



Annual Report

2016-2017

THE PHOSPHATE COMPANY LIMITED

THE PHOSPHATE COMPANY LIMITED

BOARD OF DIRECTORS

Shri Binod Khaitan
Shri Hemant Bangur
Shri Dilip P Goculdas
Smt. Vijaya Mohan
Shri Suresh Kumar Bangur – Executive Director

PRESIDENT

Shri Ajay Bangur

SECRETARY

Shri Shankar Banerjee

BANKERS

State Bank of India
State Bank of Mysore
Syndicate Bank

AUDITORS

Messers Batliboi, Purohit & Darbari
Chartered Accountants

REGISTERED OFFICE

14, Netaji Subhas Road, Kolkata - 700001
Tel : 033-2230 0771
Fax : 91-33-2243 6236
E.Mail : phosphate@vsnl.net
Website : www.phosphate.co.in

WORKS

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

REGISTRARS & TRANSFER AGENTS

Messers Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor, Kolkata-700001
Tel. : 033-22482248, Fax : 033-22484787
E-mail : mdpl@yahoo.com

THE PHOSPHATE COMPANY LIMITED

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THE PHOSPHATE COMPANY LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2017.

(Amount in ₹ lacs)

FINANCIAL RESULTS	<u>Stand-alone</u>		<u>Consolidated</u>	
	<u>Current year</u>	<u>Previous year</u>	<u>Current year</u>	<u>Previous year</u>
Turnover	6873	7878	6873	7878
Other Income	26	875	26	876
Operating Profit ex. Other Income	791	298	789	298
Finance Cost	658	716	658	716
Depreciation	99	104	99	104
Net Tax Provision	18	185	17	185
Profit after tax	42	169	41	169

BUSINESS PERFORMANCE & AFFAIRS

During the year under review, sales of your Company was adversely affected by NOTEBANDI (Demonetisation) unfortunately initiated by Government of India during fertiliser Peak Season. This resulted into reduced production of Green Single Super Phosphate fertiliser at 51,805 tons in comparison to 63,772 tons in previous year. Similarly, Turnover also fell to Rs. 6,873 lacs from Rs. 7,878 lacs achieved in previous year.

Effect of NOTEBANDI is still being felt in Agriculture Economy

During the year, subsidy from Government of India was reduced from Rs.3,173 per ton to Rs. 2,343 per ton. However, stable and soft raw materials prices helped the company to post higher operating profit of Rs. 791 lacs in comparison to Rs. 298 lacs in previous year.

Government of India has further reduced subsidy on sale of fertiliser to Rs. 2,166 per ton for the year 2017-18.

OPPORTUNITIES

Government has already introduced Goods & Service tax w.e.f. 1st July 2017 and very soon existing subsidy scheme will be changed to Direct Benefit Transfer (DBT) Scheme.

Government of India is pushing for doubling of farm Income from existing level.

These measures should augur well for your Company

THREAT

Under Direct Benefit Transfer Scheme, all fertiliser needs to be sold to identified Registered Farmers on Government Portal through Point of Sale (POS) machines being installed at Retailers outlet. Poor infrastructure at retailers place may create difficulty for the Company. Moreover, subsidy will be received only after sale to Registered Farmers instead of sale to Retailers.

DIVIDEND

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

ACCOUNTING PRINCIPLE

Up to the year ended 31st March, 2017, the Company has prepared its Financial Statements in accordance with

THE PHOSPHATE COMPANY LIMITED

Generally Accepted Accounting Principles in India, including accounting standards read with Section 133 of the Act notified under the Companies (Accounting Standards) Rules, 2006.

From 1st April 2017, the Company will be preparing Financial Statements as per IND-AS Standards.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements of the subsidiary and related detailed information will be kept at the Registered Office of the Company, as also at the registered office of the respective subsidiary companies and will be available to investors seeking information at any time.

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 Board's Report.

DIVIDEND

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

TRANSFER TO GENERAL RESERVES

The Company does not propose to transfer any amount to the 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 Boards Report.

CREDIT RATING

The Company bank loans have been rated by CRISIL Ratings, which are valid upto February, 2018 and are as under :

Long Term Rating: CRISIL BB – Short term Rating: CRISIL A4+

SHARE CAPITAL

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

The paid up Equity Share Capital as on 31st March, 2017 was Rs.360.75 lacs. During the year under review, the Company has not issued any shares. The Company has not issued shares with deferential 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 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.

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

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

WOMAN DIRECTOR

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

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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. Secretary has been appointed as Secretary of the Company w.e.f. 10th August 2016 are the key Managerial Personnel.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Your Board of Directors met 4 times during the financial year 2016-17. The dates are 30th May 2016, 10th August 2016 9th November 2016 & on 10th February 2017. Intervening gap between two meetings is within the limit prescribed under the Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

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

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

DECLARATION BY INDEPENDENT DIRECTOR(S)

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

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

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

Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in ANNEXURE –C and forms part of this Report.

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FORMAL ANNUAL EVALUATION

As the ultimate responsibility for sound governance and prudential management of the company lies with its Board, it is imperative that the Board remains continually energized, proactive and effective. An important way to achieve this is through an objective stock taking by the Board of its own performance. The Companies Act, 2013 as well as SEBI through Equity Listing Agreement are inclined on the requirements of evaluation. The Board of Directors, in its Meeting held on 25th May 2017, undertook the evaluation of its own performance, its Committees and all the individual Directors in FY 2016-17. The review concluded by affirming that the Board as a whole as well as all of its Members, individually and the Committees of the Board continued to display commitment to good governance, ensuring a constant improvement of processes and procedures. It was further acknowledged that every individual Member and Committee of the Board contributed its best to the organisation.

INTERNAL CONTROL SYSTEM & 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 Audit function reports to the Chairman of the Audit Committee. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board for its direction.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

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, 2017 your company had 53 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.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, 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.

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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- forming a part of the Board's Report.

CODE OF CONDUCT

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

VIGIL MECHANISM & WHISTLE BLOWER POLICY

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

PREVENTION OF INSIDER TRADING

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

CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act 2013 relating to Corporate Social Responsibility Committee and its obligations are not applicable to your Company as the paid up capital or turnover or net profit is below the threshold limit of Rs.500 or crores or Rs.1,000 crores or Rs.5 crores respectively during a financial year. However, your company admits that it is significant part of the society and discharges its obligations to the society at large.

INSURANCE

All the properties of your Company are adequately insured.

STATUTORY AUDITOR & AUDIT REPORT

M/s Batliboi Purohit & Darbari, Chartered Accountants, (F.R.No.303086E), the Auditors of the Company are to hold office as statutory auditors till the conclusion of the Annual General Meeting for Financial Year 2016-17. They cannot be re-appointed as they have already been in appointment for the maximum tenure specified by the Companies Act 2013.

The Board proposes to appoint M/s S.K.Agrawal & Co., Chartered Accountants (F.R.No.305158E) subject to approval of members of the Company at the ensuing annual general meeting.

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

COST AUDITOR & COST AUDIT

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s. S Gupta & Co., Cost Accountants (F.R.No.000020) were re-appointed as the cost auditors of the Company for the year ending 31st March, 2017. Report for Financial Year ended 31st March, 2017 will be filed before the due date. Further, they have been reappointed for the financial year ended 31st March, 2018 by the Board of Directors.

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INTERNAL AUDITORS

Your Directors have appointed M/s Batliboi Purohit & Darbari, Chartered Accountants, (F.R.No.303086E), for the financial year ended 31st March, 2018.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

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

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, comprises 3 (Three) Members, namely Smt. Vijaya Mohan, Shri Dilip P Goculdas and Shri Suresh Bangur, two of them are Independent Directors and one is a Non-Independent Executive Director. The Committee met four times in the financial year 2016-17. The Board accepted all the recommendations of the Audit Committee during the year.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

EXTRACT OF ANNUAL RETURN

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

BUSINESS RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the Board of Directors of the company regularly evaluates its associated business risks. It has an elaborate risk management procedure and in place systematic approach to mitigate risk associated with accomplishment of objectives and operations. At present it has not identified any element of risk threatening existence of the company in dealing with agro input products.

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

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation of energy is achieved.
- b) No specific investment has been made towards reduction in energy consumption.
- c) Impact of conservation and optimum utilisation of energy are not readily ascertainable and as such its impact on cost cannot be stated absolutely.

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Technology Absorption

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

Foreign Exchange Earnings & Outgo

Particulars	2016-17	2015-16
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Rs. 15,92,58,877	Rs. 25,89,30,967
Purchase of Raw materials		

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 Kolkata against dismissal of writ petition earlier filed for recovery of Freight Rebate.

CORPORATE GOVERNANCE

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments occurring after 31st March 2017 affecting the financial position of the Company requiring disclosure.

ACKNOWLEDGEMENTS

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

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

Kolkata
Dated: 18th August 2017

(Suresh Kumar Bangur)
Executive Director
DIN:00040682

(Binod Khaitan)
Director
DIN:00128502

THE PHOSPHATE COMPANY LIMITED

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development :

Agriculture is the third largest sector of Indian Economy, which contributes around 17% of total GDP of the Country. Fertilizer Industry, with the emerging scenario, plays vital role in the growth of the Agriculture Sector. The balanced use of chemical fertilizer is important not only for increasing agricultural productivity but also for sustaining soil fertility. The Company is producing SSP, which contains Phosphate, Sulphur, Calcium and other micro nutrients and could be said to be a 'Generic Customized Fertilizer'. It is an essential Fertilizer for crops likes Potato, Tobacco, Rice, Oilseeds, Pulses, Sugarcane, Fruits and Vegetables, Tea etc. and for all other sulphuric deficient soils.

Performance :

The Company operates primarily in Farm-input segment. During the year under review, your company achieved production of 49,428 MT of Powdered Single Super Phosphate (SSP), 6,816 MT of Granulated Single Super Phosphate (GSP) as against production of 52,401 MT of SSP and 7,842 MT of GSP in the previous year. Sale of SSP was at 49,805 MT and of GSP at 6,759 against 52,437 MT of SSP and 9,137 MT of GSP. The decline in production and consequently sales is attributable to NOTE BANDI.

The Company reported an operating profit (EBITDA) before other income at Rs. 791 lacs in current year against an operating profit of Rs. 298 lacs in the previous year excluding profit on sale of fixed assets. The Company reported a net profit after tax of Rs. 42 lacs against profit of Rs. 169 lacs (inclusive of Profit on sale of Fixed Assets of Rs. 862 lacs) in the previous year.

Internal Control Systems and their adequacy:

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

Human Resources:

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

Opportunities:

Goods and Service Tax (GST) has been implemented w.e.f. 1st July, 2017. Prices of Finished Goods will be reduced in a phased manner due to elimination of Cascading Taxes. This should increase demand across all markets including fertilizers. Direct Benefit Transfer (DBT) of Subsidy of Farmers should be rolled out within Calendar Year 2017. Identification of farmers availing DBT Scheme will improve company's ability to target potential farmers.

Threats:

SSP fertilisers are based on imported raw-materials which can face severe volatility in prices and foreign currency exchange rates, affecting the profitability of the Company. Agro-Climatic conditions also have large effect on the performance of the Company.

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Future Outlook:

It is expected that the Country will have an above normal monsoon in 2017, resulting in relief to Indian agriculture sector and related industries like Fertilizer. Government of India has initiated a road map to move towards the system of paying subsidy directly to beneficiary viz, the farmers, which will improve targeted delivery of subsidies to the farmers and eliminate leakages by direct benefit transfer (DBT) using Jan Dhan Yojana (JDY), Aadhar Card and Mobile No.

Risks and Concerns:

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

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

Disclosure of Accounting Treatment:

The Financial Statements have been prepared in conformity with the applicable accounting standards with proper explanations justifying the cause of any deviation wherever occurred. The notes to the financial statements read with the auditors reports both stand-alone and consolidated give the necessary disclosure of all the relevant accounting treatments in the financial statements appended with the Board Report forming the Annual Report for 2016-17.

Cautionary Statement:

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

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Annexure B

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

A. Related Party Disclosures

Compliance of Accounting Standards:

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

N.B. There is a due and maximum due of Rs. 419.35 lacs from subsidiary company as against sale vis-a-vis payment due by subsidiary company.

B. Management Discussion and Analysis

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

C. Disclosure of Accounting Treatment

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

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

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

THE PHOSPHATE COMPANY LIMITED

Annexure C

POLICY FOR SELECTION & APPOINTMENT OF DIRECTORS & THEIR REMUNERATION

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

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

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

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

Remuneration

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

CEO & Managing Director - Criteria for selection / appointment

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

Remuneration for the CEO & Managing Director

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

Remuneration Policy for the Senior Management Employees

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

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

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Annexure D

FORM NO. AOC -1

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

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

(Rs. in Lacs)

Sl. No.	Particulars	Details
1	Name of the subsidiary	Abhinandan Goods Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting period as that of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
4	Share capital	24.00
5	Reserves & Surplus	3.88
6	Total Assets	897.91
7	Total Liabilities	870.03
8	Investments	Nil
9	Profit (Loss) before Taxation	(1.55)
10	Provision for Taxation	(0.71)
11	Profit (Loss) after Taxation	(0.84)
12	Proposed dividend	Nil
13	% of shareholding	100

Notes:

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

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

On behalf of the Board of Directors

For The Phosphate Co. Ltd.

Kolkata
Dated: August 18, 2017

(Suresh Kumar Bangur)
Executive Director
DIN : 00040682

(Binod Khaitan)
Director
DIN : 00128502

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Annexure E

FORM NO. AOC -2

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

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

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

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

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

Name of the related party	Nature of Contract	Duration of Contract	Salient terms	Date of Board Approval
Shri Suresh Kumar Bangur	Executive Director	3 years	Salary/Contribution to PF etc/Perquisites	10-08-16
Shri Ajay Bangur	Chief Financial Officer		Salary/Contribution to PF etc/Perquisites	15-05-14
Art Finance & Trade Pvt. Ltd.	Rs. 53 lacs	Payable on demand	ICD @ 12%	30-05-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 4 lacs	Payable on demand	ICD @ 13%	30-05-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 2 lacs	Payable on demand	ICD @ 13%	30-05-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 1 lacs	Payable on demand	ICD @ 13%	30-05-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 2 lacs	Payable on demand	ICD @ 13%	30-05-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 3 lacs	Payable on demand	ICD @ 13%	30-05-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 4 lacs	Payable on demand	ICD @ 13%	30-05-16

THE PHOSPHATE COMPANY LIMITED

Name of the related party	Nature of Contract	Duration of Contract	Salient terms	Date of Board Approval
Phosphate Ent. & Investment Ltd.	Rs. 11 lacs	Payable on demand	ICD @ 15%	30-08-16
Phosphate Ent. & Investment Ltd.	Rs. 1 lacs	Payable on demand	ICD @ 15%	10-08-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 1 lacs	Payable on demand	ICD @ 15%	30-05-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 1 lacs	Payable on demand	ICD @ 15%	10-08-16
Kherapati Vanijya Ltd.	Rs. 40 lacs	Payable on demand	ICD @ 15%	10-08-16
Art Finance & Trade Pvt. Ltd.	Rs. 18 lacs	Payable on demand	ICD @ 12%	10-08-16
Kanchan Udyog Ltd.	Rs. 7 lacs	Payable on demand	ICD @ 12%	10-08-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 29 lacs	Payable on demand	ICD @ 15%	10-08-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 10 lacs	Payable on demand	ICD @ 15%	10-08-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 6 lacs	Payable on demand	ICD @ 15%	09-11-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 5 lacs	Payable on demand	ICD @ 15%	09-11-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 4 lacs	Payable on demand	ICD @ 15%	09-11-16
Devendra Finvest & Holding Pvt Ltd.	Rs. 22 lacs	Payable on demand	ICD @ 15%	10-02-17
Kanchan Udyog Ltd.	Rs. 32 lacs	Payable on demand	ICD @ 12%	10-02-17
Devendra Finvest & Holding Pvt Ltd.	Rs. 8 lacs	Payable on demand	ICD @ 15%	10-02-17
Devendra Finvest & Holding Pvt Ltd.	Rs. 3 lacs	Payable on demand	ICD @ 15%	10-02-17
Kanchan Udyog Ltd.	Rs. 6 lacs	Payable on demand	ICD @ 9%	25-05-17
Devendra Finvest & Holding Pvt Ltd.	Rs. 35 lacs	Payable on demand	ICD @ 9%	25-05-17
Cochin Estates Ltd.	Rs. 25 lacs	Payable on demand	ICD @ 9%	25-05-17

No advance has been made to any related party whatsoever.

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

Kolkata
Dated: August 18, 2017

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

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd.)

ANNEXURE F

FORM MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31-03-2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L24231WB1949PLC017664
ii.	Registration Date	25-02-1949
iii.	Name of the Company	The Phosphate Company Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	14 Netaji Subhas Road, Kolkata-700001 033-22300771, 033-22436236 phosphate@vsnl.net
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata -700001 Ph. : 033-22442248, Fax : 033-22484787 mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Single Super Phosphate	3462101	86.84
2	Others		13.16

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	M/s. Abhinandan Goods Pvt. Ltd. 14, N. S. Road Kolkata -700 001	U24100WB2009PTC133717	Subsidiary	100	2(87)(ii)

THE PHOSPHATE COMPANY LIMITED

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

i. Category-wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/April/2016)				No. of Shares held at the end of the year (As on 31/March/2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	1120566	30000	1150566	31.8939	1296566	30000	1326566	36.7727	4.87888
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	1300010	0	1300010	36.0365	1159010	0	1159010	32.1280	-3.9085
e) Banks / FI									
f) Any Other									
Sub-total (A) (1) :-	2420576	30000	2450576	67.9304	2455576	30000	2485576	68.9007	0.9703
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total (A) (2) :-	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Shareholding of Promotor (A)=(A)(1) + (A)(2)	2420576	30000	2450576	67.9304	2455576	30000	2485576	68.9007	0.9703
B. Public Shareholding									
1) Institutions									
a) Mutual Funds									
b) Banks / FI	1100	3200	4300	0.1192	1100	3200	4300	0.1192	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	333480	0	333480	9.2441	333480	0	333480	9.2441	0.0000
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									

THE PHOSPHATE COMPANY LIMITED

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

i. Category-wise ShareHolding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/April/2016)				No. of Shares held at the end of the year (As on 31/March/2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total (B) (1)	334580	3440	338020	9.3700	334580	3440	338020	9.3700	0.0000
2) Non Institutions									
a) Bodies Corp.									
(i) Indian	114640	11790	126430	3.5047	139080	11790	150870	4.1821	0.6774
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	143061	182853	325914	9.0344	142614	183853	326467	9.0497	0.0153
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	345000	0	345000	9.5635	285000	0	285000	7.9003	-1.6632
c) Others (Specify)									
Non Resident Indians	980	560	1540	0.0427	987	560	1547	0.0429	0.0002
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members									
Trusts									

THE PHOSPHATE COMPANY LIMITED

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

i. Category-wise ShareHolding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/April/2016)				No. of Shares held at the end of the year (As on 31/March/2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Bodies-DR									
Foreign Portfolio Investors									
d) NBFC's Registered with RBI	20000	0	20000	0.5544	20000	0	20000	0.5544	0.0000
Employee Trusts									
Domestic Corporation Unclaimed Shares									
Investor Education & Protection Fund Authority									
Sub-total (B)(2) :	623681	195203	818884	22.6997	587681	196203	783884	21.7294	-0.9703
Total Public Shareholding (B)=(B)(1)+ (B)(2)	958261	198643	1156904	32.0697	922261	199643	1121904	31.0994	-0.9703
C. Shares held by Custodian for GDRs&ADRs									
Grand Total (A+B+C)	3378837	228643	3607480	100.0000	3377837	229643	3607480	100.0000	0.0000

THE PHOSPHATE COMPANY LIMITED

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/encumbered to total shares	
1	Madhav Trading Corpn. Ltd.	339880	9.4215	0.0000	374880	10.3917	0.0000	0.9702
2	Shrivats Khaitan	55000	1.5246	0.0000	231000	6.4034	0.0000	4.8788
3	Credwyn Holdings India	175000	4.8510	0.0000	175000	4.8510	0.0000	0.0000
4	Kettlewellbullen 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 IndustriesLtd.	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 PackwellLtd	100000	2.7720	0.0000	100000	2.7720	0.0000	0.0000
10	Amvitradecom Private Ltd	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 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	Karan Khaitan	64760	1.7952	0.0000	64760	1.7952	0.0000	0.0000
16	Suresh Kumar Bangur	125860	3.4889	0.0000	60860	1.6871	0.0000	-1.8018
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	0	0.0000	0.0000	43000	1.1920	0.0000	1.1920
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	15580	0.4319	0.0000	26580	0.7368	0.0000	0.3049
23	Sudarshan Bangur	15300	0.4241	0.0000	26300	0.7290	0.0000	0.3049
24	Anirudh Bangur	15100	0.4186	0.0000	15100	0.4186	0.0000	0.0000
25	Ushakiran Bangur	13380	0.3709	0.0000	13380	0.3709	0.0000	0.0000
26	The Oriental Company Ltd	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	Shree Prakash Bangur	5400	0.1497	0.0000	5400	0.1497	0.0000	0.0000
29	Bimala Devi	5400	0.1497	0.0000	5400	0.1497	0.0000	0.0000
30	Luxmi Devi	4000	0.1109	0.0000	4000	0.1109	0.0000	0.0000
31	Milan Bangur	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
39	Kanchan Udyog Ltd	176000	4.8788	0.0000	0.0000	0.0000	-4.8788	
	TOTAL	2450576	67.9304	0.0000	2485576	68.9006	0.0000	0.0000

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

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	Madhav Trading Corporation Ltd.				
	At the beginning of the year	339880	9.4215	339880	9.4215
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	6-5-2016 35000 (off market purchase)	0.9702	374880	10.3917
	At the End of the year	374880	10.3917	374880	10.3917

Inter-see transfer among promoters not resulting in change in overall promoter shareholding has been avoided at this stage.

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year [01-04-2017]	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation Of India 01-04-2016 31-03-2017	189240 5.2458	189240 5.2458	189240 5.2458
2	Ramesh Chandra Tapuriah 01-04-2016 31-03-2017	110000 3.0492	110000 3.0492	110000 3.0492
3	Shri Sudershan Prasad Bagaria 01-04-2016 29/04/2016 - Purchase 31-03-2017	40000 1.1088 60000 1.6632	40000 1.1088 100000 2.7720	40000 1.1088 100000 2.7720
4	The New India Assurance Company Limited 01-04-2016 31-03-2017	82720 2.2930	82720 2.2930	82720 2.2930
5	National Insurance Company Ltd 01-04-2016 31-03-2017	61520 1.7053	61520 1.7053	61520 1.7053
6	ShrishTapuriah 01-04-2016 31-03-2017	50000 1.3860	50000 1.3860	50000 1.3860

THE PHOSPHATE COMPANY LIMITED

	Shareholding at the beginning of the year		Cumulative Shareholding during the year [01-04-2017]		
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
7	S R Tie Up Private Limited *				
	01-04-2016	20000	0.5544	20000	0.5544
	23/09/2016 - Purchase	25000	0.6930	45000	1.2474
	31-03-2017			45000	1.2474
8	Sangam Merchants Pvt.Ltd. *				
	01-04-2016	0	0.0000	0	0.0000
	14/10/2016 - Purchase	35000	0.9702	35000	0.9702
	31-03-2017			35000	0.9702
9	Maruti Business Services Ltd				
	01-04-2016	27010	0.7487	27010	0.7487
	31-03-2017			27010	0.7487
10	Hindusthan Udyog Limited				
	01-04-2016	26400	0.7318	26400	0.7318
	31-03-2017			26400	0.7318
11	Meghraj Mohta				
	01-04-2016	25000	0.6930	25000	0.6930
	31-03-2017			25000	0.6930
12	Devi Prasad Taparia #				
	01-04-2016	120000	3.3264	120000	3.3264
	29/04/2016 - Sale	-60000	1.6632	60000	1.6632
	23/09/2016 - Sale	-25000	0.6930	35000	0.9702
	14/10/2016 - Sale	-35000	0.9702	0	0.0000
	31-03-2017			0	0.0000
13	Carwin Trading Private Ltd #				
	01-04-2016	35000	0.9702	35000	0.9702
	06/05/2016 - Sale	-35000	0.9702	0	0.0000
	31-03-2017			0	0.0000

* Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

THE PHOSPHATE COMPANY LIMITED

Shareholding Pattern of Director and Key Managerial Personnel

		Shareholding at the beginning of the year		Cumulative Shareholding during the year [01-04-2017]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Binod Khaitan 01-04-2016 31-03-2017	82400	2.2841	82400 82400	2.2841 2.2841
2	Shri Hemant Bangur 01-04-2016 31-03-2017	200	0.0055	200 200	0.0055 0.0055
3	Shri Suresh Kumar Bangur @ 01-04-2016 29/04/2016 - Transfer 26/08/2016 - Transfer 31-03-2017	0 65000 -22000	0.0000 1.8018 0.6098	65000 43000 43000	1.8018 1.1920 1.1920
4	Shri Suresh Kumar Bangur # 01-04-2016 31-03-2017	2000	0.0554	2000 2000	0.0554 0.0554
5	Shri Suresh Kumar Bangur* 01-04-2016 29/04/2016 - Transfer 31-03-2017	125860 -65000	3.4889 1.8018	60860 60860	1.6871 1.6871
6	Shri Ajay Bangur 01-04-2016 06/05/2016 - Purchase 13/05/2016 - Purchase 03/02/2017 - Sale 31/03/2017 - Sale	7800 100000 46200 -46200 -100000	0.2162 2.7720 1.2807 1.2802 2.7720	7800 107800 154000 107800 7800	0.2162 2.9882 4.2689 2.9872 0.2162

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

@ as Trustee

as Karta of HUF

* in personal capacity

THE PHOSPHATE COMPANY LIMITED

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	₹ 1923.16 lacs	₹ 2872.18 lacs	Nil	₹ 4795.34 lacs
ii) Interest due but not paid		₹ 92.49 lacs		₹ 92.49 lacs
iii) Interest accrued but not paid			Nil	
Total (i + ii + iii)	₹ 1923.16 lacs	₹ 2964.67 lacs	Nil	₹ 4887.83 lacs
Change in Indebtedness during the financial year				
- Addition		₹ 59.21 lacs	Nil	₹ 59.21 lacs
- Reduction	₹ 765.30 lacs	₹ 391.43 lacs	Nil	₹ 1156.73 lacs
Net Change	₹ 765.30 lacs (decrease)	₹332.22 lacs (decrease)	Nil	₹ 1097.52 lacs (decrease)
Indebtedness at the end of the financial year				
i) Principal Amount	₹ 1157.86 lacs	₹ 2573.24 lacs	Nil	₹ 3731.10 lacs
ii) Interest due but not paid		₹ 59.21 lacs		₹ 59.21 lacs
iii) Interest accrued but not due			Nil	
Total (i + ii + iii)	₹ 1157.86 lacs	₹ 2632.45 lacs	Nil	₹ 3790.31 lacs

THE PHOSPHATE COMPANY LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Shri Suresh Kumar Bangur	24,14,000
			3,10,455
			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)		27,24,455

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Total Amount		
	Independent Directors	Shri D P Goculdas	Smt Vijaya Mohan	
	• Fee for attending board committee meetings	50,000	45,000	95,000
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (1)	50,000	45,000	95,000
	Other Non-Executive Directors	Shri Binod Khaitan	Shri Hemant Bangur	
	• Fee for attending board committee meetings	30,000	35,000	65,000
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (2)	30,000	35,000	65,000
	Total (B) = (1+2)			1,60,000
	Total Managerial Remuneration			28,84,455
	Overall Ceiling as per the Act			84,00,000

THE PHOSPHATE COMPANY LIMITED

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,62,567	24,14,000	28,76,567
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	61,562	3,18,639	3,80,201
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total	5,24,129	27,32,639	32,56,768

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

-NIL-

Kolkata
Dated: 18th August 2017

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

(Suresh Kumar Bangur) Executive Director DIN : 00040682	(Binod Khaitan) Director DIN : 00128502
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THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd.)

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 2016-17 are given below :

Non Executive Directors	Ratio to Median	Percentage Increase in Remuneration
A) Independent		
i. Smt. Vijaya Mohan	0.26	-35.71%
ii. Shri Dilip P Goculdas	0.29	0.00%
B) Non Independent		
i. Shri Binod Khaitan	0.18	-25.00%
ii. Shri Hemand Bangur	0.20	-30.00%
Remarks : *Remuneration is based on attendance in Board / Committee meetings. Rate of Remuneration is same in current year as well as in last year.		
Whole time Director	Ratio to Median	Percentage Increase in Remuneration
i) Shri Suresh Kumar Bangur	15.65	8.28%

2. The percentage increase in remuneration of the Chief Financial Officer is 8.37% and of the Company Secretary is not comparable as he has joined w.e.f. 10th August, 2016.
3. The percentage increase / (decrease) in the median remuneration of employees in the financial year : (19.46%).
4. The number of permanent employees on the rolls of the Company as on 31/03/2017 is 53 against 47 as on 31/03/2016.
5. The percentage increase / (decrease) in the salaries of employees other than the managerial personnel in the last financial year is (1.44%) as against an increase / (decrease) of (5.60%) in the 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.

THE PHOSPHATE COMPANY LIMITED

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 2016-17.

Kolkata
Dated: August 18, 2017

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

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

THE PHOSPHATE COMPANY LIMITED

Annexure H

Secretarial Audit Report

For the financial year ended 31st March 2017

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **The Company** for the financial year ended on 31st March 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (*No such transactions, hence not applicable during the year*);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Schemes and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

THE PHOSPHATE COMPANY LIMITED

- VI. The following laws applicable specifically to the Company as per representation given by the Company:
Fertiliser (Control) Order 1985 issued under the Essential Commodities Act, 1955 by the Central Government.
We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) Listing Agreement entered into by the Company with the Calcutta Stock Exchange Limited.

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

1. Equity Shares of the Company continues to be suspended for trading at The Calcutta Stock Exchange Ltd. The Company is taking efforts for withdrawal of the suspension.
2. During the year under review, Shri Suresh Kumar Bangur was appointed as whole-time Director for a period of 3 years with retrospective effect from 12th August, 2015.
3. During the year under review, Shri Shankar Banerjee was appointed as Company Secretary with effect from 10th August 2016 and designated as Dy. Secretary.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

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

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

We further report that during the audit period no specific events / actions took place having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Kolkata
Date: 16th August, 2017

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

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

THE PHOSPHATE COMPANY LIMITED

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

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

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

Place: Kolkata
Date: 16th August, 2017

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

THE PHOSPHATE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of THE PHOSPHATE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profits and its cash flows for the year ended on that date.

THE PHOSPHATE COMPANY LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Group - Refer Note 25 to the standalone financial statements;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

Place : Kolkata
Date : 25.05.2017

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

THE PHOSPHATE COMPANY LIMITED

Annexure A to the Independent Auditor's Report to the members of The Phosphate Company Limited dated 25/05/2017

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

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

THE PHOSPHATE COMPANY LIMITED

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

Place : Kolkata
Date : 25.05.2017

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

THE PHOSPHATE COMPANY LIMITED

Annexure B to the Independent Auditor's Report to the members of The Phosphate Company Limited dated 25/05/2017

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

We have audited the internal financial controls over financial reporting of The Phosphate Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

THE PHOSPHATE COMPANY LIMITED

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **Batliboi, Purohit & Darbari**
Chartered Accountants
Firm's Registration No. 303086E
HEMAL MEHTA
Partner
Membership No. 063404

Place : Kolkata
Date : 25.05.2017

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF ACCOUNTS

THE PHOSPHATE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	31st March, 2017 R	31st March, 2016 R
EQUITY & LIABILITIES			
SHAREHOLDERS FUND			
Share Capital	2	3,60,74,800	3,60,74,800
Reserves & Surplus	3	53,24,60,317	52,82,28,618
Non-current liabilities			
Long-Term Liabilities	4	11,34,08,581	12,51,15,329
Long Term Provisions	5	45,61,000	44,53,255
Current Liabilities			
Short Term Borrowings	6	24,79,89,251	34,02,28,035
Trade Payables		11,73,09,952	18,08,60,938
Other Current Liabilities	7	1,76,33,494	2,34,39,541
Short Term Provisions		—	65,54,600
Total		<u>1,06,94,37,395</u>	<u>1,24,49,55,116</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	8	62,17,88,847	62,91,53,023
Capital Work-in-Progress		3,30,000	4,79,499
Non-Current Investments	9	24,32,000	24,32,000
Deferred Tax Assets (Liabilities)	10	93,19,231	1,10,71,341
Long Term Loans and Advances	11	49,17,465	61,35,272
Current Assets			
Inventories	12	9,79,50,765	16,29,67,172
Trade Receivables	13	22,43,48,360	35,40,58,123
Cash and Cash Equivalents	14	1,00,92,485	1,83,83,272
Short Term Loans and Advances	15	9,74,18,297	6,02,75,414
Misc. Current Assets (Liabilities)		8,39,945	—
Total		<u>1,06,94,37,395</u>	<u>1,24,49,55,116</u>

Significant Accounting Policies 1

Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants

Firm Reg. No. 303086E

HEMAL MEHTA

Partner

Membership No. : 063404

SURESH KUMAR BANGUR

Executive Director

DIN : 00040862

SHANKAR BANERJEE

Dy. Secretary

VIJAYA MOHAN

Independent Director

DIN : 02474421

AJAY BANGUR

President & CFO

BINOD KHAITAN

Director

DIN : 00128502

7, Waterloo Street, Kolkata 700 069

Dated : 25th May, 2017

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017

	Note No.	31st March, 2017	31st March, 2016
		R	R
		Rs. .	
INCOME			
<u>Revenue from Operations</u>			
Sales of Products and Subsidy thereon (gross)		68,73,00,443	78,78,39,127
Less : Excise Duty		39,61,518	41,07,329
Sale of Products and Subsidy thereon (net)		68,33,38,925	78,37,31,798
Other Income	16	25,83,543	8,75,10,738
Total		68,59,22,468	87,12,42,536
EXPENSES			
Cost of Materials Consumed	17	28,27,07,415	44,56,95,060
Cost of Trading Goods		6,26,28,918	6,90,04,089
(Increase)/Decrease of Finished Goods	18	2,25,99,221	(1,23,56,783)
Employee Benefits Expense	19	2,55,62,277	2,48,72,570
Manufacturing & Other Expenses	20	21,07,46,415	22,66,83,234
Total		60,42,44,246	75,38,98,170
Profit before Interest, Depreciation and Tax (EBIDTA)		8,16,78,222	11,73,44,366
Finance Cost	21	6,57,65,493	7,15,65,269
Depreciation		99,28,920	1,04,13,497
Net Profit before Extraordinary items & Tax		59,83,809	3,53,65,600
Tax Expense :			
a) Current Tax		—	—
b) Deferred Tax	22	17,52,110	1,85,12,498
Profit after Tax		42,31,699	1,68,53,102
Earnings per Equity Share of Rs. 10 Basic and Diluted	23	1.17	4.67
Significant Accounting Policies	1		

Notes referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our Report of even date.

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants

Firm Reg. No. 303086E

HEMAL MEHTA

Partner

Membership No. : 063404

SURESH KUMAR BANGUR

Executive Director

DIN : 00040862

SHANKAR BANERJEE

Dy. Secretary

VIJAYA MOHAN

Independent Director

DIN : 02474421

AJAY BANGUR

President & CFO

BINOD KHAITAN

Director

DIN : 00128502

7, Waterloo Street, Kolkata 700 069

Dated : 25th May, 2017

THE PHOSPHATE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017		31st March, 2016	
	R	R	R	R
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary Items :		59,83,809		3,53,65,600
Adjustments for :				
Depreciation	99,28,920		1,04,13,497	
Interest Income	(14,08,398)		(17,32,078)	
Interest / Dividend	5,77,78,564		6,32,22,664	
Profit on sale of fixed assets	(6,918)	6,62,92,168	(8,62,18,791)	(1,43,14,708)
Operating Profit before Working Capital Changes		7,22,75,977		2,10,50,892
Adjustments for :				
Trade and other Receivables	9,18,94,165		(11,95,34,865)	
Inventories	6,50,16,407		(14,42,937)	
Trade Payable	(7,58,03,888)	8,11,06,684	1,73,57,938	(10,36,19,864)
Cash generated from Operations		15,33,82,661		(8,25,68,972)
Direct Tax paid	10,50,577		(5,00,463)	
Deferred Revenue	—	10,50,577	—	(5,00,463)
Cash Flow before extra ordinary items		15,44,33,238		(8,30,69,435)
Net cash flow from operating activities		15,44,33,238		(8,30,69,435)
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(24,25,948)		(1,45,97,732)	
Sale of fixed assets	17,621		8,70,41,664	
Interest Received	14,08,398		17,32,078	
Net Cash used in Investing Activities		(9,99,929)		7,41,76,010
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	—		—	
Proceeds from long term / short term Borrowing	(10,39,45,532)		7,13,75,398	
Interest paid	(5,77,78,564)		(6,32,22,664)	
Net Cash used in financing activities		(16,17,24,096)		81,52,734
Net increase in cash and cash equivalents		(82,90,787)		(7,40,691)
Cash and cash equivalents as on 1st April (Opening balance)		1,83,83,272		1,91,23,963
Cash and cash equivalents aqs at 31st March (Closing balance)		1,00,92,485		1,83,83,272

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

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

SURESH KUMAR BANGUR
Executive Director
DIN : 00040862
SHANKAR BANERJEE
Dy. Secretary

VIJAYA MOHAN
Independent Director
DIN : 02474421
AJAY BANGUR
President & CFO

BINOD KHAITAN
Director
DIN : 00128502

7, Waterloo Street, Kolkata 700 069
Dated : 25th May, 2017

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies :

a. Basis of Accounting :

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

b. Fixed Assets :

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

c. Depreciation

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

d. Subsidies

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

e. Investments :

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

f. Inventories :

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

g. Revenue Recognition :

The Company generally follows mercantile system of accounting and recognizes revenue as per AS-9 on "Revenue Recognition" issued by ICAI.

Sales at invoice value (including Excise, VAT, Freight on Fertilizers). Other income from investments and deposits etc., are accounted on accrual basis inclusive of related tax deducted at source, wherever applicable.

h. Taxes on Income :

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

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

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

i. Foreign Exchange Transactions :

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

j. Employee Benefit :

The Company contributes to EPFO and approved Gratuity Fund. Leave Encashment benefit accrued on retirement/superannuation of employees is provided on accrual basis. Provision for Gratuity liability and Leave Encashment liability are made on the basis of actuarial valuation done at the end of the year by independent actuary.

k. Borrowing Costs :

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

l. Impairment

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

m. Provisions and Contingencies

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

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

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

n. Cash Flow Statement

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

	31st March, 2017	31st March, 2016
	R	R
2a. SHARE CAPITAL :		
AUTHORISED :		
1,00,00,000 Equity Shares of Rs. 10/- each (Previous year 1,00,00,000 Equity Shares of Rs. 10/- each)	10,00,00,000	10,00,00,000
1,50,000 Redeemable Preference Shares of Rs. 1000/- each (Previous Year - 1,50,000 Preference Shares of Rs. 1000/- each)	15,00,00,000	15,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016		
	R	R		
ISSUED, SUBSCRIBED & PAID UP :				
36,07,480 Equity Shares of Rs. 10/- each (of the above 9,84,360 Equity Shares allotted as fully paid-up by way of Bonus Shares by capitalisation of Share Premium & General Reserve)	3,60,74,800	3,60,74,800		
TOTAL	<u>3,60,74,800</u>	<u>3,60,74,800</u>		
b. The details of the shareholders holding more than 5% shares :				
Name of the Shareholder	No.	%	No.	%
Madhav Trading Corpn. Ltd.	374880	10.39	339880	9.42
Shrivats Khaitan	231000	6.40	55000	1.52
Life Insurance Corporation of India	189240	5.25	189240	5.25
c. Reconciliation of the number of shares outstanding at the end of the year :				
Equity shares at the beginning of the year	36,07,480		36,07,480	
Add : Shares Issued	Nil		Nil	
Less : Shares Buy Back	Nil		Nil	
Equity shares at the end of the year	<u>36,07,480</u>		<u>36,07,480</u>	
3. RESERVES & SURPLUS :				
a. Reserve on Revaluation of Fixed Assets				
As per last Balance Sheet	51,64,00,654		57,59,03,871	
Less : Revaluation on Land w/o	—		(5,95,03,217)	
Sub-total	<u>51,64,00,654</u>		<u>51,64,00,654</u>	
b. General Reserve				
As per last Balance Sheet	1,65,35,533		1,65,35,533	
Sub-total	<u>1,65,35,533</u>		<u>1,65,35,533</u>	
c. Security Premium				
Received during the year	—		—	
As per last Balance Sheet	2,62,50,000		2,62,50,000	
Sub-total	<u>2,62,50,000</u>		<u>2,62,50,000</u>	
d. Profit & Loss Account				
As per last Balance Sheet	(3,09,57,569)		(4,78,10,671)	
Add : Profit (loss) for the year	42,31,699		1,68,53,102	
Sub-Total	<u>(2,67,25,870)</u>		<u>(3,09,57,569)</u>	
Total	<u>53,24,60,317</u>		<u>52,82,28,618</u>	

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	R	R
4. Long Term Liabilities :		
Secured Loans :		
a. Corporate Term Loan from a Bank	1,15,00,000	2,55,00,000
Less : Current Maturities (see note 7)	(1,15,00,000)	(1,40,00,000)
b. Vehicle Loans from Banks	10,47,217	12,38,407
Less Current Maturities	(2,12,399)	(1,91,021)
Corporate Loan secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari passu second charge on Current Assets. Vehicle Loans secured by first charge by way of hypothecation of cars purchased under the Scheme Current interest rate on Corporate Loan is @13.10% and on Car Loan @ 10.90% per annum		
Current maturities are disclosed under the head Other Current Liabilities		
Unsecured (Repayable latest by December 2018)		
From Limited Companies	10,00,00,000	10,00,00,000
Dealers Deposits	1,25,73,763	1,25,67,943
Total	11,34,08,581	12,51,15,329
5. LONG TERM PROVISIONS		
Provision for Leave Encashment	45,61,000	44,53,255
Total	45,61,000	44,53,255
6. SHORT TERM BORROWINGS :		
Secured		
a) Cash Credit from Banks	10,32,39,251	14,79,71,537
b) Buyers Credit in Foreign Currency from Banks Secured by hypothecation by way of pari-passu first charge of all existing and future stocks of Raw Materials, Finished Goods, Stores, present and future Book Debts and colaterally pari-passu second charge on fixed assets and equitable mortgage on immovable property	—	1,76,06,498
Unsecured		
From Limited Companies	14,47,50,000	17,46,50,000
Total	24,79,89,251	34,02,28,035
7. OTHER CURRENT LIABILITIES :		
Interest accrued and due	59,21,095	92,48,520
Current Maturities of Long Term Liabilities (Refer Note 4)	1,17,12,399	1,41,91,021
Total	1,76,33,494	2,34,39,541

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

8. FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March 2016	Addi- tions	Sales/ Adjus- ments	As at 31st March 2017	As at 31st March 2016	For the period	Sales / Adjus- ment	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
	Rs .	RsR.	R	R	R	R	R	R R	R	R
TANGIBLE ASSETS : #										
Land	51,67,28,954	—	—	51,67,28,954	—	—	—	—	51,67,28,954	51,67,28,954
Buildings	5,09,59,972	—	—	5,09,59,972	1,17,53,124	21,00,382	—	1,38,53,506	3,71,06,466	3,92,06,848
Plants & Machinery	10,86,14,515	21,41,156	—	11,07,55,671	3,90,89,181	67,19,128	—	4,58,08,309	6,49,47,361	6,95,25,334
Computer	23,41,387	25,515	—	23,66,902	21,15,607	1,14,077	—	22,29,684	1,37,219	2,25,780
Water & Acid Installations	40,18,228	2,92,588	1,88,449	41,22,337	27,87,156	2,27,981	1,86,715	28,28,422	12,93,915	12,31,072
Laboratory Equipments	7,82,644	—	—	7,82,644	3,44,618	1,12,094	—	4,56,712	3,25,932	4,38,026
Runnize & Fittings	28,52,758	1,16,218	1,84,119	27,84,857	21,99,441	2,83,961	1,75,151	23,08,251	4,76,606	6,53,317
Motor Cars & Trucks	37,83,370	—	—	37,83,370	26,49,735	3,69,664	—	30,19,399	7,63,971	11,33,635
Electric Installations	3,68,606	—	—	3,68,606	3,58,550	1,633	—	3,60,183	8,423	10,056
	69,04,50,434	25,75,447	3,72,588	69,26,53,313	6,12,97,412	99,28,920	3,61,866	7,08,64,466	62,17,88,847	62,91,53,022
Plant Under Rection	—	—	—	—	—	—	—	—	3,30,000	4,79,499
TOTAL	69,04,50,434	25,75,447	3,72,588	69,26,53,313	6,12,97,412	99,28,920	3,61,866	7,08,64,466	62,21,18,847	62,96,32,521
PREVIOUS YEAR	77,38,16,553	1,19,32,233	9,52,98,252	69,04,50,434	8,58,56,176	1,04,13,497	3,49,72,262	6,12,97,411	62,96,32,522	68,81,80,377

Refer to Note No. 30.

	31st March, 2017	31st March, 2016
	R	R
9. NON-CURRENT INVESTMENTS :		
Trade -		
(Investment in 240000 Equity Shares of Rs. 10/- each of wholly owned subsidiary M/s. Abhinandan Goods Pvt. Ltd.)	24,06,000	24,06,000
Other than Trade :		
In Government or Trust Securities :		
6 year National Savings Certificate (VIII Issue) deposited as security with Collector of Customs	6,000	6,000
6 year National Savings Certificate (VIII Issue) deposited as Security with Sales Tax Department, Udaipur	20,000	20,000
Total	24,32,000	24,32,000
10. DEFERRED TAX :		
Deferred Tax Asset		
Losses / Unabsorbed depreciation under Income Tax	2,21,35,398	2,39,24,835
Deferred Tax Liability		
Related to time difference of Depreciation on fixed assets	1,28,16,167	1,28,53,494
Total	93,19,231	1,10,71,341

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	R	R
11. LONG TERM LOANS & ADVANCES :		
(Unsecured considered good)		
Security Deposits	46,61,249	48,28,479
Advance for Taxation (net of provision)	2,56,216	13,06,793
Rs. NIL, previous year Nil		
Total	<u>49,17,465</u>	<u>61,35,272</u>
12. INVENTORIES :		
(As valued and certified by the Management)		
Raw materials	5,67,85,016	10,00,93,049
Packing Materials	28,00,568	20,31,155
Stores & Spare Parts	1,11,25,738	1,10,68,732
Finished Goods	2,72,39,443	4,97,74,236
Total	<u>9,79,50,765</u>	<u>16,29,67,172</u>
13. TRADE RECEIVABLES :		
(Unsecured considered good)		
Outstanding for a period exceeding six months	1,32,05,374	26,77,775
Below six months	4,00,77,331	12,97,85,478
Subsidy from Central Government	17,10,65,655	22,15,94,870
Total	<u>22,43,48,360</u>	<u>35,40,58,123</u>
15. SHORT TERM LOANS AND ADVANCES :		
(Unsecured Considered Good)		
Advance recoverable in Cash or kind or for value to be received	9,72,18,729	6,00,63,660
Advance with Central Excise	1,99,568	2,11,754
Total	<u>9,74,18,297</u>	<u>6,02,75,414</u>
16. OTHER INCOME :		
Profit on Sale of Fixed Assets	6,918	8,62,18,791
Liability no longer required	1,58,651	3,12,334
Insurance Claim	40,642	—
Interest on Margin	51,885	36,349
Profit on Redeem of Mutual Fund	3,64,697	1,57,364
Scrap Sales	19,60,750	7,85,900
Total	<u>25,83,543</u>	<u>8,75,10,738</u>
17. COST OF MATERIALS CONSUMED :		
Raw Materials		
Rock Phosphate	20,70,18,981	30,07,62,140
Sulphuric Acid	5,23,37,890	12,42,01,714
Spent Acid	68,28,640	40,71,847
Others	21,74,984	19,22,595
Packing Materials	1,43,46,920	1,47,36,764
Total	<u>28,27,07,415</u>	<u>44,56,95,060</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	R	R
18. INCREASE/(DECREASE) IN FINISHED GOODS :		
Closing stock	2,72,39,443	4,97,74,236
Less : Opening Stock	(4,97,74,236)	(3,75,29,379)
Balance	(2,25,34,793)	1,22,44,857
Add : Increase / (Decrease) in Excise Duty	(64,428)	1,11,926
Total	<u>(2,25,99,221)</u>	<u>1,23,56,783</u>
19. EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Bonus, Gratuity etc.	2,07,31,183	2,03,79,948
Staff Welfare	29,36,095	26,55,950
Contribution to :		
Provident & Other Funds	17,48,622	16,87,425
Employees State Insurance	1,46,377	1,49,247
Total	<u>2,55,62,277</u>	<u>2,48,72,570</u>
20. MANUFACTURING & OTHER EXPENSES		
Payment to Auditors : (inclusive of service tax)		
Audit Fee	37,950	34,350
Certification Fee	39,105	58,268
Tax Audit Fee	17,250	17,175
Audit Committee Fee	40,000	55,000
Consumption of Stores and Spares	51,48,532	77,58,745
Director's Fees	1,20,000	1,90,000
Dealers Margin Expenses	2,24,89,677	2,69,28,227
Distribution Expenses	1,85,42,346	1,37,12,306
Freight, Delivery Expenses	7,17,14,419	8,40,24,938
Packing Expenses	38,15,329	40,53,416
Information & Technology Expenses	68,024	46,983
Insurance charges	4,11,642	4,00,724
Legal & Consultancy Expenses	18,16,386	8,90,348
Manufacturing & Supervision Charges	1,05,53,206	1,16,89,613
Miscellaneous Expenses	49,88,105	35,39,987
Hazardous Waste Disposal Expenses	8,48,231	—
Motor Vehicle Expenses	11,10,801	7,85,186
Other Maintenance Expenses	21,88,648	22,12,613
Power and Fuel Expenses	1,74,97,541	1,91,48,980
Rates and Taxes	8,38,710	12,12,069
Rent Expenses	4,35,938	14,00,687
Storage & Handling Expenses	1,91,39,220	1,74,64,901
Repairs to Building Expenses	6,78,164	8,00,619
Repairs to Machinery Expenses	5,55,593	7,14,869
Repairs to Others Expenses	2,63,688	2,99,544
VAT & CST Expenses	2,65,74,042	2,82,31,843
Excise on Transfer of Goods Expenses	8,13,868	10,11,843
Total	<u>21,07,46,415</u>	<u>22,66,83,234</u>

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	R	R <i>Rs.</i>
21. FINANCE COST :		
Interest	5,77,78,564	6,32,22,664
Less : Received	<u>14,08,398</u>	<u>17,32,078</u>
	5,63,70,166	6,14,90,586
Bank Charges	43,03,849	47,18,091
Foreign Exchange Rate Fluctuation	48,99,478	51,01,890
Other Charges	<u>1,92,000</u>	<u>2,54,702</u>
Total	<u>6,57,65,493</u>	<u>7,15,65,269</u>
22. CURRENT TAX :		
In view of past losses and unabsorbed depreciation, there is no current tax payable.		
23. EARNING PER SHARE (EPS) :		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	42,31,699	1,68,53,102
Weighted Average number of Equity Shares used as demoninating for calculating EPS	36,07,480	36,07,480
Basic and Diluted earning per share	1.17	4.67
Face Value per Equity Share	10.00	10.00
24. COMMITMENT :		
Commitment of Capital Expenditure not provided for in the accounts estimated at Rs. 23,20,000- (Previous year Rs. 26,70,000//-)		
25. CONTINGENT LIABILITIES :		
Contingent Liabilities not provided for in respect of :		
i. Guarantee Rs. 1,99,660/- (Previous year Rs. 1,99,660/-)		
ii. Income Tax matter under appeal Rs. 2,71,910/- in respect of TDS deposit for A.Y. 2007-08 before C.I.T. (A). (Previous year Rs. 2,71,910/-)		
iii. Entry Tax Matters Rs. 77,11,036/- (Previous year Rs. 57,91,365/-) The Company has filed a writ petition with Honb'le High Court at Kolkata challenging the constitutional validity of West Bengal Tax on Entry of Goods into Local Areas Act 2012. The management is of the opinion that judgement will be in Company's favour and it will get full relief.		

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017		31st March, 2016	
	R Rs.		R Rs.	
26. DISCLOSURE AS PER AS15 (REVISED) :				
	Gratuity (Funded)		Leave Encashment (Non Funded)	
	2016-17	2015-16	2016-17	2015-16
a. Expenses recognised in the Statement of Profit & Loss				
i. Current service Cost	6.36	5.65	1.12	2.17
ii. Interest Cost	8.19	8.66	3.04	3.20
iii. Expected return on Plan Assets	9.39	8.70	—	—
iv. Net actuarial loss / (gain) recognised in the year	9.17	-2.33	2.00	-0.89
Total	14.33	3.28	6.16	4.48
b. Change in defined benefit obligation during the year				
Present value of defined obligation at the beginning of the year	121.33	108.20	44.53	40.05
Interest Cost	8.19	8.66	3.05	3.20
Current Service Cost	6.36	5.65	1.12	2.17
Benefits Paid	-16.76	—	-5.09	—
Actuarial Gain/(Loss) on obligation	10.61	-1.18	2.00	-0.89
Present value of defined obligation at the end of the year	129.73	121.33	45.61	44.53
c. Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	129.55	108.70		Not applicable
Expected return of Plan Assets	9.39	8.70		as
Contributions	6.75	11.00		the
Benefits paid	-16.76	—		scheme
Actuarial Gain/(Loss) on plan assets	1.44	1.15		is
Fair value of plan assets at the end of the year	130.37	129.55		unfunded
d. Balance sheet movements				
Net assets / liability at the beginning of the year	8.22	0.50	44.53	40.05
Contributions made during the year	6.75	11.00	5.08	,—
Expenses	14.33	3.28	6.16	4.48
Net assets / liability at the end of the year	0.64	8.22	45.61	44.53
e. Actuarial Assumptions				
Superannuation Age	58 years	58 years	58 years	58 years
Discount rate	7.25%	8.00%	7.25%	8.00%
Inflation rate	7.50%	7.50%	7.50%	7.50%
Return on Asset	7.25%	8.00%	N.A.	N.A.

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

		31st March, 2017		31st March, 2016
		R		R
27. EXPENDITURE IN FOREIGN CURRENCY :				
Purchase of Raw Materials (C & F value)		15,92,58,877		25,89,30,957
28. VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED :				
a. Raw Materials	%		%	
Imported	79.70	21,38,92,941	75.37	32,48,14,084
Indigenous	20.30	5,44,67,554	24.63	10,61,44,212
b. Stores & Spare Parts				
Imported	—	—	—	—
Indigenous	100.00	51,48,532	100.00	77,58,745
29. A. DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES (AS-18) :				
(a) Name of Key Management Personnel				
i. Shri Suresh Kumar Bangur - Executive Director / CEO				
ii. Shri Ajay Bangur - President / CFO				
iii. Shri Shankar Banerjee - Deputy Secretary				
# Shri Shankar Banerjee was appointed w.e.f. 10.08.2016				
(b) Remuneration paid to Key Management Personnel				
Salaries		37,66,012		30,00,000
Contribution to Provident Fund & Superannuation Policy		9,60,913		8,26,312
Other Perquisites		12,54,298		9,69,338

THE PHOSPHATE COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTD.)

31st March, 2017 31st March, 2016
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B. TRANSACTION WITH RELATED PARTIES :

	Loan Received in lacs	Loan Repaid in lacs	Interest Paid in lacs
a. Art Finance & Trade Pvt. Ltd. (Previous year)	71.00 162.50	70.00 80.00	16.09 13.19
b. Credwyn Holdings India Pvt. Ltd. (Previous year)	Nil 215.00	300.00 100.00	33.90 42.64
c. Devendra Finvest & Holding Pvt. Ltd. (Previous year)	152.50 414.00	185.50 345.00	9.39 35.22
d. Joonktolle Tea & Industries Ltd. (Previous year)	Nil Nil	Nil Nil	150.00 150.41
e. Kanchan Udyog Ltd. (Previous year)	45.00 265.00	10.00 28.00	27.97 30.61
f. Kettlewell Bullen & Co. Ltd. (Previous year)	Nil Nil	70.00 75.00	9.26 19.97
g. Kherapati Vanijya Ltd. (Previous year)	40.00 100.00	140.00 Nil	17.17 1.31
h. Phosphate Enterprise & Investments Ltd. (Previous year)	12.00 57.00	57.00 2.00	1.45 4.98
i) The Oriental Company Ltd. (Previous year)	Nil 160.00	160.00 100.00	21.20 17.68

- 30.** A part of Land and Building thereon has been sold to the company's wholly owned subsidiary M/s. Abhinandan Goods Pvt. Ltd. Execution of Conveyance Deed is pending for necessary compliance.
- 31.** The Company has preferred an appeal before High Court Kolkata against dismissal of writ petition earlier filed by the Company for recovery or Freight Rebate.
- 32.** In absence of informations relating to micro small and medium enterprises, information relating to current indebtedness are not ascertainable.

THE PHOSPHATE COMPANY LIMITED

33. Information pursuant to notification no. GSR 308E dt. 30th March 2017 of Ministry of Corporate Affairs on Specified Bank Notes (SBN) transacted during the period 8th November 2016 to 30th December 2016.

	SBNs	Other Denomination	Total
Closing Balance as at 8th November 2016	359500	8756	368256
(+) Permitted receipts (incl. withdrawals from Bank)	NIL	370000	370000
(+) Permitted payments	NIL:	216680	216680
(-) Amount Deposited in Banks	359500	—	359500
Closing Balance as at 30th December 2016	NIL	162076	162076

34. FOREIGN CURRENCY EXPOSURE :

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

Outstanding exposure and hedging thereof as on 31.03.2017 are as follows :

Particulars	31st March, 2017	31st March, 2016
	Amount	Amount
I Exposure	US\$	US\$
a. Payable for imports made	12,25,566	20,88,510
b. Payable for buyers credit availed	Nil	2,58,948
c. Payable for import contract executed	Nil	2,63,500
I Hedging		
a. Forwards / Futures purchased	12,21,066	26,00,000

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

Signatures to the notes on Accounts.

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

SURESH KUMAR BANGUR
Executive Director
DIN : 00040862

SHANKAR BANERJEE
Dy. Secretary

VIJAYA MOHAN
Independent Director
DIN : 02474421

AJAY BANGUR
President & CFO

BINOD KHAITAN
Director
DIN : 00128502

7, Waterloo Street, Kolkata 700 069
Dated : 25th May, 2017

THE PHOSPHATE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of THE PHOSPHATE COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary M/s Abhinandan Goods Pvt. Ltd. (the Holding Company and its wholly owned subsidiary together referred to as "the Group") which comprises the Consolidated Balance Sheet as at 31st March, 2017 the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the "ICAI"). While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

THE PHOSPHATE COMPANY LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of its wholly owned subsidiary company whose financial statements reflect total assets of Rs.897.91 lakhs as at 31st March, 2017, total revenues of Rs. 231 lakhs and net cash inflow amounting to Rs. 33.16 lakhs for the year ended on that date, as considered in the consolidated financial statements. The wholly owned subsidiary's financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the wholly owned subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its wholly owned subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its wholly owned subsidiary company (incorporated in India) and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the wholly owned subsidiary as noted in "Other Matters":
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 25 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

THE PHOSPHATE COMPANY LIMITED

- iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(R) dated the November 8, 2016 of the Ministry of Financial, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the Management, we report that the disclosures are in accordance with the books of account maintained by the Holding Company and its wholly owned subsidiary, as produced to us and based on the consideration of report of other auditor, referred to in the Other Matters paragraph above.

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

Place: Kolkata
Date: 25.05.2017

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

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

We have audited the internal financial controls over financial reporting of The Phosphate Company Limited ("the Holding Company") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

THE PHOSPHATE COMPANY LIMITED

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 obtained by us and the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its wholly owned subsidiary, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial reporting in so far as it relates to standalone financial statements of wholly owned subsidiary, is based on the corresponding reports of the auditor of such company.

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

Place : Kolkata
Date: 25.05.2017

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF ACCOUNTS

THE PHOSPHATE COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	31st March, 2017 R	31st March, 2016 R
EQUITY & LIABILITIES			
SHAREHOLDERS FUND			
Share Capital	2	3,60,74,800	3,60,74,800
Reserves & Surplus	3	53,28,48,642	52,86,96,400
Non-current liabilities			
Long-Term Borrowings	4	11,34,08,581	12,51,15,329
Long Term Provisions	5	45,61,000	44,53,255
Current Liabilities			
Short Term Borrowings	6	28,81,39,251	37,37,28,035
Trade Payables		11,74,04,794	18,16,66,662
Other Current Liabilities	7	2,24,55,868	2,34,39,541
Misc Current Liabilities		—	65,54,600
	Total	<u>1,11,48,92,936</u>	<u>1,27,97,28,622</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	8	70,86,80,761	71,06,66,340
Capital Work-in-Progress		3,30,000	4,79,499
Non-Current Investments	9	32,000	32,000
Deferred Tax Assets (Liabilities)	10	93,90,352	1,10,71,458
Long Term Loans and Advances	11	49,17,465	61,37,272
Current Assets			
Inventories	12	9,79,50,765	16,29,67,172
Trade Receivables	13	22,68,95,111	30,61,19,874
Cash and Cash Equivalents	14	1,03,73,240	2,19,79,593
Short Term Loans and Advances	15	5,54,83,297	6,02,75,414
Misc. Current Assets (Liabilities)		8,39,945	—
	Total	<u>1,11,48,92,936</u>	<u>1,27,97,28,622</u>

Significant Accounting Policies 1

Notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants

Firm Reg. No. 303086E

HEMAL MEHTA

Partner

Membership No. : 063404

SURESH KUMAR BANGUR

Executive Director

DIN : 00040862

SHANKAR BANERJEE

Dy. Secretary

VIJAYA MOHAN

Independent Director

DIN : 02474421

AJAY BANGUR

President & CFO

BINOD KHAITAN

Director

DIN : 00128502

7, Waterloo Street, Kolkata 700 069

Dated : 25th May, 2017

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	31st March, 2017	31st March, 2016
		R	R
		Rs. .	
INCOME			
Revenue from Operations			
Sales of Products and Subsidy thereon (Gross)		68,73,00,443	78,78,39,127
Less : Excise Duty		39,61,518	41,07,329
Sale of Products and Subsidy thereon (net)		68,33,38,925	78,37,31,798
Other Income	16	25,83,775	8,75,67,700
Total		68,59,22,700	87,12,99,498
EXPENSES			
Cost of Materials Consumed	17	28,27,07,415	44,56,95,060
Cost of Trading Goods		6,26,28,918	6,90,04,089
(Increase)/Decrease in Inventories of Finished Goods	18	2,25,99,221	(1,23,56,783)
Employee Benefits Expense	19	2,56,69,029	2,48,72,570
Manufacturing & Other Expenses	20	21,07,88,233	22,67,03,159
Total		60,43,92,816	75,39,18,095
Profit before Interest, Depreciation and Tax (EBIDTA)			
		8,15,29,884	11,73,81,403
Finance Cost	21	6,57,66,258	7,15,62,808
Depreciation		99,34,920	1,04,28,386
Net Profit before Extraordinary items & Tax		58,28,706	3,53,90,209
Tax Expenses :			
a) Current Tax		—	5,000
b) Deferred Tax	22	16,81,106	1,85,12,498
Profit after Tax		41,47,600	1,68,72,711
Earnings per Equity Share of Rs. 10 Basic and Diluted	23	1.15	4.68
Significant Accounting Policies	1		

Notes referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our Report of even date.

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

SURESH KUMAR BANGUR
Executive Director
DIN : 00040862
SHANKAR BANERJEE
Dy. Secretary

VIJAYA MOHAN
Independent Director
DIN : 02474421
AJAY BANGUR
President & CFO

BINOD KHAITAN
Director
DIN : 00128502

7, Waterloo Street, Kolkata 700 069
Dated : 25th May, 2017

THE PHOSPHATE COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31st March, 2017		31st March, 2016	
	R	R	R	R
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary Items :		58,28,706		3,53,90,209
Adjustments for :				
Depreciation	99,34,920		1,04,28,386	
Interest Income	(14,08,398)		(17,35,174)	
Interest Expense	5,77,78,564		6,32,22,664	
Profit on sale of fixed assets	(6,919)	6,62,98,167	(8,62,21,461)	(1,43,05,585)
Operating Profit before Working Capital Changes		7,21,26,873		2,10,84,624
Adjustments for :				
Trade and other Receivables	8,33,44,165		(6,88,49,865)	
Inventories	6,50,16,407		(14,42,937)	
Trade Payable	(7,16,87,754)	7,66,72,818	1,81,03,753	(5,21,89,049)
Cash generated from Operations		14,87,99,691		(3,11,04,425)
Direct Tax paid	10,52,577		(4,74,329)	
Deferred Revenue	—	10,52,577	—	(4,74,329)
Cash Flow before extra ordinary items		14,98,52,268		(3,15,78,754)
Net cash flow from operating activities		14,98,52,268		(3,15,78,754)
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(78,10,544)		(9,60,97,732)	
Sale of fixed assets	17,621		8,71,11,664	
Interest Received	14,08,398		17,35,174	
Net Cash used in Investing Activities		(63,84,525)		(72,50,894)
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	—		—	
Proceeds from long term/short term Borrowing	(9,72,95,532)		10,48,75,398	
Interest paid	(5,77,78,564)		(6,32,22,664)	
Net Cash used in financing activities		(15,50,74,096)		4,16,52,734
Net increase in cash and cash equivalents		(1,16,06,353)		28,23,086
Cash and cash equivalents (Opening balance)		2,19,79,593		1,91,56,507
Cash and cash equivalents (Closing balance)		1,03,73,240		2,19,79,593

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

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

SURESH KUMAR BANGUR
Executive Director
DIN : 00040862
SHANKAR BANERJEE
Dy. Secretary

VIJAYA MOHAN
Independent Director
DIN : 02474421
AJAY BANGUR
President & CFO

BINOD KHAITAN
Director
DIN : 00128502

7, Waterloo Street, Kolkata 700 069
Dated : 25th May, 2017

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies :

a. Basis of Accounting :

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

b. Basis of Consolidation :

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

c. Fixed Assets :

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

d. Depreciation :

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

e. Subsidies

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

f. Investments :

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

g. Inventories :

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

h. Revenue Recognition :

The Company generally follows mercantile system of accounting and recognizes revenue as per AS-9 on "Revenue Recognition" issued by ICAI.

Sales at invoice value (including Excise, VAT, Freight on Fertilizers). Other income from investments and deposits etc., are accounted on accrual basis inclusive of related tax deducted at source, wherever applicable.

i. Taxes on Income :

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

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

j. Foreign Currency Transactions :

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

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

k. Employee Benefit :

The Company contributes to EPFO and approved Gratuity Fund. Leave Encashment benefit accrued on retirement/superannuation of employees is provided on accrual basis. Provision for Gratuity liability and Leave Encashment liability are made on the basis of actuarial valuation done at the end of the year by independent actuary.

l. Borrowing Costs :

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

m. Impairment :

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

n. Provisions and Contingencies :

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

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

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

o. Consolidated Cash Flow Statement :

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

	31st March, 2017	31st March, 2016
	R	R
2a. <u>SHARE CAPITAL :</u>		
<u>AUTHORISED :</u>		
1,00,00,000 Equity Shares of Rs. 10/- each (Previous year 1,00,00,000 Equity Shares of Rs. 10/- each)	10,00,00,000	10,00,00,000
1,50,000 Redeemable Preference Shares of Rs. 100/- each (Previous Year - Rs. Nil)	15,00,00,000	15,00,00,000
	25,00,00,000	25,00,00,000
<u>ISSUED, SUBSCRIBED & PAID UP :</u>		
36,07,480 Equity Shares of Rs. 10/- each (of the above 9,84,360 Equity Shares allotted as fully paid-up by way of Bonus Shares by capitalisation of Share Premium & General Reserve)	3,60,74,800	3,60,74,800
TOTAL	3,60,74,800	3,60,74,800

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

<u>Name of the Shareholder</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Madhav Trading Corpn. Ltd.	374880	10.39	339880	9.42
Srivats Khaitan	231000	6.40	55000	1.52
Life Insurance Corporation of India	189240	5.25	189240	5.25

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	R	R
c. <u>Reconciliation of the number of shares outstanding at the end of the year :</u>		
Equity shares at the beginning of the year	36,07,480	36,07,480
Add : Shares Issued	Nil	Nil
Less : Shares Buy Back	Nil	Nil
Equity shares at the end of the year	36,07,480	36,07,480
3. <u>RESERVES & SURPLUS :</u>		
a. <u>Reserve on Revaluation of Fixed Assets</u>		
As per last Balance Sheet	51,64,00,654	57,59,03,871
Less : Revaluation on Land/building w/o	—	5,95,03,217
Sub-total	51,64,00,654	51,64,00,654
b. <u>General Reserve</u>		
As per last Balance Sheet	1,65,35,533	1,65,35,533
Sub-total	1,65,35,533	1,65,35,533
c. <u>Security Premium Account</u>		
As per last Balance Sheet	2,62,50,000	2,62,50,000
Sub-total	2,62,50,000	2,62,50,000
d. <u>Profit & Loss Account</u>		
As per last Balance Sheet	(3,04,89,787)	(4,78,10,671)
As per last Balance Sheet of Subsidiary Company	4,642	4,48,173
Add : Profit for the year	41,47,600	1,68,72,711
Sub-Total	(2,63,37,545)	(3,04,89,787)
Total	53,28,48,642	52,86,96,400
4. <u>Long Term Borrowings :</u>		
<u>Secured Loans :</u>		
a. Corporate Term Loan from a Bank	1,15,00,000	2,55,00,000
Less : Current Maturities (see note 7)	(1,15,00,000)	(1,40,00,000)
b. Vehicle Loans from Banks	10,47,217	12,38,407
Less Current Maturities	(2,12,399)	(1,91,021)
Corporate Loan secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari passu second charge on Current Assets		
Vehicle Loans secured by first charge by way of hypothecation of cars purchased under the Scheme		
Current interest rate on Corporate Loan is @13.10% and on Car Loan @ 10.90% per annum		
Current maturities are disclosed under the head Other Current Liabilities		
<u>Unsecured</u>		
(Repayable latest by December 2017)		
From Limited Companies	10,00,00,000	10,00,00,000
Dealers Deposits	1,25,73,763	1,25,67,943
Total	11,34,08,581	12,51,15,329
5. <u>LONG TERM PROVISIONS :</u>		
Provision for Leave Encashment	45,61,000	44,53,255
Total	45,61,000	44,53,255

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	R	R
6. <u>SHORT TERM BORROWINGS :</u>		
<u>Secured</u>		
a) Cash Credit from Banks	10,32,39,251	14,79,71,537
b) Buyers Credit in Foreign Currency from Banks (Secured by hypothecation by way of pari-passu first charge of all existing and future stocks of Raw Materials, Finished Goods, Stores, present and future Book Debts and colaterally pari-passu second charge on fixed assets and equitable mortgage on immovable property)	—	1,76,06,498
<u>Unsecured</u>		
From Limited Companies	18,49,00,000	20,81,50,000
Total	28,81,39,251	37,37,28,035
7. <u>OTHER CURRENT LIABILITIES :</u>		
Interest accrued and due	1,07,43,469	92,48,520
Current Maturities of Long Term Liabilities (Refer Note 4)	1,17,12,399	1,41,91,021
Total	2,24,55,868	2,34,39,541

8. FIXED ASSETS :

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st March 2016	Addi- tions	Sales/ Adjust- ments	As at 31st March 2017	As at 31st March 2016	For the period	Sales / Adjust- ment	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
	Rrs .	RsR.	R	R	R	R	R	R R	R	R
TANGIBLE ASSETS :										
Land	59,67,28,954	53,84,596	—	60,21,13,550	—	—	—	—	60,21,13,550	59,67,28,954
Buildings	5,24,59,972	—	—	5,24,59,972	1,17,53,124	21,00,382	—	1,38,53,506	3,86,06,466	4,07,06,898
Plants & Machinery	10,86,14,515	21,41,156	—	11,07,55,671	3,90,89,181	67,19,128	—	4,58,08,309	6,49,47,362	6,95,25,334
Computer	23,41,387	25,515	—	23,66,902	21,15,607	1,14,077	—	22,29,684	1,37,218	2,25,780
Water & Acid Installations	40,18,228	2,92,558	1,88,449	41,22,337	27,87,156	2,27,981	1,86,715	28,28,422	12,93,915	12,31,072
Laboratory Equipments	7,82,644	—	—	7,82,644	3,44,618	1,12,094	—	4,56,712	3,25,932	4,38,026
Furniture & Fittings	28,79,108	1,16,218	1,16,119	28,11,207	22,12,473	2,89,961	1,75,151	23,27,283	4,83,924	6,66,635
Motor Cars & Trucks	37,83,370	—	—	37,83,370	26,49,735	3,69,664	—	30,19,399	7,63,971	11,33,635
Electric Installations	3,68,606	—	—	3,68,606	3,58,550	1,633	—	3,60,183	8,423	10,056
	77,19,76,784	79,60,043	3,72,568	77,95,64,259	6,13,10,444	99,34,920	3,61,866	7,08,83,498	70,86,80,761	71,06,66,340
Plant Under Rection	—	—	—	—	—	—	—	—	3,30,000	4,79,499
TOTAL	77,19,76,784	79,60,043	3,72,568	77,95,64,259	6,13,10,444	99,34,920	3,61,866	7,08,83,498	70,90,10,761	71,11,45,839
PREVIOUS YEAR	77,39,41,244	9,34,32,233	9,53,96,693	77,19,76,784	8,58,85,330	1,04,28,386	3,50,03,273	6,13,10,443	68,81,80,377	71,06,66,341

Refer to Note No. 30

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	R	R
9. NON-CURRENT INVESTMENTS :		
Trade -		
(Investment in 240000 Equity Shares of Rs. 10/- each of wholly owned subsidiary M/s. Abhinandan Goods Pvt. Ltd.)	24,06,000	24,06,000
Set-off at par value of equity shares	(24,00,000)	(24,00,000)
Other than Trade :		
In Government or Trust Securities :		
(VIII Issue) deposited as Security with 6 year National Savings Certificate Collector of Customs	6,000	6,000
6 year National Savings Certificate (VIII Issue) deposited as Security with Sales Tax Department, Udaipur	20,000	20,000
Total	32,000	32,000
10. DEFERRED TAX :		
Deferred Tax Asset		
Losses / Unabsorbed depreciation under Income Tax	2,22,04,155	2,39,24,835
Subsidiary Company	—	117
Deferred Tax Liability		
Related to time difference of Depreciation on fixed assets	1,28,13,803	1,28,53,494
Total	93,90,352	1,10,71,458
11. LONG TERM LOANS & ADVANCES :		
(Unsecured considered good)		
Security Deposits	46,61,249	48,28,479
Advance for Taxation (net of provisions)	2,56,216	13,08,793
NIL, previous year Nil)		
Total	49,17,465	61,37,272
12. INVENTORIES :		
(As valued and certified by the Management)		
Raw materials	5,67,85,016	10,00,93,049
Packing Materials	28,00,568	20,31,155
Stores & Spare Parts	1,11,25,738	1,10,68,732
Finished Goods	2,72,39,443	4,97,74,236
Total	9,79,50,765	16,29,67,272
13. TRADE RECEIVABLES :		
(Unsecured considered good)		
Outstanding for a period exceeding six months	1,32,05,374	54,24,526
Below six months	4,26,24,082	7,91,00,478
Due from Central Government	17,10,65,655	22,15,94,870
Total	22,68,95,111	30,61,19,874

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

R	31st March, 2017 R	31st March, 2016 R.
14. CASH & CASH EQUIVALENTS :		
Balances with Bank :		
Current A/c.	2,80,362	36,14,982
Fixed Deposit A/c. (pledged against LC margin/guarantee)	96,17,310	1,79,20,660
Cash on hand	4,75,568	4,43,951
Total	1,03,73,240	2,19,79,593
15. SHORT TERM LOANS AND ADVANCES :		
(Unsecured Considered Good)		
Advance recoverable in Cash or kind or for value to be received	5,52,83,729	6,00,63,660
Advance with Central Excise	1,99,568	2,11,754
Total	5,54,83,297	6,02,75,414
16. OTHER INCOME :		
Profit on Sale of Fixed Assets	6,919	8,62,21,461
Liability no longer required	1,58,651	3,66,626
Interest from I.T. Department	231	—
Insurance Claim	40,642	—
Interest on Margin Money	51,885	36,349
Profit on Redeem of Mutual Fund	3,64,697	1,57,364
Scrap Sales	19,60,750	7,85,900
Total	25,83,775	8,75,67,700
17. COST OF MATERIALS CONSUMED :		
Raw Materials		
Rock Phosphate	20,70,18,981	30,07,62,140
Sulphuric Acid	5,23,37,890	12,42,01,714
Spent Acid	68,28,640	40,71,847
Others	21,74,984	19,22,595
Packing Materials	1,43,46,920	1,47,36,764
Total	28,27,07,415	44,56,95,060
18. INCREASE/(DECREASE) IN FINISHED GOODS :		
Closing stock	2,72,39,443	4,97,74,236
Less : Opening Stock	(4,97,74,236)	(3,75,29,379)
Balance	(2,25,34,793)	1,22,44,857
Add : Increase / (Decrease) in Excise Duty	(64,428)	1,11,926
Total	(2,25,99,221)	1,23,56,783

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	Rs.RRs	R.
19. EMPLOYEE BENEFITS EXPENSES :		
Salary, Wages, Bonus, Gratuity etc.	2,08,37,935	2,03,79,948
Staff Welfare	29,36,095	26,55,950
Contribution to :		
Provident & Other Funds	17,48,622	16,87,425
Employees State Insurance	1,46,377	1,49,247
Total	2,56,69,029	2,48,72,570
20. MANUFACTURING & OTHER EXPENSES :		
Payment to Auditors : (inclusive of service tax) :		
Audit Fee	43,700	40,075
Certification Fee	39,105	58,268
Tax Audit Fee	17,250	17,175
Audit Committee Fee	40,000	55,000
Consumption of Stores and Spares	51,48,532	77,58,745
Director's Fees	1,20,000	1,90,000
Dealers Margin Expenses	2,24,89,677	2,69,28,227
Distribution Expenses	1,85,42,346	1,37,12,306
Freight, Delivery Expenses	7,17,14,419	8,40,24,938
Packing Expenses	38,15,329	40,53,416
Information & Technology Expenses	68,024	46,983
Insurance charges	4,11,642	4,00,724
Legal & Consultancy Expenses	18,16,386	8,90,348
Manufacturing & Supervision Charges	1,05,53,206	1,16,89,613
Miscellaneous Expenses	50,14,773	35,54,187
Hazardous Waste Disposal Expenses	8,48,231	—
Motor Vehicle Expenses	11,10,801	7,85,186
Other Maintenance Expenses	21,88,648	22,12,613
Power and Fuel Expenses	1,74,97,541	1,91,48,980
Rates and Taxes	8,48,110	12,12,069
Rent Expenses	4,35,938	14,00,687
Storage & Handling Expenses	1,91,39,220	1,74,64,901
Repairs to Building Expenses	6,78,164	8,00,619
Repairs to Machinery Expenses	5,55,593	7,14,869
Repairs to Others Expenses	2,63,688	2,99,544
VAT & CST Expenses	2,65,74,042	2,82,31,843
Excise on Transfer of Goods Expenses	8,13,868	10,11,843
Total	21,07,88,233	22,67,03,159

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017	31st March, 2016
	R	R <i>Rs.</i>
21. <u>FINANCE COST :</u>		
Interest	5,77,78,564	6,32,22,664
Less : Received	14,08,398	17,35,174
	5,63,70,166	6,14,87,490
Bank Charges	43,04,614	47,18,726
Foreign Exchange Rate Fluctuation	48,99,478	51,01,890
Other Charges	1,92,000	2,54,702
Total	6,57,66,258	7,15,62,808
22. <u>CURRENT TAX :</u>		
In view of past losses and unabsorbed depreciation, there is no current tax payable		
23. <u>EARNING PER SHARE (EPS) :</u>		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	41,47,600	1,68,72,711
Weighted Average number of Equity Shares used as demoninating for calculating EPS	36,07,480	36,07,480
Basic and Diluted earning per share	1.15	4.68
Face Value per Equity Share	10.00	10.00
24. <u>COMMITMENT :</u>		
Commitment of Capital Expenditure not provided for in the accounts estimated at Rs. 23,20,000/- (Previous year Rs. 26,70,000/-)		
25. <u>CONTINGENT LIABILITIES :</u>		
Contingent Liabilities not provided for in respect of :		
i. Guarantee Rs. 1,99,660/- (Previous year Rs. 1,99,660/-)		
ii. Income Tax matter under appeal Rs. 2,71,910/- in respect of TDS deposit for A.Y. 2007-08 before C.I.T. (A). (Previous year Rs. 2,71,910/-)		
iii. Entry Tax Matters Rs. 77,11,036/- (Previous year Rs. 57,91,365/-) The Company has filed a writ-petition with Honb'le High Court at Kolkata challenging the constitutional validity of West Bengal Tax on Entry of Goods into Local Areas Act 2012. The managment is of the opinion that judgement will be in the Company's favour and it will get full relief.		

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2017		31st March, 2016	
Rs.	R Rs.		R Rs.	
26. DISCLOSURE AS PER AS15 (REVISED) :				
	Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Non Funded)	Leave Encashment (Non Funded)
	2016-17	2015-16	2016-17	2015-16
a. Expenses recognised in the Statement of Profit & Loss				
i. Current service Cost	6.36	5.65	1.12	2.17
ii. Interest Cost	8.19	8.66	3.04	3.20
iii. Expected return on Plan Assets	9.39	8.70	—	—
iv. Net actuarial loss / (gain) recognised in the year	9.17	-2.33	2.00	-0.89
Total	14.33	3.28	6.16	4.48
b. Change in defined benefit obligation during the year				
Present value of defined obligation at the beginning of the year	121.33	108.20	44.53	40.05
Interest Cost	8.19	8.66	3.05	3.20
Current Service Cost	6.36	5.65	1.12	2.17
Benefits Paid	-16.76	—	-5.09	—
Actuarial Gain/(Loss) on obligation	10.61	-1.18	2.00	-0.89
Present value of defined obligation at the end of the year	129.73	121.33	45.61	44.53
c. Change in fair value of plan assets during the year				Not applicable as the scheme is unfunded
Fair value of plan assets at the beginning of the year	129.55	108.70		
Expected return of Plan Assets	9.39	8.70		
Contributions	6.75	11.00		
Benefits paid	-16.76	—		
Actuarial Gain/(Loss) on plan assets	1.44	1.15		
Fair value of plan assets at the end of the year	130.37	129.55		
d. Balance sheet movements				
Net assets / liability at the beginning of the year	8.22	0.50	44.53	40.05
Contributions made during the year	6.75	11.00	5.08	,—
Expenses	14.33	3.28	6.16	4.48
Net assets / liability at the end of the year	0.64	8.22	45.61	44.53
e. Actuarial Assumptions				
Superannuation Age	58 years	58 years	58 years	58 years
Discount rate	7.25%	8.00%	7.25%	8.00%
Inflation rate	7.50%	7.50%	7.50%	7.50%
Return on Asset	7.25%	8.00%	N.A.	N.A.

THE PHOSPHATE COMPANY LIMITED

		31st March 2017		31st March 2016
27. EXPENDITURE IN FOREIGN CURRENCY :				
Purchase of Raw Materials (C & F value)		15,92,58,877		25,89,30,967
28. VALUE OF RAW MATERIALS, STORES & SPARE PARTS CONSUMED :				
a. Raw Materials	%		%	
Imported	79.70	21,38,92,941	75.37	32,48,14,084
Indigenous	20.30	5,44,67,554	24.63	10,61,44,212
b. Stores & Spare Parts				
Imported	—	—	—	—
Indigenous	100.00	51,48,532	100.00	77,58,745
29. A. DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES (AS-18) :				
(a) Name of Key Management Personnel				
i. Shri Suresh Kumar Bangur – Executive Director / CEO				
ii. Shri Ajay Bangur – President / CFO				
iii. Shri Shankar Banerjee – Deputy Secretary				
# Shri Shankar Banerjee was appointed w.e.f. 10.08.2016				
(b) Remuneration paid to Key Management Personnel				
Salaries		37,66,012		30,00,000
Contribution to Provident Fund & Superannuation Policy		9,60,913		8,26,312
Other Perquisites		12,54,298		9,69,338

THE PHOSPHATE COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

		31st March, 2017	31st March, 2016
		R	R
B. TRANSACTION WITH RELATED PARTIES :			
	Loan Received in lacs	Loan Repaid in lacs	Interest Paid in lacs
a.	Art Finance & Trade Pvt. Ltd. (Previous year)	71.00 162.50	15.09 13.19
b.	Credwyn Holdings India Pvt. Ltd. (Previous year)	Nil 215.00	33.90 42.64
c.	Devendra Finvest & Holding Pvt. Ltd. (Previous year)	152.50 414.00	9.39 35.22
d.	Joonktolle Tea & Industries Ltd. (Previous year)	Nil Nil	150.41 150.41
e.	Kanchan Udyog Ltd. (Previous year)	45.00 265.00	27.97 30.61
f.	Kettlewell Bullen & Co. Ltd. (Previous year)	Nil Nil	9.26 19.97
g.	Kherapati Vanijya Ltd. (Previous year)	40.00 100.00	17.17 1.31
h.	Phosphate Enterprise & Investments Ltd. (Previous year)	12.00 57.00	1.45 4.98
i)	The Oriental Company Ltd. (Previous year)	Nil 160.00	21.20 17.68
30.	A part of Land and Building thereon has been sold to the company's wholly owned subsidiary M/s. Abhinandan Goods Pvt. Ltd. Execution of Conveyance Deed is pending for necessary compliance.		
31.	The Company has preferred an appeal before Honourable High Court Kolkata against dismissal of writ petition earlier filed by the Company for recovery of Freight Rebate.		
32.	In absence of informations relating to micro small and medium enterprises, information relating to current indebtedness are not ascertainable.		

THE PHOSPHATE COMPANY LIMITED

33. Information pursuant to notification no. GSR 308E dt. 30th March 2017 of Ministry of Corporate Affairs on Specified Bank Notes (SBN) transacted during the period 8th November 2016 to 30th December 2016.

	SBNs	Other Denomination	Total
Closing Balance as at 8th November 2016	359500	8756	368256
(+) Permitted receipts (incl. withdrawals from Bank)	NIL	370000	370000
(+) Permitted payments	NIL:	216680	216680
(-) Amount Deposited in Banks	359500	—	359500
Closing Balance as at 30th December 2016	NIL	162076	162076

34. FOREIGN CURRENCY EXPOSURE :

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

Outstanding exposure and hedging thereof as on 31.03.2017 are as follows :

Particulars	31st March, 2017	31st March, 2016
	Amount	Amount
I Exposure	US\$	US\$
a. Payable for imports made	12,25,566	20,88,510
b. Payable for buyers credit availed	Nil	2,58,948
c. Payable for import contract executed	Nil	2,63,500
I Hedging		
a. Forwards / Futures purchased	12,21,066	26,00,000

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

Signatures to the notes on Accounts.

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

SURESH KUMAR BANGUR
Executive Director
DIN : 00040862
SHANKAR BANERJEE
Dy. Secretary

VIJAYA MOHAN
Independent Director
DIN : 02474421
AJAY BANGUR
President & CFO

BINOD KHAITAN
Director
DIN : 00128502

7, Waterloo Street, Kolkata 700 069
Dated : 25th May, 2017

BOOK-POST

If undelivered please return to :

THE PHOSPHATE COMPANY LIMITED

14, Netaji Subhas Road, 3rd floor

Kolkata - 700 001