

# THE PHOSPHATE COMPANY LIMITED

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Rishra - 712 248  
Hooghly (W.B)  
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GSTN : 19AABCT1270F1ZJ



Regd. & Admin Office  
14, Netaji Subhas Road  
Kolkata-700 001  
Ph.: (033) 2230 0771, 4035 1234  
E-mail: lakshmiphosphate@gmail.com  
Website : www.phosphate.co.in  
CIN : L24231WB1949PLC017664  
PAN : AABCT1270F

Ref:290A/207

September 2, 2019

To,  
BSE Limited  
The Corporate Relationship Department  
P.J. Towers, 1st Floor,  
Dalal Street,  
Mumbai - 400 001.

To,  
The Secretary,  
The Calcutta Stock Exchange Ltd.,  
7, Lyons Range,  
Kolkata-700001.

Scrip Code: 542123

Scrip code: 10026031

Re: Reg.34

Dear Sir,

Pursuant to Regulation 34 of SEBI (LODR) Regulation 2015, enclosed please find Annual Report for 2018-19 alongwith Notice of the Annual General Meeting to be held on Thursday, 26<sup>th</sup> September 2019.

Thanking you.

Yours faithfully

For The Phosphate Co. Ltd.

*Shankar Banerjee*

(Shankar Banerjee)

Dy. Secretary & Compliance Officer

Encl.a/a





# **ANNUAL REPORT 2018-2019**

**THE PHOSPHATE COMPANY LIMITED**

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# THE PHOSPHATE COMPANY LIMITED

CIN : L24231WB1949PLC017664

## BOARD OF DIRECTORS

Shri Binod Khaitan	Non Executive Director
Shri Hemant Bangur	Non Executive Director
Shri Dilip P Goculdas	Independent Director
Shri Suresh Kumar Bangur	Executive Director & CEO

## PRESIDENT & CFO

Shri Ajay Bangur

## COMPANY SECRETARY

Shri Shankar Banerjee

## STATUTORY AUDITORS

M/s. S. K. Agarwal & Company  
Chartered Accountants  
Kolkata

## BANKERS

State Bank of India, Kolkata  
Syndicate Bank, Kolkata

## REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.  
CIN : U20221WB1982PTC034886  
23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700001  
Phone : 033-22482248; Fax : 033-22484787  
E-mail : mdpldc@yahoo.com,

## REGISTERED OFFICE

14, NETAJI SUBHAS ROAD KOLKATA -700001  
Phone : 033-22300771/40351234  
E-mail : lakshmiphosphate@gmail.com  
Website : www.phosphate.co.in

## WORKS

45, Ramkrishna Road, Rishra  
Hooghly- 712248 (WB)  
Phone : 033-2672 1448/1497  
E-mail : phosphaterishra@gmail.com

## DIRECTORS REPORT

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2019.

(Amount in lakhs Rs.)

### FINANCIAL RESULTS

	Standalone		Consolidated	
	Current year	Previous year	Current year	Previous year
<b>Turnover</b>	<b>7741</b>	<b>7546</b>	<b>7741</b>	<b>7546</b>
<b>EBIDTA</b>	<b>898</b>	<b>829</b>	<b>896</b>	<b>828</b>
Finance Cost	509	509	509	509
Depreciation	113	103	113	103
Tax Provisions	132	63	132	63
<b>Profit after tax</b>	<b>144</b>	<b>154</b>	<b>142</b>	<b>153</b>
Other Comprehensive Income	3	(10)	3	(10)
<b>Total Comprehensive Income</b>	<b>147</b>	<b>143</b>	<b>145</b>	<b>142</b>

### BUSINESS PERFORMANCE & AFFAIRS

Your Company achieved a Turnover of Rs.7741 lakhs during Financial Year 2018-19 compared to Rs.7546 lakhs achieved in previous year. Your Company made an Earnings before Interest, Depreciation, Tax & Amortization (EBIDTA) of Rs.898 lakhs during FY 2018-2019. This is higher by approx. 8% when compared to Rs.829 lakhs achieved in FY-2017-18. After more than double the tax provision at Rs. 132 lakhs in FY 2018-19 from Rs.63 lakhs in 2017-18, Total Comprehensive Income after Tax is recorded at Rs.147 lakhs compared to Rs.143 lakhs in previous year on Standalone Basis and Rs.145 lakhs and Rs.142 lakhs for Current Year and Previous year respectively on Consolidated Basis.

Production of Green Super Phosphate during FY2018-19 was at 69,102 MT compared to 65,238 MT in previous year. Sale of Super Phosphate Fertiliser was recorded at 63,970 MT in current year compared to 65,945 MT in previous year.

To facilitate trading in the Shares of the Company, Equity Shares of your Company has been Listed at BSE Ltd. (Bombay Stock Exchange Ltd.) under XT category with Scrip Code : 542123 w.e.f November 2018. Your Company Shares continues to be listed at Calcutta Stock Exchange Ltd.

### OUTLOOK

Nutrient Based Subsidy given by Government of India for Single Super Phosphate Fertiliser (SSP) was fixed at Rs.2,734/- during FY 2018-19. Looking to the importance of Sulphur Nutrient in SSP Fertiliser, Government has increased subsidy on Sulphur component from Rs.299/42 pmt to Rs.391/82 pmt, thereby increasing the overall subsidy for SSP Fertiliser to Rs.2,826/- per MT for the year 2019-20 effective 7th August 2019.

Due to Inadequate Infrastructure of Roadways connecting South to North Bengal, the Company has changed movement of Fertiliser to Central and North Bengal from Roadways to Railways. To further ease of movement of goods, your Company has requested the Railway authorities to reopen Rishra Goods Shed for Fertilizer movement. Rishra Station is a stone throw away from your Factory.

Point of Sale (POS) machines installed under Direct Benefit Transfer (DBT) Scheme at the shop of Retailers for identification of Farmers is a success. This has prevented Fertilizers being sold for other purpose. Next phase of DBT scheme wherein Subsidy would be directly paid to farmers in place of Industry will be an advantage to SSP Fertilizer Industry, due to its' low cost and versatile use.

### SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Abhinandan Goods Pvt. Ltd. is the wholly owned subsidiary of your Company. Particulars of subsidiary company is presented in Form AOC-1 as per Annexure – D forming a part of the Directors Report.

The annual financial statements of the subsidiary and related detailed information are kept at the Registered Office of the Company and also at the Registered Office of the subsidiary company and will be available to investors seeking information at any time during business hours.

**CREDIT RATING**

The Company's Bank Loan Rating has improved consistently as follows :

Rating Issued in	July 2019	May 2018	Jan 2017	Nov 2015
Long Term Rating	BB+	BB	BB-	B
Short term Rating	A4+	A4+	A4+	A4

**DIVIDEND**

To conserve resources, no dividend is proposed by the Company.

**TRANSFER TO GENERAL RESERVES**

The Company has transferred a sum of Rs.10 lacs to General Reserve.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Management discussion and analysis, comprising details of the overview, industry structure and development of the Company is appended and forms an integral part of the Director's Report.

**SHARE CAPITAL**

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

The paid-up Equity Share Capital as on 31st March, 2019 was Rs.360.75 lacs. During the year under review, the Company has not issued any shares. The Company has not issued shares with Differential Voting Rights. It has neither issued Employee Stock Options nor Sweat Equity Shares and does not have any scheme to fund its employees to purchase the shares of the Company.

**SEGMENT WISE PERFORMANCE**

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

**DIRECTORS**

There has been no change in the composition of the Board of Directors during the year under review. However, Mrs Vijaya Mohan, Independent Director of the Company, has resigned on 30th May 2019 due to disqualification under section 164(2) of the Companies Act 2013.

Shri Hemant Bangur (DIN : 00040903) retires by rotation and is eligible for re-appointment.

Shri Dilip P Goculdas (DIN : 00367409) was appointed as an independent director to hold office for 5 years from the conclusion of the Annual General Meeting held on 26th September 2014. Approval of the members is being sought to re-appoint Shri Goculdas for a further period of 5 years through a special resolution at the ensuing Annual General Meeting. Proposal for his appointment has also been received from a member of the Company.

**WOMAN DIRECTOR**

Nomination & Remuneration Committee is seeking out for a suitable Independent Lady Director in place of Mrs. Vijaya Mohan (DIN : 02474421) who has resigned from the Board on 30th May 2019 due to disqualification u/s 164(2) of the Companies Act 2013.

*Particulars of the Directors seeking appointment/reappointment forms a part of the Notice calling the ensuing Annual General Meeting.*

**KEY MANAGERIAL PERSONNEL**

Shri Suresh Kumar Bangur, Executive Director/CEO (DIN : 00040862), Shri Ajay Bangur, President/CFO (PAN : ADRPB5699N) and Shri Shankar Banerjee (ACS 45073) Dy. Company Secretary of the Company are the Key Managerial Personnel of the Company.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

Your Board of Directors met 5 times during the financial year 2018-19. The dates are 22nd May 2018, 8th August 2018, 20th September 2018, 14th November 2018 and 14th February 2019. Intervening gap between two meetings is within the time 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 :

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

#### **DECLARATION BY INDEPENDENT DIRECTOR**

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 Independent Director 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.

#### **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 15th May, 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**

Pursuant to the provisions of section 134(3)(p) of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees with the Company.

#### **INTERNAL CONTROL SYSTEM & ADEQUACY**

Your Company has an Internal Control System, commensurate with the size, scale and complexity of operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor 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 auditor, 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.

#### **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, 2019 your company had 41 permanent employees. 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. A statement of all Related Party Transactions is placed before the Audit Committee for its review, specifying the nature, value and terms and conditions of the transactions. The policy on related party transaction, as approved by the Board, is uploaded on the Company's website. Details of the transactions with Related Parties are provided in the accompanying financial statements.

## CONSOLIDATED 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-D forming a part of the Director'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.

## DEMATERIALIZATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with ISIN : INE398C01016.

SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 has made transfer of securities compulsorily in dematerialised form w.e.f. 1st April 2019. As on March 31, 2019, 94.15% of the share capital stands dematerialized.

## 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 it is neither having net worth of Rupees Five Hundred Crore or more, or turnover of Rupees One Thousand Crore or more or a net profit of Rupees Five Crore or more during any financial year.

## INSURANCE

All the properties of your Company are adequately insured.

## STATUTORY AUDITOR & AUDIT REPORT

M/s. S. K. Agrawal & Co., Chartered Accountants (F.R.No.305158E), were appointed as the Statutory Auditors of the Company at the 69th AGM of the Company. The appointment was for a term of 5 (five) consecutive years from the conclusion of 69th AGM till the conclusion of 74th AGM of the Company subject to ratification by the members at each Annual General Meeting. It is to be noted that the Companies (Amendment) Act, 2017 has omitted the provision for seeking ratification of such appointment at every intervening AGM.

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 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, your Company is required to have its cost records audited by a Cost Accountant in practice. The Board of Directors, upon the recommendation of the Audit Committee, has approved the appointment of M/s. S Gupta & Co., Cost Accountants (F.RNo.000020) as the Cost Auditors of the Company for the Financial Year ending March 31, 2020. Pursuant to Section 148 of the Act, read with Rule 14(a)(ii) of Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration of Cost Auditors is being sought from the Members of the Company at the ensuing AGM. The details of the same are provided in the Notice convening the AGM

**INTERNAL AUDITORS**

Your Directors have appointed M/s. Batliboi Purohit & Darbari, Chartered Accountants, (F.R.No.303086E), as Internal Auditor for the financial year ending 31st March, 2020.

**SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

In compliance with the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, upon the recommendation of the Audit Committee, has approved the appointment of CS Ajay Kumar Agarwal, Proprietor of M/s Agarwal A & Associates, Company Secretaries in Whole-time-Practice [C.P. No. 13493 (FCS-7604)], as the Secretarial Auditor of the Company for the Financial Year ending March 31, 2020. The Secretarial Audit Report for the financial year ended March 31, 2019, in Form MR-3, forms an integral part of this report and is annexed herewith as an annexure.

**AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company during the year under review, comprised of 3 (Three) Members, namely Smt. Vijaya Mohan, Shri Dilip P Goculdas and Shri Suresh Kumar Bangur, two of them are Independent Directors and one is a Non-Independent Executive Director. The Committee met four times in the financial year 2018-19. The Board accepted all the recommendations of the Audit Committee during the year.

Due to disqualification u/s 164(2) of the Companies Act 2013, Smt. Vijaya Mohan has resigned from the Directorship of the Company w.e.f. 30-05-2019. Till the time a new Independent Director is appointed, Shri Hemant Bangur has been co-opted.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Your Company has a duly constituted stakeholder's relationship committee. One meeting of the Committee was 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 in place and 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.

This robust Risk Management framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

The Internal Audit Department is responsible for facilitating coordination with the heads of various Departments, with respect to the process of identifying key risks associated with the business, manner of handling risks, adequacy of mitigating factors and recommending corrective action.

**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.

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

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation of energy is achieved.
- No specific investment has been made towards reduction in energy consumption.

**Technology Absorption**

Company's products are manufactured by adopting the available contemporary technology. The Company constantly strives for maintaining quality of its products.

**Foreign Exchange Earnings & Outgo**

Particulars	2018-19	2017-18
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
- Purchase of Raw materials	Rs.27,64,14,877	Rs.28,72,04,717
- Others	Rs. 1,67,606	-



**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 G.

**SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES**

The Company has filed a writ-petition with Honorable High Court at Kolkata challenging the constitutional validity of West Bengal Tax on Entry of Goods into Local Areas Act, 2012. Consequently, Court has granted stay for payment and/or recovery of such Tax.

The Company has preferred an appeal before Honorable High Court at Kolkata against dismissal of writ petition earlier filed by the Company for recovery of Freight Rebate.

**CORPORATE GOVERNANCE**

In terms of Reg.15 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 your Company has been exempted from the applicability of corporate governance provisions as specified in regulations 17, [17A,] 18, 19, 20, 21,22, 23, 24, 13[24A,] 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY**

There are no material changes or commitments occurring after 31st March 2019 affecting the financial position of the Company requiring disclosure.

**SEXUAL HARASSMENT**

The Company has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. During the year 2018-19, no case of Sexual Harassment was reported.

**REPORTING OF FRAUDS :**

There have been no instances of fraud reported by the Statutory Auditors under Section 143 of the Act read with relevant Rules framed thereunder either to the Company or to the Central Government.

**OTHER DISCLOSURES**

The Company has proper and adequate systems and processes in place to ensure compliance with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

**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, depositories, auditors, advisors, consultants, associates, State and Central Government at all levels 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 : 8th August 2019

(Suresh Kumar Bangur)  
Executive Director  
DIN : 00040862

(Binod Khaitan)  
Director  
DIN : 00128502

**CAUTIONARY STATEMENT :**

Statement in the Directors' Report and Management Discussion & Analysis Report describing the Company's expectations may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may vary materially from those expressed in the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their costs, changes in government policies and tax laws, economic development of the country and such other factors which are material to the business of the Company.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

## Annexure A

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Industry review :

Nutrients of Single Super Phosphate (SSP) Fertiliser are Phosphorous (P<sub>2</sub>O<sub>5</sub>) and Sulphur (S). Accordingly, to latest estimates, share of phosphorous (P<sub>2</sub>O<sub>5</sub>), supplied to Indian Soil through SSP route is at over 14%, whereas for Sulphur (S) it is over 80%. Sulphur is essential nutrient for growth of Oilseeds, Pulses, Potato, Tobacco, Rice etc. Since SSP is the main source of Sulphur nutrient, use and growth of this fertiliser is presumed.

West Bengal Government is advising farmers to diversify their crop pattern by adding more of Oilseeds and Pulses besides Paddy, Jute and Potato. This should be beneficial for your Company.

#### Government Policy

Government has introduced Goods & Service Tax (GST) since July 2017 replacing all indirect tax. Under the regime, Fertiliser is taxed at 5% whereas most inputs of Goods & Services are Taxed at 18%. Thus, Fertiliser Sector is eligible for GST Refund, due to above Inverted Tax Structure.

#### Review of the Company

The Company produced 69102 MTs of Green Super Phosphate fertiliser during the year compared to 65328 MTs in previous year. Company sold 63972 MTs of Single Super Phosphate (Powder + Granulated) Fertiliser during the year compared to 65946 MTs in previous year.

The Company earned a Total Comprehensive Income after tax at Rs.147 lacs after making all provisions and tax, compared to Total Comprehensive Income of Rs.143 lacs in previous year on Standalone basis.

#### Opportunities & Risks

##### Opportunities

Government's vision to double Farmers Income by 2022 is likely to increase agro-input consumption.

Direct Benefit Transfer (DBT) in fertiliser to improve buyers traceability across the channel and provide opportunities to leverage datagenerated for improvement.

##### Risk

General Risks of Operation, Environment, Human Resource etc. as applicable to every business.

#### 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.

#### Disclosure of Accounting Treatment :

The Financial Statements have been prepared as per IND-AS 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 Director's Report.

## Annexure B

### Disclosure Pursuant to Schedule V of SEBI (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

N.B. There is a due and maximum due of Rs.419.35 lacs from subsidiary co against sale.

##### Management Discussion and Analysis

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

#### B. Disclosure of Accounting Treatment

Financial Statements have been prepared in consonance with the applicable Indian Accounting Standards (Ind AS).

#### C. 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

## 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, CEO and 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 and Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board and Committees 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 Executive 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 above policies are available in the co's website <http://www.phosphate.co.in/>*

**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 as on 31-03-2019**

**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	1.39
6	Total Assets	1016.50
7	Total Liabilities	991.11
8	Investments	Nil
9	Profit (Loss) before Taxation	(1.64)
10	Provision for Taxation (Deferred Tax)	(0.32)
11	Profit (Loss) after Taxation	(1.32)
12	Proposed dividend	Nil
13	% of shareholding	100
14	Date of acquisition of the subsidiary company	26-03-2016

Notes :

1. Name of subsidiaries which are yet to commence operations : Abhinandan Goods Pvt. Ltd.
2. 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 : 8th August 2019

(Suresh Kumar Bangur)  
Executive Director  
DIN : 00040862

(Binod Khaitan)  
Director  
DIN : 00128502

**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 arm's 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	Contractual 3 Years to PF etc/ Perquisites	Salary/Contribution	08-08-18
Shri Ajay Bangur	Chief Financial Officer	Non Contractual to PF etc/Perquisites	Salary/Contribution	15-05-14
Shri Shankar Banerjee	Company Secretary	Non-Contractual to PF etc/Perquisites	Salary/Contribution	10-08-16
Devendra Finvest & Holding Pvt. Ltd.	Rs.158 lacs	Payable on demand	ICD @ 12%	22-05-18
Kanchan Udyog Ltd.	Rs.278 lacs	Payable on demand	ICD @ 12%	22-05-18
Art Finance & Trade Pvt. Ltd.	Rs.5.50 lacs	Payable on demand	ICD @ 12%	22-05-18
Kherapati Vanijya P. Ltd.	Rs.100 lacs	Payable on demand	ICD @ 12%	22-05-18
Credwyn Holdings India P. Ltd.	Rs.150 lacs	Payable on demand	ICD @ 12%	22-05-18
P.D.G.D. Investment & Trading P. Ltd.	Rs. 50 lacs	Payable on demand	ICD @ 12%	22-05-18
Devendra Finvest & Holding Pvt. Ltd.	Rs. 2 lacs	Payable on demand	ICD @ 12%	08-08-18
P.D.G.D. Investment & Trading P. Ltd.	Rs.100 lacs	Payable on demand	ICD @ 12%	08-08-18
Art Finance & Trade Pvt. Ltd.	Rs.67 lacs	Payable on demand	ICD @ 12%	14-11-18
Credwyn Holdings India P. Ltd.	Rs.100 lacs	Payable on demand	ICD @ 12%	14-11-18
Devendra Finvest & Holding Pvt. Ltd.	Rs.68 lacs	Payable on demand	ICD @ 12%	14-11-18
Devendra Finvest & Holding Pvt. Ltd.	Rs.5 lacs	Payable on demand	ICD @ 12%	14-02-19
Kanchan Udyog Ltd.	Rs.9 lacs	Payable on demand	ICD @ 12%	14-02-19
Devendra Finvest & Holding Pvt. Ltd.	Rs. 5 lacs	Payable on demand	ICD @ 12%	30-05-19
Windpower Vinamay Pvt. Ltd.	Rs.150 lacs	Payable on demand	ICD @ 12%	30-05-19
No advance has been made to any related party whatsoever.				

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

Kolkata  
Dated : 8th August 2019

(Suresh Kumar Bangur)  
Executive Director  
DIN : 00040862

(Binod Khaitan)  
Director  
DIN : 00128502

**Annexure F****Form MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31-03-2019**

[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	<b>L24231WB1949PLC017664</b>
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 NetajiSubhas Road, Kolkata-700001 Phone : 033-22300771 E-mail : lakshmiphosphate@gmail.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001 Phone : 033-22482248, Fax : 033-22484787 E-mail : 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	% total turnover of the company
1	Single Super Phosphate	3462101	94
2	Others		6

**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-700001	U24100WB2009PTC133717	Subsidiary	100	2(87)(ii)

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

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	1299666	26900	1326566	36.7727	1299666	26900	1326566	36.7727	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	1159010	0	1159010	32.1280	1159010	0	1159010	32.1280	0.0000
e) Banks/Fi									
f) Any other									
<b>Sub-total (A)(1)</b>	2458676	26900	2485576	68.9007	2458676	26900	2485576	68.9007	0.0000
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>									
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	2458676	26900	2485576	68.9007	2458676	26900	2485576	68.9007	0.0000



Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2018]				No of Shares held at the end of the year [As on 31/Mar/2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks/FI	334580	3200	337780	9.3633	334580	3200	337780	9.3633	0.0000
c) Central Govt	0	240	240	0.0067	0	240	240	0.0067	0.0000
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
<b>Sub-total(B)(1):-</b>	334580	3440	338020	9.3700	334580	3440	338020	9.3700	0.0000
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	139080	11790	150870	4.1821	139886	8190	148076	4.1046	-0.0775
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	142486	182458	324944	9.0075	155298	171982	327280	9.0722	0.0647
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	285000	0	285000	7.9002	285220	0	285220	7.9064	0.0062
c) Others (Specify)									
Non Resident Indians	2510	560	3070	0.0851	2510	560	3070	0.0851	0.0000
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	0	0	0	0	238	0	238	0.0066	0.0066
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	20000	0	20000	0.5544	20000	0	20000	0.5544	0.0000
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
<b>Sub-total(B)(2) :-</b>	589076	194808	783884	21.7293	603152	180732	783884	21.7293	0.0000
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	923656	198248	1121904	31.0993	937732	184172	1121904	31.0993	0.0000
<b>C. Shares held by Custodian for GDRs&amp;ADRs</b>	0	0	0	0					
<b>Grand Total (A+B+C)</b>	3382332	225148	3607480	100.0000	3396408	211072	3607480	100.0000	0.0000

## i. Share holding of Promoters

Sl. No.	Shareholders Name	Share holding at the beginning of the year [As on 01/Apr/2018]			Share holding at the end of the year [As on 31/Mar/2019]			% change 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	MADHAV TRADING CORPORATION LTD.	374880	10.3917	0.0000	374880	10.3917	0.0000	0.0000
2	SHRIVATS KHAITAN	231000	6.4034	0.0000	231000	6.4034	0.0000	0.0000
3	CREDWYN HOLDINGS INDIA LTD.	175000	4.8510	0.0000	175000	4.8510	0.0000	0.0000
4	KETTLEWELL BULLEN AND COMPANY LTD.	170000	4.7124	0.0000	170000	4.7124	0.0000	0.0000
5	NIKATE KHAITAN	164740	4.5666	0.0000	164740	4.5666	0.0000	0.0000
6	CHANDRAKALA KHAITAN	148280	4.1103	0.0000	148280	4.1103	0.0000	0.0000
7	JOONKTOLLEE TEA AND INDUSTRIES LTD.	138680	3.8442	0.0000	138680	3.8442	0.0000	0.0000
8	NIKATE KHAITAN	105600	2.9273	0.0000	105600	2.9273	0.0000	0.0000
9	RAJ PACKWELL LIMITED	100000	2.7720	0.0000	100000	2.7720	0.0000	0.0000
10	AMVI TRADECOM PRIVATE LIMITED	100000	2.7720	0.0000	100000	2.7720	0.0000	0.0000
11	WIND POWER VINIMAY PVT. LTD.	87840	2.4349	0.0000	87840	2.4349	0.0000	0.0000
12	BINOD KUMAR KHAITAN	82400	2.2841	0.0000	82400	2.2841	0.0000	0.0000
13	MADAN GOPAL BANGUR	79500	2.2038	0.0000	79500	2.2038	0.0000	0.0000
14	BINA BANGUR	70900	1.9654	0.0000	70900	1.9654	0.0000	0.0000
15	SAKATE KHAITAN	64760	1.7952	0.0000	64760	1.7952	0.0000	0.0000
16	SURESH KUMAR BANGUR	60860	1.6871	0.0000	60860	1.6871	0.0000	0.0000
17	RAJENDRA KUMAR BANGUR	56900	1.5773	0.0000	56900	1.5773	0.0000	0.0000
18	GITA BANGUR	46200	1.2807	0.0000	46200	1.2807	0.0000	0.0000
19	SURESH KUMAR BANGUR	43000	1.1920	0.0000	43000	1.1920	0.0000	0.0000
20	VIJAY KUMAR BANGUR	29400	0.8150	0.0000	29400	0.8150	0.0000	0.0000
21	RAMESH KUMAR BANGUR	27206	0.7542	0.0000	27206	0.7542	0.0000	0.0000
22	PRADYUMNA BANGUR	26580	0.7368	0.0000	26580	0.7368	0.0000	0.0000
23	SUDARSHAN BANGUR	26300	0.7290	0.0000	26300	0.7290	0.0000	0.0000
24	ANIRUDH BANGUR	15100	0.4186	0.0000	15100	0.4186	0.0000	0.0000
25	USHA KIRAN BANGUR	13380	0.3709	0.0000	13380	0.3709	0.0000	0.0000
26	THE ORIENTAL COMPANY LIMITED	9610	0.2664	0.0000	9610	0.2664	0.0000	0.0000
27	AJAY BANGUR	7800	0.2162	0.0000	7800	0.2162	0.0000	0.0000
28	BIMALA DEVI	5400	0.1497	0.0000	5400	0.1497	0.0000	0.0000
29	SHREE PRAKASH BANGUR	5400	0.1497	0.0000	5400	0.1497	0.0000	0.0000
30	MILAN BANGUR	4000	0.1109	0.0000	4000	0.1109	0.0000	0.0000
31	LUXMI DEVI	4000	0.1109	0.0000	4000	0.1109	0.0000	0.0000
32	RAMESH KUMAR BANGUR	4000	0.1109	0.0000	4000	0.1109	0.0000	0.0000
33	BANGUR TRAFIN PVT. LTD.	3000	0.0832	0.0000	3000	0.0832	0.0000	0.0000
34	SURESH KUMAR BANGUR	2000	0.0554	0.0000	2000	0.0554	0.0000	0.0000
35	SUSHMA BANGUR	840	0.0233	0.0000	840	0.0233	0.0000	0.0000
36	VEENA BANGUR	520	0.0144	0.0000	520	0.0144	0.0000	0.0000
37	MURLI DHAR KHAITAN	300	0.0083	0.0000	300	0.0083	0.0000	0.0000
38	HEMANT BANGUR	200	0.0055	0.0000	200	0.0055	0.0000	0.0000
	<b>TOTAL</b>	<b>2485576</b>	<b>68.9007</b>	<b>0.0000</b>	<b>2485576</b>	<b>68.9007</b>	<b>0.0000</b>	<b>0.0000</b>

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year and at the end of the year 31-03-2019	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2485576	68.9007	2485576	68.9007
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	Nil	N.A.	Nil	N.A.
At the end of the year	<b>2485576</b>	<b>68.9007</b>	<b>2485576</b>	<b>68.9007</b>

**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year and at the end of the year 31-03-2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India 01-04-2018 31-03-2019	189240	5.2458	189240 189240	5.2458 5.2458
2	Ramesh Chandra Tapuriah 01-04-2018 31-03-2019	110000	3.0492	110000 110000	3.0492 3.0492
3	Shri Sudershan Prasad Bagaria 01-04-2018 31-03-2019	100000	2.7720	100000 100000	2.7720 2.7720
4	The New India Assurance Company Limited 01-04-2018 31-03-2019	82720	2.2930	82720 82720	2.2930 2.2930
5	National Insurance Company Ltd 01-04-2018 31-03-2019	61520	1.7053	61520 61520	1.7053 1.7053
6	Shrish Tapuriah 01-04-2018 31-03-2019	50000	1.3860	50000 50000	1.3860 1.3860
7	S R Tie Up Private Limited 01-04-2018 31-03-2019	45000	1.2474	45000 45000	1.2474 1.2474
8	Sangam Merchants Pvt.Ltd. 01-04-2018 31-03-2019	35000	0.9702	35000 35000	0.9702 0.9702
9	Hanuman Share & Stock Brokers Limited 01-04-2018 31-03-2019	0	0.0000	27010 27010	0.7487 0.7487
10	Hindusthan Udyog Limited 01-04-2018 31-03-2019	26400	0.7318	26400 26400	0.7318 0.7318
11	Maruti Business Services Ltd 01-04-2018 31-03-2019	27010	0.7487	Nil	Nil

Maruti Business Services Ltd holding 27010 ceased to be top 10 shareholders as on 31-03-2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

**Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year and at the end of the year 31-03-2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Binod Khaitan 01-04-2018 31-03-2019	82400	2.2841	82400 82400	2.2841 2.2841
2	Shri Hemant Bangur 01-04-2018 31-03-2019	200	0.0055	200 200	0.0055 0.0055
3	Shri Suresh Kumar Bangur @ 01-04-2018 31-03-2019	43000	1.1920	43000 43000	1.1920 1.1920
4	Shri Suresh Kumar Bangur # 01-04-2018 31-03-2019	2000	0.0554	2000 2000	0.0554 0.0554
5	Shri Suresh Kumar Bangur * 01-04-2018 31-03-2019	60860	1.6871	60860 60860	1.6871 1.6871
6	Shri Ajay Bangur 01-04-2018 31/03/2019	7800	0.2162	7800 7800	0.2162 0.2162

Smt Vijaya Mohan, Shri Dilip P Goculdas and Shri Shankar Banerjee does not hold any shares of the Company.

@ as Trustee, # as Karta of HUF, \* in personal capacity

**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	Rs.1762.42 lacs	Rs.1527.05 lacs	Nil	Rs. 3289.47 lacs
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Rs.82.23 lacs	Nil	Rs.82.23 lacs
Total (i+ii+iii)	Rs.1762.42 lacs	Rs.1609.28 lacs	Nil	Rs.3371.70 lacs
Change in Indebtedness during the financial year				
- Addition	Rs.508.55 lacs	Rs.3116.56 lacs	Nil	Rs.3625.11 lacs
- Reduction	Rs.134.98 lacs	Rs.3376.61 lacs	Nil	Rs.3511.59 lacs
Net Change	Rs.373.57 lacs	Rs.260.05 lacs	Nil	Rs.113.52 lacs
Indebtedness at the end of the financial year				
i) Principal Amount	Rs.2135.99 lacs	Rs.1309.97 lacs	Nil	Rs.3445.96 lacs
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Rs.39.26 lacs	Nil	Rs. 39.26 lacs
Total (i+ii+iii)	Rs.2135.99 lacs	Rs.1349.23 lacs	Nil	Rs. 3485.22 lacs

## 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	Rs.3048000/- Rs.773393/- 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)		Rs.3821393/-

### B. Remuneration to other directors :

1	Independent Directors	Shri D P Goculdas	Smt Vijaya Mohan	Total
	- Fee for attending board, committee meetings	Rs.130000/-	Rs.150000/-	Rs.280000/-
	- Commission	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil
	Total (1)	Rs.130000/-	Rs.150000/-	Rs.280000/-
2	Other Non-Executive Directors	Shri Binod Khaitan	Shri Hemant Bangur	Total
	- Fee for attending board, committee meetings	Rs.110000/-	Rs.100000/-	Rs.210000
	- Commission	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil
	Total (2)	Rs.110000/-	Rs.100000/-	Rs.210000/-
	Total (B)=(1+2)			Rs.490000/-
	Total Managerial Remuneration			Rs.4311393/-
	Overall Ceiling as per the Act			Rs.8400000/-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	Rs.536211/-	Rs.3048000/-	Rs.3584211/-
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	Rs.151758/-	Rs.777936/-	Rs.929694/-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	Nil	Nil	Nil
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 (A)	Rs.687969/-	Rs.3825936/-	Rs.4513905/-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : - NIL -**

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

Kolkata  
Dated : 8th August 2019

(Suresh Kumar Bangur)  
Executive Director  
DIN : 00040862

(Binod Khaitan)  
Director  
DIN : 00128502

### Annexure G

**[Pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

1. The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2018-19 are given below:

Non-Executive Directors	Ratio to Median	Percentage Increase in Remuneration*
<b>A) Independent</b>		
i) Smt. Vijaya Mohan	0.58	-3.23%
ii) Shri Dilip P Goculdas	0.50	73.33%
<b>B) Non Independent</b>		
i) Shri Binod Khaitan	0.42	10.00%
ii) Shri Hemant Bangur	0.39	5.26%
<b>C) Whole-time Director</b>		
i) Shri Suresh Kumar Bangur	14.71	5.98%

Remarks :

\*Remuneration is based on attendance in Board/committee meetings. Rate of Remuneration has not changed in the current year compared to last year.

2. The percentage increase in remuneration of the Chief Financial Officer is 5.84% and of the Company Secretary is 14.24%.
3. The percentage increase/(decrease) in the median remuneration of employees in the financial year is 8.03%.
4. The number of permanent employees on the rolls of the Company as on 31/03/2019 is 41 against 44 as on 31/03/2018.
5. The percentage increase/(decrease) in the Average salaries of employees, other than managerial personnel, in the last financial year is 9% as against an increase/(decrease) of 7% in the Average salary of the managerial personnel as defined under the Act. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.
6. It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.
7. The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 needs to be provided in the Annexure forming part of the Report. In terms of the 1st proviso to Section 136 of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.
8. There was no woman in the employment of the Company during the financial year 2018-19.

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

Kolkata  
Dated : 8th August 2019

(Suresh Kumar Bangur)  
Executive Director  
DIN : 00040862

(Binod Khaitan)  
Director  
DIN : 00128502

**FORM No. MR3**

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended On 31st March, 2019**

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

To,  
The Members,  
THE PHOSPHATE COMPANY LIMITED  
14, NETAJI SUBHAS ROAD,  
KOLKATA-700001

We have been appointed by the Board of Directors of **The Phosphate Company Limited (CIN : L24231WB1949PLC017664)** (hereinafter called the Company) to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2019.

We have conducted the secretarial audit for the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Phosphate Company Limited** (hereinafter called **the Company**) having its Registered Office at 14 NetajiSubhas Road, Kolkata-700001, West Bengal. 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 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, 2019, 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 :

1. We have examined the books, papers, minute books, registers, forms, and returns filed and other records maintained by **The Phosphate Company Limited** ("the company") for the financial year ended on 31st March, 2019 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 to the Company during the Audit Period)**
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') or by SEBI, to the extent applicable :
    - (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, 2015;
    - (c) 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;
    - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
    - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
    - (f) The following Acts, over and above other laws are specifically applicable to the Company as per the Management Representation Letter issued by the Company of even date:
      - (i) Fertiliser (Control) Order 1985 issued under the Essential Commodities Act,1955 by the Central Government.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which are not applicable to the Company during the financial year under report :-
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;



- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
3. We have also examined compliance with the applicable clauses of the following :
- (i) Secretarial Standards with respect to the board and general meetings issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange and BSE Limited.
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above
5. We further report that :
- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.  
One Independent Director, who was disqualified U/s 164(2) of the Companies Act, 2013 during the period under review has been resigned from the office of Director wef 30/05/2019.
- (ii) 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.
6. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the laws applicable specifically to the Company.
7. 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, to the best of our understanding, the Company, during the year under report, the Company, has following specific events/actions have a major bearing on the Company's affairs in pursuance of the laws, regulations, guidelines, standards etc. referred to as above are as follows :-
- (a) The Company has by passing of Ordinary Resolution in the Annual General Meeting, re-appointed Whole time Director and approved his remuneration.
- (b) The Company has by passing of Ordinary Resolution in the Annual General Meeting, pursuant to the provisions of Section 20 of the Companies Act, 2013 determined the fees for delivery of any document through a particular mode of delivery to a member.

This report is to be read with our letter of even date which is annexed as Annexure – A and forms an integral part of this report.

For **AGARWALA & ASSOCIATES**

Company Secretaries

CS Ajay Kumar Agarwal

Proprietor

C.P No. :13493

M. No. : F7604

Place : Kolkata

Date : 7th August, 2019

**‘ANNEXURE A’**

To,  
The Members,  
THE PHOSPHATE COMPANY LIMITED  
14, NETAJI SUBHAS ROAD,  
KOLKATA-700001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **AGARWALA & ASSOCIATES**  
Company Secretaries  
CS Ajay Kumar Agarwal  
Proprietor  
C.P No. :13493  
M. No. : F7604

Place : Kolkata  
Date : 7th August, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of

### **The Phosphate Company Limited**

#### **Report on the audit of Standalone Ind AS financial statements**

#### **Opinion**

We have audited the standalone financial statements of The Phosphate Company Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Ind AS financial statements").

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 Companies Act, 2013 ("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 March 31, 2019, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

#### **Revenue Recognition**

We have identified this as an area of importance because the company's revenue is a material item in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period and disclosures thereof.

Our audit procedures included but were not limited to :

- Evaluation of the company's accounting principles in relation to implementation of the new revenue accounting standard;
- Created an understanding of the company's routines and internal controls associated with revenue recognition;
- Examination of a selection of transactions to ensure that they have been reported correctly according to agreements and in the correct periods;

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **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 Act with respect to the preparation of these Standalone Ind AS financial statements that gives a true and fair view of the financial position, financial performance,

Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- II. 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows 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 Indian 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 March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 the requirements of section 197(16) of the Act, as amended :  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. 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 has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 34 of the Ind AS financial statements).
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration No. 306033E

Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851

Place : Kolkata  
Dated : 30th May, 2019

**Annexure - A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditor's Report to the members of **The Phosphate Company Limited** (the Company') on the standalone Ind AS financial statements for the year ended on March 31, 2019. We report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of Loans, investments ,guarantees and securities made.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost record under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us in respect of statutory dues :
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Goods & Service tax , Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, excise duty, value added tax, Goods & service tax and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution, banks, Government and debenture holders.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the company were applied by the company during the year for the purpose for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration No. 306033E

Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851

Place : Kolkata  
Dated : 30th May, 2019

## Annexure - B to the Independent Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **The Phosphate Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2019, 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.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration No. 306033E

Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851

Place : Kolkata  
Dated : 30th May, 2019

## BALANCE SHEET AS AT 31ST MARCH, 2019

Amount in Rs.

Particulars	Notes	31st March, 2019	31st March, 2018
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
a) Property, Plant and Equipment	3	72,65,24,186	73,16,29,741
b) Capital work-in-progress	3	-	15,30,823
c) Financial Assets			
i) Investments	4	24,32,000	24,32,000
ii) Loans	5	50,00,835	46,13,033
d) Deferred tax assets (net)	6	-	43,82,758
		<b>73,39,57,021</b>	<b>74,45,88,355</b>
<b>II. Current assets</b>			
a) Inventories	7	17,25,59,808	11,19,64,979
b) Financial Assets			
i) Investments	8	4,74,760	9,48,950
ii) Trade receivables	9	18,60,62,781	20,38,67,878
iii) Cash and cash equivalents	10	5,99,346	5,01,948
iv) Other Bank Balances	11	1,03,47,808	1,17,36,970
v) Loans	12	4,19,50,000	4,19,80,000
vi) Other Financial Assets	13	4,81,93,397	4,84,01,994
c) Other Current Assets	14	3,55,11,100	2,70,50,045
		<b>49,56,99,000</b>	<b>44,64,52,764</b>
<b>Total Assets</b>		<b>1,22,96,56,021</b>	<b>1,19,10,41,119</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
a) Equity Share Capital	15	3,60,74,800	3,60,74,800
b) Other Equity	16	67,45,51,592	65,98,86,277
		<b>71,06,26,392</b>	<b>69,59,61,077</b>
<b>B. Liabilities</b>			
<b>I. Non-current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	17	14,61,82,702	10,16,52,050
ii) Other financial liabilities	18	1,12,13,178	1,24,74,756
b) Deferred tax liabilities		-	-
c) Other non-current liabilities		-	-
d) Provisions	19	22,99,252	29,18,197
e) Deferred tax Liabilities ( Net)	6	25,77,869	-
		<b>16,22,73,001</b>	<b>11,70,45,003</b>
<b>II. Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	20	18,37,95,076	21,51,68,417
ii) Trade payables	21	13,19,67,305	12,21,14,076
iii) Other financial liabilities	22	1,07,65,807	1,24,41,642
b) Other current liabilities	23	2,06,70,976	2,46,05,675
c) Provisions	24	37,85,541	26,61,849
d) Current Tax Liabilities (Net)	25	57,71,923	10,43,380
		<b>35,67,56,628</b>	<b>37,80,35,039</b>
<b>Total Equity and Liabilities</b>		<b>1,22,96,56,021</b>	<b>1,19,10,41,119</b>

Significant Accounting Policies 2  
The accompanying notes form an integral part of the Financial Statements  
As per our report of even date attached

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

For and on behalf of the Board of Directors

**Hemant Bangur**  
Director [DIN 00040903]

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]

**Hemant Kumar Lakhota**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Notes	Amount in Rs.	
		31st March, 2019	31st March, 2018
<b>I. Income</b>			
Gross Sales / Income from Operations		77,40,97,579	75,45,72,036
Less : Discounts, Rebates & Taxes		5,08,80,487	6,33,83,884
Revenue from Operations		72,32,17,092	69,11,88,152
Other Income	26	26,19,636	23,40,841
<b>Total income</b>		<b>72,58,36,728</b>	<b>69,35,28,993</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	27	44,56,19,050	34,19,32,485
Purchase of Trading Goods		2,69,20,016	6,66,48,258
(Increase)/Decrease in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(4,24,73,471)	1,13,64,843
Excise duty on Sale of Goods		-	5,93,615
Employee Benefit Expenses	29	2,86,61,803	2,74,58,592
Other Expenses	31	17,73,12,115	16,26,26,412
<b>Total expenses</b>		<b>63,60,39,513</b>	<b>61,06,24,205</b>
<b>III. Profit before Interest, Depreciation and Tax (EBIDTA) (I - II)</b>		<b>8,97,97,215</b>	<b>8,29,04,788</b>
Finance costs	30	5,09,40,057	5,08,59,165
Depreciation and amortisation expense	3	1,12,78,692	1,03,28,605
<b>IV. Profit before tax</b>		<b>2,75,78,466</b>	<b>2,17,17,018</b>
<b>V. Tax expense :</b>			
(1) Current tax	32	61,21,566	14,07,113
(2) Provision for Earlier Years		1,14,544	-
(3) Deferred tax	32	69,60,627	49,36,473
<b>VI. Profit for the Year</b>		<b>1,43,81,729</b>	<b>1,53,73,432</b>
<b>VII. Other Comprehensive Income</b>			
Items that will not be classified to statement of Profit or Loss			
Remeasurements of the defined benefit liabilities		2,83,587	(10,46,225)
<b>Total Comprehensive Income for the Year</b>		<b>1,46,65,316</b>	<b>1,43,27,207</b>
Earnings per equity share			
Basic & Diluted	33	3.99	4.26
Cash		9.04	8.49

Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhota**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors

**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]

**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

## Cash Flow Statement for the year ended 31st March, 2019

Particulars	Amount in Rs.	
	31st March, 2019	31st March, 2018
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	2,75,78,466	2,17,17,018
<b>Add : Adjustments for Non Cash &amp; Non Operating Items</b>		
Interest Received	(11,03,575)	(11,04,654)
Interest Paid	4,57,73,538	4,88,67,586
Depreciation of Property plant & Equipment	1,12,78,692	1,03,28,605
Liability no longer required written back	(9,86,848)	(6,32,379)
Profit on Redemption of Mutual Fund	(88,584)	(8,312)
(Gain)/loss on Measuring investments at Fair Value through Profit or loss	24,190	(48,264)
Profit on Sale of property, plant and equipment	(88,977)	(55,990)
<b>Operating Profit before Working Capital Changes</b>	<b>8,23,86,902</b>	<b>7,90,63,610</b>
<b>Add : Increase /Decrease in Working Capital</b>		
Increase in Current Liabilities	42,42,696	2,45,97,252
(Increase)/Decrease in Non-Current/Current Financial and other Assets	(74,59,696)	(2,10,34,919)
Increase/(Decrease) in Non-Current/Current Financial and other Liabilities	(6,18,945)	4,40,846
Increase/ (Decrease) in Provision	14,07,279	(4,68,026)
(Increase)/Decrease in Inventories	(6,05,94,829)	(1,40,14,214)
(Increase)/ Decrease Trade & Other Receivables	1,90,30,542	2,00,23,234
	<b>(4,39,92,953)</b>	<b>95,44,173</b>
<b>Cash generated from Operation</b>	<b>3,83,93,949</b>	<b>8,86,07,783</b>
Less : Direct Tax Paid ( net of refunds)	(15,07,567)	(1,07,517)
<b>Net Cash flow from/ (used in) operating Activities</b>	<b>3,68,86,382</b>	<b>8,85,00,267</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed assets/CWIP	(51,07,001)	(84,11,928)
Proceeds from Sale of Fixed Assets	5,53,664	1,95,663
Interest Received	11,03,575	11,04,654
Proceeds from Sale of Mutual Fund	10,37,534	5,08,998
Purchase of Mutual Fund	(4,98,950)	(9,00,686)
<b>Net Cash used in Investing Activities</b>	<b>(29,11,178)</b>	<b>(75,03,299)</b>
<b>C. Cash Flow from Financing Activities</b>		
Net Proceeds from Borrowings	1,18,95,732	(3,21,02,609)
Less : Interest Paid	(4,57,73,538)	(4,88,67,586)
<b>Net Cash used in Financing Activities</b>	<b>(3,38,77,806)</b>	<b>(8,09,70,195)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>97,398</b>	<b>26,773</b>
<b>Cash &amp; Cash Equivalents-Opening Balance</b>	<b>5,01,948</b>	<b>4,75,175</b>
<b>Cash &amp; Cash Equivalents-Closing Balance#</b>	<b>5,99,346</b>	<b>5,01,948</b>

# Fixed deposit having original maturity of over 3 months not included.

As per our report of even date attached.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhota**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors  
**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]  
**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

## Statement of Changes in Equity for the year ended 31st March, 2019

Amount in Rs.

### a. Equity Share Capital

<b>Balance as at 1 April, 2017</b>	<b>3,60,74,800</b>
Changes in Equity Share Capital during the year 2017-18	-
<b>Balance as at 31 March, 2018</b>	<b>3,60,74,800</b>
Changes in Equity Share Capital during the year 2018-19	-
<b>Balance as at 31 March, 2019</b>	<b>3,60,74,800</b>

### b. Other Equity

	Reserve and Surplus			Other Comprehensive Income	Total Other Equity
	Securities Premium	General Reserve	Retained Earnings		
<b>Balance as at 1 April, 2017</b>	<b>2,62,50,000</b>	<b>64,60,34,254</b>	<b>(2,60,41,154)</b>	<b>(6,84,030)</b>	<b>64,55,59,070</b>
Profit for the year	-	-	1,53,73,432	-	1,53,73,432
Other Comprehensive Income	-	-	-	(10,46,225)	(10,46,225)
<b>Balance as at 31 March, 2018</b>	<b>2,62,50,000</b>	<b>64,60,34,254</b>	<b>(1,06,67,722)</b>	<b>(17,30,255)</b>	<b>65,98,86,277</b>
<b>Balance as at 1 April, 2018</b>	<b>2,62,50,000</b>	<b>64,60,34,254</b>	<b>(1,06,67,722)</b>	<b>(17,30,255)</b>	<b>65,98,86,277</b>
Profit for the year	-	-	1,43,81,729	-	1,43,81,729
Amount Transferred to General Reserve	-	10,00,000	(10,00,000)	-	-
Other Comprehensive Income	-	-	-	2,83,587	2,83,587
<b>Balance as at 31 March, 2019</b>	<b>2,62,50,000</b>	<b>64,70,34,254</b>	<b>27,14,007</b>	<b>(14,46,668)</b>	<b>67,45,51,592</b>

### Nature and Purpose of Reserves

- A) Securities Premium : This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
- B) General Reserve : This reserve is a free reserve which is used from time to time to transfer profits from retained earnings apart from Rs. 62,94,98,721 created on fair valuation of land on transition to Indian Accounting Standards in accordance with Ind AS 101, "First-Time Adoption of Indian Accounting Standards" and can be utilized in accordance with the provisions of the Companies Act, 2013.
- C) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013.
- D) Other comprehensive Income Reserves : This reserve represents effects of remeasurements of defined benefit plans that will not be reclassified Statement of Profit & Loss.

As per our report of even date attached.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhotia**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors

**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]

**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

**Notes to Financial Statements as at and for the year ended 31st March, 2019****1. Company Overview**

The Phosphate Company Limited ("the Company") is a limited company incorporated in India, having its registered office situated at 14, Netaji Subhas Road, Kolkata. The Company has its shares listed on Calcutta Stock Exchange Ltd. (CSE) and BSE Ltd. The Company is primarily engaged in the business of farm inputs comprising of fertiliser, crop protection, specialty nutrients and organic compost. The Company is also engaged in the trading of Acid. The manufacturing unit of the company is located at Rishra, West Bengal.

**2. Significant Accounting Policies****a) Basis of Preparation**

These accounts have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("Act") read with relevant Rules. These financial statements are prepared in accordance with historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

**b) Revenue from Contract with Customer**

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made. The specific recognition criteria described below must also be met before revenue is recognised.

**Sale of Products**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

**Contract balances****Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Refund Liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Dividend income is recognized when the company's right to receive dividend is established. Interest income is recognized using the effective interest method. All other income are recognized on accrual basis.

**c) Subsidy**

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.

**d) Property, Plant & Equipment**

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalized till the start of commercial production.

Depreciation is provided on the straightline method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as Capital Advances under other Non-Current Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'.

The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss. The method of depreciation, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

## Notes to Financial Statements as at and for the year ended 31st March, 2019

### e) Inventories

Inventories are valued at cost or net realisable value whichever is lower. Closing stock has been valued on FIFO basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### f) Financial Instruments

#### Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Subsequent measurement

##### i. Non derivative financial instruments

##### 1) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### 2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### 3) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### 4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### 5) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

##### ii. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in Other Income.

#### Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### g) Fair Value Measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**Notes to Financial Statements as at and for the year ended 31st March, 2019****h) Impairment**

Impairment is recognized based on the following principles :

**Financial Assets**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**Non-Financial Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit) Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

**i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**j) Foreign Currency Transactions & Translations**

The functional currency of the Company is Indian Rupee. These Financial Statements are presented in Indian Rupee.

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Gains & losses arising on account of realization are accounted for in the Statement of Profit & Loss.

Monetary Assets & Liabilities in foreign currency that are outstanding at the year end are translated at the year end exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

**k) Cash and Cash Equivalents**

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**l) Employee Benefits****Defined Contribution Plan**

The Company makes contributions towards provident fund to the regulatory authorities to a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

**Defined Benefit Plan**

The Company operates a defined benefit gratuity plan in India, comprising of Gratuity fund with an approved trust. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered.

**Other long term employee benefits**

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation



## Notes to Financial Statements as at and for the year ended 31st March, 2019

using the projected unit credit method at the end of each financial year. This benefit is not funded. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

### m) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### n) Income Taxes

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of good will or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### o) Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### p) Recent Accounting Pronouncements

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements. The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendment

## Notes to Financial Statements as at and for the year ended 31st March, 2019

## Note 3 : Property, Plant &amp; Equipment (Current Year)

Amount in Rs.

Description	Gross Block				Accumulated Depreciation				Net Block	
	01.04.2018	Additions	Disposals/ Adjustments	31.03.2019	01.04.2018	Additions	Disposals/ Adjustments	31.03.2019	31.03.2019	31.03.2018
Freehold Land	62,98,27,021	-	-	62,98,27,021	-	-	-	-	62,98,27,021	62,98,27,021
Building	3,95,70,007	-	-	3,95,70,007	45,64,186	24,60,805	-	70,24,991	3,25,45,016	3,50,05,821
Plant and Machinery	7,63,30,870	55,75,398	8,40,637	8,10,65,631	1,34,60,438	73,05,901	4,21,663	2,03,44,676	6,07,20,955	6,28,70,432
Computers	4,52,731	42,770	1,700	4,93,801	1,39,139	1,95,624	-	3,34,763	1,59,038	3,13,592
Water & Acid Installation :	13,35,181	-	-	13,35,181	2,69,246	84,220	-	3,53,466	9,81,715	10,65,935
Laboratory Equipment :	4,38,026	-	-	4,38,026	1,92,726	59,063	-	2,51,789	1,86,237	2,45,300
Furniture & Fittings	5,62,932	20,156	1,300	5,81,788	2,22,767	1,43,726	-	3,66,493	2,15,295	3,40,165
Motor Cars & Trucks	20,92,233	9,99,500	1,12,004	29,79,729	1,38,036	10,28,550	69,291	10,97,295	18,82,434	19,54,197
Electric Installation	10,056	-	-	10,056	2,778	803	-	3,581	6,475	7,278
<b>Total Tangible Assets</b>	<b>75,06,19,057</b>	<b>66,37,824</b>	<b>9,55,641</b>	<b>75,63,01,240</b>	<b>1,89,89,316</b>	<b>1,12,78,692</b>	<b>4,90,954</b>	<b>2,97,77,054</b>	<b>72,65,24,186</b>	<b>73,16,29,741</b>
Capital work-in-progress	15,30,823	44,64,847	59,95,670	-	-	-	-	-	-	15,30,823
<b>Total</b>	<b>75,21,49,880</b>	<b>1,11,02,671</b>	<b>69,51,311</b>	<b>75,63,01,240</b>	<b>1,89,89,316</b>	<b>1,12,78,692</b>	<b>4,90,954</b>	<b>2,97,77,054</b>	<b>72,65,24,186</b>	<b>73,31,60,564</b>

## Note 3 : Property, Plant &amp; Equipment (Previous Year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	01.04.2017	Additions	Disposals/ Adjustments	31.03.2018	01.04.2017	Additions	Disposals/ Adjustments	31.03.2018	31.03.2018	31.03.2017
Freehold Land	62,98,27,021	-	-	62,98,27,021	-	-	-	-	62,98,27,021	62,98,27,021
Building	3,92,06,848	6,35,968	2,72,809	3,95,70,007	21,00,382	26,38,674	1,74,870	45,64,186	3,50,05,821	3,71,06,466
Plant and Machinery	7,16,66,490	48,17,863	1,53,483	7,63,30,870	67,19,128	68,87,119	1,45,809	1,34,60,438	6,28,70,432	6,49,47,362
Computers	2,51,295	2,01,436	-	4,52,731	1,14,077	25,062	-	1,39,139	3,13,592	1,37,218
Water & Acid Installation :	13,35,181	-	-	13,35,181	41,266	2,27,980	-	2,69,246	10,65,935	12,93,915
Laboratory Equipment :	4,38,026	-	-	4,38,026	1,12,094	80,632	-	1,92,726	2,45,300	3,25,932
Furniture & Fittings	5,85,416	73,871	96,355	5,62,932	1,08,810	2,05,495	91,538	2,22,767	3,40,165	4,76,606
Motor Cars & Trucks	11,33,635	14,81,967	5,23,369	20,92,233	3,69,664	2,62,498	4,94,126	1,38,036	19,54,197	7,63,971
Electric Installation	10,056	-	-	10,056	1,633	1,145	-	2,778	7,278	8,423
<b>Total Tangible Assets</b>	<b>74,44,53,968</b>	<b>72,11,105</b>	<b>10,46,016</b>	<b>75,06,19,057</b>	<b>95,67,054</b>	<b>1,03,28,605</b>	<b>9,06,343</b>	<b>1,89,89,316</b>	<b>73,16,29,741</b>	<b>73,48,86,914</b>
Capital work-in-progress	3,30,000	15,30,823	3,30,000	15,30,823	-	-	-	-	15,30,823	3,30,000
<b>Total</b>	<b>74,47,83,968</b>	<b>87,41,928</b>	<b>13,76,016</b>	<b>75,21,49,880</b>	<b>95,67,054</b>	<b>1,03,28,605</b>	<b>9,06,343</b>	<b>1,89,89,316</b>	<b>73,31,60,564</b>	<b>73,52,16,914</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	As at March 31,2019	As at March 31,2018
<b>Note 4 - Investments - Non Current</b>		
<b>Investment carried at Cost (Unquoted)</b>		
<b>Investments in Equity Instruments</b>		
In Subsidiaries		
Abhinandan Goods Pvt. Ltd.	24,06,000	24,06,000
2,40,000 Equity Shares of Rs.10/- each		
<b>Investments carried at Amortised Cost (Unquoted)</b>		
<b>Investments in Government or trust securities</b>		
National Savings Certificate	26,000	26,000
<b>Total</b>	<b>24,32,000</b>	<b>24,32,000</b>
<b>Aggregate amount of Unquoted Investments</b>	24,06,000	24,06,000
<b>Investment carried at Cost</b>	24,06,000	24,06,000
<b>Note 5 - Loans Non Current</b>		
<b>Financial assets carried at Amortised Cost</b>		
<b>(Unsecured, considered good)</b>		
<b>Financial assets carried at amortised cost</b>		
Security deposits	50,00,835	46,13,033
<b>Total</b>	<b>50,00,835</b>	<b>46,13,033</b>
<b>Note 6 - Deferred Tax Assets/Liabilites (Net)</b>		
<b>Deferred Tax Assets</b>		
Losses/ Unabsorbed Depreciation under Income Tax	32,97,105	1,22,80,384
Expenses allowable against taxable income in future years	43,17,595	25,61,510
<b>Deferred Tax Liabilities</b>		
Timing difference in depreciable assets	(1,01,92,569)	(1,04,59,136)
<b>Total</b>	<b>(25,77,869)</b>	<b>43,82,758</b>
<b>Note 7 - Inventories</b>		
<b>(Valued at lower of cost or net realisable value)</b>		
Raw Materials*	9,25,25,874	7,55,66,452
Packing Materials	31,07,727	23,75,245
Stores & Spare Parts	1,11,30,036	1,07,00,582
Finished Goods (including WIP)	6,50,16,504	2,08,25,178
Trading Goods	7,79,667	24,97,522
<b>Total</b>	<b>17,25,59,808</b>	<b>11,19,64,979</b>
*Includes Stock-In-Transit	1,90,95,333	-

## Notes to Financial Statements as at and for the year ended 31st March, 2019

**Note 8 - Investments - Current****Investment carried at fair value through Profit & Loss****Investments in Mutual Funds (Unquoted)**

NIL (396.142 units) Reliance Money Manager Fund Growth	-	9,48,950
125.841 units Kotak Liquid Growth Fund	4,74,760	-
<b>Total</b>	<b>4,74,760</b>	<b>9,48,950</b>

**Note 9 - Trade Receivables****(Unsecured, considered good)****Financial Assets carried at amortised cost**

Trade receivables-Market	6,52,40,764	6,22,27,138
Subsidy receivable from Central Government	12,08,22,017	14,16,40,740
<b>Total</b>	<b>18,60,62,781</b>	<b>20,38,67,878</b>

**Note 10 - Cash and Cash Equivalents****Financial Assets carried at amortised cost**

Balance with banks	58,246	53,200
Cash in hand	5,41,100	4,48,748
<b>Total</b>	<b>5,99,346</b>	<b>5,01,948</b>

**Note 11 - Other Bank Balances****Financial Assets carried at amortised cost**

Fixed deposits having original maturity more than 3 months but less than 12 months (pledged)	1,03,47,808	1,17,36,970
<b>Total</b>	<b>1,03,47,808</b>	<b>1,17,36,970</b>

**Note 12 - Loans - Current****(Unsecured, considered good)****Financial Assets carried at amortised cost**

Advances to Subsidiary	4,19,35,000	4,19,35,000
Advances to Employees	15,000	45,000
<b>Total</b>	<b>4,19,50,000</b>	<b>4,19,80,000</b>

**Note 13 - Other Financial Assets - Current****(Unsecured, considered good)****Financial Assets carried at amortised cost**

Interest Receivable		
From Banks	5,17,455	4,94,497
From Others	-	2,17,511
Advance recoverable in cash or kind	4,76,75,942	4,76,89,986
<b>Total</b>	<b>4,81,93,397</b>	<b>4,84,01,994</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	As at March 31, 2019	As at March 31, 2018
<b>Note 14 - Other Current Assets</b>		
<b>(Unsecured, considered good)</b>		
Advance to suppliers	1,47,577	7,64,498
Advances against expenses	38,66,020	27,52,211
Prepaid expenses	19,27,920	17,14,699
Input tax receivable	2,95,69,584	2,18,18,637
<b>Total</b>	<b>3,55,11,100</b>	<b>2,70,50,045</b>

**Note 15 - Equity Share Capital****Authorised capital**

1,00,00,000 (1,00,00,000) Equity Shares of Rs.10 each	10,00,00,000	10,00,00,000
1,50,000 (1,50,000) Redeemable Preference Shares of Rs.1000 each	15,00,00,000	15,00,00,000
	<b>25,00,00,000</b>	<b>25,00,00,000</b>

**Issued, subscribed and Paid-up capital**

36,07,480 (36,07,480) equity shares of Rs.10 each	3,60,74,800	3,60,74,800
	<b>3,60,74,800</b>	<b>3,60,74,800</b>

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.**

	31 March, 2019		31 March, 2018	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	36,07,480	3,60,74,800	36,07,480	3,60,74,800
Add : Share issued during the year	-	-	-	-
<b>Equity shares at the end of the year</b>	<b>36,07,480</b>	<b>3,60,74,800</b>	<b>36,07,480</b>	<b>3,60,74,800</b>

**b) Rights/preferences/restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares in the Company**

	As on 31 March, 2019		As on 31 March, 2018	
	No of shares	% holding	No of shares	% holding
Madhav Trading Corpn. Ltd.	3,74,880	10.39	3,74,880	10.39
Shrivats Khaitan	2,31,000	6.40	2,31,000	6.40
Life Insurance Corporation of India	1,89,240	5.25	1,89,240	5.25

## Notes to Financial Statements as at and for the year ended 31st March, 2019

	As at March 31,2019	Amount in Rs. As at March 31,2018
<b>Note 16 - Other Equity</b>		
<b>Securities Premium</b>		
Opening Balance	2,62,50,000	2,62,50,000
Addition during the Year	-	-
	<u>2,62,50,000</u>	<u>2,62,50,000</u>
<b>General Reserve</b>		
Opening Balance	64,60,34,254	64,60,34,254
Addition during the Year	-	-
Add : Amount Transferred from Retained Earnings	10,00,000	-
	<u>64,70,34,254</u>	<u>64,60,34,254</u>
<b>Retained Earnings</b>		
Opening Balance	(1,06,67,722)	(2,60,41,154)
Profit for the Year	1,43,81,729	1,53,73,432
Less : Amount Transferred to General Reserve	(10,00,000)	-
	<u>27,14,007</u>	<u>(1,06,67,722)</u>
<b>Other Comprehensive Income</b>		
Opening Balance	(17,30,255)	(6,84,030)
Addition during the Year	2,83,587	(10,46,225)
	<u>(14,46,668)</u>	<u>(17,30,255)</u>
<b>Total</b>	<u>67,45,51,592</u>	<u>65,98,86,277</u>
<b>Note 17 - Borrowings (Non Current)</b>		
<b>Financial Liabilities carried at amortised cost</b>		
<b>Secured</b>		
Term loans from Non Banking financial Institution	4,92,38,294	20,00,000
Less : Current maturities of Term Loan (refer note 22)	49,09,949	20,00,000
	<u>4,43,28,345</u>	-
Vehicle Loans from Banks	24,65,740	21,23,543
Less : Current maturities of Vehicle Loan (refer note 22)	6,11,383	4,71,493
	<u>18,54,357</u>	<u>16,52,050</u>
<b>Unsecured</b>		
From Limited Companies		
Finance lease obligations		
From Limited Companies		
From Related Parties	8,90,00,000	8,50,00,000
From Other	1,10,00,000	1,50,00,000
<b>Total</b>	<u>14,61,82,702</u>	<u>10,16,52,050</u>

## Notes to Financial Statements as at and for the year ended 31st March, 2019

Repayment term and nature of securities given for term loan and vehicle loan as follows :

### a) Nature of Security :

Term Loan from Aditya Birla Capital is secured by pari passu first charge on Industrial Property located at holding No. 37, Rishi Bankim Chandra Road, J.L-15, Mouja-Mahesh, P.O - Rishra under Rishra Municipality ward no. 4, Hooghly and the entire fixed assets & pari passu second charge on current assets of the company. Interest rate is 12.25%.

### Repayment Terms :

Repayable in 84 equal monthly installment of Rs.8,89,336 commencing from February '2019.

### b) Nature of Security :

Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme. Interest rate is 9.20-10.90%.

### Repayment Terms :

- (i) Vehicle loan from State Bank of India repayable in 36 equal monthly installment of Rs.14,065 commencing from December, 2017
- (ii) Vehicle loan from State Bank of Mysore repayable in 84 equal monthly installment of Rs.13,740 commencing from November, 2013.
- (iii) Vehicle loan from Syndicate Bank (1) repayable in 75 equal monthly installment of Rs.12,373.85 commencing from December, 2015.
- (iv) Vehicle loan from Syndicate Bank (2) repayable in 81 equal monthly installment of Rs.14,719.19 commencing from May, 2018
- (v) Vehicle loan from Syndicate Bank (3) repayable in 84 equal monthly installment of Rs.13,980.78 commencing from March, 2019

	As at March 31,2019	Amount in Rs. As at March 31,2018
<b>Note 18 - Other financial liabilities - Non Current</b>		
<b>Financial Liabilities carried at amortised cost</b>		
Deposit from Dealer	1,12,13,178	1,24,74,756
<b>Total</b>	<b>1,12,13,178</b>	<b>1,24,74,756</b>
<b>Note 19 - Provisions - Non Current</b>		
<b>Provisions for Employee Benefits</b>		
Leave Encashment	60,84,793	55,80,045
Less : Current Liability (refer note 24)	37,85,541	26,61,849
<b>Total</b>	<b>22,99,252</b>	<b>29,18,196</b>
<b>Note 20 - Borrowings - Current</b>		
<b>Financial Liabilities carried at amortised cost</b>		
<b>Secured</b>		
From Banks		
Cash Credit	16,18,95,076	17,21,18,417
<b>Unsecured</b>		
From Limited Companies		
From Related Parties	2,12,00,000	87,50,000
From Other	7,00,000	3,43,00,000
<b>Total</b>	<b>18,37,95,076</b>	<b>21,51,68,417</b>

Cash Credit Loan from Bank is secured by entire stocks of inventory, receivables and other current assets of the company on pari-passu first charge basis & collaterally secured by second charge on Factory Land & Building. Current Interest Rate is 11.05-12.40%

## Notes to Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	As at March 31,2019	As at March 31,2018
<b>Note 21 - Trade payables</b>		
<b>Financial Liabilities carried at amortised cost</b>		
MSMED [refer note (a) below]	6,23,966	—
Other Trade Payable	13,13,43,339	12,21,14,076
<b>Total</b>	<b>13,19,67,305</b>	<b>12,21,14,076</b>
<b>Notes :</b>		
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal amount due to micro and small enterprise Interest due on above	6,23,966	—
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	—	—
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	—	—
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	—	—
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	—	—
The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.		
<b>Note 22 - Other Financial Liabilities - Current</b>		
<b>Financial Liabilities carried at amortised cost</b>		
Current Maturities of Term loans (refer note 17)	49,09,949	20,00,000
Current Maturities of Vehicle loans (refer note 17)	6,11,383	4,71,493
Interest accrued and due	43,67,018	82,23,536
Employee Benefits	16,81,155	15,01,970
<b>Financial Liabilities carried at Fair Value through Profit &amp; Loss</b>		
(Gain)/Loss on Fair Valuation of Forward Contracts	(8,03,698)	2,44,643
<b>Total</b>	<b>1,07,65,807</b>	<b>1,24,41,642</b>
<b>Note 23 - Other Current Liabilities</b>		
Advance from customers	43,20,886	64,01,890
Duties & Taxes		
Statutory & other dues payables	1,12,64,397	1,04,90,688
Liability for expenses	50,85,693	77,13,098
<b>Total</b>	<b>2,06,70,976</b>	<b>2,46,05,676</b>



## Notes to Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	As at March 31,2019	As at March 31,2018
<b>Note 24 - Provisions - Current</b>		
Provisions for Employee Benefits		
Leave Encashment (refer note No. 19)	37,85,541	26,61,849
<b>Total</b>	<b>37,85,541</b>	<b>26,61,849</b>
<b>Note 25 - Current Tax Liabilities (Net)</b>		
Provision for Income Tax (Net of Advance Tax)	57,71,923	10,43,380
<b>Total</b>	<b>57,71,923</b>	<b>10,43,380</b>
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Note 26 - Other income</b>		
Interest income on		
Fixed Deposits	10,41,444	10,66,835
Others	62,132	37,819
Profit on sales of Property, plant and equipment	88,977	55,990
Liability no longer required written back	9,86,847	6,32,378
Insurance claim received	-	46,673
Profit on Redemption of Mutual Fund	88,584	8,312
Gain on measuring investments at FVTPL	(24,190)	48,264
Scrap Sales	3,75,842	4,44,570
<b>Total</b>	<b>26,19,636</b>	<b>23,40,841</b>
<b>Note 27 - Cost of Material Consumed</b>		
Raw Materials	42,86,25,058	32,57,91,979
Packing Materials	1,69,93,992	1,61,40,506
<b>Total</b>	<b>44,56,19,050</b>	<b>34,19,32,485</b>
<b>Note 28 - Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress</b>		
Closing Stock		
Finished Goods	6,50,16,504	2,08,25,178
Trading Goods	7,79,667	24,97,522
Less : Opening Stock		
Finished Goods	(2,08,25,178)	(2,72,39,443)
Trading Goods	(24,97,522)	(74,48,100)
<b>Total</b>	<b>4,24,73,471</b>	<b>(1,13,64,843)</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Note 29 - Employee benefit expenses</b>		
Salaries, wages and bonus	2,19,98,903	2,14,25,379
Staff welfare	34,43,567	31,62,579
Contribution to Provident & other funds	32,19,333	28,70,634
<b>Total</b>	<b><u>2,86,61,803</u></b>	<b><u>2,74,58,592</u></b>
<b>Note 30 - Finance Cost</b>		
Interest	4,57,73,538	4,88,67,586
Bank charges	25,40,964	33,15,782
Foreign Exchange Rate Fluctuation	26,25,555	(14,24,204)
Other Charges	-	1,00,000
<b>Total</b>	<b><u>5,09,40,057</u></b>	<b><u>5,08,59,164</u></b>
<b>Note 31 - Other Expenses</b>		
Consumption of Stores and Spares	71,61,000	79,52,820
Power and Fuel Expenses	2,51,24,417	2,15,85,269
Repair to :		
Building	11,30,710	9,69,306
Machinery	13,48,010	6,44,497
Others	4,94,242	3,06,199
Manufacturing & Supervision Charges	1,44,54,161	1,30,09,405
Storage & Handling Expenses	1,46,00,420	1,75,50,699
Packing Expenses	49,82,990	47,72,667
Freight, Delivery Expenses	8,52,09,476	7,38,39,129
Selling Expenses	45,27,060	1,04,38,201
Rent	10,76,633	5,20,400
Rates and Taxes	17,44,466	10,69,181
Payment to Auditors :		
Audit Fee	50,000	50,000
Certification Fee	65,000	60,878
Legal & Professional Expenses	48,24,548	26,76,777
Director's Fees :		
Sitting Fees	3,60,000	3,40,000
Audit Committee Fee	1,71,500	1,28,000
Information & Technology Expenses	55,573	59,419
Insurance Charges	3,54,817	3,48,982
Motor Vehicle Expenses	11,75,771	12,11,661
Other Maintenance Expenses	22,22,860	21,40,855
Miscellaneous Expenses	61,78,461	29,52,067
<b>Total</b>	<b><u>17,73,12,115</u></b>	<b><u>16,26,26,412</u></b>

## Notes to Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Note 32 - Effective tax reconciliation</b>		
<b>Income Tax Recognised in Statement of Profit &amp; Loss</b>		
Current Tax	61,21,566	14,07,113
Deferred Tax	69,60,627	49,36,473
<b>Total Income Tax Expense recognised in the current year</b>	<b>1,30,82,193</b>	<b>63,43,586</b>
The income tax expense can be reconciled to the accounting profit as follows :		
Profit before tax	2,75,78,466	2,17,17,018
Applicable tax rate	27.82%	27.55%
Computed Tax Expense	<b>76,72,329</b>	<b>59,83,581</b>
<b>Tax Effect of :</b>		
Benefit on account of Unabsorbed losses under income tax	(89,83,279)	(98,55,014)
Timing difference in respect of expenses allowed under income tax	13,10,950	38,71,433
Liability under Minimum Alternate Tax	61,21,566	14,07,113
<b>Current Tax Provisions ( A )</b>	<b>61,21,566</b>	<b>14,07,113</b>
Reversal of Deferred Tax Asset on unabsorbed losses under Income Tax	89,83,279	98,55,014
Deferred Tax Asset on items allowed on payment basis	(20,22,652)	(49,18,541)
<b>Deferred Tax Provision ( B )</b>	<b>69,60,627</b>	<b>49,36,473</b>
<b>Tax expenses recognised in the statement of Profit &amp; Loss ( A+B)</b>	<b>1,30,82,193</b>	<b>63,43,586</b>
<b>Effective Tax Rate</b>	<b>47.44%</b>	<b>29.21%</b>
<b>Note 33 - Earnings per equity share</b>		
Profit as per Statement of Profit and Loss	1,43,81,729	1,53,73,432
Weighted average number of equity shares	36,07,480	36,07,480
<b>Earnings per share - Basic and Diluted</b>	<b>3.99</b>	<b>4.26</b>
	As at	As at
	March 31,2019	March 31,2018
<b>Note 34 - Contingencies and Commitments</b>		
<b>(to the extent not provided for)</b>		
<b>I) Guarantees given</b>		
Guarantees given by the Group not acknowledged as debt	1,99,660	1,99,660
<b>Total</b>	<b>1,99,660</b>	<b>1,99,660</b>
<b>II) Commitments</b>		
Commitment of Capital Expenditure not provided for in the accounts (Estimated)	28,00,000	5,70,000
<b>Total</b>	<b>28,00,000</b>	<b>5,70,000</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2019

Amount in Rs.

**Note 35 - Employee Benefit Obligations**

	As at March 31, 2019	As at March 31, 2018
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**I) Defined Contribution Plan**

Contribution to defined contribution plan, recognized are charged off during the year as follows :

Employers' Contribution to Provident Fund

	13,98,227	12,63,473
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**II) Defined Benefit Plan**

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through a recognised funded scheme. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	Gratuity		Accumulated Leave	
	Funded		Unfunded	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
<b>(i) Amount recognised in the statement of profit and loss is as under :</b>				
Current service cost	7,43,624	7,13,131	3,87,055	3,89,168
Interest cost	(2,596)	(30,196)	4,18,503	3,46,367
Actuarial loss/(gain) recognized during the year	-	-	(3,00,809)	4,66,986
<b>Amount recognised in the statement of profit and loss</b>	<b>7,41,028</b>	<b>6,82,935</b>	<b>5,04,749</b>	<b>12,02,521</b>
<b>(ii) Changes in Present Value Obligation</b>				
Present value of defined benefit obligation as at the start of the year	1,51,90,382	1,29,73,221	55,80,045	45,61,000
Current service cost	7,43,624	7,13,131	3,87,055	3,89,168
Interest cost	11,39,279	9,80,172	4,18,503	3,46,367
Actuarial loss/(gain) recognized during the year	(55,462)	11,75,551	(3,00,810)	4,66,987
Benefits paid	-	(6,51,693)	-	(1,83,476)
<b>Present value of Defined Benefit Obligation as at the end of the year</b>	<b>1,70,17,823</b>	<b>1,51,90,382</b>	<b>60,84,793</b>	<b>55,80,045</b>
<b>(iii) Change in fair value of plan assets</b>				
Fair value of plan assets as at the start of the year	1,52,25,000	1,30,37,000	-	-
Return on plan assets	2,28,125	1,29,326	-	-
Interest Income	11,41,875	10,10,368	-	-
Actuarial loss/(gain)	-	-	-	-
Contribution	5,00,000	17,00,000	-	-
Benefits paid	-	(6,51,693)	-	(1,83,476)
<b>Fair value of plan assets as at the end of the year</b>	<b>1,70,95,000</b>	<b>1,52,25,000</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of present value of defined benefit obligation and the fair value of plan assets</b>				
Funded Status	77,177	34,618	-	-
Present value obligation as at the end of the year	1,70,17,823	1,51,90,382	60,84,793	55,80,045
Fair value of plan assets as at the end of the year	1,70,95,000	1,52,25,000	-	-
<b>Net liability/(asset) recognized in balance sheet</b>	<b>-</b>	<b>-</b>	<b>60,84,793</b>	<b>55,80,045</b>
<b>Amount recognised in the statement of Other Comprehensive Income</b>				
Actuarial (Gain)/Loss for the year on Present value of obligation	88,186	(1,82,391)	-	-
Actuarial (Gain)/Loss for the year on Asset	(1,43,648)	13,57,942	-	-
Return on Plan Asset, Excluding Interest Income	2,28,125	1,29,326	-	-
<b>Unrecognised actuarial (Gain)/Loss at the end of the year</b>	<b>(2,83,587)</b>	<b>10,46,225</b>	<b>-</b>	<b>-</b>
<b>Breakup of Actuarial gain/loss :</b>				
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	88,186	(1,82,391)	-	-
Actuarial (gain)/loss on arising from experience adjustment	(1,43,648)	13,57,942	-	-

## Notes to Financial Statements as at and for the year ended 31st March, 2019

	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
<b>Assumptions</b>				
<b>Financial Assumptions</b>				
Discount rate p.a.	7.75%	7.75%	7.50%	7.75%
Rate of increase in salary p.a.	7.50%	7.50%	7.50%	7.50%
<b>Demographic Assumptions</b>				
Attrition Rate	1.00%	1.00%	1.00%	1.00%
Super Annuation Age	58 Years	58 Years	58 Years	58 Years
Average expected future service	6 Years	6 Years	5 Years	6 Years

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**Sensitivity Analysis**

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determind based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

**Sensitivity analysis for Gratuity**

	As at 31 March, 2019		As at 31 March, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	1,68,43,560	1,72,00,935	1,50,16,300	1,53,72,818
% Change Compared to base due to sensitivity	-1.02%	1.08%	-1.15%	1.20%
Salary Growth (-/+ 0.5%)	1,71,99,063	1,68,43,560	1,53,71,451	1,50,15,996
%Change Compared to base due to sensitivity	1.07%	-1.02%	1.19%	-1.15%
Attrition Rate (-/+ 0.5%)	1,70,21,397	1,70,14,249	1,51,93,724	1,51,87,040
%Change Compared to base due to sensitivity	0.02%	-0.02%	0.02%	-0.02%
Mortality Rate (-/+ 10%)	1,70,43,350	1,69,92,296	1,52,16,509	1,51,64,255
%Change Compared to base due to sensitivity	0.15%	-0.15%	0.17%	-0.17%

**Sensitivity analysis for Accumulated Leave**

	As at 31 March, 2019		As at 31 March, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	59,94,783	61,80,545	54,90,365	56,75,135
%Change Compared to base due to sensitivity	-1.52%	-1.62%	-1.61%	1.70%
Salary Growth (-/+ 0.5%)	61,79,636	59,94,805	56,74,458	54,90,183
%Change Compared to base due to sensitivity	1.61%	-1.52%	1.69%	-1.61%
Attrition Rate (-/+ 0.5%)	60,87,147	60,82,439	55,82,278	55,77,814
%Change Compared to base due to sensitivity	0.04%	-0.04%	-0.04%	-0.04%
Mortality Rate (-/+ 10%)	60,96,902	60,72,684	55,92,549	55,67,543
%Change Compared to base due to sensitivity	0.21%	-0.21%	0.22%	-0.22%

The Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

## Notes to Financial Statements as at and for the year ended 31st March, 2019

## Expected contribution during the next annual reporting period :

Particulars	Gratuity
The Company's best estimate of contribution during the next year	83,801

	Allocation of Plan Asset (Amt in Rs.) Gratuity (Funded)		Allocation in % of Plan Asset Gratuity (Funded)	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
<b>Table Showing Allocation of Plan Asset at the end Measurement Period</b>				
Cash & Cash Equivalents	4,91,000	7,03,404	2.87%	4.62%
Special Deposit Scheme	5,19,833	5,19,833	3.04%	3.41%
State Government Securities	92,32,320	82,40,090	54.01%	54.12%
Government of India Securities	2,01,250	2,01,250	1.18%	1.32%
Corporate Bonds	56,38,165	46,50,065	32.98%	30.54%
Debt Securities	3,15,000	2,15,000	1.84%	1.41%
Other	6,97,432	6,95,358	4.08%	4.57%
<b>Total</b>	<b>1,70,95,000</b>	<b>1,52,25,000</b>	<b>100.00%</b>	<b>100.00%</b>

## Note 36 - Financial instruments and other related disclosures

## i. Capital Management

The Company's capital management is driven by its policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the company's capital. The Management monitors the capital structure and the net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short term investments.

The debt equity ratio highlights the ability of a business to repay its debts. As at 31st March, 2019, the ratio is 0.4622

Particulars	Amount in Rs.	
	31 March, 2019	31 March, 2018
Equity Share Capital	3,60,74,800	3,60,74,800
Other Equity	67,45,51,592	65,98,86,277
<b>Total Equity (A)</b>	<b>71,06,26,392</b>	<b>69,59,61,077</b>
Non-Current Borrowings	14,61,82,702	10,16,52,050
Short Term Borrowings	19,36,83,426	22,58,63,446
<b>Total Borrowings (Gross Debt) (B)</b>	<b>33,98,66,128</b>	<b>32,75,15,496</b>
Less : Investments	(5,00,760)	(9,74,950)
Less : Cash and Cash Equivalents	(5,99,346)	(5,01,948)
Less : Other Bank Balances	(1,03,47,808)	(1,17,36,970)
<b>Net Debt (C)</b>	<b>32,84,18,214</b>	<b>31,43,01,628</b>
<b>Net Debt to Equity (C/A)</b>	<b>0.4622</b>	<b>0.4516</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2019

**Disclosures on Financial Instruments**

## I) Financial Instruments by Category

**As at March 31, 2019**

Amount in Rs.

Particulars	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>				
Investments	26,000	4,74,760	5,00,760	5,00,760
Trade Receivables	18,60,62,781	-	18,60,62,781	18,60,62,781
Cash and Cash Equivalents	5,99,346	-	5,99,346	5,99,346
Other Bank Balances	1,03,47,808	-	1,03,47,808	1,03,47,808
Loans	4,69,50,835	-	4,69,50,835	4,69,50,835
Other Financial Assets	4,81,93,397	-	4,81,93,397	4,81,93,397
<b>Total Financial Assets</b>	<b>29,21,80,168</b>	<b>4,74,760</b>	<b>29,26,54,928</b>	<b>29,26,54,928</b>
<b>Financial Liabilities</b>				
Borrowings	32,99,77,778	-	32,99,77,778	32,99,77,778
Trade Payables	13,19,67,305	-	13,19,67,305	13,19,67,305
Other Financial Liabilities	2,19,78,985	(8,03,698)	2,11,75,287	2,11,75,287
<b>Total Financial Liabilities</b>	<b>48,39,24,068</b>	<b>(8,03,698)</b>	<b>48,31,20,370</b>	<b>48,31,20,370</b>

**As at March 31, 2018**

Particulars	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>				
Investments	26,000	9,48,950	9,74,950	9,74,950
Trade Receivables	20,38,67,878	-	20,38,67,878	20,38,67,878
Cash and Cash Equivalents	5,01,948	-	5,01,948	5,01,948
Other Bank Balances	1,17,36,970	-	1,17,36,970	1,17,36,970
Loans	4,65,93,033	-	4,65,93,033	4,65,93,033
Other Financial Assets	4,84,01,994	-	4,84,01,994	4,84,01,994
<b>Total Financial Assets</b>	<b>31,11,27,823</b>	<b>9,48,950</b>	<b>31,20,76,773</b>	<b>31,20,76,773</b>
<b>Financial Liabilities</b>				
Borrowings	31,68,20,467	-	31,68,20,467	31,68,20,467
Trade Payables	12,21,14,076	-	12,21,14,076	12,21,14,076
Other Financial Liabilities	2,46,71,755	2,44,643	2,49,16,398	2,49,16,398
<b>Total Financial Liabilities</b>	<b>46,36,06,298</b>	<b>2,44,643</b>	<b>46,38,50,941</b>	<b>46,38,50,941</b>

## Notes to Financial Statements as at and for the year ended 31st March, 2019

**(ii) Fair value hierarchy**

All Financial Assets & Financial Liabilities are carried at amortised cost except Current Investments and Foreign Currency Future Contracts, which have been fair valued.

Level 1 – Quoted (adjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table represents the fair value hierarchy of Financial Assets and Financial Liabilities measured at Fair Value on a recurring basis :

Particulars	Fair Value Hierarchy Level	Amount in Rs.	
		31 March, 2019	31 March, 2018
<b>Financial Assets</b>			
Current Investments	Level 1	4,74,760	9,48,950
Derivative financial instruments - Foreign Currency Forward Contracts	Level 2	(8,03,698)	2,44,643

**(iii) Financial risk management objectives and policies****Financial risk factors**

The Company's activities expose it to a variety of financial risks : market risk, liquidity risk & credit risk which may adversely impact the fair value of its financial instruments. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**(A) Market risk**

Market risk comprises interest rate risk & foreign currency risk. Financial instruments affected by market risk include loans and borrowings in foreign currencies.

**(a) Interest rate risk**

The Company is exposed to interest rate risk because the Company borrow funds both at fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

**(b) Foreign currency risks**

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange rate risk exposure is primarily due to trade payables denominated in foreign currency. The Company is restricting its exposure of risk in change in exchange rates by way of Forward/Future Contracts.

Particulars	31 March 2019	31 March 2018
Foreign Currency Payable (Amount in USD)	15,27,850	16,13,693

**(B) Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital facilities from various banks. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry low market risk.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

Particulars	31 March, 2019	31 March, 2018
One Year or less		
Borrowings	18,37,95,076	21,51,68,417
Trade Payables	13,19,67,305	12,21,14,076
Other Financial Liabilities	1,07,65,807	1,24,41,642
More than One Year		
Borrowings	14,61,82,702	10,16,52,050
Other Financial Liabilities	1,12,13,178	1,24,74,756



## Notes to Financial Statements as at and for the year ended 31st March, 2019

### (C) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness.

Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The Company has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company manages risks through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business.

### Note 37 - Related Party Disclosures :

#### List of Related Parties :

<u>1. Subsidiary</u>	<u>Relation</u>	<u>Extent of Holding</u>
Abhinandan Goods Pvt. Ltd.	Subsidiary	100%
<u>2. Key Management Personnel</u>		
Shri Suresh Kumar Bangur	Executive Director & CEO	
Shri Ajay Bangur	President & CFO	
Shri Shankar Banerjee	Company Secretary & Compliance Officer	
<u>3. Other Directors</u>		
Shri Binod Khaitan	Non-Executive Director	
Shri Hemant Bangur	Non-Executive Director	
Shri Dilip P Goculdas	Independent Director	
<u>4. Entities over which Director, Key Managerial Personnel and their relatives have significant influence with whom transaction have taken place during the year</u>		
Art Finance & Trade Pvt. Ltd.		
Credwyn Holdings India Pvt. Ltd.		
Cochin Estates Ltd		
Gloster Limited		
Devendra Finvest & Holding Pvt Ltd		
Joonktolle Tea & Industries Ltd.		
Maxworth Industrial Services Ltd		
Kanchan Udyog Ltd.		
Kettlewell Bullen & Co. Ltd		
Kherapati Vanijya Ltd.		
Wind Power Vinimay Pvt Ltd		
PDGD Investments & Trading Private Ltd		
Noshirvan & Company Private Limited		
Chintamani Holdings Pvt. Ltd.		
Mani Invest Brokers Private Limited		

## Notes to Financial Statements as at and for the year ended 31st March, 2019

The following table summarises related-party transactions included in the financial statements for the year ended March 31, 2019 & March 31, 2018 and details of outstanding balances as on March 31, 2019 & March 31, 2018

Nature of Transactions	Subsidiary (1)	Key Managerial Personnel & Other Directors (2+3)	Entities where Director KMP and relatives have significant influence (4)	Amount in Rs (lacs)
				Total
Salary and Other Benefits	-	<b>52,79,661</b>	-	<b>52,79,661</b>
	-	<i>49,20,108</i>	-	<i>49,20,108</i>
Contribution to Provident Fund & Superannuation Policy	-	<b>13,52,550</b>	-	<b>13,52,550</b>
	-	<i>12,64,404</i>	-	<i>12,64,404</i>
Other Perquisites	-	<b>17,03,087</b>	-	<b>17,03,087</b>
	-	<i>16,38,015</i>	-	<i>16,38,015</i>
Meeting Fees	-	<b>4,90,000</b>	-	<b>4,90,000</b>
	-	<i>4,25,000</i>	-	<i>4,25,000</i>
Interest on Loan	-	-	<b>2,54,39,332</b>	<b>2,54,39,332</b>
	-	-	<i>3,01,29,430</i>	<i>3,01,29,430</i>
Loan Taken	-	-	<b>26,90,50,000</b>	<b>26,90,50,000</b>
	-	-	<i>20,09,00,000</i>	<i>20,09,00,000</i>
Loan Repaid	-	-	<b>28,16,00,000</b>	<b>28,16,00,000</b>
	-	-	<i>24,38,00,000</i>	<i>24,38,00,000</i>
Outstanding Receivable	<b>4,19,35,000</b>	-	-	<b>4,19,35,000</b>
	<i>4,19,35,000</i>	-	-	<i>4,19,35,000</i>
Outstanding Payable	-	-	<b>11,38,14,568</b>	<b>11,38,14,568</b>
	-	-	<i>11,44,15,579</i>	<i>11,44,15,579</i>

**Note 38** - A Part of Land and Building there on 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.

**Note 39** - The Company has preferred an appeal before High Court Kolkata against dismissal of writ petition earlier filed by the Company for recovery of Freight Rebate.

**Note 40** - Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

**Note 41** - Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to conform to the current year presentation.

As per our report of even date attached.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhota**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors

**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]

**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**The Phosphate Company Limited**

**Report on the audit of Consolidated Ind AS financial statements**

### Opinion

We have audited the accompanying consolidated financial statements of The Phosphate Company Limited ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 ("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 Company as at March 31, 2019, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

#### Revenue Recognition

We have identified this as an area of importance because the Group's revenue is a material item in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period and disclosures thereof.

Our audit procedures included but were not limited to :

- Evaluation of the Group's accounting principles in relation to implementation of the new revenue accounting standard;
- Created an understanding of the Group's routines and internal controls associated with revenue recognition;
- Examination of a selection of transactions to ensure that they have been reported correctly according to agreements and in the correct periods;

#### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included Other Section of Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it related to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of the Management and those charge with governance for the Consolidated Ind AS financial statements**

The Holding Company's Board of Directors is responsible for the matters preparation & presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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; 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has an adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group's to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements/financial information of subsidiary, whose financial statements/financial information reflect total assets of Rs. 1016.50 Lakhs as at 31st March 2019, total revenue of Nil and net cash inflows amounting to Rs.1.10 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this 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 Ind AS 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 auditors and the financial statements / financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated Ind AS financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2019 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 A" to this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. 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 consolidated Ind AS financial statements disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 34 of the Consolidated Ind AS financial statements).
  - ii. The Group did 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 Holding Company.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration No. 306033E

Hemant Kumar Lakhotia  
(Partner)

Membership No. 068851

Place : Kolkata  
Dated : 30th May, 2019

## Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of The Phosphate Company ("the Holding Company") and its subsidiary incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ('ICAI'). 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 respective 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") issued by ICAI 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 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 consolidated Ind AS 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 internal financial controls system over financial reporting of the Holding Company and subsidiary companies, which are companies incorporated in India.

### 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 31 March 2019, 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.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to aforesaid subsidiary company, is based solely on the report of the other auditor.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration No. 306033E

Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851

Place : Kolkata  
Dated : 30th May, 2019

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

Amount in Rs.

Particulars	Notes	31st March, 2019	31st March, 2018
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
a) Property, Plant and Equipment	3	80,80,25,504	81,31,31,059
b) Capital Work-in-Progress	3	1,72,44,451	1,24,92,998
c) Financial Assets			
i) Investments	4	26,000	26,000
ii) Loans	5	50,00,835	46,13,033
d) Deferred Tax Assets (Net)	6	-	44,94,647
		<b>83,02,96,790</b>	<b>83,47,57,737</b>
<b>II. Current assets</b>			
a) Inventories	7	17,25,59,808	11,19,64,979
b) Financial Assets			
i) Investments	8	4,74,760	9,48,950
ii) Trade Receivables	9	18,86,09,532	20,64,14,629
iii) Cash and Cash Equivalents	10	8,13,237	6,05,237
iv) Other Bank Balances	11	1,03,47,808	1,17,36,970
v) Loans	12	15,000	45,000
vi) Other Financial Assets	13	4,81,93,397	4,84,01,994
c) Other Current Assets	14	3,55,11,101	2,70,50,045
		<b>45,65,24,643</b>	<b>40,71,67,804</b>
<b>Total Assets</b>		<b>1,28,68,21,433</b>	<b>1,24,19,25,541</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
a) Equity Share Capital	15	3,60,74,800	3,60,74,800
b) Other Equity	16	67,46,84,484	66,01,51,572
		<b>71,07,59,284</b>	<b>69,62,26,372</b>
<b>B. Liabilities</b>			
<b>I. Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	17	14,61,82,702	10,16,52,050
ii) Other Financial Liabilities	18	1,12,13,178	1,24,74,756
b) Provisions	19	22,99,252	29,18,196
c) Deferred Tax Liabilities (Net)	6	24,34,351	-
		<b>16,21,29,483</b>	<b>11,70,45,002</b>
<b>II. Current liabilities</b>			
a) Financial Liabilities			
i) Borrowings	20	24,08,05,076	26,55,35,611
ii) Trade Payables	21	13,19,67,305	12,21,14,076
iii) Other Financial Liabilities	22	1,07,65,807	1,24,41,642
b) Other Current Liabilities	23	2,08,37,014	2,48,57,609
c) Provisions	24	37,85,541	26,61,849
d) Current Tax Liabilities (Net)	25	57,71,923	10,43,380
		<b>41,39,32,666</b>	<b>42,86,54,167</b>
<b>Total Equity and Liabilities</b>		<b>1,28,68,21,433</b>	<b>1,24,19,25,541</b>
Significant Accounting Policies	2		
Notes to Financial Statements	3-41		
As per our report of even date attached			

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhotia**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors

**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]

**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]



**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

Particulars	Notes	Amount in Rs.	
		31st March, 2019	31st March, 2018
<b>I. Income</b>			
Gross Sales / Income from Operations		77,40,97,579	75,45,72,036
Less : Discounts, Rebates & Taxes		(5,08,80,487)	(6,33,83,884)
Revenue from Operations		72,32,17,092	69,11,88,152
Other Income	26	26,19,636	23,40,841
<b>Total income</b>		<b>72,58,36,728</b>	<b>69,35,28,993</b>
<b>II. Expenses</b>			
Cost of Material Consumed	27	44,56,19,050	34,19,32,485
Purchase of Trading Goods		2,69,20,016	6,66,48,258
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(4,24,73,471)	1,13,64,843
Excise duty on Sale of Goods		–	5,93,615
Employee Benefit Expenses	29	2,87,99,294	2,75,85,488
Other Expenses	31	17,73,37,057	16,26,48,524
<b>Total expenses</b>		<b>63,62,01,946</b>	<b>61,07,73,213</b>
<b>III. Earnings before Interest, Depreciation and Tax (EBIDTA)</b>		<b>8,96,34,782</b>	<b>8,27,55,780</b>
Finance Costs	30	5,09,41,656	5,08,61,955
Depreciation and Amortisation Expense	3	1,12,78,692	1,03,34,605
<b>IV. Profit / (Loss) before tax</b>		<b>2,74,14,434</b>	<b>2,15,59,220</b>
<b>V. Tax expense :</b>			
(1) Current tax	32	61,21,566	14,07,113
(2) Provision for Earlier Years		1,14,544	–
(3) Deferred tax	32	69,28,998	48,95,705
<b>VI. Profit / (Loss) for the period</b>		<b>1,42,49,326</b>	<b>1,52,56,402</b>
<b>VII. Other Comprehensive Income</b>			
Items that will not be classified to statement of Profit or Loss			
Remeasurements of the defined benefit liabilities		2,83,587	(10,46,225)
Tax impact on above		–	–
<b>Total Comprehensive Income for the Year</b>		<b>1,45,32,913</b>	<b>1,42,10,177</b>
Earnings per equity share			
Basic & Diluted	33	3.95	4.23
Cash		9.00	8.45

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhotia**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors

**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]

**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

## Consolidated Cash Flow Statement for the year ended 31st March, 2019

Particulars	Amount in Rs.	
	31st March, 2019	31st March, 2018
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	2,74,14,434	2,15,59,219
<b>Add : Adjustments for Non Cash &amp; Non Operating Items</b>		
Interest Received	(11,03,575)	(11,04,653)
Interest Paid	4,57,73,538	4,88,67,586
Depreciation of Property, Plant & Equipment	1,12,78,692	1,03,34,605
Liability no longer required written back	(9,86,848)	(6,32,379)
Profit on Redemption of Mutual Fund	(88,584)	(8,312)
(Gain)/loss on Measuring investments at Fair Value through Profit or loss	24,190	(48,264)
Profit on Sale of Property, Plant and Equipment	(88,977)	(42,814)
<b>Operating Profit before Working Capital Changes</b>	<b>8,22,22,870</b>	<b>7,89,24,988</b>
<b>Add : Increase /Decrease in Working Capital</b>		
Increase in Current Liabilities	41,56,798	2,47,54,344
(Increase)/Decrease in Non-Current/Current Financial and other Assets	(74,59,695)	(2,10,34,919)
Increase/(Decrease) in Non-Current/Current Financial and other Liabilities	(6,18,944)	3,41,839
Increase/(Decrease) in Provision	14,07,279	(4,68,026)
(Increase)/Decrease in Inventories	(6,05,94,829)	(1,40,14,214)
(Increase)/Decrease Trade & Other Receivables	1,90,30,542	2,00,23,234
	<b>(4,40,78,849)</b>	<b>96,02,258</b>
<b>Cash generated from Operation</b>	<b>3,81,44,021</b>	<b>8,85,27,246</b>
Less : Direct Tax Paid	(15,07,567)	(1,07,517)
<b>Net Cash flow from Operating Activities</b>	<b>3,66,36,454</b>	<b>8,84,19,729</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment/Capital Work in Progress	(1,13,89,277)	(1,39,89,507)
Proceeds from sale of Property, plant and equipment	5,53,664	1,82,487
Interest Received	11,03,575	11,04,653
Proceeds from Sale of Mutual Fund	10,37,534	5,08,998
Purchase of Mutual Fund	(4,98,950)	(9,00,686)
<b>Net Cash used in Investing Activities</b>	<b>(91,93,454)</b>	<b>(1,30,94,055)</b>
<b>C. Cash Flow from Financing Activities</b>		
Net Proceeds from Borrowings	1,85,38,539	(2,66,08,782)
Less : Interest Paid	(4,57,73,538)	(4,88,67,586)
<b>Net Cash used in Financing Activities</b>	<b>(2,72,34,999)</b>	<b>(7,54,76,368)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>2,08,000</b>	<b>(1,50,694)</b>
<b>Cash &amp; Cash Equivalents-Opening Balance</b>	<b>6,05,237</b>	<b>7,55,930</b>
<b>Cash &amp; Cash Equivalents-Closing Balance#</b>	<b>8,13,237</b>	<b>6,05,237</b>

# Fixed deposit having original maturity of over 3 months not included.

As per our report of even date attached.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhotia**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors  
**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]  
**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

## Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

### a. Equity Share Capital

Amount in Rs.

<b>Balance as at 1 April, 2017</b>	<b>3,60,74,800</b>
Changes in Equity Share Capital during the year 2017-18	-
<b>Balance as at 31 March, 2018</b>	<b>3,60,74,800</b>
Changes in Equity Share Capital during the year 2018-19	-
<b>Balance as at 31 March, 2019</b>	<b>3,60,74,800</b>

### b. Other Equity

	Reserve and Surplus			Other Comprehensive Income	Total Other Equity
	Securities Premium	General Reserve	Retained Earnings		
<b>Balance as at 1 April, 2017</b>	<b>2,62,50,000</b>	<b>64,60,28,254</b>	<b>(2,56,52,830)</b>	<b>(6,84,030)</b>	<b>64,59,41,394</b>
Profit for the year	-	-	1,52,56,402	-	1,52,56,402
Other Comprehensive Income	-	-	-	(10,46,225)	(10,46,225)
<b>Balance as at 31 March, 2018</b>	<b>2,62,50,000</b>	<b>64,60,28,254</b>	<b>(1,03,96,428)</b>	<b>(17,30,255)</b>	<b>66,01,51,571</b>
<b>Balance as at 1 April, 2018</b>	<b>2,62,50,000</b>	<b>64,60,28,254</b>	<b>(1,03,96,428)</b>	<b>(17,30,255)</b>	<b>66,01,51,571</b>
Profit for the year	-	-	1,42,49,326	-	1,42,49,326
Amount Transferred to General Reserve	-	10,00,000	(10,00,000)	-	-
Other Comprehensive Income	-	-	-	2,83,587	2,83,587
<b>Balance as at 31 March, 2019</b>	<b>2,62,50,000</b>	<b>64,70,28,254</b>	<b>28,52,898</b>	<b>(14,46,668)</b>	<b>67,46,84,484</b>

#### Nature and Purpose of Reserves

- A) Securities Premium : This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
- B) General Reserve : This reserve is a free reserve which is used from time to time to transfer profits from retained earnings apart from Rs. 62,94,98,721 created on fair valuation of land on transition to Indian Accounting Standards in accordance with Ind AS 101, "First-Time Adoption of Indian Accounting Standards" and can be utilized in accordance with the provisions of the Companies Act, 2013.
- C) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013.
- D) Other comprehensive Income Reserves : This reserve represents effects of remeasurements of defined benefit plans that will not be reclassified Statement of Profit & Loss.

As per our report of even date attached.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhotia**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors

**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]

**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

**Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019****1. Group Overview**

The consolidated financial statements comprise financial statements of The Phosphate Company Limited (“the Company”) and its subsidiary (collectively, “the Group”) for the year ended March 31, 2019.

The Phosphate Company Limited (“the Company”) is a limited company incorporated in India, having its registered office situated at 14, Netaji Subhas Road, Kolkata. The Company has its shares listed on Calcutta Stock Exchange Ltd. (CSE) and BSE Ltd. The Company is primarily engaged in the business of farm inputs comprising of fertiliser, crop protection, specialty nutrients and organic compost. The manufacturing unit of the company is located at Rishra, West Bengal.

List of Subsidiary included in the Consolidated Financial Statements are as under :

<u>Name of Subsidiary Company</u>	<u>Extent of Holding</u>
Abhinandan Goods Pvt. Ltd.	100%

**2. Significant Accounting Policies****a) Basis of Preparation**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 (“Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

**b) Basis of Consolidation**

The consolidated financial statements comprise financial statements of the Company and its Subsidiary and have been prepared in accordance with Indian Accounting Standard for Consolidated Financial Statements (IND AS 110), prescribed under section 133 of the Companies Act, 2013 (‘Act’). The Consolidated Financial Statements have been prepared on the following basis :

- i) The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.
- ii) The difference between the cost of investment in the subsidiary over its proportionate share in the net assets value at the time of acquisition of stake in subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. For this purpose, the company’s share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation is adjusted against Goodwill. Changes in parents ownership interest in subsidiary that do not result in the parent losing control of the subsidiary are recognised directly in equity.
- iii) Non controlling interest in net profit/loss of the subsidiary for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholders’ of the company. Non controlling interest in net assets of the subsidiary is identified and presented separately in Consolidated Financial Statements.
- iv) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s financial statements.
- v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company.

**c) Revenue from Contract with Customer**

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes and goods and service tax. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made. The specific recognition criteria described below must also be met before revenue is recognised.

**Sale of Products**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

### Contract balances

#### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Dividend income is recognized when the Group's right to receive dividend is established. Interest income is recognized using the effective interest method. All other income are recognized on accrual basis.

#### d) Subsidy

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

#### e) Property, Plant & Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalized till the start of commercial production.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as Capital Advances under other Non-Current Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'.

The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss. The method of depreciation, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### f) Inventories

Inventories are valued at cost or net realisable value whichever is lower. Closing stock has been valued on FIFO basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### g) Financial Instruments

##### Initial recognition and measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

##### Subsequent measurement

##### i. Non derivative financial instruments

##### 1) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### 2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial

**Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019**

assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**3) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**4) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**ii. Derivative financial instruments**

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income.

**Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**h) Fair Value Measurement**

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**i) Impairment**

Impairment is recognized based on the following principles :

**Financial Assets**

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**Non-Financial Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit) Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

### j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### k) Foreign Currency Transactions & Translations

The functional currency of the Group is Indian Rupee. These Financial Statements are presented in Indian Rupee.

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction. Gains & losses arising on account of realization are accounted for in the Statement of Profit & Loss.

Monetary Assets & Liabilities in foreign currency that are outstanding at the year end are translated at the year end exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

### l) Cash and Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### m) Employee Benefits

#### Defined Contribution Plan

The Group makes contributions towards provident fund to the regulatory authorities to a defined contribution retirement benefit plan for qualifying employees, where the Group has no further obligations. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

#### Defined Benefit Plan

The Group operates a defined benefit gratuity plan in India, comprising of Gratuity fund with an approved trust. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind-AS-19 Employee Benefits.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The Group recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered.

#### Other Long Term Employee Benefits

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. This benefit is not funded. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

### n) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### o) Income Taxes

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

**Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019**

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**p) Earnings per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**q) Recent Accounting Pronouncements**

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Group is currently evaluating the implications of Ind AS116 on the financial statements. The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes – Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Group is in the process of evaluating the impact of such amendment



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

## Note 3 : Property, Plant &amp; Equipment (Current Year)

Amount in Rs.

Description	Gross Block				Accumulated Depreciation				Net Block	
	01.04.2018	Additions	Disposals/ Adjustments	31.03.2019	01.04.2018	Additions	Disposals/ Adjustments	31.03.2019	31.03.2019	31.03.2018
Freehold Land	71,13,27,021	-	-	71,13,27,021	-	-	-	-	71,13,27,021	71,13,27,021
Building	3,95,70,007	-	-	3,95,70,007	45,64,186	24,60,805	-	70,24,991	3,25,45,016	3,50,05,821
Plant and Machinery	7,63,44,188	55,75,398	8,40,637	8,10,78,949	1,34,72,438	73,05,901	4,21,663	2,03,56,676	6,07,22,273	6,28,71,750
Computers	4,52,731	42,770	1,700	4,93,801	1,39,139	1,95,624	-	3,34,763	1,59,038	3,13,592
Water & Acid Installation :	13,35,181	-	-	13,35,181	2,69,246	84,220	-	3,53,466	9,81,715	10,65,935
Laboratory Equipment :	4,38,026	-	-	4,38,026	1,92,726	59,063	-	2,51,789	1,86,237	2,45,300
Furniture & Fittings	5,62,932	20,156	1,300	5,81,788	2,22,767	1,43,726	-	3,66,493	2,15,295	3,40,165
Motor Cars & Trucks	20,92,233	9,99,500	1,12,004	29,79,729	1,38,036	10,28,550	69,291	10,97,295	18,82,434	19,54,197
Electric Installation :	10,056	-	-	10,056	2,778	803	-	3,581	6,475	7,278
<b>Total Tangible Assets</b>	<b>83,21,32,375</b>	<b>66,37,824</b>	<b>9,55,641</b>	<b>83,78,14,558</b>	<b>1,90,01,316</b>	<b>1,12,78,692</b>	<b>4,90,954</b>	<b>2,97,89,054</b>	<b>80,80,25,504</b>	<b>81,31,31,059</b>
Capital work-in-progress	1,24,92,998	1,07,47,123	59,95,670	1,72,44,451	-	-	-	-	1,72,44,451	1,24,92,998
<b>Total</b>	<b>84,46,25,373</b>	<b>1,73,84,947</b>	<b>69,51,311</b>	<b>85,50,59,009</b>	<b>1,90,01,316</b>	<b>1,12,78,692</b>	<b>4,90,954</b>	<b>2,97,89,054</b>	<b>82,52,69,955</b>	<b>82,56,24,057</b>

## Note 3 : Property, Plant &amp; Equipment (Previous Year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	01.04.2017	Additions	Disposals/ Adjustments	31.03.2018	01.04.2017	Additions	Disposals/ Adjustments	31.03.2018	31.03.2018	31.03.2017
Freehold Land	71,13,27,021	-	-	71,13,27,021	-	-	-	-	71,13,27,021	71,13,27,021
Building	3,92,06,848	6,35,968	2,72,809	3,95,70,007	21,00,382	26,38,674	1,74,870	45,64,186	3,50,05,821	3,71,06,466
Plant and Machinery	7,16,79,808	48,17,863	1,53,483	7,63,44,188	67,25,128	68,93,119	1,45,809	1,34,72,438	6,28,71,750	6,49,54,680
Computers	2,51,295	2,01,436	-	4,52,731	1,14,077	25,062	-	1,39,139	3,13,592	1,37,218
Water & Acid Installation :	13,35,181	-	-	13,35,181	41,266	2,27,980	-	2,69,246	10,65,935	12,93,915
Laboratory Equipment :	4,38,026	-	-	4,38,026	1,12,094	80,632	-	1,92,726	2,45,300	3,25,932
Furniture & Fittings	5,85,416	73,871	96,355	5,62,932	1,08,810	2,05,495	91,538	2,22,767	3,40,165	4,76,606
Motor Cars & Trucks	11,33,635	14,81,967	5,23,369	20,92,233	3,69,664	2,62,498	4,94,126	1,38,036	19,54,197	7,63,971
Electric Installation :	10,056	-	-	10,056	1,633	1,145	-	2,778	7,278	8,423
<b>Total Tangible Assets</b>	<b>82,59,67,286</b>	<b>72,11,105</b>	<b>10,46,016</b>	<b>83,21,32,375</b>	<b>95,73,054</b>	<b>1,03,34,605</b>	<b>9,06,343</b>	<b>1,90,01,316</b>	<b>81,31,31,059</b>	<b>81,63,94,232</b>
Capital work-in-progress	57,14,596	71,08,402	3,30,000	1,24,92,998	-	-	-	-	1,24,92,998	57,14,596
<b>Total</b>	<b>83,16,81,882</b>	<b>1,43,19,507</b>	<b>13,76,016</b>	<b>84,46,25,373</b>	<b>95,73,054</b>	<b>1,03,34,605</b>	<b>9,06,343</b>	<b>1,90,01,316</b>	<b>82,56,24,057</b>	<b>82,21,08,828</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

	As at March 31,2019	Amount in Rs. As at March 31,2018
<b>Note 4 - Investments - Non Current</b>		
<b>Investment carried at amortised cost</b>		
<b>Investments in Government or trust securities</b>		
National Savings Certificate	26,000	26,000
<b>Total</b>	<b>26,000</b>	<b>26,000</b>
<b>Note 5 - Loans</b>		
<b>(Unsecured, considered good)</b>		
<b>Financial assets carried at amortised cost</b>		
Security deposits	50,00,835	46,13,033
<b>Total</b>	<b>50,00,835</b>	<b>46,13,033</b>
<b>Note 6 - Deferred Tax Assets/(Liabilities)</b>		
<b>Deferred Tax Assets</b>		
Losses/ Unabsorbed Depreciation under Income Tax	34,40,623	1,23,92,273
Expenses allowable against taxable income in future years	43,17,595	25,61,510
<b>Deferred Tax Liabilities</b>		
Timing difference in depreciable assets	(1,01,92,569)	(1,04,59,136)
<b>Total</b>	<b>(24,34,351)</b>	<b>44,94,647</b>
<b>Note 7 - Inventories</b>		
<b>(Valued at lower of cost or net realisable value)</b>		
Raw Materials*	9,25,25,874	7,80,63,974
Packing Materials	31,07,727	23,75,245
Stores & Spare Parts	1,11,30,036	1,07,00,582
Finished Goods (including W.I.P)	6,50,16,504	2,08,25,178
Trading Goods	7,79,667	-
<b>Total</b>	<b>17,25,59,808</b>	<b>11,19,64,979</b>
*Includes Stock-In-Transit	1,90,95,333	-
<b>Note 8 - Investments - Current</b>		
<b>Investment carried at fair value through Profit &amp; Loss</b>		
<b>Investments in Mutual Funds (Unquoted)</b>		
NIL (396.142 units) Reliance Money Manager Fund Growth	-	9,48,950
125.841 units Kotak Liquid Growth Fund	4,74,760	-
<b>Total</b>	<b>4,74,760</b>	<b>9,48,950</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

Amount in Rs.

	As at March 31,2019	As at March 31,2018
<b>Note 9 - Trade Receivables</b>		
<b>(unsecured, considered good)</b>		
<b>Financial Assets carried at amortised cost</b>		
Trade receivables-Market	6,77,87,515	6,47,73,889
Subsidy receivable from Central Government	12,08,22,017	14,16,40,740
<b>Total</b>	<b>18,86,09,532</b>	<b>20,64,14,629</b>
<b>Note 10 - Cash and Cash Equivalents</b>		
<b>Financial Assets carried at amortised cost</b>		
Balance with banks	2,60,995	1,15,221
Cash in hand	5,52,242	4,90,016
<b>Total</b>	<b>8,13,237</b>	<b>6,05,237</b>
<b>Note 11 - Other Bank Balances</b>		
<b>Financial Assets carried at amortised cost</b>		
Fixed deposits having original maturity more than 3 months but less than 12 months (pledged)	1,03,47,808	1,17,36,970
<b>Total</b>	<b>1,03,47,808</b>	<b>1,17,36,970</b>
<b>Note 12 - Loans</b>		
<b>(Unsecured, considered good)</b>		
<b>Financial Assets carried at amortised cost</b>		
Advances to Subsidiary	-	-
Advances to Employees	15,000	45,000
<b>Total</b>	<b>15,000</b>	<b>45,000</b>
<b>Note 13 - Other Financial Assets</b>		
<b>(Unsecured, considered good)</b>		
<b>Financial Assets carried at amortised cost</b>		
Interest Receivable		
From Banks	5,17,455	4,94,497
From Others	-	2,17,511
Advance recoverable in cash or kind	4,76,75,942	4,76,89,986
<b>Total</b>	<b>4,81,93,397</b>	<b>4,84,01,994</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

Amount in Rs.

	As at March 31, 2019	As at March 31, 2018
<b>Note 14 - Other Current Assets</b>		
<b>(Unsecured, considered good)</b>		
Advance to suppliers	1,47,577	7,64,498
Advances against expenses	38,66,020	27,52,211
Prepaid expenses	19,27,920	17,14,699
Input tax receivable	2,95,69,584	2,18,18,637
<b>Total</b>	<b>3,55,11,101</b>	<b>2,70,50,045</b>

**Note 15 - Equity Share Capital****Authorised capital**

1,00,00,000 (1,00,00,000) Equity Shares of Rs.10 each	10,00,00,000	10,00,00,000
1,50,000 (1,50,000) Redeemable Preference Shares of Rs.1000 each	15,00,00,000	15,00,00,000
	<b>25,00,00,000</b>	<b>25,00,00,000</b>

**Issued, subscribed and Paid-up capital**

36,07,480 equity shares of Rs.10 each	3,60,74,800	3,60,74,800
	<b>3,60,74,800</b>	<b>3,60,74,800</b>

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.**

	31 March, 2019		31 March, 2018	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	36,07,480	3,60,74,800	36,07,480	3,60,74,800
Add : Share issued during the year	-	-	-	-
<b>Equity shares at the end of the year</b>	<b>36,07,480</b>	<b>3,60,74,800</b>	<b>36,07,480</b>	<b>3,60,74,800</b>

**b) Rights/preferences/restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares in the Company**

	As on 31 March, 2019		As on 31 March, 2018	
	No of shares	% holding	No of shares	% holding
Madhav Trading Corpn. Ltd.	3,74,880	10.39	3,74,880	10.39
Shrivats Khaitan	2,31,000	6.40	2,31,000	6.40
Life Insurance Corporation of India	1,89,240	5.25	1,89,240	5.25

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	As at March 31,2019	As at March 31,2018
<b>Note 16 - Other Equity</b>		
<b>Securities Premium</b>		
Opening Balance	2,62,50,000	2,62,50,000
Addition during the Year	-	-
	<b>2,62,50,000</b>	<b>2,62,50,000</b>
<b>General Reserve</b>		
Opening Balance	64,60,28,254	64,60,28,254
Addition during the Year	-	-
Add : Amount Transferred from Retained Earnings	10,00,000	-
	<b>64,70,28,254</b>	<b>64,60,28,254</b>
<b>Retained Earnings</b>		
Opening Balance	(1,03,96,428)	(2,56,52,830)
Profit for the Year	1,42,49,326	1,52,56,402
Less : Amount Transferred to General Reserve	(10,00,000)	-
	<b>28,52,898</b>	<b>(1,03,96,428)</b>
<b>Other Comprehensive Income</b>		
Opening Balance	(17,30,255)	(6,84,030)
Addition during the Year	2,83,587	(10,46,225)
	<b>(14,46,668)</b>	<b>(17,30,255)</b>
<b>Total</b>	<b>67,46,84,484</b>	<b>66,01,51,572</b>
<b>Note 17 - Borrowings (Non Current)</b>		
<b>Financial Liabilities carried at amortised cost</b>		
<b>Secured</b>		
Term loans from Non Banking financial Institution	4,92,38,294	20,00,000
Less : Current maturities of Term Loan (refer note 22)	49,09,949	20,00,000
	<b>4,43,28,345</b>	-
Vehicle Loans from Banks	24,65,740	21,23,543
Less : Current maturities of Vehicle Loan (refer note 22)	6,11,383	4,71,493
	<b>18,54,357</b>	<b>16,52,050</b>
<b>Unsecured</b>		
From Limited Companies		
From Related Parties	8,90,00,000	8,50,00,000
From Other Body Corporates	1,10,00,000	1,50,00,000
<b>Total</b>	<b>14,61,82,702</b>	<b>10,16,52,050</b>

Repayment terms and nature of securities given for term loan and vehicle loan as follows :

**a) Nature of Security :**

Term Loan from Aditya Birla Capital is secured by pari passu first charge on Industrial Property located at holding No. 37, Rishi Bankim Chandra Road, J.L-15, Mouja-Mahesh, P.O - Rishra under Rishra Municipality ward no. 4, Hooghly and the entire fixed assets & pari passu second charge on current assets of the company. Interest rate is 12.25%.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

**Repayment Terms :**

Repayable in 84 equal monthly installment of Rs.8,89,336 commencing from February '2019.

**b) Nature of Security :**

Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme. Interest rate is 9.20-10.90%.

**Repayment Terms :**

- (i) Vehicle loan from State Bank of India repayable in 36 equal monthly installment of Rs.14,065 commencing from December, 2017
- (ii) Vehicle loan from State Bank of Mysore repayable in 84 equal monthly installment of Rs.13,740 commencing from November, 2013.
- (iii) Vehicle loan from Syndicate Bank (1) repayable in 75 equal monthly installment of Rs.12,373.85 commencing from December, 2015.
- (iv) Vehicle loan from Syndicate Bank (2) repayable in 81 equal monthly installment of Rs.14,719.19 commencing from May, 2018
- (v) Vehicle loan from Syndicate Bank (3) repayable in 84 equal monthly installment of Rs.13,980.78 commencing from March, 2019

	As at March 31,2019	Amount in Rs. As at March 31,2018
<b>Note 18 - Other financial liabilities - Non Current</b>		
<b>Financial Liabilities carried at amortised cost</b>		
Deposit from Dealer	1,12,13,178	1,24,74,756
<b>Total</b>	<b>1,12,13,178</b>	<b>1,24,74,756</b>

**Note 19 - Provisions - Non Current****Provisions for Employee Benefits**

Leave Encashment	60,84,793	55,80,045
Less : Current Liability (refer note 24)	37,85,541	26,61,849
<b>Total</b>	<b>22,99,252</b>	<b>29,18,196</b>

**Note 20 - Borrowings - Current****Financial Liabilities carried at amortised cost****Secured**

From Banks		
Cash Credit	16,18,95,076	17,21,18,417

**Unsecured**

From Limited Companies		
From Related Parties	5,62,10,000	5,91,17,194
From Other Body Corporates	2,27,00,000	3,43,00,000
<b>Total</b>	<b>24,08,05,076</b>	<b>26,55,35,611</b>

Cash Credit Loan from Bank is secured by entire stocks of inventory, receivables and other current assets of the company on pari-passu first charge basis & collaterally secured by second charge on Factory Land & Building. Current Interest Rate is 11.05-12.40%

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	As at March 31,2019	As at March 31,2018
<b>Note 21 - Trade payables</b>		
<b>Financial Liabilities carried at amortised cost</b>		
MSMED [refer note (a) below]	6,23,966	-
Other Trade Payable	13,13,43,339	12,21,14,076
<b>Total</b>	<b>13,19,67,305</b>	<b>12,21,14,076</b>

Notes :

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year. Principal amount due to micro and small enterprise Interest due on above	6,23,966	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

**Note 22 - Other Financial Liabilities - Current****Financial Liabilities carried at amortised cost**

Current Maturities of Term loans (refer note 17)	49,09,949	20,00,000
Current Maturities of Vehicle loans (refer note 17)	6,11,383	4,71,493
Interest accrued and due	43,67,018	82,23,536
Employee Benefits	16,81,155	15,01,970

**Financial Liabilities carried at Fair Value through Profit & Loss**

(Gain)/Loss on Fair Valuation of Forward Contracts	(8,03,698)	2,44,643
<b>Total</b>	<b>1,07,65,807</b>	<b>1,24,41,642</b>

**Note 23 - Other Current Liabilities**

Advance from customers	43,20,886	64,01,890
Duties & Taxes		
Statutory & other dues payables	1,14,24,535	1,07,36,871
Liability for expenses	50,91,593	77,18,848
<b>Total</b>	<b>2,08,37,014</b>	<b>2,48,57,609</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	As at March 31,2019	As at March 31,2018
<b>Note 24 - Provisions - Current</b>		
Provisions for Employee Benefits		
Leave Encashment (refer note No. 19)	37,85,541	26,61,849
<b>Total</b>	<b>37,85,541</b>	<b>26,61,849</b>
<b>Note 25 - Current Tax Liabilities (Net)</b>		
Provision for Income Tax (Net of Advance Tax)	57,71,923	10,43,380
<b>Total</b>	<b>57,71,923</b>	<b>10,43,380</b>
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Note 26 - Other income</b>		
Interest income on		
Fixed Deposits	10,41,444	10,66,835
Others	62,132	37,819
Profit on sales of Property, plant and equipment	88,977	55,990
Liability no longer required written back	9,86,847	6,32,378
Insurance claim received	-	46,673
Profit on Redemption of Mutual Fund	88,584	8,312
Gain on measuring investments at FVTPL	(24,190)	48,264
Scrap Sales	3,75,842	4,44,570
<b>Total</b>	<b>26,19,636</b>	<b>23,40,841</b>
<b>Note 27 - Cost of Material Consumed</b>		
Raw Materials	42,86,25,058	32,57,91,979
Packing Materials	1,69,93,992	1,61,40,506
<b>Total</b>	<b>44,56,19,050</b>	<b>34,19,32,485</b>
<b>Note 28 - Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress</b>		
Closing Stock		
Finished Goods	6,50,16,504	2,08,25,178
Trading Goods	7,79,667	24,97,522
Less : Opening Stock		
Finished Goods	(2,08,25,178)	(2,72,39,443)
Trading Goods	(24,97,522)	(74,48,100)
<b>Total</b>	<b>4,24,73,471</b>	<b>(1,13,64,843)</b>



## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Note 29 - Employee benefit expenses</b>		
Salaries, wages and bonus	2,21,27,303	2,15,51,187
Staff welfare	34,52,658	31,63,667
Contribution to Provident & other funds	32,19,333	28,70,634
<b>Total</b>	<b>2,87,99,294</b>	<b>2,75,85,488</b>
<b>Note 30 - Finance Cost</b>		
Interest	4,57,73,538	4,88,67,586
Bank charges	25,42,563	33,18,573
Foreign Exchange Rate Fluctuation	26,25,555	(14,24,204)
Other Charges	-	1,00,000
<b>Total</b>	<b>5,09,41,656</b>	<b>5,08,61,955</b>
<b>Note 31 - Other Expenses</b>		
Consumption of Stores and Spares	71,61,000	79,52,820
Power and Fuel Expenses	2,51,24,417	2,15,85,269
Repair to :		
Building	11,30,710	9,69,306
Machinery	13,48,010	6,44,497
Others	4,94,242	3,06,199
Manufacturing & Supervision Charges	1,44,54,161	1,30,09,405
Storage & Handling Expenses	1,46,00,420	1,75,50,699
Packing Expenses	49,82,990	47,72,667
Freight, Delivery Expenses	8,52,09,476	7,38,39,129
Selling Expenses	45,27,060	1,04,38,201
Rent	10,76,633	5,20,400
Rates and Taxes	17,51,116	10,69,181
Payment to Auditors :		
Audit Fee	55,900	55,750
Certification Fee	71,050	60,878
Legal & Consultancy Expenses	48,24,548	17,20,677
Director's Fees :		
Sitting Fees	3,60,000	3,40,000
Audit Committee Fee	1,71,500	1,28,000
Information & Technology Expenses	55,573	59,419
Insurance Charges	3,54,817	3,48,982
Motor Vehicle Expenses	11,75,771	12,11,661
Other Maintenance Expenses	22,22,860	21,40,855
Miscellaneous Expenses	61,84,804	39,24,532
<b>Total</b>	<b>17,73,37,057</b>	<b>16,26,48,524</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

	Amount in Rs.	
	For the year ended March 31,2019	For the year ended March 31,2018
<b>Note 32 - Effective tax reconciliation</b>		
<b>Income Tax Recognised in Statement of Profit &amp; Loss</b>		
Current Tax	61,21,566	14,07,113
Deferred Tax	69,28,998	48,95,705
<b>Total Income Tax Expense recognised in the current year</b>	<b>1,30,50,564</b>	<b>63,02,818</b>
The income tax expense can be reconciled to the accounting profit as follows :		
Profit before tax	2,74,14,434	2,15,59,220
Applicable tax rate	27.82%	25.75%
Computed Tax Expense	<b>76,26,695</b>	<b>55,51,499</b>
<b>Tax Effect of :</b>		
Benefit on account of Unabsorbed losses under income tax	(89,51,650)	(98,14,246)
Timing difference in respect of expenses allowed under income tax	13,24,955	42,62,747
Liability under Minimum Alternate Tax	61,21,566	14,07,113
<b>Current Tax Provisions ( A )</b>	<b>61,21,566</b>	<b>14,07,113</b>
Reversal of Deferred Tax Asset on unabsorbed losses under Income Tax	89,51,650	98,14,246
Deferred Tax Asset on items allowed on payment basis	(20,22,652)	(49,18,541)
<b>Deferred Tax Provision (B)</b>	<b>69,28,998</b>	<b>48,95,705</b>
<b>Tax expenses recognised in the statement of Profit &amp; Loss ( A+B)</b>	<b>1,30,50,564</b>	<b>63,02,818</b>
<b>Effective Tax Rate</b>	<b>47.60%</b>	<b>29.23%</b>
<b>Note 33 - Earnings per equity share</b>		
Profit as per Statement of Profit and Loss	1,42,49,326	1,52,56,402
Weighted average number of equity shares	36,07,480	36,07,480
<b>Earnings per share - Basic and Diluted</b>	<b>3.95</b>	<b>4.23</b>
<b>Note 34 - Contingencies and Commitments</b>		
(to the extent not provided for)		
I) Guarantees given		
Guarantees given by the Group not acknowledged as debt	1,99,660	1,99,660
<b>Total</b>	<b>1,99,660</b>	<b>1,99,660</b>
II) Commitments		
Commitment of Capital Expenditure not provided for in the accounts (Estimated)	28,00,000	5,70,000
<b>Total</b>	<b>28,00,000</b>	<b>5,70,000</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

			Amount in Rs.	
			As at	As at
			March 31,2019	March 31,2018
<b>Note 35 - Employee Benefit Obligations</b>				
<b>I) Defined Contribution Plan</b>				
Contribution to defined contribution plan, recognized are charged off during the year as follows :				
<b>Employers' Contribution to Provident Fund</b>			<b>13,98,227</b>	<b>12,63,473</b>
<b>II) Defined Benefit Plan</b>				
Gratuity is paid to employees under the Payment of Gratuity Act 1972 through a recognised funded scheme. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.				
		<b>Gratuity</b>	<b>Accumulated Leave</b>	
		<b>Funded</b>	<b>Unfunded</b>	
<b>Particulars</b>	<b>31 March, 2019</b>	<b>31 March, 2018</b>	<b>31 March, 2019</b>	<b>31 March, 2018</b>
<b>(i) Amount recognised in the statement of profit and loss is as under :</b>				
Current service cost	7,43,624	7,13,131	3,87,055	3,89,168
Interest cost	(2,596)	(30,196)	4,18,503	3,46,367
Actuarial loss/(gain) recognized during the year	-	-	(3,00,809)	4,66,986
<b>Amount recognized in the statement of profit and loss</b>	<b>7,41,028</b>	<b>6,82,935</b>	<b>5,04,749</b>	<b>12,02,521</b>
<b>(ii) Changes in Present Value Obligation</b>				
Present value of defined benefit obligation as at the start of the year	1,51,90,382	1,29,73,221	55,80,045	45,61,000
Current service cost	7,43,624	7,13,131	3,87,055	3,89,168
Interest cost	11,39,279	9,80,172	4,18,503	3,46,367
Actuarial loss/(gain) recognized during the year	(55,462)	11,75,551	(3,00,810)	4,66,987
Benefits paid	-	(6,51,693)	-	(1,83,476)
<b>Present value of Defined Benefit Obligation as at the end of the year</b>	<b>1,70,17,823</b>	<b>1,51,90,382</b>	<b>60,84,793</b>	<b>55,80,045</b>
<b>(iii) Change in fair value of plan assets</b>				
Fair value of plan assets as at the start of the year	1,52,25,000	1,30,37,000	-	-
Return on plan assets	2,28,125	1,29,326	-	-
Interest Income	11,41,875	10,10,368	-	-
Actuarial loss/(gain)	-	-	-	-
Contribution	5,00,000	17,00,000	-	-
Benefits paid	-	(6,51,693)	-	(1,83,476)
<b>Fair value of plan assets as at the end of the year</b>	<b>1,70,95,000</b>	<b>1,52,25,000</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of present value of defined benefit obligation and the fair value of plan assets</b>				
Funded Status	77,177	34,618	-	-
Present value obligation as at the end of the year	1,70,17,823	1,51,90,382	60,84,793	55,80,045
Fair value of plan assets as at the end of the year	1,70,95,000	1,52,25,000	-	-
<b>Net liability/(asset) recognized in balance sheet</b>	<b>-</b>	<b>-</b>	<b>60,84,793</b>	<b>55,80,045</b>
<b>Amount recognised in the statement of Other Comprehensive Income</b>				
Actuarial (Gain)/Loss for the year on Present value of obligation	88,186	(1,82,391)	-	-
Actuarial (Gain)/Loss for the year on Asset	(1,43,648)	13,57,942	-	-
Return on Plan Asset, Excluding Interest Income	2,28,125	1,29,326	-	-
<b>Unrecognised actuarial (Gain)/Loss at the end of the year</b>	<b>(2,83,587)</b>	<b>10,46,225</b>	<b>-</b>	<b>-</b>
<b>Breakup of Actuarial gain/loss :</b>				
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	88,186	(1,82,391)	-	-
Actuarial (gain)/loss on arising from experience adjustment	(1,43,648)	13,57,942	-	-

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

Amount in Rs.

	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
<b>Assumptions</b>				
<b>Financial Assumptions</b>				
Discount rate p.a.	7.75%	7.75%	7.50%	7.75%
Rate of increase in salary p.a.	7.50%	7.50%	7.50%	7.50%
<b>Demographic Assumptions</b>				
Attrition Rate	1.00%	1.00%	1.00%	1.00%
Super Annuation Age	58 Years	58 Years	58 Years	58 Years
Average expected future service	6 Years	6 Years	5 Years	6 Years

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**Sensitivity Analysis**

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determind based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

**Sensitivity analysis for Gratuity**

	As at 31 March, 2019		As at 31 March, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	1,68,43,560	1,72,00,935	1,50,16,300	1,53,72,818
% Change Compared to base due to sensitivity	-1.02%	1.08%	-1.15%	1.20%
Salary Growth (-/+ 0.5%)	1,71,99,063	1,68,43,560	1,53,71,451	1,50,15,996
%Change Compared to base due to sensitivity	1.07%	-1.02%	1.19%	-1.15%
Attrition Rate (-/+ 0.5%)	1,70,21,397	1,70,14,249	1,51,93,724	1,51,87,040
%Change Compared to base due to sensitivity	0.02%	-0.02%	0.02%	-0.02%
Mortality Rate (-/+ 10%)	1,70,43,350	1,69,92,296	1,52,16,509	1,51,64,255
%Change Compared to base due to sensitivity	0.15%	-0.15%	0.17%	-0.17%

**Sensitivity analysis for Accumulated Leave**

	As at 31 March, 2019		As at 31 March, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	59,94,783	61,80,545	54,90,365	56,75,135
%Change Compared to base due to sensitivity	-1.52%	-1.62%	-1.61%	1.70%
Salary Growth (-/+ 0.5%)	61,79,636	59,94,805	56,74,458	54,90,183
%Change Compared to base due to sensitivity	1.61%	-1.52%	1.69%	-1.61%
Attrition Rate (-/+ 0.5%)	60,87,147	60,82,439	55,82,278	55,77,814
%Change Compared to base due to sensitivity	0.04%	-0.04%	-0.04%	-0.04%
Mortality Rate (-/+ 10%)	60,96,902	60,72,684	55,92,549	55,67,543
%Change Compared to base due to sensitivity	0.21%	-0.21%	0.22%	-0.22%

The Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

Amount in Rs.

## Effect of plan on Entity's future Cash Flows

## Expected contribution during the next annual reporting period :

Particulars	Gratuity
The Group's best estimate of contribution during the next year	83,801

	Allocation of Plan Asset (Amt in Rs.) Gratuity (Funded)		Allocation in % of Plan Asset Gratuity (Funded)	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
<b>Table Showing Allocation of Plan Asset at the end Measurement Period</b>				
Cash & Cash Equivalents	4,91,000	7,03,404	2.87%	4.62%
Special Deposit Scheme	5,19,833	5,19,833	3.04%	3.41%
State Government Securities	92,32,320	82,40,090	54.01%	54.12%
Government of India Securities	2,01,250	2,01,250	1.18%	1.32%
Corporate Bonds	56,38,165	46,50,065	32.98%	30.54%
Debt Securities	3,15,000	2,15,000	1.84%	1.41%
Other	6,97,432	6,95,358	4.08%	4.57%
<b>Total</b>	<b>1,70,95,000</b>	<b>1,52,25,000</b>	<b>100.00%</b>	<b>100.00%</b>

## Note 36 - Financial instruments and other related disclosures

## i. Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group. The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations and short term bank borrowings.

The debt equity ratio highlights the ability of a business to repay its debts. As at 31st March, 2019, the ratio is 0.5420

Particulars	31 March, 2019	31 March, 2018
Equity Share Capital	3,60,74,800	3,60,74,800
Other Equity	67,46,84,484	66,01,51,572
<b>Total Equity (A)</b>	<b>71,07,59,284</b>	<b>69,62,26,372</b>
Non-Current Borrowings	14,61,82,702	10,16,52,050
Short Term Borrowings	25,06,93,426	27,62,30,640
<b>Total Borrowings (Gross Debt) (B)</b>	<b>39,68,76,128</b>	<b>37,78,82,690</b>
Less : Investments	(5,00,760)	(9,74,950)
Less : Cash and Cash Equivalents	(8,13,237)	(6,05,237)
Less : Other Bank Balances	(1,03,47,808)	(1,17,36,970)
<b>Net Debt (C)</b>	<b>38,52,14,323</b>	<b>36,45,65,533</b>
<b>Net Debt to Equity (C/A)</b>	<b>0.5420</b>	<b>0.5236</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

**Disclosures on Financial Instruments**

## l) Financial Instruments by Category

**As at March 31, 2019**

Particulars	Amount in Rs.			
	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>				
Investments	26,000	4,74,760	5,00,760	5,00,760
Trade Receivables	18,86,09,532	-	18,86,09,532	18,86,09,532
Cash and Cash Equivalents	8,13,237	-	8,13,237	8,13,237
Other Bank Balances	1,03,47,808	-	1,03,47,808	1,03,47,808
Loans	50,15,835	-	50,15,835	50,15,835
Other Financial Assets	4,81,93,397	-	4,81,93,397	4,81,93,397
<b>Total Financial Assets</b>	<b>25,30,05,809</b>	<b>4,74,760</b>	<b>25,34,80,569</b>	<b>25,34,80,569</b>
<b>Financial Liabilities</b>				
Borrowings	38,69,87,778	-	38,69,87,778	38,69,87,778
Trade Payables	13,19,67,305	-	13,19,67,305	13,19,67,305
Other Financial Liabilities	2,27,82,683	(8,03,698)	2,19,78,985	2,19,78,985
<b>Total Financial Liabilities</b>	<b>54,17,37,766</b>	<b>(8,03,698)</b>	<b>54,09,34,068</b>	<b>54,09,34,068</b>

**As at March 31, 2018**

Particulars	Amount in Rs.			
	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
<b>Financial Assets</b>				
Investments	26,000	9,48,950	9,74,950	9,74,950
Trade Receivables	20,64,14,629	-	20,64,14,629	20,64,14,629
Cash and Cash Equivalents	6,05,237	-	6,05,237	6,05,237
Other Bank Balances	1,17,36,970	-	1,17,36,970	1,17,36,970
Loans	46,58,033	-	46,58,033	46,58,033
Other Financial Assets	4,84,01,994	-	4,84,01,994	4,84,01,994
<b>Total Financial Assets</b>	<b>27,18,42,863</b>	<b>9,48,950</b>	<b>27,27,91,813</b>	<b>27,27,91,813</b>
<b>Financial Liabilities</b>				
Borrowings	36,71,87,661	-	36,71,87,661	36,71,87,661
Trade Payables	12,21,14,076	-	12,21,14,076	12,21,14,076
Other Financial Liabilities	2,46,71,755	2,44,643	2,49,16,398	2,49,16,398
<b>Total Financial Liabilities</b>	<b>51,39,73,492</b>	<b>2,44,643</b>	<b>51,42,18,135</b>	<b>51,42,18,135</b>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

### (ii) Fair value hierarchy

All Financial Assets & Financial Liabilities are carried at amortised cost except Current Investments and Foreign Currency Future Contracts, which have been fair valued.

Level 1 – Quoted (adjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table represents the fair value hierarchy of Financial Assets and Financial Liabilities measured at Fair Value on a recurring basis :

Particulars	Fair Value Hierarchy Level	Amount in Rs.	
		31 March, 2019	31 March, 2018
<b>Financial Assets</b>			
Current Investments	Level 1	4,74,760	9,48,950
Derivative financial instruments - Foreign Currency Forward Contracts	Level 2	(8,03,698)	2,44,643

### (iii) Financial risk management objectives and policies

#### Financial risk factors

The Group's activities expose it to a variety of financial risks : market risk, liquidity risk & credit risk which may adversely impact the fair value of its financial instruments. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### (A) Market Risk

Market risk comprises interest rate risk & foreign currency risk. Financial instruments affected by market risk include loans and borrowings in foreign currencies.

##### (a) Interest Rate Risk

The Group is exposed to interest rate risk because the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

##### (b) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange rate risk exposure is primarily due to trade payables denominated in foreign currency. The Group is restricting its exposure of risk in change in exchange rates by way of Forward/Future Contracts.

Particulars	31 March 2019	31 March 2018
Foreign Currency Payable (Amount in USD)	15,27,850	16,13,693

#### (B) Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital facilities from various banks. The Group invests its surplus funds in bank fixed deposit and mutual funds, which carry low market risk.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments -

Particulars	31 March, 2019	31 March, 2018
One Year or less		
Borrowings	24,08,05,076	26,55,35,611
Trade Payables	13,19,67,305	12,21,14,076
Other Financial Liabilities	1,07,65,807	1,24,41,642
More than One Year		
Borrowings	14,61,82,702	10,16,52,050
Other Financial Liabilities	1,12,13,178	1,24,74,756

**Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019****(C) Credit Risk**

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness.

Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The Group has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Group manages risks through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

**Note 37 - Related Party Disclosures :****List of Related Parties :**1. Key Management Personnel

Shri Suresh Kumar Bangur	Executive Director & CEO
Shri Ajay Bangur	President & CFO
Shri Shankar Banerjee	Company Secretary & Compliance Officer

2. Other Directors

Shri Binod Khaitan	Non-Executive Director
Shri Hemant Bangur	Non-Executive Director
Shri Dilip P Goculdas	Independent Director

3. Entities over which Director, Key Managerial Personnel and their relatives have significant influence with whom transaction have taken place during the year

Art Finance & Trade Pvt. Ltd.  
 Credwyn Holdings India Pvt. Ltd.  
 Cochin Estates Ltd.  
 Gloster Limited  
 Devendra Finvest & Holding Pvt. Ltd.  
 Joonktolle Tea & Industries Ltd.  
 Maxworth Industrial Services Ltd.  
 Kanchan Udyog Ltd.  
 Kettlewell Bullen & Co. Ltd.  
 Kherapati Vanijya Ltd.  
 Wind Power Vinimay Pvt. Ltd.  
 PDGD Investments & Trading Private Ltd.  
 Noshirvan & Company Private Limited  
 Chintamani Holdings Pvt. Ltd.  
 Mani Invest Brokers Private Limited



### Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

Amount in Rs.

The following table summarises related-party transactions included in the financial statements for the year ended March 31, 2019 & March 31, 2018 and details of outstanding balances as on March 31, 2019 & March 31, 2018

Nature of Transactions	Amount in Rs		
	Key Managerial Personnel & Other Directors (1+2)	Entities where KMP and relatives have significant influence (3)	Total
Salary and Other Benefits	<b>52,79,661</b>	-	<b>52,79,661</b>
	<i>49,20,108</i>	-	<i>49,20,108</i>
Contribution to Provident Fund & Superannuation Policy	<b>13,52,550</b>	-	<b>13,52,550</b>
	<i>12,64,404</i>	-	<i>12,64,404</i>
Other Perquisites	<b>17,03,087</b>	-	<b>17,03,087</b>
	<i>16,38,015</i>	-	<i>16,38,015</i>
Meeting Fees	<b>4,90,000</b>	-	<b>4,90,000</b>
	<i>4,25,000</i>	-	<i>4,25,000</i>
Interest Payment	-	<b>3,17,21,608</b>	<b>3,17,21,608</b>
	-	<i>3,57,07,009</i>	<i>3,57,07,009</i>
Loan Taken	-	<b>28,28,50,000</b>	<b>28,28,50,000</b>
	-	<i>20,12,75,000</i>	<i>20,12,75,000</i>
Loan Repaid	-	<b>28,21,90,000</b>	<b>28,21,90,000</b>
	-	<i>24,38,00,000</i>	<i>24,38,00,000</i>
Outstanding Payable	-	<b>17,08,24,568</b>	<b>17,08,24,568</b>
	-	<i>16,47,82,773</i>	<i>16,47,82,773</i>

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2019

Amount in Rs.

## Note 38 - Additional Information

## Financial Year 2018-19

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.
<b>Parent :</b>								
The Phosphate Company Limited	99.98%	71,06,26,392	100.93%	1,43,81,729	100.00%	2,83,587	100.91%	1,46,65,316
<b>Subsidiary :</b>								
Abhinandan Goods Private Limited	0.36%	25,38,891	-0.93%	(1,32,403)	0.00%	-	-0.91%	(1,32,403)
Less : Inter-Company Elimination and Consolidation Adjustments	-0.34%	-24,06,000	0.00%	-	0.00%	-	0.00%	-
<b>Total :</b>	<b>100%</b>	<b>71,07,59,284</b>	<b>100%</b>	<b>1,42,49,326</b>	<b>100%</b>	<b>2,83,587</b>	<b>100%</b>	<b>1,45,32,913</b>

## Financial Year 2017-18

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.
<b>Parent :</b>								
The Phosphate Company Limited	99.96%	69,59,61,077	100.77%	1,53,73,432	100.00%	(10,46,225)	100.82%	1,43,27,207
<b>Subsidiary :</b>								
Abhinandan Goods Private Limited	0.39%	26,71,294	-0.77%	(1,17,030)	0.00%	-	-0.82%	(1,17,030)
Less : Inter-Company Elimination and Consolidation Adjustments	-0.35%	-24,06,000	0.00%	-	0.00%	-	0.00%	-
<b>Total :</b>	<b>100%</b>	<b>69,62,26,372</b>	<b>100%</b>	<b>1,52,56,402</b>	<b>100%</b>	<b>(10,46,225)</b>	<b>100%</b>	<b>1,42,10,177</b>

**Note 39** - The Group has preferred an appeal before High Court Kolkata against dismissal of writ petition earlier filed by the Group for recovery of Freight Rebate.

**Note 40** - Balance of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year

**Note 41** - Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to conform necessary to the current year presentation.

As per our report of even date attached.

For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration Number 306033E

**Hemant Kumar Lakhotia**  
(Partner)  
Membership No. 068851  
Place : Kolkata  
Dated : 30th May, 2019

For and on behalf of the Board of Directors  
**Hemant Bangur**  
Director [DIN 00040903]

**Shankar Banerjee**  
Dy. Secretary

**Ajay Bangur**  
President & CFO

**Dilip Pratapsingh Goculdas**  
Independent Director [DIN 00367409]

**Suresh Kumar Bangur**  
Executive Director & CEO [DIN 00040862]

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**THE PHOSPHATE COMPANY LIMITED**

14, Netaji Subhas Road, 3rd Floor

Kolkata - 700 001

# THE PHOSPHATE COMPANY LIMITED

Regd. Office : 14, Netaji Subhas Road, Kolkata - 700 001  
Phone : (033) 2230-0771, E.mail : lakshmiphosphate@gmail.com  
Website : www.phosphate.co.in, CIN : L24231WB1949PLC017664

## NOTICE

NOTICE is hereby given that the 71st Annual General Meeting of the Members of the Company will be held at Somany Conference Hall of Merchants Chamber of Commerce & Industry, 15B Hemant Basu Sarani, Kolkata - 700 001, on Thursday, the 26th September, 2019, at 3.30 P.M. to transact the following business :

### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2019 together with the Report of Board of Directors and Auditors thereon and in this regard, pass the following resolutions as an **Ordinary Resolutions**:

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Shri Hemant Bangur (DIN:00040903), who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Hemant Bangur (DIN: 00040903), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### Special Business:

3. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with **Companies (Appointment and Qualification of Directors) Rules, 2014**, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded for the re-appointment of Shri Dilip Pratapsingh Goculdas (DIN:00367409), as an Independent Non- Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of Five consecutive years from the date of ensuing Annual General Meeting.”

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with **Companies (Appointment and Qualification of Directors) Rules, 2014**, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded for the appointment of Smt. Sonali Sen (DIN:00451839) as an Independent Non- Executive Director of the Company who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for Five consecutive years from the date of ensuing Annual General Meeting.”

5. To ratify the appointment and remuneration of the Cost Auditors of the Company for the financial year ending 31st March 2020 and in this regard pass the following resolution as an **Ordinary Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, the reappointment of M/s S. Gupta & Co., Cost & Management Accountants as recommended by the Audit Committee and appointed by the Board of Directors of the Company, be and is here by ratified to conduct the audit of the cost records of the company for Fertiliser for the financial year ending 31st March 2020, at a remuneration Rs.15000/- plus taxes and out of pocket expenses”.

Regd. Office :  
14, Netaji Subhas Road  
Kolkata – 700 001

By Order of the Board  
For **THE PHOSPHATE COMPANY LIMITED**  
Suresh Kumar Bangur  
Executive Director  
(DIN: 00040682)

Date : 27th August, 2019

## NOTES:

1. A Statement under Section 102 of the Companies Act, 2013 ("Act") relating to item nos. 3 to 5 as mentioned above is annexed hereto as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and the Share Transfer books of the Company will remain closed from Friday, 20th September, 2019 to Thursday, 26th September, 2019 (both days inclusive).
3. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy/ proxies to attend and vote on a poll instead of himself/herself and the proxy/ proxies need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his/her identity at the time of attending the Meeting.

In case of joint holders attending the meeting, only such joint holders who are higher in the order of the names will be entitled to vote.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorizing under the said Board Resolution to attend and vote on their behalf at the Meeting.
5. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are provided in the Notice under Note No. 22.
6. Members are requested to note that under section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) the amount of dividend if any unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to Investor Education and Protection Fund (IEPF) constituted by the Central Government of India. Further, all shares in respect of which dividend remain unclaimed for 7 consecutive years or more, are also required to be transferred to the IEPF.

The Company had accordingly transferred final dividend pertaining to the Financial Year 2006-07 to the IEPF within the stipulated time period. Thereafter, no dividend has been declared by the Company.
7. Members holding shares in physical form may intimate the Company necessary particulars for ECS credit of the dividend directly to their bank accounts wherever ECS facility is available or for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants.
8. Members holding shares in physical mode are requested to intimate changes in their address alongwith proof of address/bank mandate to the Registrar and Share Transfer Agents (RTA), M/s Maheshwari Datamatics Pvt. Ltd. Members holding shares in electronic mode are requested to send the intimation for change of address / bank mandate to their respective Depository Participant.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's RTA, enclosing their share certificates to enable the Company to consolidate their holdings into a single folio.
10. Shareholders are also requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate (if already complied with, please ignore this).
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the R&T Agent or to the Registered Office of the Company.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Secretarial Standard on General Meeting in respect of the Director seeking re-appointment/ appointment at the Annual General Meeting, forming an integral part of the notice is appended below.

**A**

<b>Name</b>	Shri Hemant Bangur
<b>DIN</b>	00040903
<b>Nationality</b>	Indian
<b>Date of Birth</b>	21-04-1972
<b>Date of First Appointment to the Board</b>	01-08-2011
<b>Qualifications</b>	Post Graduate in International Trade
<b>Expertise in specific functional areas</b>	<p>Rich &amp; wide experience in Jute, Plantation, Fertilizer, Paper, Real Estate and Financial Services Industry with expertise in operations, corporate governance and restructuring, finance, taxation and legal matters.</p> <p>Presently is the Executive Chairman of Gloster Limited and Chairman of Joonktollee Tea &amp; Industries Limited. In the past, he has been President of Tea Association of India and Chairman of Merchant Chamber of Commerce.</p>
<b>Directorships held in other companies</b>	Gloster Limited, Joonktollee Tea & Industries Limited, Madhav Trading Corporation Limited, The Cambay Investment Corporation Limited, Laxmi Asbestos Products Limited, Madhu Corporate Park Limited, The Kamala Company Limited, The Marwar Textiles (Agency) Private Limited, Bombay Agency Company Private Limited, Credwyn Holdings India Private Limited, The Cochin Malabar Estates & Industries Limited, Network Industries Limited.
<b>Membership/ Chairmanship of Committees of other public limited company</b>	<p><b>Audit Committee</b> Gloster Limited (Member) Joonktollee Tea &amp; Industries Limited (Member)</p> <p><b>Stakeholders Relationship Committee</b> Gloster Limited (Member) Joonktollee Tea &amp; Industries Limited (Member)</p>
<b>Disclosure of Relationship between Directors inter-se</b>	Shri Bangur is not related to any other Director or Key Managerial Personnel.
<b>No. of Board Meetings attended in 2018-19</b>	4
<b>Shareholding in the Company</b>	200

**Disclosure pursuant to Schedule V of the Companies Act 2013 N.A.**

Shri Hemant Bangur, shall retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Shri Bangur joined the Board of Directors as a Non-Executive Director from 01-08-2011. Upon his re-appointment as a director, Shri Bangur shall continue to hold office as a Non-Executive Director subject to retirement by rotation. Shri Bangur has furnished the requisite declaration for his re-appointment.

Accordingly, the Board recommends his re-appointment.

Except Shri Bangur, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in agenda Item No. 2.

**B**

<b>Name</b>	Shri Dilip Pratapsingh Goculdas
<b>DIN</b>	00367409
<b>Nationality</b>	Indian
<b>Date of Birth</b>	10-03-1959
<b>Date of First Appointment to the Board</b>	12-11-2011
<b>Qualifications</b>	Management Personnel
<b>Expertise in specific functional areas</b>	He is an industrialist with over 3 decades of experience in Industry, Commerce, Corporate Affairs and International Trade. He has been actively involved in setting-up and management of a number of companies in the field of Chemicals, Fertiliser and Engineering product. He is currently on the Board of Indus-Agro Services and Consultants Private Ltd, Padma Publications Limited, The Greens Textile Manufacturing Company Private Limited and Chairman of Poseidon Breeding Private Limited. He is also Trustee of Bombay Gow Rakshak Trust & a member of the Managing Committee of Bombay Gow Rakshak Mandali.
<b>Directorships held in other companies</b>	Indus-Agro Services and Consultants Private Limited. Padma Publications Limited, The Greens Textile Manufacturing Company Private Limited and Poseidon Breeding Private Limited.
<b>Membership/ Chairmanship of Committees of other public limited company</b>	None
<b>Disclosure of Relationship between Directors inter-se</b>	Shri Goculdas is not related to any other Director or Key Managerial Personnel.
<b>No. of Board Meetings attended in 2018-19</b>	4
<b>Shareholding in the Company</b>	Nil

**Disclosure pursuant to Schedule V of the Companies Act 2013 N.A.**

The tenure of appointment of Shri Goculdas as an independent director of the Company shall expire at the ensuing Annual General Meeting. Shri Goculdas was appointed as an Independent Director of the Company pursuant to Section 149(4) of the Companies Act 2013 in the Annual General Meeting of the Company held on 24-09-2014. Upon his re-appointment, he shall be eligible to continue as an independent director for second term of Five years. Shri Goculdas has furnished the requisite declaration for his re-appointment. A proposal has also been received from a member for appointment of Shri Goculdas as an Independent Director.

Considering his rich and wide knowledge, the Board recommends his re-appointment.

Except Shri Goculdas, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in agenda Item No. 3.

**C**

<b>Name</b>	Smt. Sonali Sen
<b>DIN</b>	00451839
<b>Nationality</b>	Indian
<b>Date of Birth</b>	27-12-1961
<b>Date of First Appointment to the Board</b>	27-08-2019
<b>Qualifications</b>	Human Relations Professional
<b>Expertise in specific functional areas</b>	She is a Human Resource Development Professional and has been extensively engaged in recruitment and training programs by different Corporates. She is also engaged in Personality Development Programs at various institutes and is also associated with many NGOs in diverse capacities. She has also served as Director of Manufacturing and Consultancy Companies.
<b>Directorships held in other public limited companies</b>	None
<b>Membership/ Chairmanship of Committees of other public limited company</b>	None
<b>Disclosure of Relationship between Directors inter-se</b>	Smt. Sonali Sen is not related to any other Director or Key Managerial Personnel.
<b>No. of Board Meetings attended in 2018-19</b>	Not Applicable since 1st appointment
<b>Shareholding in the Company</b>	Nil

**Disclosure pursuant to Schedule V of the Companies Act 2013 N.A.**

Smt Sonali Sen, was appointed as an Additional Director (**Non-Executive & Independent**) in the meeting of the Board of Director of the Company held on 27-08-2019. Pursuant to approval of the members for appointment as Independent Director of the company, Smt Sen shall not be liable to retire by rotation. Upon her appointment as an Independent Director, Smt Sonali Sen shall continue to hold office upto Five consecutive years from the date of ensuing annual general meeting. Smt Sonali Sen has furnished the requisite declaration for her appointment.

Accordingly, the Board recommends her appointment.

Except Smt Sonali Sen, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in agenda Item No. 4.

14. Electronic copy of the Notice and Annual Report of the 71st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice and Annual Report of the 71st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
15. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting; members are requested to bring their copies at the meeting.
16. Members/proxies should bring their attendance slips sent herewith, duly filled in, for attending the Meeting. Members/ proxies attending the AGM are requested to carry their identity proof.



17. All the documents referred to in the accompanying Notice and Statement are open for inspection by the Members at the Company's Registered Office on all working days, except Saturdays, between 10.00 A.M. to 1.00 P.M. till 20th September, 2019, and will also be available for inspection at the Meeting.
18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting.
19. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them Pursuant to section 72 of the Companies Act 2013. The prescribed Form (Form SH 13) can be obtained from the Share Department of the Company. Members desiring to avail this facility, may send their Nomination Form (in duplicate) duly filled in, to the Company or its Share Transfer Agents M/s. Maheshwari Datamatics Pvt. Ltd. of 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001 by quoting their respective Folio Numbers.
20. SEBI and Ministry of Corporate Affairs encourages paperless communication as a contribution to Green environment. Members holding shares in physical mode are requested to register their e-mail address to the RTA for receiving all communications including annual reports, notices, circulars etc. from the company electronically. Members who wish to register their e-mail id can download the green initiative form from the company's website www.phosphate.co.in.
21. Members may also note that the Notice of the 71st Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.phosphate.co.in for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id : lakshmiphosphate@gmail.com.

## 22. Voting at the AGM

Remote Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting ('remote e-voting'), Services provided by National Securities Depository Ltd. (NSDL):

### **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Monday, 23rd September, 2019 (9:00 am) and ends on Wednesday, 25th September, 2019 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (ii) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (iii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (iv) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- (v) Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- (vi) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:

- a) For Members who hold shares in demat account with NSDL 8 Character DP ID followed by 8 Digit Client ID  
For example if your DPID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.
- b) For Members who hold shares in demat account with CDSL. 16 Digit Beneficiary ID  
For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*.

- c) For Members holding shares in Physical Form.  
 EVEN Number followed by Folio Number registered with the company  
 For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*
- (vii) Your password details are given below:  
 If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- (viii) How to retrieve your 'initial password'?  
 If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.  
 If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:  
 Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (ix) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (x) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- (xi) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (xii) Now, you will have to click on "Login" button.
- (xiii) After you click on the "Login" button, Home page of e-Voting will open.
- (xiv) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- (xv) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- (xvi) Click on the EVEN for the relevant <Company Name> i.e. The Phosphate Company Limited on which you choose to vote.
- (xvii) Now you are ready for e-Voting as the Voting page opens.
- (xviii) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- (xix) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xx) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (xxi) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- (xxii) General Guidelines for shareholders.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.aaa.2014@gmail.com](mailto:cs.aaa.2014@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

- c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request [atevoting@nsdl.co.in](mailto:atevoting@nsdl.co.in)
- II. Facility for voting through ballot paper / polling paper will also be available at the AGM and members attending the meeting, who have not already cast their vote by remote e-voting, shall be able to exercise their right at the meeting.
- Members who have cast their vote by remote e-voting prior to the AGM and are attending the meeting will not be entitled to cast their vote again.
- III. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 19th September, 2019, may obtain their User ID and Password for e-voting from Company's Registrar & Transfer Agent M/s Maheshwari Datamatics Pvt. Ltd. at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) (Phone No.: 91-33-22482248)
- IV. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2019. A person who is not a member as on cut-off date should treat this notice for information purpose only.
- VI. CS Ajay Kumar Agarwal proprietor of M/s. Agarwal A& Associates, Company Secretaries (M No. F7604, CP No. 13493) of 9, Mango Lane, 2nd Floor, Room No. 12, Kolkata – 700 001 has been appointed as the Scrutinizer to scrutinize the remote e-voting and voting process to be carried out at the Annual General Meeting in a fair and transparent manner.
- VII. The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company.
- VIII. The Chairman shall declare the result forthwith. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.phosphate.co.in](http://www.phosphate.co.in) and on the website of NSDL and communicated to Stock Exchange, immediately.
23. **MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR SUPPORTING EVIDENCE IN RESPECT OF THEIR DPID AND CLIENT ID NOS. FOR EASIER IDENTIFICATION OF THEIR ATTENDANCE AT THE MEETING.**

**THE ROUTE MAP TO THE AGM VENUE IS ANNEXED TO THE NOTICE.**

**ATTENDANCE WILL START AT 2.30 P.M.**

## **Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

### **Item no. 3**

In accordance with the provisions Section 149, 150, 152 read with schedule IV and Section 161(1) read with **Companies (Appointment and Qualification of Directors) Rules, 2014**, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) Shri Dilip Pratapsingh Goculdas (DIN:00367409) was appointed as an Independent Director by the members of the Company in the Annual General Meetings held on 26th September 2014. The provisions of the Companies Act, 2013 prescribes the appointment of independent director for tenure of not more than two terms of five years and shall not be liable to retire by rotation.

Notice has been received from a Member proposing the candidature of Shri Dilip Pratapsingh Goculdas for the office of the Independent Director of the Company. A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours mentioned in the notes to the Notice calling the ensuing Annual General Meeting and is also available on the website of the Company.

In the opinion of the Board, Shri Goculdas fulfill the conditions specified in the Companies Act, 2103 and the rules made thereunder, for his re-appointment as Independent Director of the Company and also independent of the Management.

The performance of Shri Goculdas has been rated satisfactory on all parameters and accordingly the Board recommends his re-appointment.

None of the Directors, Key Managerial Personnel or their relatives except Sri Goculdas, are in any way regarded as concerned or interested in the aforesaid resolution.

### **Item no. 4**

In accordance with the provisions Section 149, 150, 152 read with schedule IV and Section 161(1) read with **Companies (Appointment and Qualification of Directors) Rules, 2014**, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) Smt. Sonali Sen (DIN:00451839) was appointed as an Additional Director (**Non-Executive & Independent**) by the Board of Director of the Company in its Meetings held on 27th August 2019.

In the opinion of the Board, Smt. Sonali Sen fulfill the conditions specified in the Companies Act, 2103 and the rules made thereunder, for her appointment as Independent Director of the Company and is also independent of the Management.

Notice has been received from a Member proposing the candidature of Smt. Sonali Sen for the office of the Independent Director of the Company. A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours mentioned in the notes to the Notice calling the ensuing Annual General Meeting and is also available on the website of the Company.

None of the Directors, Key Managerial Personnel or their relatives except Smt. Sonali Sen, are in any way regarded as concerned or interested in the aforesaid resolution.

### **Item No. 5**

In accordance with the provisions of Section 148(3) of the Act read with Companies (Audit and Auditors) Rules 2014, remuneration payable to the Cost auditors has to be ratified by the shareholders of the Company.

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s S Gupta & Co, Cost & Management Accountants, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March 2020. The remuneration recommended by the Board is Rs.15,000/- plus taxes and out of pocket expenses for fertiliser.

The Directors accordingly recommend the ordinary resolution set out at item 5 of the notice for approval of the shareholders.

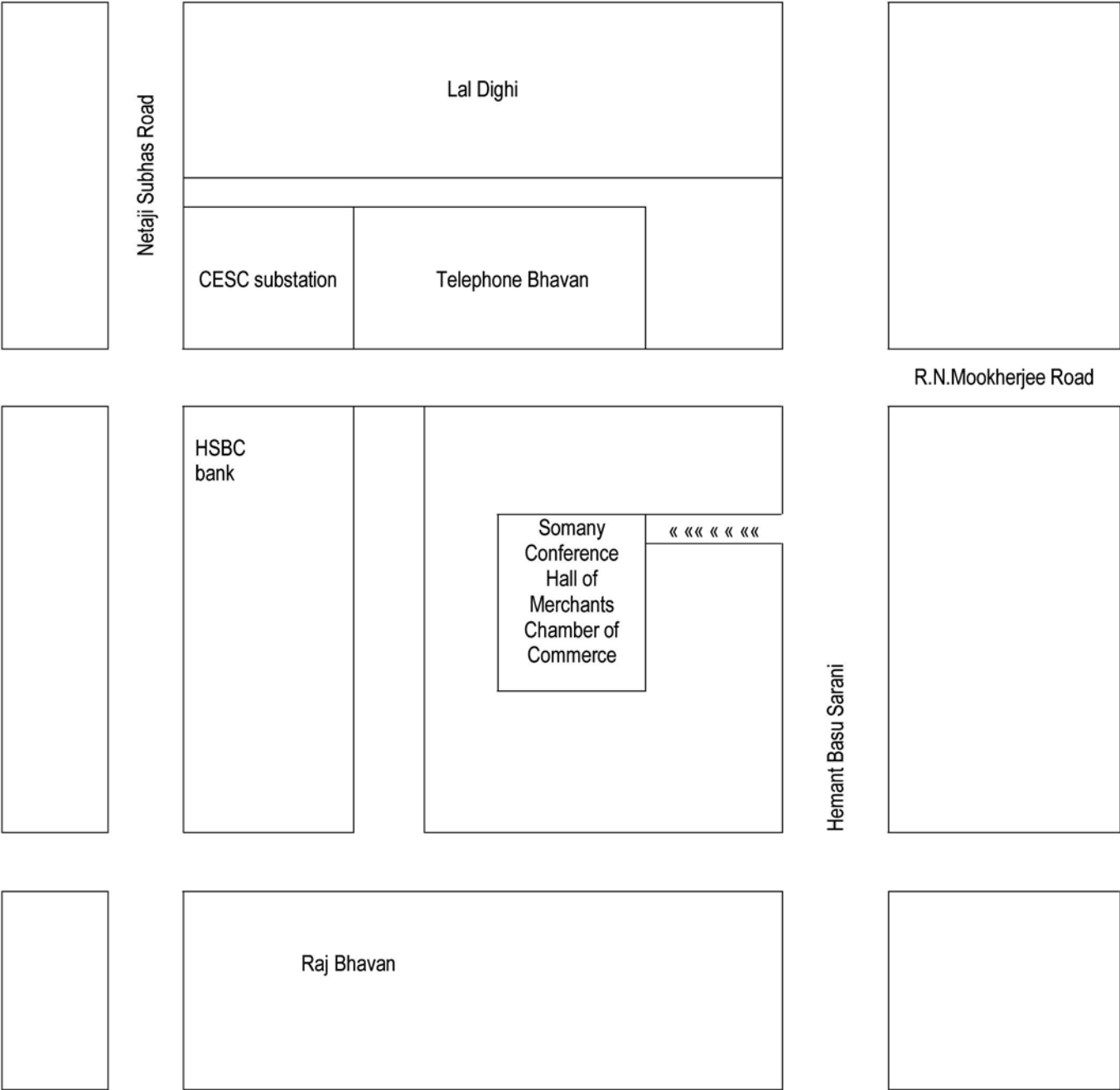
None of the Directors, Key Managerial Personnel or their relatives are/is in any way regarded as concerned or interested in the aforesaid resolution.

Regd. Office :  
14, Netaji Subhas Road  
Kolkata – 700 001

Date : 27th August, 2019

By Order of the Board  
For **THE PHOSPHATE COMPANY LIMITED**  
Suresh Kumar Bangur  
Executive Director  
(DIN: 00040682)

**Route Map**



**The Phosphate Company Limited**  
 venue of 71<sup>st</sup>Annual general Meeting  
 to be held on 26th September 2019

Not according to scale