in-Progress		4,79,499	2,20,000
Non-Current Investments	9	32,000	26,000
Deferred Tax Assets (Liabilities)	10	1,10,71,458	2,95,83,839
Long Term Loans and Advances	11	61,37,272	52,76,233
Current Assets			
Inventories	12	16,29,67,172	16,15,24,235
Trade Receivables	13	30,61,19,874	23,79,20,798
Cash and Cash Equivalents	14	2,19,79,593	1,91,23,963
Short Term Loans and Advances	15	6,02,75,414	5,72,36,450
	Total	<u>1,27,97,28,623</u>	<u>1,19,88,71,895</u>
Significant Accounting Policies	1		

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

7, Waterloo Street, Kolkata 700 069

Dated : 30th May, 2016

SURESH KUMAR BANGUR

Executive Director

DIN : 00040682

M. D. DAMANI

Secretary

VIJAY MOHAN

Director

DIN : 02474421

AJAY BANGUR

President & CFO

THE PHOSPHATE COMPANY LIMITED

CONSOLIDATED OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

	Note No.	31st March, 2016 ₹	31st March, 2015 ₹
INCOME			
Revenue from Operations			
Sales of Products and Subsidy thereon (gross)		78,78,39,127	71,94,41,346
Less : Excise Duty		41,07,329	41,20,265
Sale of Products and Subsidy thereon (net)		<u>78,37,31,798</u>	<u>71,53,21,081</u>
Other Income	16	8,75,67,700	1,17,76,296
Total		<u>87,12,99,498</u>	<u>72,70,97,377</u>
EXPENSES			
Cost of Materials Consumed	17	45,07,96,950	41,47,25,123
Cost of Trading Goods		6,90,04,089	2,12,85,413
(Increase)/Decrease in Inventories of Finished Goods	18	(1,23,56,783)	1,21,33,484
Employee Benefits Expense	19	2,48,72,570	2,19,78,679
Manufacturing & Other Expenses	20	22,67,03,159	19,60,79,848
Total		<u>75,90,19,985</u>	<u>66,62,02,547</u>
Profit before Interest, Depreciation and Tax (EBIDTA)		11,22,79,513	6,08,94,830
Finance Cost	21	6,64,60,918	6,07,57,116
Depreciation		1,04,28,386	98,78,465
Exceptional and Extraordinary items			
Share Issue Expenses		—	11,41,538
Tax Expense :			
a) Current Tax	22	5,000	—
b) Deferred Tax		1,85,12,498	(1,95,95,954)
Profit for the year after Tax		<u>1,68,72,711</u>	<u>87,13,665</u>
Earnings per Equity Share of Rs. 10			
Basic and Diluted	23	4.68	2.42
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 : 30th May, 2016

SURESH KUMAR BANGUR

Executive Director

DIN : 00040682

M. D. DAMANI

Secretary

VIJAY MOHAN

Director

DIN : 02474421

AJAY BANGUR

President & CFO

THE PHOSPHATE COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31st March, 2016		31st March, 2015	
	₹	₹	₹	₹
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary Items :		3,53,90,209		(97,40,751)
Adjustments for :				
Depreciation	1,04,28,386		98,78,465	
Interest Income	(17,35,174)		(18,20,993)	
Interest Expense	6,32,22,664		5,80,31,135	
Profit on sale of fixed assets	(8,62,21,461)	(1,43,05,585)	(1,13,19,308)	5,47,69,299
Operating Profit before Working Capital Changes		2,10,84,624		4,50,28,548
Adjustments for :				
Trade and other Receivables	(6,88,49,865)		(3,38,62,491)	
Inventories	(14,42,937)		(93,41,200)	
Trade Payable	1,81,03,753	(5,21,89,049)	1,80,37,202	(2,51,66,489)
Cash generated from Operations		(3,11,04,425)		1,98,62,059
Direct Tax paid	(4,74,329)		17,814	
Deferred Revenue	—	(4,74,329)	(11,41,538)	(11,23,724)
Cash Flow before extra ordinary items		(3,15,78,754)		1,87,38,335
Net cash flow from operating activities		(3,15,78,754)		1,87,38,335
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(9,60,97,732)		(66,37,164)	
Sale of fixed assets	8,71,11,664		1,42,98,291	
Interest Received	17,35,174		18,20,993	
Dividend Received	—		—	
Net Cash used in Investing Activities		(72,50,894)		94,82,120
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	—		—	
Proceeds from long term / short term Borrowing	10,48,75,398		3,25,08,605	
Interest paid	(6,32,22,664)		(5,80,31,135)	
Net Cash used in financing activities		4,16,52,734		(2,55,22,530)
Net increase in cash and cash equivalents		28,23,086		26,97,925
Cash and cash equivalents (Opening balance)		1,91,56,507		1,64,26,038
Cash and cash equivalents (Closing balance)		2,19,79,593		1,91,23,963

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

VIJAY MOHAN

Director

DIN : 02474421

AJAY BANGUR

President & CFO

7, Waterloo Street, Kolkata 700 069

Dated : 30th May, 2016

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED 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. Basis of Consolidation :

Consolidated financial statements comprises of financial statements of The Phosphate Co. Ltd., the parent company and M/s. Abhinandan Goods Pvt. Ltd., the subsidiary Company acquired in FY 2015-16. The Financial statements of the parent company and the subsidiary has been combined to the extent possible on a line-by-line basis by combining similar items of assets, liabilities, incomes and expenses. Intra group balances have been fully set-off on consolidation.

3. Fixed Assets :

- i. Fixed Assets are stated at their original cost of aquisition less depreciation except for Land which is shown at revalued figure.
- ii. Capital work-in-progress is stated at the amount expended upto the date of Balance Sheet.

4. 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.

5. 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.

6. Investments :

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

7. 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.

8. 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.

9. 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

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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.

10. 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.

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

12. Borrowing Costs :

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

13. 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.

14. 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-imbursement 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.

15. Consolidated 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. Opening balances of subsidiary is considered for preparing the Consolidated Cash Flow Statement.

	31st March, 2016	31st March, 2015
	₹	₹
2a. SHARE CAPITAL :		
AUTHORISED :		
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	15,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015		
	₹	₹		
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 Reserve)	3,60,74,800	3,60,74,800		
TOTAL	3,60,74,800	3,60,74,800		
b. The details of the shareholders holding more than 5% shares :				
Name of the Shareholder	No.	%	No.	%
Madhav Trading Corpn. Ltd.	339880	9.42	164880	4.57
Life Insurance Corporation of India	189240	5.25	189240	5.25
Carwin Trading Pvt. Ltd.	35000	0.97	210000	5.82
Devi Prasad Taparia	120000	3.33	200000	5.54
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		36,07,480	
Add : Shares Issued	Nil		Nil	
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	57,59,03,871		1,39,73,723	
Add : Revaluation of Land	—		57,10,00,000	
Less : Revaluation on building w/o	5,95,03,217		90,69,852	
Sub-total	51,64,00,654		57,59,03,871	
b. General Reserve				
As per last Balance Sheet	1,65,35,533		1,65,35,533	
Sub-total	1,65,35,533		1,65,35,533	
c. Security Premium				
As per last Balance Sheet	2,62,50,000		2,62,50,000	
Sub-total	2,62,50,000		2,62,50,000	
d. Profit & Loss Account				
As per last Balance Sheet	(4,78,10,671)		(1,86,95,136)	
Add : Difference in carrying cost of Fixed Assets (as per Schedule II of the Companies Act 2013)	—		(3,78,29,200)	
As per last Balance Sheet of Subsidiary Company	4,48,173		—	
Add : Profit (loss) for the year	1,68,72,711		87,13,665	
Sub-Total	(3,04,89,787)		(4,78,10,671)	
Total	52,86,96,400		57,08,78,733	

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	₹	₹
4. Long Term Borrowings :		
Secured Loans :		
a. Corporate Term Loan from a Bank	2,55,00,000	4,20,00,000
Less : Current Maturities (see note 7)	(1,40,00,000)	(2,00,00,000)
b. Vehicle Loans from Banks	12,38,407	14,09,041
Less Current Maturities	(1,91,021)	(1,70,298)
Corporate Loan secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari passu second charge on Current Assets.		
Vehicle Loans secured by first charge by way of hypothecation of cars purchased under the Scheme		
Current interest rate on Corporate Loan is @14.05% and on Car Loan @ 10.90% per annum		
Current maturities are disclosed under the head Other Current Liabilities		
Unsecured		
(Repayable latest by December 2017)		
From Limited Companies	10,00,00,000	10,00,00,000
Dealers Deposits	1,25,67,943	1,18,23,749
Total	<u>12,51,15,329</u>	<u>13,50,62,492</u>
5. LONG TERM PROVISIONS		
Provision for Leave Encashment	44,53,255	40,05,241
Total	<u>44,53,255</u>	<u>40,05,241</u>
6. SHORT TERM BORROWINGS :		
Secured		
a) Cash Credit from Banks	14,79,71,537	15,26,99,571
b) Buyers Credit in Foreign Currency from Banks	1,76,06,498	2,32,05,903
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		
Unsecured		
From Limited Companies	20,81,50,000	8,30,00,000
Total	<u>37,37,28,035</u>	<u>25,89,05,474</u>
7. OTHER CURRENT LIABILITIES :		
Interest accrued and due	92,48,520	75,91,050
Current Maturities of Long Term Liabilities (Refer Note 4)	1,41,91,021	2,01,70,298
Total	<u>2,34,39,541</u>	<u>2,77,61,348</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

8. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March 2015	Additions	Sales/ Adjustments	As at 31st March 2016	As at 31st March 2015	For the period	Sales / Adjust-ment	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
	₹ Rs.	Rs ₹.	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS : #										
Land	57,62,70,000	8,00,00,000	5,95,41,046	59,67,28,954	—	—	—	—	59,67,28,954	57,62,70,000
Buildings	4,66,72,973	72,50,000	14,63,001	5,24,59,972	1,07,97,535	23,45,440	13,89,851	1,17,53,124	4,07,06,848	3,58,75,438
Plants & Machinery	13,81,04,899	45,22,789	3,39,86,823	10,86,40,865	6,58,26,578	66,65,561	3,32,89,926	3,91,02,213	6,95,38,652	7,22,78,321
Computer	24,22,587	17,141	98,341	23,41,387	20,16,344	1,30,273	31,011	21,15,606	2,25,781	4,06,243
Water & Acid Installations	40,18,228	—	—	40,18,228	25,77,704	2,09,452	—	27,87,156	12,31,072	14,40,524
Laboratory Equipments	7,82,644	—	—	7,82,644	1,90,706	1,53,912	—	3,44,618	4,38,026	5,91,938
Furniture & Fittings	23,21,291	8,38,949	3,07,482	28,52,758	20,27,198	4,64,728	2,92,485	21,99,441	6,53,317	2,94,093
Motor Cars & Trucks	29,80,016	8,03,354	—	37,83,370	20,93,044	5,56,691	—	26,49,735	11,33,635	8,86,972
Electric Installations	3,68,606	—	—	3,68,606	3,56,221	2,329	—	3,58,550	10,056	12,385
	77,39,41,244	9,34,32,233	9,53,96,693	77,19,76,784	8,58,85,330	1,04,28,386	3,50,03,273	6,13,10,443	71,06,66,341	68,80,55,914
Plant Under Erection	—	—	—	—	—	—	—	—	4,79,499	2,20,000
TOTAL	77,39,41,244	9,34,32,233	9,53,96,693	77,19,76,784	8,58,85,330	1,04,28,386	3,50,03,273	6,13,10,443	71,11,45,840	68,82,75,914
PREVIOUS YEAR	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

Refer to Note No. 30.

	31st March, 2016	31st March, 2015
	₹	₹
9. NON-CURRENT INVESTMENTS :		
Trade -		
(Investment in 240000 Equity Shares of Rs. 10/- each of wholly owned subsidiary M/s. Abhinandan Goods Pvt. Ltd.	24,06,000	0.00
Set-off at par value of equity shares	(24,00,000)	—
Other than Trade :		
In Government or Trust Securities :		
(VIII Issue) deposited as Security with 6 year National Savings Certificate 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>32,000</u>	<u>26,000</u>
10. DEFERRED TAX :		
Deferred Tax Asset		
Losses / Unabsorbed depreciation under Income Tax	2,39,24,835	4,07,08,250
Subsidiary Company	117	—
Deferred Tax Liability		
Related to time difference of Depreciation on fixed assets	1,28,53,494	1,11,24,411
Total	<u>1,10,71,458</u>	<u>2,95,83,839</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016 ₹	31st March, 2015 ₹
11. LONG TERM LOANS & ADVANCES :		
(Unsecured considered good)		
Security Deposits	48,28,479	44,69,903
Advance for Taxation (net of provision)	13,08,793	8,06,330
Rs. NIL, previous year Nil		
Total	61,37,272	52,76,233
12. INVENTORIES :		
(As valued and certified by the Management)		
Raw materials	10,00,93,049	10,81,90,560
Packing Materials	20,31,155	30,28,023
Stores & Spare Parts	1,10,68,732	1,27,76,273
Finished Goods	4,97,74,236	3,75,29,379
Total	16,29,67,172	16,15,24,235
13. TRADE RECEIVABLES :		
(Unsecured considered good)		
Outstanding for a period exceeding six months	54,24,526	32,17,231
Below six months	7,91,00,478	5,41,80,252
Subsidy from Central Government	22,15,94,870	18,05,23,315
Total	30,61,19,874	23,79,20,798
15. SHORT TERM LOANS AND ADVANCES :		
(Unsecured Considered Good)		
Advance recoverable in Cash or kind or for value to be received	6,00,63,660	5,70,36,746
Advance with Central Excise	2,11,754	1,99,704
Total	6,02,75,414	5,72,36,450
16. OTHER INCOME :		
Profit on Sale of Fixed Assets	8,62,21,461	1,13,19,308
Liability no longer required	3,66,626	26,388
Interest on Margin Money	36,349	25,271
Profit on Sale of Mutual Fund	1,57,364	75,191
Scrap Sales	7,85,900	3,30,138
Total	8,75,67,700	1,17,76,296
17. COST OF MATERIALS CONSUMED :		
Raw Materials		
Rock Phosphate	30,58,64,030	29,52,13,607
Sulphuric Acid	12,42,01,714	9,52,74,502
Spent Acid	40,71,847	42,26,729
Others	19,22,595	21,73,785
Packing Materials	1,47,36,784	1,78,36,500
Total	45,07,96,950	41,47,25,123

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	₹	₹
18. INCREASE/(DECREASE) IN FINISHED GOODS :		
Closing stock	4,97,74,236	3,75,29,379
Less : Opening Stock	(3,75,29,379)	(4,96,34,694)
Balance	1,22,44,857	(1,21,05,315)
Add : Increase / (Decrease) in Excise Duty	1,11,926	(28,169)
Total	1,23,56,783	(1,21,33,484)
19. EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Bonus, Gratuity etc.	2,03,79,948	1,79,33,957
Staff Welfare	26,55,950	24,12,404
Contribution to :		
Provident & Other Funds	16,87,425	15,05,457
Employees State Insurance	1,49,247	1,26,861
Total	2,48,72,570	2,19,78,679
20. MANUFACTURING & OTHER EXPENSES		
Payment to Auditors : (inclusive of service tax)		
Audit Fee	40,075	28,090
Certification Fee	58,268	48,315
Tax Audit Fee	17,715	11,236
Audit Committee Fee	55,000	65,000
Consumption of Stores and Spares	77,58,745	59,77,067
Director's Fees	1,90,000	1,60,000
Dealers Margin Expenses	2,69,28,227	2,49,30,753
Distribution Expenses	1,37,12,306	78,08,029
Freight, Delivery Expenses	8,40,24,938	6,30,01,816
Packing Expenses	40,53,416	34,60,138
Information & Technology Expenses	46,983	60,909
Insurance charges	4,00,724	3,32,376
Legal & Consultancy Expenses	8,90,348	6,21,643
Manufacturing & Supervision Charges	1,16,89,613	1,06,16,242
Miscellaneous Expenses	35,54,187	52,86,235
Motor Vehicle Expenses	7,85,186	7,46,643
Other Maintenance Expenses	22,12,613	20,04,544
Power and Fuel Expenses	1,91,48,980	2,20,91,284
Rates and Taxes	12,12,069	9,07,541
Rent Expenses	14,00,687	12,67,000
Storage & Handling Expenses	1,74,64,901	1,90,74,227
Repairs to Building Expenses	8,00,619	5,86,829
Repairs to Machinery Expenses	7,14,869	3,37,040
Repairs to Others Expenses	2,99,544	3,36,661
VAT & CST Expenses	2,82,31,843	2,52,03,468
Excise on Transfer of Goods Expenses	10,11,843	11,16,762
Total	22,67,03,159	19,60,79,848

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	₹	₹Rs.
21. FINANCE COST :		
Interest	6,32,22,664	5,80,31,135
Less : Received	17,35,174	18,20,993
	<u>6,14,87,490</u>	<u>5,62,10,142</u>
Bank Charges	47,18,726	42,95,558
Other Charges	2,54,702	2,51,416
Total	<u>6,64,60,918</u>	<u>6,07,57,116</u>
22. CURRENT TAX :		
In view of past losses and unabsorbed depreciation, there is no current tax payable for the parent company. Current Tax relates to subsidiary company only.		
23. EARNING PER SHARE (EPS) :		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	1,68,72,711	87,13,665
Weighted Average number of Equity Shares used as demoninating for calculating EPS	36,07,480	36,07,480
Basic and Diluted earning per share	4.68	2.42
Face Value per Equity Share	10.00	10.00
24. COMMITMENT :		
Commitment of Capital Expenditure not provided for in the accounts estimated at Rs. 26,70,000/- (Previous year Rs. 30,00,000/-)		
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/-)		
iii. Entry Tax Matters Rs. 57,91,365/- (Previous year Rs. 24,43,550/-) The Company has filed a writ petition with Hon'ble High Court at Kolkata challenging the constitutional validity of West Bengal Tax on Entry of Goods into Local Areas Act 2012. The management is of the opinion that judgement will be in Company's favour and it will get full relief.		

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016		31st March, 2015	
	₹		₹Rs.	
Rs.	Rs.		Rs.	
26. DISCLOSURE AS PER AS15 (REVISED) :				
	Gratuity (Funded)	Leave Encashment (Non Funded)		
	2015-16	2014-15	2015-16	2014-15
a. Expenses recognised in the Statement of Profit & Loss				
i. Current service Cost	5.65	5.53	2.17	1.42
ii. Interest Cost	8.66	7.06	3.20	2.64
iii. Expected Return on plan assets	8.70	7.16	—	—
iv. Net actuarial loss / (gain) recognised in the year	-2.33	6.25	-0.89	3.01
Total	3.28	11.68	4.48	7.07
b. Change in defined benefit obligation during the year				
Present value of defined obligation at the beginning of the year	108.20	88.28	40.05	32.98
Interest Cost	8.66	7.06	3.20	2.64
Current Service Cost	5.65	5.53	2.17	1.42
Benefits Paid	—	—	—	—
Actuarial Gain/(Loss) on obligation	-1.18	7.33	-0.89	3.01
Present value of defined obligation at the end of the year	121.33	108.20	44.53	40.05
c. Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	108.70	89.45		Not applicable as the scheme is unfunded
Expected return of Plan Assets	8.70	7.16		
Contributions	11.00	11.00		
Benefits paid	—	—		
Actuarial Gain/(Loss) on plan assets	1.15	1.09		
Fair value of plan assets at the end of the year	129.55	106.70		
d. Balance sheet movements				
Net assets / liability at the beginning of the year	0.50	1.18	40.05	32.98
Contribution made during the year	11.00	11.00	—	—
Expenses	3.28	11.68	4.48	7.07
Net assets / liability at the end of the year	8.22	0.50	44.53	40.05
e. Actuarial Assumptions				
Superannuation Age	58 years	58 years	58 years	58 years
Discount rate	8.00%	8.00%	8.00%	8.00%
Inflation rate	7.50%	7.50%	7.50%	7.50%
Return on Asset	8.00%	8.00%	N.A.	N.A.

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016	31st March, 2015
	₹	₹
27. EXPENDITURE IN FOREIGN CURRENCY :		
Purchase of Raw Materials (C & F value)	25,89,30,967	26,14,88,202
28. VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED :		
a. Raw Materials	%	%
Imported	75.66	74.38
Indigenous	24.34	25.62
b. Stores & Spare Parts		
Imported	—	—
Indigenous	100.00	100.00
29. A. DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES (AS-18) :		
(a) Name of Key Management Personnel		
i. Shri Suresh Kumar Bangur — Executive Director / CEO		
ii. Shri Ajay Bangur — President / CFO		
iii. Shri M. D. Damani — Secretary#		
# Shri Damani retired from the Company w.e.f. 17-03-2106		
(b) Remuneration paid to Key Management Personnel		
Salaries	37,58,861	35,29,987
Contribution to Provident Fund & Superannuation Policy	10,35,299	9,50,790
Other Perquisites	12,22,836	11,73,915

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016 ₹	31st March, 2015 ₹	
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)	162.50 173.00	80.00 173.00	13.19 15.57
b. Credwyn Holdings India Pvt. Ltd. (Previous year)	315.00 210.00	100.00 25.00	42.64 17.98
c. Devendra Finvest & Holding Pvt. Ltd. (Previous year)	629.00 452.00	345.00 452.00	35.22 23.25
d. Joonktolle Tea & Industries Ltd. (Previous year)	Nil Nil	Nil Nil	150.41 150.01
e. Kanchan Udyog Ltd. (Previous year)	285.00 225.00	28.00 225.00	30.61 25.20
f. Kettlewell Bullen & Co. Ltd. (Previous year)	Nil 145.00	75.00 Nil	19.97 25.12
g. Kherapati Vanijya Ltd. (Previous year)	100.00 Nil	Nil Nil	1.31 Nil
h. Madhav Trading Corporation Ltd. (Previous year)	Nil 25.00	Nil 25.00	Nil 0.83
i. Phosphate Enterprise & Investment Ltd. (Previous year)	57.00 58.00	2.00 58.00	4.98 5.50
j) The Oriental Company Ltd. (Previous year)	160.00 100.00	100.00 Nil	17.68 9.00
30. A part of Land and Building thereon has been sold to the company's wholly owned subsidiary M/s. Abhinandan Goods Pvt. Ltd. Execution of Conveyance Deed is pending for necessary compliance.			
31. A writ petition before Hon'ble High Court at Kolkata is pending for recovery of freight rebate from Central Government.			
32. In absence of informations relating to micro small and medium enterprises, information relation to current indebtedness are not ascertainable.			

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

33. 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 31.03.2016 are as follows :

Particulars	31st March, 2016	31st March, 2015
	Amount	Amount
I Exposure	US\$	US\$
a. Payable for imports made	20,88,510	21,73,903
b. Payable for buyers credit availed	2,58,948	3,67,138
c. Payable for import contract executed	2,63,500	—
I Hedging		
a. Forwards / Futures purchased	26,00,000	25,78,000

34. 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

7, Waterloo Street, Kolkata 700 069

Dated : 30th May, 2016

SURESH KUMAR BANGUR

Executive Director

DIN : 00040682

M. D. DAMANI

Secretary

VIJAY MOHAN

Director

DIN : 02474421

AJAY BANGUR

President & CFO

BOOK-POST

If undelivered please return to :

THE PHOSPHATE COMPANY LIMITED

14, Netaji Subhas Road, 3rd floor

Kolkata - 700 001