

THE PHOSPHATE COMPANY LIMITED

CIN: L24231WB1949PLC017664

BOARD OF DIRECTORS

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

PRESIDENT & CFO

Shri Ajay Bangur

COMPANY SECRETARY

Shri Shankar Banerjee

STATUTORY AUDITORS

M/s. S. K. Agrawal and Co. Chartered Accountants LLP
Kolkata

BANKERS

State Bank of India, Kolkata
Canara Bank (e-Syndicate Bank), Kolkata

REGISTRAR & SHARE TRANSFER AGENT

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

Registered Office

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

WORKS

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

DIRECTORS REPORT

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2021

(Amount in lakhs Rs.)

FINANCIAL RESULTS	Stand-alone		Consolidated	
	Current year	Previous year	Current year	Previous year
Gross Sales	6808	7883	6808	7883
EBIDTA	766	717	758	717
Finance Cost	303	412	303	412
Depreciation	105	106	105	106
Tax Provisions	103	(14)	101	(14)
Profit after tax	255	213	249	212
Other Comprehensive Income	(13)	(11)	(13)	(11)
Total Comprehensive Income	242	202	236	202

BUSINESS PERFORMANCE & AFFAIRS

The corona virus (COVID-19) pandemic has had an unprecedented impact on business and on the human race. The country's economic curve saw a steep decline particularly in the April - June 2020. The Company's production was suspended in the last week of March 2020 post the country wide lockdown announced by the Government of India. Production commenced in phases from mid-May. Devastating Cyclone AMPHAN severely hit Rishra Factory on 20th May 2020.

During the year, the Company launched a new Brand LAKSHMI KISAN BRAND for North Bengal Market to counterfeit rampant menace of duplicate material in that area.

During the year under review, the Company's turnover was down due to Pandemic induced lockdown. However soft Raw Material Prices helped the Company to achieve higher earnings before providing for Interest, Depreciation & Tax of Rs.766 lakhs compared to Rs.717 lakhs in previous year. After providing for Interest, Depreciation, Tax and Other Comprehensive Items, Total Comprehensive Income during the year stood at Rs.242 lakhs compared to Rs.202lakhs in previous year.

As reported earlier, Goods & Service Tax (GST) on FERTILISER is under Inverted Duty Structure wherein output is taxed at 5% flat and Input on Goods and Services is Taxed between 5 to 28%. Thus a substantial amount remains as GST Balance with Government which needs to be refunded. Government is granting refund only of Goods portion. Recently, Gujrat High Court in the case of VKC Footsteps has ordered to refund accumulated GST on Goods as well as on services also. Accordingly, we have filed a Refund claim of Rs.97 lacs levied on SERVICES for the year 2017-18. GST Department has rejected the claim citing another judgment of Madras High Court. The company has filed an appeal against Department's order, however as a matter of prudence, the Company has written down the same in the books.

OUTLOOK

Prices of Raw materials are increasing since January 2021. Considering increase in prices, Government of India has announced higher rate of subsidy @ Rs.7513/- PMT for the period May 2021 to October 2021 compared to 2643/- PMT for the period April to March 2021. As more and more people are returning to Agricultural sector due to COVID pandemic, we expect consumption of fertiliser to be robust in times to come.

LISTING

The Company Equity Shares are listed at a) BSE Ltd. (Bombay Stock Exchange Ltd.) with Scrip Code:542123 and b) Calcutta Stock Exchange Ltd. with scrip code:26031

DEMATERIALISATION OF SHARES

SEBI(Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 has made transfer of securities compulsorily in dematerialised form of yours company's share w.e.f. 1st April 2019.

The ISIN of your Company's shares is INE398C01016 and the same can be dematerialised with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2021, 94.62 % of the Company's share capital stands dematerialized.

CREDIT RATING

Your Company's Lead Banker State Bank of India has informed that they do not require bank loan ratings for loans upto Rs.50 crores. As the banking limits of your Company is within that range, your Company has stopped conducting Bank Loan Rating.

DIVIDEND

To conserve resources due to higher working capital requirements no dividend is proposed by the Company.

TRANSFER TO GENERAL RESERVES

No amount is proposed to be transferred to the General Reserves.

CAPEX AND LIQUIDITY

During the year under review, the Company incurred capital expenditure of Rs.11.93 lacs, which has been funded through internal accruals. The Company successfully managed its liquidity position despite outbreak of COVID pandemic.

COVID-19 RESPONSE

The Company began taking precautionary measures a week before the lockdown was announced on March 23, 2020. Employees were asked to work from home (WFH) to reduce overall footfall. Thermal screening for all the employees, contract labour and visitors were initiated. A COVID-19 awareness campaign was also initiated for the workforce through various digital communication channels. A cross-functional COVID-19 Task Force was constituted that developed & deployed SOPs on the shop floor to ensure safety of the employees. Most employees in the plant were put on roster system with other initiatives such as staggered sitting arrangement in offices, effective sanitization plan, etc. All visitors, new employees and employees returning from leave were tested and allowed to enter the plant only if they were declared Covid negative.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

In compliance with the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, upon the recommendation of the Audit Committee, has approved the appointment of CS Ajay Kumar Agarwal, Proprietor of M/s Agarwal A & Associates, Company Secretaries in Whole-time-Practice [C.P. No. 13493 (FCS-7604)], as the Secretarial Auditor of the Company for the Financial Year ending March 31, 2022. The Secretarial Audit Report for the financial year ended March 31, 2021, in Form MR-3, forms an integral part of this report and is annexed as Annexure A & A(i).

MANAGEMENT DISCUSSION AND ANALYSIS

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

SHARE CAPITAL

There has been no alteration of share capital during the year. The paid-up Equity Share Capital as on 31st March, 2021 was Rs.360.75 lacs. During the year under review, the Company has not issued any shares. The Company has not issued any shares with Differential Voting Rights. It has neither issued Employee Stock Options nor Sweat Equity Shares and does not have any scheme to fund its employees to purchase the shares of the Company.

DIRECTORS

The Board of Directors of the Company has an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent of the board of directors comprising of non-executive directors.

The Board of Directors of your Company comprises of Shri Binod Khaitan (DIN00128502) and Shri Hemant Bangur (DIN:00040903) as Non-Independent & Non-Executive Directors, Shri Dilip Pratapsingh Goculdas (DIN:00367409) and Smt. Sonali Sen (DIN:00451839) as Independent Director, and Shri Suresh Kumar Bangur (DIN:00040862) as Executive Director.

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 - G.

HUMAN RESOURCES

As on March 31, 2021 your company had 38 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 H and forms an integral part of this report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflicting interest with your company at large. A statement of all Related Party Transactions is placed before the Audit Committee for its review, specifying the nature, value and terms and conditions of the transactions. Details of the transactions with Related Parties are provided in the accompanying financial statements.

Pursuant to the third proviso of Section 188(1) of the Act, the compliance with the provisions of Section 188(1) is not applicable, where all RPTs are carried out in the ordinary course of business and under arms length policy basis.

Accordingly, the disclosure of RPTs as required under Section 134(3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company for FY 2020- 21. However, the said disclosure is enclosed as Annexure F.

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 it is neither having net worth of Rupees Five Hundred Crore or more, or turnover of Rupees One Thousand Crore or more, nor a net profit of Rupees Five Crore or more during any financial year.

INSURANCE

All the properties of your Company are adequately insured.

STATUTORY AUDITOR & AUDIT REPORT

M/s. S.K.Agrawal and Co Chartered Accountants LLP.F.No.306033E/E300272 (formerly M/s S.K.Agrawal & Co., Chartered Accountants (F.R.No.305158E), were appointed as the Statutory Auditors of the Company at the 69th AGM of the Company. The appointment was for a term of 5 (five) consecutive years from the conclusion of 69th AGM till the conclusion of 74th AGM of the Company subject to ratification by the members at each Annual General Meeting. It is to be noted that the Companies (Amendment) Act, 2017 has omitted the provision for seeking ratification of such appointment at every intervening AGM.

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

COST AUDITOR & COST AUDIT

Pursuant to the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, your Company is required to have its cost records audited by a Cost Accountant in practice. The Board of Directors, upon the recommendation of the Audit Committee, has approved the appointment of M/s. S Gupta & Co., Cost Accountants (F.R.No.000020) as the Cost Auditors of the Company for the Financial Year ending March 31, 2022. Pursuant to Section 148 of the Act, read with Rule 14(a)(ii) of Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration of Cost Auditors is being sought from the Members of the Company at the ensuing AGM. The details of the same are provided in the Notice convening the AGM.

INTERNAL AUDITORS

Your Directors have appointed M/s Batliboi Purohit & Darbari, Chartered Accountants, (F.R.No.303086E), as Internal Auditor for the financial year ending 31st March, 2022.

AUDIT COMMITTEE

The Audit Committee is duly constituted as per the provisions of the Act, applicable Rules framed there under read with the SEBI Listing Regulations. The primary objective of the Committee is monitoring and supervising the Management's financial reporting process to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting.

The Audit Committee of the Board of Directors of the Company during the year under review, comprised of 3 (Three) Members, namely Shri Dilip P Goculdasas the Chairman of the Committee, Smt. Sonali Sen and Shri Suresh Kumar Bangur. Shri Goculdas and Smt. Sen are Independent Directors and Shri Bangur is a Non-Independent Executive Director. The Committee met four times in the financial year 2020-21 respectively on 30th August 2020, 14th September 2020, 9th November 2020 and 12th February 2021. 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. The members comprises of Shri Binod Khaitan as Chairman, Shri Hemant Bangur and Shri Suresh Kumar Bangur. One meeting of the Committee was held during the year on 12th February 2021.

BUSINESS RISK MANAGEMENT

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

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

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

Energy Conservation

- 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.

Technology Absorption

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

Foreign Exchange Earnings & Outgo

Particulars	2020-21	2019-20
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
-Purchase of Raw materials	Rs.20,07,99,138	Nil
-Others	Rs.20,52,00,304	Nil

Particulars of Employees

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

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES

The Company has filed a writ-petition with Honorable High Court at Kolkata challenging the constitutional validity of West Bengal Tax on Entry of Goods into Local Areas Act, 2012. Consequently, Court has granted stay for payment and/or recovery of such Tax. Subsequently, with the amendment in Act, the matter has been transferred to Tribunal where the matter is pending. However, in view of Demand, Company has made full provision of Tax Amount.

No significant material orders passed by the regulators / statutory authorities after the close of the financial year till the date of this Report which affects the financial position of the Company for the reporting period.

CORPORATE GOVERNANCE

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

The COVID-19 pandemic has rapidly spread across the world as well as in India and has caused shutdown of Businesses from time to time during FY 2020-21. The Company has carried its operations in line with the directives of the Government of India. The Company is regularly monitoring the impact of the pandemic on all aspect of its business. However, the management does not see long term risks in the Company's ability to sustain and meeting its liabilities as and when they fall due. However, given the uncertainties associated with the eventual outcome, nature and duration of the pandemic, the impact may be different from that estimated as on the date of signing of the Director's Report.

SEXUAL HARASSMENT

The Company has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. During the year 2020-21, no case of Sexual Harassment was reported.

REPORTING OF FRAUDS:

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

OTHER DISCLOSURES

The Company has proper and adequate systems and processes in place to ensure compliance with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India. There has been no change in the nature of Business.

ACKNOWLEDGEMENTS

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

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

(Suresh Kumar Bangur)

Executive Director

DIN:00040862

(Binod Khaitan)

Director

DIN:00128502

Kolkata

Dated: 14th August, 2021

CAUTIONARY STATEMENT:

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

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

FORM No. MR3**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended On 31st March, 2021

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

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

We have been appointed by the Board of Directors of **The Phosphate Company Limited (CIN:L24231WB1949PLC017664)** (hereinafter called the Company) to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2021.

We have conducted the secretarial audit for the compliance of applicable statutory provisions and the adherence to good corporate practices by The Phosphate Company Limited (hereinafter called the Company) having its Registered Office at 14 Netaji Subhas Road, Kolkata-700001, West Bengal. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, 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:

1. We have examined the books, papers, minute books, registers, forms, and returns filed and other records maintained by The Phosphate Company Limited ("the company") for the financial year ended on 31st March, 2021 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- (No such Transactions, hence not applicable to the Company during the Audit Period)
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') or by SEBI, to the extent applicable:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; Clause 6A and 6B of SEBI Circular - CIR/CFD/CMD1/114/2019 dated October 18, 2019- Not Applicable;
2. The following Acts, over and above other laws are specifically applicable to the Company as per the Management Representation Letter issued by the Company of even date:

MANAGEMENT DISCUSSION AND ANALYSIS**Cautionary Statement**

Some of the statements in the report may be forward looking and are stated as required by applicable laws & regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. The Company's Performance is dependent on several external factors such as performance of monsoons, government policy, fluctuation of prices of raw material and finished products and also their availability, and not to say the least, the pandemic situation in the country, which could adversely affect the operations of the Company.

Industry review:

The year 2020-21 turned out to be a pandemic year. With a country wide lock down to begin with, the Company could start its operations only gradually and that too with a lot of restrictive conditions like poor availability of manpower, service engineers, spare parts suppliers and so on. However despite all the above restrictive conditions the Company could improve its performance over the previous year due to several factors like normal monsoons and good income with farmers saw Fertilizer Industry as one of the few Industry's to do well in the pandemic year.

Government Policy

Government is giving subsidy as per Nutrient Based Subsidy Policy on sale of all types of P & K Fertiliser. Rate of subsidy is decided by Government in advance for full financial year. Subsidy on Sale of Single Super Phosphate Fertiliser during Financial Year 2020-21 was Rs.2643/- per MT which has been increased to Rs.7513/- per MT upto October 2021 for the financial year 2021-22. The share of agriculture in gross domestic product (GDP) has reached almost 20 per cent for the first time in the last 17 years, making it the sole bright spot in GDP performance during 2020-21, according to the Economic Survey 2020-2021.

The GOI could successfully implement the partial Direct Benefit Transfer system for the Fertilizer Industry. The GOI also agreed to keep the subsidy for the SSP sector separately earmarked within the overall 'Phosphates and Potassium' segment. This further enabled improve the liquidity in the sector.

Review of the Company

During the current year due to COVID, Company's turnover was lower at Rs.6883 lacs compared to Rs.7883 lacs in the previous year. However raw material prices were soft during the major part of the year which helped the Company achieve higher Total Comprehensive Income of Rs.242 lacs after making provisions for all expenses and tax, compared to Rs.202 lacs in previous year on Standalone basis.

Opportunities & Risks**Opportunities**

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 Agriculture Sector. The balanced use of chemical fertilizer is important not only for increasing agricultural productivity but also for sustaining soil fertility. Single Super Phosphate is a multi-nutrient fertilizer containing phosphate (16%) and sulphur (11%) as primary nutrients. SSP is applied as a basal fertilizer being rich in secondary nutrients like calcium and magnesium oxide and several micro nutrients. It is an essential Fertilizer for crops like Potato, Tobacco, Rice, Vegetables, Fruits etc.

Risk

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

Internal Control Systems and their adequacy:

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

Disclosure of Accounting Treatment:

The Financial Statements have been prepared as per IND-AS in conformity with the applicable accounting standards with proper explanations justifying the cause of any deviation wherever occurred. The notes to the financial statements

read with the auditors reports both stand-alone and consolidated give the necessary disclosure of all the relevant accounting treatments in the financial statements appended with the Director's Report.

Annexure C

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

A. Related Party Disclosures

Compliance of Accounting Standards:

Sl. No.	In the Accounts of	Particulars	Year-end balance	Maximum amount outstanding during the year.
1	Holding Company	Loans and Advance to Subsidiary Company	Nil	Nil
2	Subsidiary Company	Loans and Advance to Holding Company	Nil	Nil
3	Holding Company	Specified investments	Rs.1024 lacs	Rs.1024 lacs

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

Management Discussion and Analysis

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

B. Disclosure of Accounting Treatment

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

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

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

POLICY FOR SELECTION & APPOINTMENT OF DIRECTORS & THEIR REMUNERATION

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

Criteria of selection of Non-Executive Directors

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

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

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

Remuneration

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

CEO & Managing Director - Criteria for selection / appointment

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

Remuneration for the CEO & Managing Director

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

Remuneration Policy for the Senior Management Employees

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

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

FORM NO. AOC -1

*(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries as on 31-03-2021
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 there levant Financial year in the case of foreign subsidiaries	Indian Rupee
4	Share capital	24.00
5	Reserves & Surplus	(5.01)
6	Total Assets	1128.08
7	Total Liabilities	1109.09
8	Investments	Nil
9	Profit (Loss) before Taxation	(8.39)
10	Provision for Taxation (Deferred Tax)	(2.18)
11	Profit (Loss) after Taxation	(6.21)
12	Proposed dividend	Nil
13	% of shareholding	100
14	Date of acquisition of the subsidiary company	26-03-2016

Notes :

1. Name of subsidiaries which are yet to commence operations : Abhinandan Goods Pvt. Ltd.
2. Names of subsidiaries which have been liquidated or sold during the year : Nil

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

(Suresh Kumar Bangur)

Executive Director

DIN:00040862

(Binod Khaitan)

Director

DIN:00128502

Kolkata

Dated: 14th August, 2021

FORM NO. AOC -2

Annexure F

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

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

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

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

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

Name of the related party	Nature of Contract	Duration of Contract	Salient terms	Date of Board Approval
Shri Suresh Kumar Bangur	Executive Director	Contractual 3 Years	Salary/Contribution to PF etc/ Perquisites	08-08-18
Shri Ajay Bangur	Chief Financial Officer	Non Contractual	Salary/Contribution to PF etc/Perquisites	15-05-14
Shri Shankar Banerjee	Company Secretary	Non-Contractual	Salary/Contribution to PF etc/Perquisites	10-08-16
DevendraFinvest& Holding Pvt Ltd	Rs. 8 lacs	Payable on demand	ICD @ 12%	31-07-20
KanchanUdyog Ltd	Rs. 10 lacs	Payable on demand	ICD @ 12%	31-07-20
Art Finance & Trade Pvt. Ltd.	Rs. 40 lacs	Payable on demand	ICD @ 12%	31-07-20
Art Finance & Trade Pvt. Ltd.	Rs. 10 lacs	Payable on demand	ICD @ 12%	31-07-20
DevendraFinvest& Holding Pvt Ltd	Rs. 8 lacs	Payable on demand	ICD @ 12%	31-07-20
DevendraFinvest& Holding Pvt Ltd	Rs. 5 lacs	Payable on demand	ICD @ 12%	14-09-20
Art Finance & Trade Pvt. Ltd.	Rs. 40 lacs	Payable on demand	ICD @ 12%	14-09-20
Art Finance & Trade Pvt. Ltd.	Rs. 30 lacs	Payable on demand	ICD @ 12%	14-09-20
Art Finance & Trade Pvt. Ltd.	Rs. 25 lacs	Payable on demand	ICD @ 12%	09-11-20
KanchanUdyog Ltd	Rs. 45 lacs	Payable on demand	ICD @ 12%	09-11-20
Mangal Builders & Enterprise Ltd.	Rs. 30 lacs	Payable on demand	ICD @ 12%	09-11-20
DevendraFinvest& Holding Pvt Ltd	Rs. 40 lacs	Payable on demand	ICD @ 12%	09-11-20
DevendraFinvest& Holding Pvt Ltd	Rs. 4 lacs	Payable on demand	ICD @ 12%	09-11-20
DevendraFinvest& Holding Pvt Ltd	Rs. 50 lacs	Payable on demand	ICD @ 12%	10-02-21
No advance has been made to any related party whatsoever.				

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

(Suresh Kumar Bangur)
Executive Director
DIN:00040862

(Binod Khaitan)
Director
DIN:00128502

Kolkata
Dated: 14th August, 2021

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2021

[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 lakshmiphosphate@gmail.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road 5th Floor, Kolkata - 700001 Phone:033-22482248 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)

Sl.No.	Name & Description of main products / services	NIC Code of the Product /service	% to total turnover of the Company
	Single Super Phosphate	3462101	99
	Others		1

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl.No.	Name Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	M/s Abhinandan Goods Pvt. Ltd. 14 N.S.Road, Kolkata-700001	U24100WB2009PTC133717	Subsidiary	100	2(87)(ii)

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

(i) Category-wise Share Holding

Category of Shareholder	No of Shares held at the beginning of the year [As on 01/Apr/2020]				No of Shares held at the end of the year [As on 31/Mar/2021]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1299666	26900	1326566	36.7727	1299666	26900	1326566	36.7727	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	1159010	0	1159010	32.1280	1159230	0	1159230	32.1341	0.0061
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	2458676	26900	2485576	68.9007	2458896	26900	2485796	68.9068	0.0061
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/Fi									
e) Any other									
Sub-total (A)(2)									
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	2458676	26900	2485576	68.9007	2458896	26900	2485796	68.9068	0.0061
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/Fi	334660	3110	337770	9.3630	330379	3110	333489	9.2444	-0.1186
c) Central Govt	240	0	240	0.0067					-0.0067
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	334900	3110	338010	9.3697	330379	3110	333489	9.2444	-0.1253
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	159671	8190	167861	4.6531	159791	8190	167981	4.6565	0.0034
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	170184	157562	327746	9.0851	176060	155322	331382	9.1860	0.1008
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	285220	0	285220	7.9064	285220	0	285220	7.9064	0.0000
c) Others (Specify)									

Category of Shareholder	No of Shares held at the beginning of the year [As on 01/Apr/2020]				No of Shares held at the end of the year [As on 31/Mar/2021]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians	2507	560	3067	0.0850	2567	560	3127	0.0867	0.0017
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	0	0	0	0.0000	0	0	0	0.0000	0.0000
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
Sub-total(B)(2):-	617582	166312	783894	21.7296	624123	164072	788195	21.8489	0.1126
Total Public Shareholding (B)=(B)(1)+(B)(2)	952482	169422	1121904	31.0993	954502	167182	1121684	31.0933	-0.0060
C. Shares held by Custodian for GDRs&ADRs									
Grand Total (A+B+C)	3411158	196322	3607480	100.0000	3413398	194082	3607480	100.0000	0.0000

ii) Share Holding of Promoters :-

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year [As on 01/Apr/2020]			Shareholding at the end of the year [As on 31/Mar/2021]			% change in shareholding during the period
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MADHAV TRADING CORPORATION LIMITED	374880	10.3917	0.0000	374880	10.3917	0.0000	0.0000
2	SHRIVATS KHAITAN	231000	6.4034	0.0000	231000	6.4034	0.0000	0.0000
3	CREDWYN HOLDINGS INDIA	175000	4.8510	0.0000	175000	4.8510	0.0000	0.0000
4	GLOSTER LIMITED	170000	4.7124	0.0000	170000	4.7124	0.0000	0.0000
5	NIKATE KHAITAN (HUF)	164740	4.5666	0.0000	164740	4.5666	0.0000	0.0000
6	CHANDRAKALA KHAITAN	148280	4.1103	0.0000	148280	4.1103	0.0000	0.0000
7	JOONKTOLLEE TEA AND INDUSTRIES LTD.	138680	3.8442	0.0000	138680	3.8442	0.0000	0.0000
8	NIKATE KHAITAN	105600	2.9273	0.0000	105600	2.9273	0.0000	0.0000
9	RAJ PACKWELL LIMITED	100000	2.7720	0.0000	100000	2.7720	0.0000	0.0000
10	AMVI TRADECOM PRIVATE LIMITED	100000	2.7720	0.0000	100000	2.7720	0.0000	0.0000
11	WIND POWER VINIMAY PVT. LTD.	87840	2.4349	0.0000	87840	2.4349	0.0000	0.0000
12	BINOD KUMAR KHAITAN	82400	2.2841	0.0000	82400	2.2841	0.0000	0.0000
13	MADAN GOPAL BANGUR	79500	2.2038	0.0000	79500	2.2038	0.0000	0.0000
14	BINA BANGUR	70900	1.9654	0.0000	70900	1.9654	0.0000	0.0000
15	SAKATE KHAITAN	64760	1.7952	0.0000	64760	1.7952	0.0000	0.0000
16	SURESH KUMAR BANGUR	60860	1.6871	0.0000	60860	1.6871	0.0000	0.0000

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Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year [As on 01/Apr/2020]			Shareholding at the end of the year [As on 31/Mar/2021]			% change in shareholding during the period
		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	
17	RAJENDRA KUMAR BANGUR	56900	1.5773	0.0000	56900	1.5773	0.0000	0.0000
18	GITA BANGUR	46200	1.2807	0.0000	46200	1.2807	0.0000	0.0000
19	SURESH KUMAR BANGUR	43000	1.1920	0.0000	43000	1.1920	0.0000	0.0000
20	VIJAY KUMAR BANGUR	29400	0.8150	0.0000	29400	0.8150	0.0000	0.0000
21	RAMESH KUMAR BANGUR	27206	0.7542	0.0000	27206	0.7542	0.0000	0.0000
22	PRADYUMNA BANGUR	26580	0.7368	0.0000	26580	0.7368	0.0000	0.0000
23	SUDARSHAN BANGUR	26300	0.7290	0.0000	26300	0.7290	0.0000	0.0000
24	ANIRUDH BANGUR	15100	0.4186	0.0000	15100	0.4186	0.0000	0.0000
25	USHA KIRAN BANGUR	13380	0.3709	0.0000	13380	0.3709	0.0000	0.0000
26	THE ORIENTAL COMPANY LIMITED	9610	0.2664	0.0000	9610	0.2664	0.0000	0.0000
27	AJAY BANGUR	7800	0.2162	0.0000	7800	0.2162	0.0000	0.0000
28	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	DEVENDRA FINVEST AND HOLDING PVT LTD	0	0.0000	0.0000	220	0.0061	0.0000	0.0061
39	HEMANT BANGUR	200	0.0055	0.0000	200	0.0055	0.0000	0.0000
	TOTAL	2485576	68.9007	0.0000	2485796	68.9068	0.0000	0.0061

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

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year and at the end of the year 31-03-2021	
	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	2485576	68.9007	2485796	68.9068
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
At the End of the year	2485576	68.9007	2485796	68.9068

IV. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01/Apr/20 to 31/Mar/21) and at the end of the year 31-03-2021	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Life Insurance Corporation Of India 01-04-2020 31-03-2021	189230	5.2458	189230 188180	5.2455 5.2164
2	Ramesh Chandra Tapuriah 01-04-2020 31-03-2021	110000	3.0492	110000 55000	3.0492 1.5246
3	Shri Sudershan Prasad Bagaria 01-04-2020 31-03-2021	100000	2.7720	100000 100000	2.7720 2.7720
4	The New India Assurance Company Limited 01-04-2020 31-03-2021	82720	2.2930	82720 80511	2.2930 2.2318
5	National Insurance Company Ltd 01-04-2020 31-03-2021	61520	1.7053	61520 60498	1.7053 1.6770
6	ShrishTapuriah 01-04-2020 31-03-2021	50000	1.3860	50000 50000	1.3860 1.3860
7	S R Tie Up Private Limited 01-04-2020 31-03-2021	45000	1.2474	45000 45000	1.2474 1.2474
8	Sangam Merchants Pvt.Ltd. 01-04-2020 31-03-2021	35000	0.9702	35000 35000	0.9702 0.9702
9	Hanuman Share & Stock Brokers Limited 01-04-2020 31-03-2021	27010	0.7487	27010 27010	0.7487 0.7487
10	HindusthanUdyog Limited # 01-04-2020 31-03-2021	26400	0.7318	26400 26400	0.7318 0.731
11	ShreepriyaDhelia# 01-04-2020 31-03-2021	0	0.0000	0 55000	0.0000 1.5246

Not in the list of Top 10 shareholders as on 01/04/2020 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2021.

SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01/Apr/20 to 31/Mar/21) and at the end of the year 31-03-2021	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shri Binod Khaitan 01-04-2020 31-03-2021	82400	2.2841	82400 82400	2.2841 2.2841
2	Shri Hemant Bangur 01-04-2020 31-03-2021	200	0.005 5	200 200	0.0055 0.0055
3	Shri Suresh Kumar Bangur @ 01-04-2020 31-03-2021	43000	1.1920	43000 43000	1.1920 1.1920
4	Shri Suresh Kumar Bangur # 01-04-2020 31-03-2021	2000	0.055 4	2000 2000	0.0554 0.0554
5	Shri Suresh Kumar Bangur * 01-04-2020 31-03-2021	60860	1.6871	60860 60860	1.6871 1.6871
6	Shri Ajay Bangur 01-04-2020 31-03-2021	7800	0.216 2	7800 7800	0.2162 0.2162

SmtSonal Sen, Shri Dilip P Goculdas and Shri Shankar Banerjee does not hold any shares of the Company.

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

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Rs.443.28 lacs	Rs.1511.59 lacs	Nil	Rs.1954.87lacs
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Rs.4.07 lacs	Rs.40.70 lacs	Nil	Rs.44.77 lacs
Total(i+ii+iii)	Rs.447.35 lacs	Rs.1552.29 lacs	Nil	Rs.1999.64lacs
Change in Indebtedness during the financial year				
- Addition	Rs.14918.58 lacs	Rs.987.94 lacs	Nil	Rs.15906.52 lacs
- Reduction	Rs.13806.35 lacs	Rs.2433.53 lacs	Nil	Rs.16239.88 lacs
Net Change	Rs.1112.23 lacs	(Rs.1445.59 lacs)		(Rs.333.36 lacs)
Indebtedness at the end of the financial year				
i) Principal Amount	Rs.1555.92 lacs	Rs106.70 lacs		
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Rs.3.66 lacs	Nil	Nil	Rs.1662.62 lacs
Total (i+ii+iii)	Rs.1559.58 lacs	Rs.106.70 lacs	Nil	Rs.1666.28 lacs

(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Managing Director/WTD/Manager	Total Amount
		Shri Suresh Kumar Bagur Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	NIL	Rs. 37,15,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	NIL	Rs. 9,49,370/-
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission		
	- as % of profit		NIL
	- others,specify...		NIL
5.	Others, please specify		NIL
	Total (A)		Rs. 46,64,370/-

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors		Total
1	Independent Directors	Shri D P Goculdas	Smt. Sonali Sen	Total
	·Fee for attending board, committee meetings	Rs.130000/-	Rs.130000/-	Rs.260000/-
	·Commission	Nil	Nil	Nil
	·Others, please specify	Rs.130000/-	Rs.130000/-	Nil
	Total (1)	Rs.130000/-	Rs.130000/-	Rs.260000/-
2	Other Non-Executive Directors	Shri Binod Khaitan	Shri Hemant Bangur	Total
	·Fee for attending board, committee meetings	Rs.90000/-	Rs.100000/-	Rs.190000
	·Commission	Nil	Nil	Nil
	·Others, please specify	Nil	Nil	Nil
	Total(2)	Rs.90000/-	Rs.100000/-	Rs.190000/-
Total(B)=(1+2)			Rs.450000/-	
Total Managerial Remuneration			Rs.5114370/-	
Overall Ceiling as per the Act			Rs.8400000/-	

C. Remuneration of 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.	Rs.7,07,559/-	Rs.37,15,000/-	Rs.44,22,559/-
	b) Value of perquisites u/s 17(2) of the Income Tax Act,1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act,1961	Rs 2,01,225/-	Rs 9,58,574/-	Rs.11,59,799/-
2.	Stock option -	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission-	-	-	-
	- as % of profit	-	-	-
	- other (specify)	-	-	-
5.	Other, please specify	-	-	-
	Tota;	Rs.9,08,784/-	Rs.46,73,574/-	Rs.55,82,358/-

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

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

(Suresh Kumar Bangur)
Executive Director
DIN:00040862

(Binod Khaitan)
Director
DIN:00128502

Kolkata
Dated: 14th August, 2021

[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 2020-21 are given below:

Non-Executive Directors	Ratio to Median	Percentage Increase in Remuneration*
A) Independent		
i) Shri Dilip P Goculdas	0.38	Nil
ii) Smt. Sonali Sen	0.38	62.50%
B) Non Independent		
i) Shri Binod Khaitan	0.26	12.50
ii) Shri Hemant Bangur	0.29	-23.08
C) Whole-time Director		
i) Shri Suresh Kumar Bangur	13.66	11.54

Remarks:

* Rate of Remuneration has not changed in the current year compared to last year. However, remuneration to Directors is based on the attendance at meetings.

2. The percentage increase in remuneration of the Chief Financial Officer is 11.47% and of the Company Secretary is 15.03%.
3. The percentage increase/(decrease) in the median remuneration of employees in the financial year is 27.00%.
4. The number of permanent employees on the rolls of the Company as on 31/03/2021 is 38 against 42 as on 31/03/2020.
5. The percentage increase/(decrease) in the Average salaries of employees, other than managerial personnel, in the last financial year is 11.89% as against an increase/(decrease) of 11.81% in the Average salary of the managerial personnel as defined under the Act. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.
6. It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.
7. The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 needs to be provided in the Annexure forming part of the Report. In terms of the 1st proviso to Section 136 of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.
8. There was no woman in the employment of the Company during the financial year 2020-21.

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

(Suresh Kumar Bangur)
Executive Director
DIN:00040862

(Binod Khaitan)
Director
DIN:00128502

Kolkata
Dated: 14th August, 2021

INDEPENDENT AUDITOR'S REPORT

To

**The Members of,
The Phosphate Company Limited**

Report on the audit of standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of The Phosphate Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 40 to the standalone financial statement, which describes the uncertainties and potential impact of the Covid-19 pandemic of the Company's operation and results as assessed by the management. The actual results may differ from such estimates depending upon future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue from Sale of Goods	
The Company recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. As described in the accounting policy in note 2(b) and as reflected Ind AS Standalone financial statements, revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates / incentives.	Our audit procedure includes the following: <ul style="list-style-type: none"> ▲ Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 "Revenue from contracts with customers' ▲ Assessed the design and tested the operating effectiveness of the internal financial controls related to revenue recognition.

<p>The Company has various incentive schemes for its distributors which are based on volume of sales achieved during the stipulated period. The estimate of sales likely to be achieved by each distributor requires judgment.</p> <p>Considering the judgment and estimates involved in revenue recognition, it is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> ▲ Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested and the revenue has been recognized in accordance with Ind AS 115. ▲ We discussed and obtained an understanding from the management on the key assumptions applied and inputs used in estimating provisions for discounts, sales incentives and sales returns and compared the same with the past trends and the provision made by the management. ▲ Selected Samples of rebates and discounts during the year, compared them with the supporting documents and perform recalculation of those variable considerations as per scheme documents. ▲ Assessed the relevant disclosure made in the standalone Ind AS financial statement.
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We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report thereon

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

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

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

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

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that gives a true and fair view of the financial position, financial performance, Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 35 of the standalone Ind AS financial statements).
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring the amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S K AGRAWAL AND CO**
CHARTERED ACCOUNTANTS LLP
Chartered Accountants
Firm Registration No.-306033E/E300272

Hemant Kumar Lakhotia
(Partner)
Membership No. 068851
UDIN: 21068851AAAAGD9816

Place: Kolkata
Dated: 29th June 2021

Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of The Phosphate Company Limited (the Company') on the standalone Ind AS financial statements for the year ended on March 31, 2021. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the inventories has been physically verified by the management during the year. The physical verification of inventory as on 31st March 2021 could not be conducted due to COVID-19 outbreak, however, alternate audit procedures were applied for reviewing the existence of the inventory. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantee and securities made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost record under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.
 - (b) According to information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, excise duty, value added tax and service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanation given to us, the following dues of entry tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of due	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax Demand	85,13,848	Financial Year 2014-2015 to 2017-2018	High Court Kolkata

- viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution, banks, government and debenture holders.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, no term loan availed by the company. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S K AGRAWAL AND CO**
 CHARTERED ACCOUNTANTS LLP
 Chartered Accountants
 Firm Registration No.-306033E/E300272
Hemant Kumar Lakhotia
 (Partner)
 Membership No. 068851
 UDIN: 21068851AAAAGD9816

Place: Kolkata
 Dated: 29th June 2021

Annexure -B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of The Phosphate Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Dated: 29th June 2021

For **S K AGRAWAL AND CO**
CHARTERED ACCOUNTANTS LLP
Chartered Accountants
Firm Registration No.-306033E/E300272
Hemant Kumar Lakhotia
(Partner)
Membership No. 068851
UDIN: 21068851AAAAGD9816

THE PHOSPHATE COMPANY LIMITED
Balance Sheet as at 31st March, 2021

(Amount in Rs.)

Particulars	Note	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
I. Non-current assets			
a) Property, Plant and Equipment	3	71,58,89,410	72,69,17,348
b) Capital work-in-progress	3	7,57,609	-
c) Financial Assets			
i) Investments	4	10,24,32,000	24,32,000
ii) Loans	5	45,84,724	48,53,889
		82,36,63,743	73,42,03,237
II. Current assets			
a) Inventories	7	11,64,98,512	11,57,25,335
b) Financial Assets			
i) Investments	8	26,16,781	25,55,372
ii) Trade receivables	9	7,06,97,545	12,90,08,672
iii) Cash and cash equivalents	10	4,05,729	83,85,828
iv) Other Bank Balances	11	74,19,320	1,04,41,320
v) Loans	12	1,00,11,000	4,19,35,000
vi) Other Financial Assets	13	22,56,705	35,95,711
c) Other Current Assets	14	4,94,06,077	4,08,88,734
		25,93,11,668	35,25,35,972
Total Assets		1,08,29,75,412	1,08,67,39,210
EQUITY AND LIABILITIES			
A. Equity			
a) Equity Share Capital	15	3,60,74,800	3,60,74,800
b) Other Equity	16	71,89,71,256	69,47,43,233
		75,50,46,056	73,08,18,033
B. Liabilities			
I. Non-current liabilities			
a) Financial Liabilities			
i) Borrowings	17	3,60,74,403	14,43,75,075
ii) Other Financial liabilities	18	1,09,84,991	1,10,78,840
b) Provisions	19	37,41,547	30,80,217
c) Deferred tax Liabilities (Net)	6	10,90,997	(32,39,454)
		5,18,91,938	15,52,94,678
II. Current liabilities			
a) Financial Liabilities			
i) Borrowings	20	11,27,64,730	4,21,00,000
ii) Trade payables	21	9,40,43,286	10,64,17,789
a) total outstanding dues of micro enterprises and small enterprises; and			
b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	9,37,26,339	10,59,48,042
iii) Other financial liabilities	22	98,39,504	1,62,29,510
b) Other current liabilities	23	4,94,73,036	2,86,00,355
c) Provisions	24	35,75,411	39,86,766
d) Current Tax Liabilities (Net)	25	63,41,451	32,92,079
		27,60,37,418	20,06,26,499
Total Equity and Liabilities		1,08,29,75,412	1,08,67,39,210
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For, **S K AGRAWAL AND CO. CHARTERED ACCOUNTANTS LLP**

Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
 Membership No. 068851

Place : Kolkata
 Dated : 29th June, 2021

Suresh Kumar Bangur
 Executive Director
 DIN : 00040862

Ajay Bangur
 President & CEO

For and on behalf of the Board Directors

Sonali Sen
 Independent Director
 DIN : 00451839

Shankar Banerjee
 Dy. Secretary
 ACS : 45073

ANNUAL REPORT 2020-2021

THE PHOSPHATE COMPANY LIMITED

Statement of Profit & Loss for the year ended 31-03-2021

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
I Income			
Total Revenue from operations	26	61,21,02,514	72,86,96,378
Other Income	27	14,11,082	1,286,092
Total Income		61,35,13,596	72,99,82,470
II Expenses			
Cost of Materials Consumed	28	31,79,04,781	36,14,03,460
Purchase of Trading Goods		12,67,092	64,96,596
(Increase)/Decrease in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(48,17,276)	4,18,96,660
Employee benefit expenses	30	3,40,20,069	3,07,12,008
Other expenses	31	18,85,02,046	2,177,92,488
Total expenses		53,68,76,712	65,83,01,212
III Earning before Interest, Depreciation and Tax (EBIDTA)		7,66,36,884	7,16,81,258
Finance costs	32	3,02,84,623	4,11,86,823
Depreciation and amortisation expense	3	1,05,37,129	1,06,48,270
IV Profit before tax		3,58,15,132	1,98,46,165
V Tax expense:			
(1) Current tax		59,99,768	40,85,388
(2) Provision for Earlier Years		-	3,16,166
(3) Mat Credit Entitlement/Utilized		52,77,980	(67,48,969)
(4) Deferred tax		(9,47,529)	9,31,646
VI Profit for the Year (IV-V)		2,54,84,913	2,12,61,934
VII Other Comprehensive Income			
Items that will not be classified to statement of Profit or Loss			
Remeasurements of the defined benefit liabilities		(12,56,890)	(10,70,293)
Total Comprehensive Income for the Year		2,42,28,023	2,01,91,641
Earnings per equity share			
Basic & Diluted		7.06	5.89
Cash		11.19	7.23

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For, **SK AGRAWAL AND CO. CHARTERED ACCOUNTANTS LLP**
Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Board Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073

THE PHOSPHATE COMPANY LIMITED

Cash Flow Statement for the year ended 31 March 2021

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Cash Flow from Operating Activities			
Net Profit before Tax		3,58,15,132	1,98,46,165
Add: Adjustments for Non Cash & Non Operating Items			
Interest Received		(7,51,303)	(10,58,956)
Interest Paid		2,53,41,594	3,70,08,741
Depreciation of Property plant & Equipment		1,05,37,129	1,06,48,270
Freight Subsidy Claims Written Off		61,23,200	3,61,51,907
Deffered Freight Subsidy		-	98,05,800
Bad Debts		-	12,74,521
Provision for Doubtful Debts		-	34,77,682
Profit on Redemption of Mutual Fund		(3,20,874)	(1,22,629)
(Gain)/loss on Measuring investments at Fair Value through Profit or loss		58,397	(50,548)
Profit on Sale of property,plant and equipment		(3,91,608)	(35,010)
Other Misc Income			
Operating Profit before Working Capital Changes		7,64,11,668	11,69,45,943
Add: Increase /Decrease in Working Capital			
Increase in Current Liabilities		21,08,172	(1,21,56,434)
(Increase)/Decrease in Non-Current/Current Financial and other Assets		(52,26,178)	(53,24,200)
Increase/(Decrease) in Non-Current/Current Financial and other Liabilities		6,61,330	7,80,965
Increase/ (Decrease) in Provision		(16,68,245)	(8,69,068)
(Increase)/Decrease in Inventories		(7,73,177)	5,68,34,473
(Increase)/ Decrease Trade & Other Receivables		8,54,50,933	5,09,56,885
		8,05,52,835	9,02,22,621
Cash generated from Operation		15,69,64,503	20,71,68,564
Less: Direct Tax Paid		(29,50,396)	(68,81,398)
Net Cash flow from Operating Activities		15,40,14,107	20,02,87,166
B. Cash Flow from Investing Activities			
Purchase of Property,Plant & Equipment		(11,93,881)	(1,16,05,440)
Proceeds from Sale of Property,Plant & Equipment		13,18,690	5,99,018
Interest Received		7,51,303	10,58,956
Proceeds from Sale of Mutual Fund		7,87,98,688	3,80,92,564
Purchase of Mutual Fund		(7,85,97,620)	(3,99,99,999)
Investment in Shares		(10,00,00,000)	-
Net Cash used in Investing Activities		(9,89,22,821)	(1,18,54,901)
C. Cash Flow from Financing Activities			
(Repayment of) / Proceeds from Long Term Borrowings (Net)		(10,83,94,520)	(19,41,966)
(Repayment of) / Proceeds from Short Term Borrowings (Net)		7,06,64,730	(14,16,95,076)
Less: Interest Paid		(2,53,41,594)	(3,70,08,741)
Net Cash used in Financing Activities		(6,30,71,384)	(18,06,45,783)
Net Changes in Cash & Cash Equivalents (A+B+C)		(79,80,099)	77,86,482
Cash & Cash Equivalents-Opening Balance		83,85,828	5,99,346
Cash & Cash Equivalents-Closing Balance#		4,05,729	83,85,828
Debit Reconciliation Statement as per Ind AS 7			
Current Borrowings			
Opening Balance		4,21,00,000	18,37,95,076
(Repayment of) / Proceeds from borrowings (Net)		706,64,730	(14,16,95,076)
Closing Balance		11,27,64,730	4,21,00,000
Non Current Borrowings			
Opening Balance		14,43,75,076	14,61,82,702
(Repayment of) / Proceeds from borrowings (Net)		(10,83,00,673)	(18,07,626)
Closing Balance		3,60,74,403	14,43,75,076

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

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

As per our report of even date attached.

For, **SK AGRAWAL AND CO. CHARTERED ACCOUNTANTS LLP**

Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Board Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073

THE PHOSPHATE COMPANY LIMITED

Statement of Changes in Equity for the year ended 31st March,2021

a. Equity Share Capital

Equity Shares of Rs. 10/- each issued, subscribed and fully paid up

Amount in Rs.

Balance as at 1 April, 2019	3,60,74,800
Changes in Equity Share Capital during the year 2019-20	-
Balance as at 31 March ,2020	3,60,74,800
Changes in Equity Share Capital during the year 2020-21	-
Balance as at 31 March, 2021	3,60,74,800

b. other Equity

Particulars	Reserve and Surplus			Other Comprehensive Income	Total Other Equity
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 April, 2019	2,62,50,000	64,70,34,254	27,14,006	(14,46,668)	6,74,51,592
Profit for the year			2,12,61,934		2,12,61,934
Amount Transferred to General Reserve		20,00,000	(20,00,000)		
Other Comprehensive Income				(10,70,293)	(10,70,293)
Balance as at 31 March, 2020	2,62,50,000	64,90,34,254	2,19,75,940	(25,16,961)	69,47,43,233
Balance as at 1 April, 2020	2,62,50,000	64,90,34,254	2,19,75,940	(25,16,961)	69,47,43,233
Profit for the year			2,54,84,913		2,54,84,913
Amount Transferred to General Reserve			-		
Other Comprehensive Income				(12,56,890)	(12,56,890)
Balance as at 31 March, 2021	26,250,000	649,034,254	47,460,853	(37,73,851)	71,89,71,256

Nature and Purpose of Reserves

(A) Securities Premium : This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(B) General Reserve : This reserve includes transfer of Profit from retained earnings from time to time. It also includes reserve created on fair valuation of land. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(C) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013.

(D) Other comprehensive Income Reserves : This reserve represents effects of remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For, **SK AGRAWAL AND CO. CHARTERED ACCOUNTANTS LLP**
Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Board Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073

THE PHOSPHATE COMPANY LIMITED**Notes to Financial Statements as at and for the year ended March 31,2021****1. Company Overview**

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

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

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

b) Revenue from Contract with Customer

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

Sale of Products

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

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

Contract balances**Trade receivables**

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

Refund Liabilities

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

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

c) Subsidy

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

d) Property, Plant & Equipment

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as Capital Advances under other Non-Current Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'. "The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss. The method of depreciation, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Inventories

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

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

f) Financial Instruments**Initial recognition and measurement**

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

Subsequent measurement**i. Non derivative financial instruments****1) Financial assets carried at amortized cost**

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

2) Financial assets at fair value through other comprehensive income

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

3) Financial assets at fair value through profit or loss

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

4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value

through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

5) Investment in subsidiaries

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

ii. Derivative financial instruments

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

Derecognition of financial instruments

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

g) Fair Value Measurement

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

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

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

h) Impairment

Impairment is recognized based on the following principles:

Financial Assets

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

Non-Financial Assets

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

i) Provisions

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

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

j) Foreign Currency Transactions & Translations

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

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

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

k) Cash and Cash Equivalents

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

l) Employee Benefits**Defined Contribution Plan**

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

Defined Benefit Plan

The Company operates a defined benefit gratuity plan in India, comprising of Gratuity fund with an approved trust. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss. Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered.

Other long term employee benefits

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

m) Borrowing Cost

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

of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n) Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment

Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**The company's lease liabilities are included in Interest-bearing loans and borrowings
Short-term leases and leases of low-value assets**

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

o) Income Taxes

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

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

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

p) Earnings per Share

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

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

q) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

Note 3 Property, plant and equipment (Current Year)

Amount in Rs.

Description	Gross block				Accumulated depreciation				Net block	
	1 April 2020	Additions	Disposals/ Adjustments	31 March 2021	1 April 2020	Additions	Disposals/ Adjustments	31 March 2021	31 March 2021	31 March 2020
Freehold land	62,98,27,021	-	-	62,98,27,021	-	-	-	-	62,98,27,021	6,298,27,021
Building	3,87,07,719	-	-	3,87,07,719	82,89,776	19,29,879	-	1,02,19,655	2,84,88,064	3,04,17,943
Plant and machinery	8,76,57,014	2,98,947	41,98,373	8,37,57,588	2,39,45,674	78,95,582	32,71,292	2,85,69,964	5,51,87,624	6,37,11,340
Computers	3,81,848	1,15,997	-	4,97,845	2,10,010	89,961	-	2,99,971	1,97,874	1,71,838
Water & Acid Installation	16,80,837	-	-	16,80,837	4,43,550	1,66,704	-	6,10,254	10,70,583	12,37,287
Laboratory Equipment:	4,66,898	-	-	4,66,898	3,02,789	37,840	-	3,40,629	1,26,269	1,64,109
Furniture & Fittings	5,52,240	21,328	-	5,73,568	3,80,553	47,960	-	4,28,513	1,45,055	1,71,687
Motor Cars & Trucks	20,28,399	-	-	20,28,399	8,18,382	3,68,904	-	11,87,286	8,41,113	12,10,017
Electric Installation	10,056	-	-	10,056	3,950	2,99	-	4,249	5,807	6,106
Total Tangible Assets	76,13,12,032	4,36,272	41,98,373	75,75,49,931	343,94,684	1,05,37,129	32,71,292	4,16,60,521	71,58,89,410	72,69,17,348
Capital work-in-progress	-	21,56,804	13,99,195	7,57,609	-	-	-	-	7,57,609	-
Total	76,13,12,032	25,93,076	55,97,568	75,83,07,540	343,94,684	1,05,37,129	32,71,292	4,16,60,521	71,66,47,019	72,69,17,348

Note 3 Property, plant and equipment (Previous Year)

Description	Gross block				Accumulated depreciation				Net block	
	1 April 2019	Additions	Disposals/ Adjustments	31 March 2020	1 April 2019	Additions	Disposals/ Adjustments	31 March 2020	31 March 2020	31 March 2019
Freehold land	62,98,27,021	-	-	62,98,27,021	-	-	-	-	62,98,27,021	6,298,27,021
Building	95,70,007	-	8,62,288	3,87,07,719	70,24,991	20,83,959	8,19,174	82,89,776	3,04,17,943	3,25,45,016
Plant and machinery	8,10,65,631	1,11,57,756	45,66,373	8,76,57,014	2,03,44,676	77,46,531	41,45,533	2,39,45,674	6,37,11,340	6,07,20,955
Computers	4,93,801	73,156	1,85,109	3,81,848	3,34,763	51,101	1,75,854	2,10,010	1,71,838	1,59,038
Water & Acid Installation:	13,35,181	3,45,656	-	16,80,837	3,53,466	90,084	-	4,43,550	12,37,287	9,81,715
Laboratory Equipment:	4,38,026	28,872	-	4,66,898	2,51,789	51,000	-	3,02,789	1,64,109	1,86,237
Furniture & Fittings	5,81,788	-	29,548	5,52,240	3,66,493	43,997	29,937	3,80,553	1,71,687	2,15,295
Motor Cars & Trucks	29,79,729	-	9,51,330	20,28,399	10,97,295	5,81,229	8,60,142	8,18,382	12,10,017	18,82,434
Electric Installation	10,056	-	-	10,056	3,581	3,69	-	3,950	6,106	6,475
Total Tangible Assets	75,63,01,240	1,16,05,440	65,94,648	76,13,12,032	2,97,77,054	1,06,48,270	60,30,640	3,43,94,684	72,69,17,348	72,65,24,186
Capital work-in-progress	-	1,15,80,652	1,15,80,652	-	-	-	-	-	-	-
Total	75,63,01,240	2,31,86,092	1,81,75,300	76,13,12,032	2,97,77,054	1,06,48,270	60,30,640	3,43,94,684	72,69,17,348	72,65,24,186

At at
March 31, 2021 As at
March 31,2020

Note 4 Investments - Non Current

(i) Investments carried at Cost (Unquoted)

Investments in Equity Instruments

In Subsidiary

Abhinandan Goods Pvt. Ltd.

2,40,000 Equity Shares of Rs.10/- each

24,06,000 24,06,000

1,000 9% Compulsorily Redeemable Preference

10,00,00,000

Shares of Rs.100000/- each

(ii) Investments carried at Amortised Cost (Unquoted)

Investments in Government or trust securities

National Savings Certificate

26,000 26,000

Total

10,24,32,000 2,432,000

Aggregate amount of Unquoted Investments

10,24,32,000 24,32,000

Investment carried at Cost

10,24,32,000 24,32,000

Note 5 Loans - Non Current

Financial assets carried at Amortised Cost

(Unsecured, considered good)

Security deposits

45,84,724 48,53,889

Total

45,84,724 48,53,889

Note 6 Deferred Tax Asset/Liabilities (Net)

Deferred Tax Assets

Expenses allowable against taxable income in future years

57,98,710 56,43,749

MAT Credit Entitlement

14,70,989 67,48,969

Deferred Tax Liabilities

Timing difference in depreciable assets

(83,60,696) (91,53,264)

Total

(10,90,997) 32,39,454

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

Amount in Rs.

	At at March 31, 2021	As at March 31,2020
Note 7 Inventories		
(Valued at lower of cost or net realisable value)		
Raw Materials*	7,42,27,487	7,94,54,790
Packing Materials	35,64,705	15,23,570
Stores & Spare Parts	99,89,533	1,08,47,464
Finished Goods	2,86,67,184	2,36,62,539
Trading Goods	49,603	2,36,972
Total	11,64,98,512	11,57,25,335
* Includes Stock-In-Transit	2,79,96,445	10,07,708
Note 8 Investments - Current		
Investment carried at fair value through Profit & Loss		
Investments in Mutual Funds (Unquoted)		
Kotak Liquid Growth Fund (Previous Year 253.432 Units)	-	10,13,849
1955.8500 units Kotak Banking & PSU Debt Fund (Previous Year NIL)	1,00,772	-
2188.128 units Kotak Floating Rate Fund (Previous Year NIL)	25,16,009	-
SBI Short Term Debt Growth Fund (Previous Year 2,26,73,926)	-	5,28,706
Nippon Life India AM Ltd (Previous Year 210.019)	-	10,12,817
Total	26,16,781	25,55,372
Note 9 Trade Receivables		
(Unsecured)		
Financial Assets carried at amortised cost		
-Market Debt (Considered Good)	2,52,33,694	3,89,13,436
Subsidy receivable from Central Government	4,54,63,851	9,00,95,236
	7,06,97,545	12,90,08,672
- Considered doubtful	34,77,682	34,77,682
Less: Provision for Doubtful Debt	(34,77,682)	(34,77,682)
Total	7,06,97,545	12,90,08,672
Note 10 Cash and Cash Equivalents		
Financial Assets carried at amortised cost		
Balance with banks	42,275	78,74,317
Cash on hand	3,63,453	5,11,511
Total	4,05,729	83,85,828
Note 11 Other Bank Balances		
Financial Assets carried at amortised cost		
Fixed deposits having original maturity more than 3 months but less than 12 months (pledged)	74,19,320	1,04,41,320
Total	74,19,320	1,04,41,320
Note 12 Loans- Current		
(Unsecured, considered good)		
Financial Assets carried at amortised cost		
Advances to Related Parties	10,000,000	4,19,35,000
Advances to Employees	11,000	-
Total	10,011,000	4,19,35,000
Note 13 Other Financial Assets- Current		
(Unsecured, considered good)		
Financial Assets carried at amortised cost		
Interest Receivable		
From Banks	4,37,638	8,72,884
Advance recoverable in cash or kind	18,19,067	27,22,827
Total	22,56,705	35,95,711
Note 14 Other Current Assets		
(Unsecured, considered good)		
Advance to suppliers	9,28,558	3,53,834
Advances against expenses	30,42,222	9,10,041
Prepaid expenses	6,40,765	12,24,082
Input tax receivable	4,47,94,532	3,84,00,777
Total	4,94,06,077	4,08,88,734

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

Amount in Rs.

At at
March 31, 2021 As at
March 31,2021

Note 15 Equity share capital

Authorised capital

1,00,00,000 (1,00,00,000) equity shares of Rs.10 each

10,00,00,000

10,00,00,000

1,50,000 (1,50,000) Redeemable Preference Shares of Rs. 1000 each

15,00,00,000

15,00,00,000

25,00,00,000

25,00,00,000

Issued, subscribed and Paid-up capital

36,07,480 (36,07,480) equity shares of Rs.10 each

3,60,74,800

3,60,74,800

(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

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

	<u>31st March, 2021</u>		<u>31 March 2020</u>	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	36,07,480	3,60,74,800	36,07,480	3,60,74,800
Add: Share issued during the year	-	-	-	-
Equity shares at the end of the year	36,07,480	3,60,74,800	36,07,480	3,60,74,800

b) Rights/preferences/restrictions attached to equity shares

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

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

	<u>31st March, 2021</u>		<u>31 March 2020</u>	
	No of shares	Amount	No of shares	Amount
Madhav Trading Corpn. Ltd.	3,74,880	10.39	3,74,880	10.39
Shrivats Khaitan	2,31,000	6.40	2,31,000	6.40
Life Insurance Corporation of India	1,88,180	5.22	1,89,240	5.25

Note: 16 Other Equity

Securities Premium

Opening Balance

2,62,50,000

2,62,50,000

Addition during the Year

-

-

2,62,50,000

2,62,50,000

General Reserve

Opening Balance

64,90,34,254

64,70,34,254

Addition during the Year

-

20,00,000

64,90,34,254

64,90,34,254

Retained Earnings

Opening Balance

2,19,75,940

27,14,006

Profit for the Year

2,54,84,913

2,12,61,934

Less: Amount Transferred to General Reserve

-

(20,00,000)

4,74,60,853

2,19,75,940

Other Comprehensive Income

Opening Balance

(25,16,961)

(14,46,668)

Addition during the Year

(12,56,890)

(10,70,293)

(37,73,851)

(25,16,961)

71,89,71,256

69,47,43,233

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

Amount in Rs.

At at
March 31, 2021 As at
March 31,2020

Note : 17 Borrowings (Non Current)

Financial Liabilities carried at amortised cost

Secured

Term loans from Non Banking financial Institution	3,87,81,983	4,43,28,345
Less: Current maturities of Term Loan (refer note 22)	62,65,268	5,546,364
	3,25,16,715	38,7,81,981
Vehicle loans from banks	15,28,797	18,12,219
Equipment loans from banks	42,16,382	58,39,412
Less: Current maturities of Vehicle & Equipment Loan (refer note 22)	21,87,491	20,58,537
	35,57,688	55,93,094

Unsecured

From Limited Companies		
From Related Parties	-	9,89,00,000
From Other	-	11,00,000
		10,00,00,000
	3,60,74,403	14,43,75,075

(i) Repayment terms and nature of securities given for term loan as follows :

Sl.No.	Name of the Bank	Nature of security	Repayment Terms	31-Mar-21	31-Mar-20
a	Aditya Birla Capital	Term Loan is secured by pari passu first charge on Industrial Property located at holding No.47, Rishi Bankim Chandra Road, Rishra ,Hooghly . Current Interest rate is 12.25%.	Repayble in 84 equal montly installment of Rs.8,89,336 commencing from February 2019.	3,87,81,983	4,43,28,345
bl (i)	Syndicate Bank	Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme.Current Interest rate is 9.65%.	Repayble in 75 equal monthly installment of Rs. 12,373.85 commencing from December, 2015	1,70,419	2,66,549
bl (ii)	Syndicate Bank	Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme.Current Interest rate is 8.90%.	Repayble in 81 equal monthly installment of Rs. 14,719.19 commencing from May, 2018.	6,43,881	6,97,313
bl (iii)	Syndicate Bank	Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme.Current Interest rate is 9.00%.	Repayble in 84 equal monthly installment of Rs. 13,980.78 commencing from March, 2019	7,14,497	7,57,328
bl (iv)	State Bank of India	Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme.	Repayble in 84 equal monthly installment of Rs. 13,740 commencing from November, 2013.	-	91,029
c (i)	ICICI Bank Limited	Equipment Loan secured by Exclusive charge on the hypothecated assets purchased under the scheme.	Repayble in 47 equal monthly installment of Rs. 86,353 commencing from August, 2019.	21,08,191	29,19,706
c (ii)	ICICI Bank Limited	Equipment Loan secured by Exclusive charge on the hypothecated assets purchased under the scheme.	Repayble in 47 equal monthly installment of Rs. 86,353 commencing from August, 2019.	21,08,191	29,19,706

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

	At at March 31, 2021	Amount in Rs. As at March 31,2020
Note 18 Other financial liabilities - Non Current		
Financial Liabilities carried at amortised cost	1,09,84,991	1,10,78,840
Total	1,09,84,991	1,10,78,840
Note 19 Provisions - Non Current		
Provisions for Employee Benefits		
Leave Encashment	73,16,958	70,66,983
Less: Current Maturities ((refer note 24)	35,75,411	39,86,766
Total	37,41,547	30,80,217
Note 20 Borrowings - Current		
Financial Liabilities carried at amortised cost		
Secured		-
From Banks		
Cash Credit	11,10,64,730	-
Unsecured		
From Limited Companies		
From Related Parties	7,00,000	3,35,00,000
From Other	10,00,000	86,00,000
Total	11,27,64,730	4,21,00,000

Cash Credit Loan from Bank is secured by entire stocks of inventory, receivables and other current assets of the company on pari-passu first charge basis & collaterally secured by second charge on Factory Land & Building. Current Interest Rate is 10.25-12.30%

Note 21 Trade payables

Financial Liabilities carried at amortised cost

MSMED [refer note (a) below]	3,16,947	4,69,747
Others Trade Payable	9,37,26,339	10,59,48,042
Total	9,40,43,286	10,64,17,789

Notes :

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

i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.Principal amount due to micro and small enterprise Interest due on above	3,16,947	4,69,747
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(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
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(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
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(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro,Small and Medium Enterprises Development Act,2006	-	-
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The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

	Amount in Rs.	
	At at March 31, 2021	As at March 31,2020
Note 22 Other financial liabilities - Current		
Financial Liabilities carried at amortised cost		
Current Maturities of Term loans (refer note 17)	62,65,268	55,46,364
Current Maturities of Vehicle & Equipment loans (refer note 17)	21,87,491	20,58,537
Interest accrued and due	3,66,207	44,76,916
Employee Benefits	21,92,337	18,38,307
Financial Liabilities carried at Fair Value through Profit & Loss		
(Gain)/Loss on Fair Valuation of Forward Contracts	(11,71,799)	23,09,386
Total	98,39,504	1,62,29,510
 Note 23 Other current liabilities		
Advance from customers	73,21,965	93,82,181
Duties & Taxes		
Employee related payables		
Statutory & other dues payables	1,20,52,252	1,26,91,265
Liability for expenses	3,00,98,819	65,26,909
Total	4,94,73,036	2,86,00,355
 Note 24 Provisions - Current		
Provisions for Employee Benefits		
Leave Encashment, (refer note No. 19)	35,75,411	39,86,766
Total	35,75,411	39,86,766
 Note 25 Current Tax Liabilities (Net)		
Provision for Income Tax (Net of Advance Tax)	63,41,451	32,92,079
	63,41,451	3,292,079
 Note 26 Total Revenue from Operations		
Gross Sales/ Income from Operations	68,07,53,126	78,82,78,578
Less: Discounts, Rebates & Taxes	7,38,31,007	5,96,87,700
	60,69,22,119	72,85,90,878
Other Operating Income		
Insurance Claim	51,60,795	-
Scrap Sales	19,600	1,05,500
Total	61,21,02,514	72,86,96,378

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

Amount in Rs.

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 27 Other Income		
Interest income on		
Fixed Deposits	4,89,886	7,96,338
Others	2,61,417	2,62,618
Profit on sales of Property, plant and equipment	3,91,608	35,010
Profit on Redemption of Mutual Fund	3,20,874	1,22,629
Gain on measuring investments at FVTPL	(58,397)	50,548
Other Misc Income	5,695	18,949
Total	14,11,082	12,86,092
 Note 28 Cost of Material Consumed		
Raw Materials	30,43,33,855	34,56,25,721
Packing Materials	135,70,926	1,57,77,739
Total	31,79,04,781	36,14,03,460
 Note 29 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress		
Opening Stock:		
Finished Goods	2,36,62,539	6,50,16,504
Trading Goods	2,36,972	7,79,667
Less: Closing Stock		
Finished Goods	(2,86,67,184)	(2,36,62,539)
Trading Goods	(49,603)	(2,36,972)
Total	(48,17,276)	4,18,96,660
 Note 30 Employee benefit expenses		
Salaries, wages and bonus	2,56,55,980	2,33,03,052
Staff welfare	44,72,393	39,26,208
Contribution to Provident & other funds	38,91,697	34,82,748
Total	3,40,20,069	3,07,12,008

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

Amount in Rs.

	For the year ended March 31, 2021	For the year ended March 31,2020
Note 31 Other expenses		
Consumption of Stores and Spares	1,41,07,452	61,42,077
Power and Fuel Expenses	2,16,77,785	2,29,65,197
Repair to :		
Buiding	46,78,305	17,00,545
Machinery	21,01,949	13,94,795
Others	15,29,792	7,01,737
Manufacturing & Supervision Charges	1,43,60,128	1,37,39,812
Packing Expenses	51,38,695	53,67,507
Freight, Delivery Expenses	9,31,50,506	9,54,35,045
Selling Expenses	4,46,908	26,78,013
Rent	2,37,875	2,31,195
Rates and Taxes	1,08,74,252	11,81,028
Payment to Auditors :		
Audit Fee	60,000	50,000
Certification Fee	1,20,100	58,500
Legal & Professional Expenses	55,61,454	54,46,881
Freight Subsidy Claims Written Off (Refer Note 41)	61,23,200	3,61,51,907
Director's Fees :		
Board Meeting Fees	3,20,000	3,00,000
Committee Meeting Fees	1,30,000	1,20,000
Information & Technology Expenses	1,12,132	1,00,015
Bad Debts	-	12,74,521
Insurance Charges	7,02,711	4,20,456
Motor Vehicle Expenses	8,16,799	8,57,552
Deffered Freight Subsidy	-	98,05,800
Other Maintenance Expenses	28,38,714	26,58,543
Provision for Doubtful Debts	-	34,77,682
Miscellaneous Expenses	34,13,289	55,33,680
Total	18,85,02,046	21,77,92,488
Note 32 Finance costs		
Interest	2,53,41,594	3,70,08,741
Bank charges	21,32,619	20,46,203
Foreign Exchange Rate Fluctuation	28,10,409	20,91,879
Other Charges	-	40,000
Total	3,02,84,623	4,11,86,823

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

Amount in Rs.

	March 31, 2021	March 31,2020
Note 33 Effective tax reconciliation		
Income Tax Recognised in Statement of Profit & Loss		
Current Tax	59,99,768	40,85,388
Deferred Tax	(9,47,529)	9,31,646
Total Income tax Expense recognised in the current year	50,52,239	50,17,034

The income tax expense can be reconciled to the accounting profit as follows:

Profit before tax	3,58,15,132	1,98,46,165
Applicable tax rate	27.82%	27.82%
Computed Tax Expense	99,63,770	55,21,203
Add/(Deduct)		
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income	10,82,672	(14,67,191)
Tax effect of certain temporary differences measured at lower rates	(62,25,509)	5,92,197
Others	2,31,306	3,70,825
Total Income Tax Expense /(credit)	50,52,239	50,17,034

Note 34 Earnings per equity share

Profit as per Statement of Profit and Loss	2,54,84,913	2,12,61,934
Weighted average number of equity shares	36,07,480	36,07,480
Earnings per share - Basic and Diluted	7.06	5.89

**Note 35 Contingencies and Commitments
(to the extent not provided for)**

I) Contingent Liabilities

I) Guarantees given

Guarantees given by the Company not acknowledged as debt	1,99,660	1,99,660
Total	1,99,660	1,99,660

II) Commitments

Commitment of Capital Expenditure not provided for in the accounts (Estimated)	16,00,000	-
Total	16,00,000	-

Note 36 Employee Benefit Obligations

I) Defined Contribution Plan

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

Employers' Contribution to Provident Fund	18,74,777	16,00,894
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I) Defined Benefit Plan

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

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

	Gratuity		Accumulated Leave	
	Funded		Unfunded	
	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
(i) Amount recognised in the statement of profit and loss is as under:				
Current service cost	9,88,328	9,02,817	5,30,091	4,90,396
Interest cost	(30,845)	(9,007)	4,02,108	3,53,707
Actuarial loss/(gain) recognized during the year	-	-	(4,62,062)	2,15,107
Amount recognized in the statement of profit and loss	9,57,483	8,93,810	4,70,137	10,59,210
(ii) Changes in Present Value Obligation				
Present value of defined benefit obligation as at the start of the year	2,02,99,066	1,70,17,823	70,66,983	60,84,793
Current service cost	9,88,328	9,02,817	5,30,091	4,90,396
Interest cost	11,43,196	9,91,051	4,02,108	3,53,707
Actuarial loss/(gain) recognized during the year	14,97,307	15,40,938	(4,62,062)	2,15,107
Benefits paid	(10,41,170)	(1,53,563)	(2,20,162)	(77,020)
Present value of Defined Benefit Obligation as at the end of the year	2,28,86,727	2,02,99,066	73,16,958	70,66,983
(iii) Change in fair value of plan assets				
Fair value of plan assets as at the start of the year	2,03,12,141	1,70,95,000	-	-
Return on plan assets	2,40,416	4,70,646	-	-
Interest Income	11,74,042	10,00,058	-	-
Actuarial loss/(gain)	-	-	-	-
Contribution	22,50,000	19,00,000	-	-
Benefits paid	(10,41,170)	(1,53,563)	(2,20,162)	(77,020)
Fair value of plan assets as at the end of the year	2,29,35,429	2,03,12,141	(2,20,162)	(77,020)
Reconciliation of present value of defined benefit obligation and the fair value of plan assets				
Funded Status	48,701	13,074	-	-
Present value obligation as at the end of the year	2,28,86,727	2,02,99,066	73,16,958	70,66,983
Fair value of plan assets as at the end of the year	2,29,35,428	2,03,12,140	-	-
Net liability/(asset) recognized in balance sheet	-	-	73,16,958	70,66,983
Amount recognised in the statement of Other Comprehensive Income				
Actuarial (Gain)/Loss for the year on Present value of obligation	33,101	6,33,759	-	-
Actuarial (Gain)/Loss for the year on Asset	14,64,206	9,07,179	-	-
Return on Plan Asset, Excluding Interest Income	2,40,416	4,70,646	-	-
Unrecognised actuarial (Gain)/Loss at the end of the year	12,56,891	2,10,70,292	-	-
Breakup of Actuarial gain/loss:				
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	33,101	6,33,759	-	-
Actuarial (gain)/loss on arising from experience adjustment	14,64,260	19,07,179	-	-
Assumptions				
Financial Assumptions				
Discount rate p.a.	5.78%	5.85%	5.78%	5.85%
Rate of increase in salary p.a.	7.50%	7.50%	7.50%	7.50%
Demographic Assumptions				
Attrition Rate	1.00%	1.00%	1.00%	1.00%
Super Annuation Age	58 Years	58 Years	58 Years	58 Years
Average expected future service	6 Years	6 Years	5 Years	5 Years

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

31 March, 2021 31 March, 2020 31 March, 2021 31 March, 2020

f) Sensitivity Analysis

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

Sensitivity analysis for Gratuity

	At a 31 March, 2021		At a 31 March, 2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	2226,27,878	2,31,60,910	2,00,95,263	2,05,14,439
%Change Compared to base due to sensitivity	-1.13%	1.20%	-1.00%	1.06%
Salary Growth (-/+ 0.5%)	2,31,54,044	2,26,31,769	2,05,08,958	2,00,98,308
%Change Compared to base due to sensitivity	1.17%	-1.11%	1.03%	-0.99%
Attrition Rate (-/+ 0.5%)	2,28,85,583	2,28,87,871	2,03,03,126	2,02,95,006
%Change Compared to base due to sensitivity	-0.01%	0.01%	0.02%	-0.02%
Mortality Rate (-/+ 10%)	2,28,83,523	2,28,89,931	2,03,26,064	2,02,72,068
%Change Compared to base due to sensitivity	-0.01%	0.01%	0.13%	-0.13%

Sensitivity analysis for Accumulated Leave

Discount Rate (-/+ 0.5%)	71,79,468	74,62,285	69,51,690	71,90,757
%Change Compared to base due to sensitivity	-1.88%	1.99%	-1.63%	1.75%
Salary Growth (-/+ 0.5%)	74,58,573	71,81,519	71,87,683	69,53,379
%Change Compared to base due to sensitivity	1.94%	-1.85%	1.71%	-1.61%
Attrition Rate (-/+ 0.5%)	73,15,049	73,16,363	70,69,812	70,64,150
%Change Compared to base due to sensitivity	-0.03%	-0.01%	0.04%	-0.04%
Mortality Rate (-/+ 10%)	73,14,034	73,17,384	70,80,463	70,53,500
%Change Compared to base due to sensitivity	-0.04%	0.01%	0.19%	-0.19%

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

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

Expected contribution during the next annual reporting period:

Particulars

Gratuity

The Company's best estimate of contribution during the next year

-

Table Showing Allocation of Plan Asset at the end Measurement Period	Allocation of Plan Asset (Amt in Rs.)		Allocation in % of Plan Asset	
	Gratuity Funded		Gratuity Funded	
	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
Cash & Cash Equivalents	25,06,074	14,80,702	10.93%	7.29%
Special Deposit Scheme	5,19,833	5,19,833	2.27%	2.56%
State Government Securities	74,78,759	91,89,180	32.61%	45.24%
Government of India Securities	1,8,13,900	1,04,950	7.91%	0.52%
Corporate Bonds	93,32,270	79,67,155	40.69%	39.22%
Debt Securities	7,14,985	4,15,000	3.12%	2.04%
Other	5,69,607	6,35,320	2.48%	3.13%
Total	22,935,428	2,03,12,140	100.00%	100.00%

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

Amount in Rs.

March 31, 2021 March 31,2020

Note 37 Financial Instruments and other related disclosures

i. Capital Management

The Company's capital management is driven by it's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the company's capital.

The Management monitors the capital structure and the net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short term investments."

The debt equity ratio highlights the ability of a business to repay its debts. As at 31st March, 2021, the ratio was 0.1949

Equity Share Capital	3,60,74,800	3,60,74,800
Other Equity	71,89,71,256	69,47,43,233
Total Equity (A)	75,50,46,056	73,08,18,033
Non-Current Borrowings	3,60,74,403	14,43,75,075
Short Term Borrowings	12,15,83,696	5,41,81,817
Total Borrowings (Gross Debt) (B)	15,76,58,099	19,85,56,892
Less: Investments	(26,42,781)	(25,81,372)
Less: Cash and Cash Equivalents	(4,05,729)	(83,85,828)
Less: Other Bank Balances	(74,19,320)	(1,04,41,320)
Net Debt (C)	14,71,90,269	17,71,48,372
Net Debt to Equity (C/A)	0.1949	0.2424

As at March 31, 2020

Amount in Rs

Particulars	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets				
Investments	26,000	25,55,372	25,81,372	25,81,372
Trade Receivables	12,90,08,672	-	12,90,08,672	12,90,08,672
Cash and Cash Equivalents	83,85,828	-	83,85,828	83,85,828
Other Bank Balances	1,04,41,320	-	1,04,41,320	1,04,41,320
Loans	4,67,88,889	-	4,67,88,889	4,67,88,889
Other Financial Assets	35,95,711	-	35,95,711	35,95,711
Total Financial Assets	19,82,46,420	25,55,372	20,08,01,792	20,08,01,792
Financial Liabilities				
Borrowings	18,64,75,075	-	18,64,75,075	18,64,75,075
Trade Payables	10,64,17,789	-	10,64,17,789	10,64,17,789
Other Financial Liabilities	2,49,98,964	23,09,386	2,73,08,350	2,73,08,350
Total Financial Liabilities	31,78,91,828	23,09,386	32,02,01,214	32,02,01,214

(ii) Fair value hierarchy

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

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

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

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

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

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

			Amount in Rs
Particulars	Fair Value Hierarchy Level	31 March, 2021	31 March, 2020
Financial Assets			
Current Investments	Level 1	26,16,781	25,55,372
"Derivative financial instruments - Foreign Currency Forward Contracts"	Level 2)	(11,71,799)	23,09,386

(iii) Financial risk management objectives and policies

Financial risk factors

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

(A) Market risk

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

(a) Interest rate risk

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

(b) Foreign currency risks

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

	31 March, 2021	31 March, 2020
Foreign Currency Payable (Amount in USD)	9,87,305	13,96,800

(B) Liquidity risk

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

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

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

One Year or less

Borrowings	11,27,64.730	4,21,00.000
Trade Payables	9,40,43.286	10,64,17.789
Other Financial Liabilites	98,39.504	1,62,29,510
More than One Year		
Borrowings	3,60,74,403	14,43,75,075
Other Financial Liabilites	1,09,84,991	1,10,78,840

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

(C) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness. Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk. The Company has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company manages risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

Note 38 Related Party Disclosures:

List of Related Parties :

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

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31,2021

The following table summarises related-party transactions included in the financial statements for the year ended March 31, 2021 & March 31, 2020 and details of outstanding balances as on March 31, 2021 & March 31, 2020

Amount in Rs. (Lacs)

Nature of Transactions	Subsidiary (1)	Key Managerial Personnel & Other Directors (2+3)	Entities where Director KMP and relatives have significant influence (4)	Total
Salary and Other Benefits	-	7,861,632	-	7,861,632
	-	5,744,144	-	5,744,144
Contribution to Provident Fund & Superannuation Policy	-	1,823,396	-	1,823,396
	-	1,468,288	-	1,468,288
Other Perquisites	-	2,553,457	-	2,553,457
	-	1,952,175	-	1,952,175
Meeting Fees	-	450,000	-	450,000
	-	420,000	-	420,000
Interest on Loan	-	-	16,245,043	16,245,043
	-	-	20,834,835	20,834,835
Loan Taken	-	-	69,600,000	69,600,000
	-	-	156,700,000	156,700,000
Loan Repaid	-	-	203,100,000	203,100,000
	-	-	133,400,000	133,400,000
Outstanding Receivable	10,000,000	-	-	10,000,000
	41,935,000	-	-	41,935,000
Outstanding Payable	-	-	-	-
	-	-	133,500,000	133,500,000

Note 39 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.

Note 40 The Company is closely monitoring the impact of the pandemic on all aspect of its business. The management does not see long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Management has also evaluated the recoverability of receivables and realisability of inventory on hand based on subsequent realisations and customer orders respectively. However, given the uncertainties associated with the eventual outcome, nature and duration of the pandemic, the impact may be different from that estimated as on the date of approval of these financial statements.

Note 41 Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

Note 42 Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to conform to the current year presentation.

For, **S K AGRAWAL AND CO. CHARTERED
ACCOUNTANTS LLP**
Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Baord Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073

INDEPENDENT AUDITOR'S REPORT

To

**The Members of,
The Phosphate Company Limited**

Report on the audit of Consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **The Phosphate Company Limited ("the Company")** and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2021, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 40 to the Consolidated financial statement, which describes the uncertainties and potential impact of the Covid-19 pandemic of the Group's operation and results as assessed by the management. The actual results may differ from such estimates depending upon future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue from Sale of Goods	
The Group recognizes revenue when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. As described in the accounting policy in note 2(b) and as reflected to the Ind AS Consolidated financial statements, revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates / incentives.	Our audit procedure includes the following: <ul style="list-style-type: none"> ▲ Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 "Revenue from contracts with customers" ▲ Assessed the design and tested the operating effectiveness of the internal financial controls related to revenue recognition.

<p>The Group has various incentive schemes for its distributors which are based on volume of sales achieved during the stipulated period. The estimate of sales likely to be achieved by each distributor requires judgment.</p> <p>Considering the judgment and estimates involved in revenue recognition, it is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> ▲ Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested and the revenue has been recognized in accordance with Ind AS 115. ▲ We discussed and obtained an understanding from the management on the key assumptions applied and inputs used in estimating provisions for discounts, sales incentives and sales returns and compared the same with the past trends and the provision made by the management. ▲ Selected Samples of rebates and discounts during the year, compared them with the supporting documents and perform recalculation of those variable considerations as per scheme documents. ▲ Assessed the relevant disclosure made in the consolidated Ind AS financial statement.
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We have determined that there are no other key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report thereon

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We did not audit the financial statement/financial information of one subsidiary, whose financial statements/ financial information reflect total assets of Rs.1,128.08 Lakhs as at 31st March 2021, total revenue (including other Income) of Rs. 0.03 Lakhs and net profit/(loss) after tax amounting to Rs. (6.21) lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statement / financial information have been audited by other auditors whose reports have been furnished to us by the Management and

our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that :

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no. 35 of the Consolidated Ind AS financial statements).
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company.

Place: Kolkata
Dated: 29th June 2021

For **S K AGRAWAL AND CO**
CHARTERED ACCOUNTANTS LLP
Chartered Accountants
Firm Registration No.-306033E/E300272
Hemant Kumar Lakhotia
(Partner)
Membership No. 068851
UDIN: 21068851AAAAGE3017

Annexure -A to the Independent Auditors' Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of **The Phosphate Company Limited** ("the Holding Company") and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition

of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S K AGRAWAL AND CO**

CHARTERED ACCOUNTANTS LLP

Chartered Accountants

Firm Registration No.-306033E/E300272

Hemant Kumar Lakhotia

(Partner)

Membership No. 068851

UDIN: 21068851AAAAGE3017

Place: Kolkata

Dated: 29th June 2021

THE PHOSPHATE COMPANY LIMITED

Consolidated Balance Sheet as at 31st March, 2021

(Amount in Rs.)

Particulars	Note	As at 31 March, 2021	As at 31 March, 2020
ASSETS			
I. Non-current assets			
a) Property, Plant and Equipment	3	79,73,90,728	80,84,18,666
b) Capital work-in-progress	3	2,86,35,593	2,43,64,055
c) Financial Assets			
i) Investments	4	26,000	26,000
ii) Loans	5	45,84,724	48,53,889
d) d) Deferred Tax Assets (Net)	6	-	33,89,615
		83,06,37,045	84,10,52,225
II. Current assets			
a) Inventories	7	1,1,64,98,512	11,57,25,335
b) Financial Assets			
i) Investments	8	26,16,781	25,55,372
ii) Trade receivables	9	7,32,44,296	13,15,55,423
iii) Cash and cash equivalents	10	6,16,440	84,94,210
iv) Other Bank Balances	11	77,22,189	1,04,41,320
v) Loans	12	11,000	-
vi) Other Financial Assets	13	22,56,705	35,95,711
c) Other Current Assets	14	4,94,06,077	4,08,88,734
		25,23,72,000	31,32,56,105
		1,08,30,09,045	1,15,43,08,330
Total Assets			
EQUITY AND LIABILITIES			
A. Equity			
a) Equity Share Capital	15	3,60,74,800	3,60,74,800
b) Other Equity	16	71,84,64,352	69,48,57,219
		7,5,45,39,152	73,09,32,019
B. Liabilities			
I. Non-current liabilities			
a) Financial Liabilities			
i) Borrowings	17	3,60,74,403	1,44,3,75,075
ii) Other Financial liabilities	18	1,09,84,991	1,10,78,840
b) Provisions	19	37,41,547	30,80,217
c) Deffered tax Liabilities (Net)	6	7,22,685	
		5,15,23,626	1,5,85,34,132
II. Current liabilities			
a) Financial Liabilities			
i) Borrowings	20	1,13,6,64,730	10,61,15,501
ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises; and	21	3,16,947	4,69,747
b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	9,37,26,339	10,59,48,042
iii) Other financial liabilities	22	98,39,504	1,62,29,510
b) Other current liabilities	23	4,94,81,886	2,88,00,534
c) Provisions	24	35,75,411	39,86,766
d) Current Tax Liabilities (Net)	25	63,41,450	32,92,079
		27,69,46,267	26,48,42,179
		1,08,30,09,045	1,15,43,08,330
Total Equity and Liabilities			
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For, **S K AGRAWAL AND CO. CHARTERED ACCOUNTANTS LLP**
Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhota, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Excutive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Baord Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073

THE PHOSPHATE COMPANY LIMITED

Statement of Consolidated Profit & Loss for the year ended 31st March 2021

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
I Income			
Total Revenue from operations	26	6,12,10,2,514	72,86,96,378
Other Income	27	14,13,951	12,86,092
Total Income	1	61,35,16,465	72,99,82,470
II. Expenses			
Cost of Material Consumed	28	31,79,04,781	36,14,03,460
Purchase of Stock in Trade		12,67,092	64,96,596
(Increase)/ Decrease in value of Inventories of Finished Goods/Stock-in-Trade and Work-in-Progress	29	(48,17,276)	4,18,96,660
Employee Benefit Expenses	30	3,40,20,070	3,07,12,008
Other Expenses	31	18,93,40,854	21,78,16,638
Total expenses	II	53,77,15,521	65,83,25,362
III. Earning before Interest, Depreciation and Tax (EBIDTA) (I - II)		7,58,00,944	7,16,57,118
Finance Costs	32	3,02,87,724	4,11,88,222
Depreciation and Amortisation Expense	3	1,05,37,129	1,06,48,270
IV. Profit/(loss) before tax		3,49,76,091	1,98,20,616
V. Tax expense:			
Current tax	33	59,99,768	40,85,388
Provision for Earlier Years	-		3,16,166
MAT Credit Entitlement/Utilized		52,77,980	(67,48,969)
Deferred tax	34	(11,65,680)	9,25,003
Total Tax Expenses		1,01,12,068	(14,22,412)
VI. Profit/(loss) for the period		2,48,64,023	2,12,43,028
VII Other Comprehensive Income			
A. (i) Items that will not be reclassified subsequently to Profit and Loss			
(a) Remeasurement Gains/(Losses) on Post Employment Defined Benefit Plans		(1,256,890)	(1,070,293)
Tax impact on above		-	-
VIII. Total Comprehensive Income for the Year		23,607,133	20,172,735
IX. Earnings per equity share			
Basic & Diluted	33	6.89	5.89
Cash		10.95	7.23

Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For, **S K AGRAWAL AND CO. CHARTERED
ACCOUNTANTS LLP**
Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Board Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073

ANNUAL REPORT 2020-2021

THE PHOSPHATE COMPANY LIMITED

Consolidated Cash Flow Statement for the year ended 31 March, 2021

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Cash Flow from Operating Activities			
Net Profit before Tax		3,49,76,091	19,820,615
Add: Adjustments for Non Cash & Non Operating Items			
Interest Received		(7,54,171)	(1,058,956)
Interest Paid		2,53,41,595	37,008,741
Depreciation of Property plant & Equipment		1,05,37,129	10,648,270
Freight Subsidy Claims Written Off		61,23,200	36,151,907
Deffered Freight Subsidy		-	9,805,800
Bad Debts		-	1,274,521
Provision for Doubtful Debts		-	3,477,682
Profit on Redemption of Mutual Fund		(3,20,874)	(1,22,629)
(Gain)/loss on Measuring investments at Fair Value through Profit or loss		58,397	(50,548)
Profit on Sale of property, plant and equipment		(3,91,608)	(35,010)
Other Misc Income			
Operating Profit before Working Capital Changes		7,55,69,759	1,16,920,393
Add: Increase /Decrease in Working Capital			
Increase in Current Liabilities		19,16,843	1,21,22,294
(Increase)/Decrease in Non-Current/Current Financial and other Assets		(55,29,047)	(53,24,200)
Increase/(Decrease) in Non-Current/Current Financial and other Liabilities		6,61,330	7,80,965
Increase/ (Decrease) in Provision		(16,68,245)	(8,69,068)
(Increase)/Decrease in Inventories		(7,73,177)	5,68,34,473
(Increase)/ Decrease Trade & Other Receivables		5,35,15,933	5,09,56,886
		4,81,23,637	9,02,56,763
Cash generated from Operation		12,36,93,396	20,71,77,156
Less: Direct Tax Paid		(29,50,397)	(68,81,398)
Net Cash flow from Operating Activities		12,07,42,999	20,02,95,758
B. Cash Flow from Investing Activities			
Purchase of Property, plant and Equipment/Capital Work in Progress		(47,07,810)	(1,87,25,044)
Proceeds from sale of Property, plant and equipment		13,18,689	5,99,018
Interest Received		7,54,171	10,58,956
Proceeds from Sale of Mutual Fund		7,87,98,688	3,80,92,565
Purchase of Mutual Fund		(7,85,97,620)	(3,99,99,999)
Net Cash used in Investing Activities		(24,33,882)	(1,89,74,504)
C. Cash Flow from Financing Activities			
(Repayment of)/ Proceeds from Long Term Borrowings (Net)		(10,83,94,521)	(19,41,965)
(Repayment of)/ Proceeds from Short Term Borrowings (Net)		75,49,229	(13,46,89,575)
Less: Interest Paid		(2,53,41,595)	(3,70,08,741)
Net Cash used in Financing Activities		(12,61,86,887)	(17,36,40,281)
Net Changes in Cash & Cash Equivalents (A+B+C)		(78,77,770)	76,80,973
Cash & Cash Equivalents-Opening Balance		84,94,210	8,13,237
Cash & Cash Equivalents-Closing Balance#		6,16,440	84,94,210
Debt Reconciliation Statement as per IndAS 7			
Current Borrowings			
Opening Balance		10,61,15,501	24,08,05,076
(Repayment of)/ Proceeds from borrowings (Net)		75,49,229	(1,3,46,89,575)
Closing Balance		11,36,64,730	1,06,115,501
Non- Current Borrowings and Certain Components of Financial Liabilities			
Opening Balance		14,43,75,075	1,46,182,702
(Repayment of)/ Proceeds from borrowings (Net)		(10,83,00,672)	(1,807,627)
Closing Balance		3,60,74,403	1,44,375,075

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

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

As per our report of even date attached.

For, **SK AGRAWAL AND CO. CHARTERED ACCOUNTANTS LLP**

Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Board Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073

THE PHOSPHATE COMPANY LIMITED

Consolidated Statement of Changes in Equity for the year ended 31st March, 2021

a. Equity Share Capital

Equity Shares of Rs. 10/- each issued, subscribed and fully paid up

Amount in Rs.

Balance as at 1 April, 2019	3,60,74,800
Changes in Equity Share Capital during the year 2019-20	-
Balance as at 31 March ,2020	3,60,74,800
Changes in Equity Share Capital during the year 2020-21	-
Balance as at 31 March, 2021	3,60,74,800

b. other Equity

Particulars	Reserve and Surplus			Other Comprehensive Income	Total Other Equity
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 April, 2019	2,62,50,000	64,70,28,254	28,52,894	(14,46,668)	67,46,84,480
Profit for the year	-	-	2,12,43,028	-	2,12,43,028
Amount Transferred to General Reserve	-	20,00,000	(20,00,000)	-	-
Other Comprehensive Income	-	-	-	(10,70,293)	(10,70,293)
Balance as at 31 March, 2020	2,62,50,000	64,90,28,254	2,20,95,922	(25,16,961)	69,48,57,215
Balance as at 1 April, 2020	2,62,50,000	64,90,28,254	2,20,95,922	(25,16,961)	69,48,57,215
Profit for the year	-	-	2,48,64,023	-	2,48,64,023
Amount Transferred to General Reserve	-	-	-	-	-
Other Comprehensive Income	-	-	-	(12,56,890)	(12,56,890)
Balance as at 31 March, 2021	2,62,50,000	64,90,28,254	4,69,59,945	(37,73,851)	71,84,64,348

Nature and Purpose of Reserves

A) Securities Premium : This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(B) General Reserve : This reserve includes transfer of Profit from retained earnings from time to time. It also includes reserve created on fair valuation of land. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(C) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013.

(D) Other comprehensive Income Reserves : This reserve represents effects of remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.

For, **S KAGRAWAL AND CO. CHARTERED ACCOUNTANTS LLP**
Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Board Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

1. Group Overview

The consolidated financial statements comprise financial statements of The Phosphate Company Limited ("the Company") and its subsidiary (collectively, "the Group") for the year ended March 31, 2021.

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

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

Name of Subsidiary Company	Extent of Holding
Abhinandan Goods Pvt. Ltd.	100%

2. Significant Accounting Policies

a) Basis of Preparation

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

b) Basis of Consolidation

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

i) The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

ii) The difference between the cost of investment in the subsidiary over its proportionate share in the net assets value at the time of acquisition of stake in subsidiary is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. For this purpose, the company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation is adjusted against Goodwill. Changes in parents ownership interest in subsidiary that do not result in the parent losing control of the subsidiary are recognised directly in equity.

iii) Non controlling interest in net profit/loss of the subsidiary for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholders' of the company. Non controlling interest in net assets of the subsidiary is identified and presented separately in Consolidated Financial Statements.

iv) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's financial statements.

v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company."

b) Revenue from Contract with Customer

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

Sale of Products

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

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

Contract balances**Trade receivables**

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

Refund Liabilities

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

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

d) Subsidy

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

e) Property, Plant & Equipment

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

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

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

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

f) Inventories

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

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

g) Financial Instruments**Initial recognition and measurement**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction

costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

i. Non derivative financial instruments

1) Financial assets carried at amortized cost

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

2) Financial assets at fair value through other comprehensive income

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

3) Financial assets at fair value through profit or loss

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

4) Financial liabilities

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

ii. Derivative financial instruments

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

Derecognition of financial instruments

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

h) Fair Value Measurement

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

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

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

i) Impairment

Impairment is recognized based on the following principles:

Financial Assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial

assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

Non-Financial Assets

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

j) Provisions

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

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

k) Foreign Currency Transactions & Translations

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

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

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

l) Cash and Cash Equivalents

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

m) Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

The Group operates a defined benefit gratuity plan in India, comprising of Gratuity fund with an approved trust. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The Group recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss. "Short term employee benefits are charged off at the

undiscounted amount in the year in which the related services are rendered.

Other Long Term Employee Benefits

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

n) Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are included in Interest-bearing loans and borrowings

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

o) Borrowing Cost

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

p) Income Taxes

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

q) Earnings per Share

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

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

r) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Note 3 Property, plant and equipment (Current Year)

Amount in Rs.

Description	Gross block				Accumulated depreciation				Net block	
	1 April 2020	Additions	Disposals/ Adjustments	31 March 2021	1 April 2020	Additions	Disposals/ Adjustments	31 March 2021	31 March 2021	31 March 2020
Freehold land	71,13,27,021	-	-	71,13,27,021	-	-	-	-	71,13,27,021	71,13,27,021
Building	3,87,07,719	-	-	3,87,07,719	82,89,776	19,29,879	-	1,02,19,655	2,84,88,064	3,04,17,943
Plant and machinery	8,76,70,332	2,98,947	41,98,373	8,37,70,906	2,39,57,674	78,95,582	32,71,292	2,85,81,964	5,51,88,942	6,37,12,658
Computers	3,81,848	1,15,997	-	4,97,845	2,10,010	89,961	-	2,99,971	1,97,874	1,71,838
Water & Acid Installation:	16,80,837	-	-	16,80,837	4,43,550	1,66,704	-	6,10,254	10,70,583	12,37,287
Laboratory Equipment:	4,66,898	-	-	4,66,898	3,02,789	37,840	-	3,40,629	1,26,269	1,64,109
Furniture & Fittings	5,52,240	21,328	-	5,73,568	3,80,553	47,960	-	4,28,513	1,45,055	1,71,687
Motor Cars & Trucks	20,28,399	-	-	20,28,399	8,18,382	3,68,904	-	11,87,286	8,41,113	12,10,017
Electric Installation:	10,056	-	-	10,056	3,950	299	-	4,249	5,807	6,106
Total Tangible Assets (A)	84,28,25,350	4,36,272	41,98,373	83,90,63,249	3,44,06,684	1,05,37,129	32,71,292	4,16,72,521	79,73,90,728	80,84,18,666
Capital work-in-progress	2,43,64,055	56,70,733	13,99,195	2,86,35,593	-	-	-	-	2,86,35,593	2,43,64,055
Total	86,71,89,405	61,07,005	55,97,568	86,76,98,842	34,406,684	1,05,37,129	32,71,292	4,16,72,521	82,60,26,321	83,27,82,721

Note 3 Property, plant and equipment (Previous Year)

Description	Gross block				Accumulated depreciation				Net block	
	1 April 2019	Additions	Disposals/ Adjustments	31 March 2020	1 April 2019	Additions	Disposals/ Adjustments	31 March 2020	31 March 2020	31 March 2019
Freehold land	71,13,27,021	-	-	71,13,27,021	-	-	-	-	71,13,27,021	71,13,27,021
Building	3,95,70,007	-	8,62,288	3,87,07,719	70,24,991	20,83,959	8,19,174	82,89,776	3,04,17,943	3,25,45,016
Plant and machinery	8,10,78,949	1,11,57,756	45,66,373	8,76,70,332	2,03,56,676	77,46,531	41,45,533	2,39,57,674	6,37,12,658	6,07,22,273
Computers	4,93,801	73,156	1,85,109	3,81,848	3,34,763	51,101	1,75,854	2,10,010	1,71,838	1,59,038
Water & Acid Installation:	13,35,181	3,45,656	-	16,80,837	3,53,466	90,084	-	4,43,550	12,37,287	9,81,715
Laboratory Equipment:	4,38,026	28,872	-	4,66,898	2,51,789	51,000	-	3,02,789	1,64,109	1,86,237
Furniture & Fittings	5,81,788	-	29,548	5,52,240	3,66,493	43,997	29,937	3,80,553	1,71,687	2,15,295
Motor Cars & Trucks	29,79,729	-	9,51,330	20,28,399	10,97,295	5,81,229	8,60,142	8,18,382	12,10,017	18,82,434
Electric Installation:	10,056	-	-	10,056	3,581	369	-	3,950	6,106	6,475
Total Tangible Assets (A)	83,78,14,558	1,16,05,440	65,94,648	84,28,25,350	2,97,89,054	1,06,48,270	60,30,640	3,44,06,684	80,84,18,666	80,80,25,504
Capital work-in-progress	1,72,44,451	1,87,00,256	1,15,80,652	2,43,64,055	-	-	-	-	2,43,64,055	1,72,44,451
Total	85,50,59,009	3,03,05,696	1,81,75,300	86,71,89,405	2,97,89,054	1,06,48,270	60,30,640	3,44,06,684	83,27,82,721	82,52,69,955

Note 4 Investments - Non Current

Investments in Government or trust securities
Investments carried at Amortised Cost (Unquoted)
 National Savings Certificate

At at
March 31, 2021

As at
March 31, 2020

26,000

26,000

Total

26,000

26,000

Aggregate amount of Unquoted Investments

26,000

26,000

Note 5 Loans - Non Current

Financial assets carried at amortised cost
(Unsecured, considered good)

Security deposits

45,84,724

48,53,889

Total

45,84,724

48,53,889

Note 6- Deferred Tax Assets/(Liabilities)

Deferred Tax Assets

Losses/ Unabsorbed Depreciation under Income Tax
 Expenses allowable against taxable income in future years
 MAT Credit Entitlement

3,68,312

1,50,161

57,98,710

56,43,749

14,70,989

67,48,969

Deferred Tax Liabilities

Timing difference in depreciable assets

(83,60,696)

(91,53,264)

Total

(7,22,685)

33,89,615

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

	At at March 31, 2021	As at March 31, 2020
Note 7 Inventories		
(Valued at lower of cost or net realisable value)		
Raw Materials*	7,42,27,487	7,94,54,790
Packing Materials	35,64,705	15,23,570
Stores & Spare Parts	99,89,533	1,08,47,464
Finished Goods	2,86,67,184	2,36,62,539
Trading Goods	49,603	2,36,972
Total	11,64,98,512	11,57,25,335
* Includes Stock-In-Transit	2,79,96,445	10,07,708
Note 8 Investments - Current		
Investment carried at fair value through Profit & Loss		
Kotak Liquid Growth Fund (Previous Year 253.432 Units)		10,13,849
SBI Short Term Debt Growth Fund (Previous Year 22673.926)	-	5,28,706
Nippon Life India AM Ltd (Previous Year 210.019)	-	10,12,817
1955.8500 units Kotak Banking & PSU Debt (Previous Year NIL)	1,00,772	
2188.128 units Kotak Floating Rate Fund (Previous Year NIL)	25,16,009	
Total	26,16,781	25,55,372
Aggregate amount of Unquoted Investments	26,16,781	25,55,372
Fair value of Unquoted Investments	26,16,781	25,55,372
Note 9 Trade Receivables		
Financial Assets carried at amortised cost		
(unsecured, considered good)		
- Considered good	2,77,80,445	4,14,60,187
Subsidy receivable from Central Government	4,54,63,851	9,00,95,236
	7,32,44,296	13,15,55,423
- Considered doubtful	34,77,682	34,77,682
Less: Provision for Bad Debt	(34,77,682)	(33,15,55,423)
	7,32,44,296	13,15,55,423
Note 10 Cash and Cash Equivalents		
Financial Assets carried at amortised cost		
Balance with banks	2,26,045	79,74,407
Cash in hand	3,90,395	5,19,803
Total	6,16,440	84,94,210
Note 11- Other Bank Balances		
Financial Assets carried at amortised cost		
Fixed deposits having original maturity more than 3 months but less than 12 months (pledged)	77,22,189	1,04,41,320
Total	77,22,189	1,04,41,320
Note 12 Loans- Current		
Financial Assets carried at amortised cost		
(Unsecured, considered good)		
Advances to Employees	11,000	-
Total	11,000	-

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

	At at March 31, 2021	As at March 31, 2020
Note 13 Other Financial Assets- Current		
Financial Assets carried at amortised cost		
(Unsecured, considered good)		
Interest Receivable		
From Banks	4,37,638	8,72,884
Advance recoverable in cash or kind	18,19,067	27,22,827
Total	22,56,705	35,95,711

Note 14 Other Current Assets

(Unsecured, considered good)

Advance to suppliers	9,28,558	3,53,834
Advances against expenses	30,42,222	9,10,041
Prepaid expenses	6,40,765	12,24,082
Input tax receivable	4,47,94,532	3,84,00,777
Total	4,94,06,077	4,08,88,734

Note 15 Equity share capital

Authorised capital

1,00,00,000 (1,00,00,000) equity shares of Rs. 10 each	10,00,00,000	10,00,00,000
1,50,000 (1,50,000) Redeemable Preference Shares of Rs. 1000 each	15,00,00,000	15,00,00,000
	25,00,00,000	25,00,00,000

Issued, subscribed and Paid-up capital

36,07,480 equity shares of Rs. 10 each	3,60,74,800	3,60,74,800
	3,60,74,800	3,60,74,800

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

	31st March, 2021		31 March 2020	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	36,07,480	3,60,74,800	36,07,480	3,60,74,800
Add: Share issued during the year	-	-	-	-
Equity shares at the end of the year	36,07,480	36,074,800	36,07,480	3,60,74,800

b) Rights/preferences/restrictions attached to equity shares

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

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

	31st March, 2021		31 March 2020	
	No of shares	Amount	No of shares	Amount
Madhav Trading Corpn. Ltd.	3,74,880	10.39	3,74,880	10.39
Shrivats Khaitan	2,31,000	6.40	2,31,000	6.40
Life Insurance Corporation of India	1,88,180	5.22	1,89,240	5.25

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

	At at March 31, 2021	As at March 31, 2021
Note: 16 Other Equity		
Securities Premium		
As per last Balance Sheet	2,62,50,000	2,62,50,000
Addition during the Year	-	-
Balance as at the end of the year	2,62,50,000	2,62,50,000
General Reserve		
Opening Balance	64,90,34,254	64,70,34,254
Addition during the Year	-	20,00,000
	64,90,34,254	64,90,34,254
Retained Earnings		
As per last Balance Sheet	2,20,95,926	28,52,894
Profit for the Year	2,48,64,023	2,12,43,032
Less: Amount Transferred to General Reserve		(20,00,000)
Balance as at the end of the year	4,69,59,949	2,20,95,926
Other Comprehensive Income		
As per last Balance Sheet	(25,16,961)	(14,46,668)
Addition during the Year	(12,56,890)	(10,70,293)
Balance as at the end of the year	(37,73,851)	(25,16,961)
Total	71,84,64,352	69,48,57,219
Note : 17 Borrowings (Non Current)		
Financial Liabilities carried at amortised cost		
Secured		
a. Term loans from Non Banking financial Institution	3,87,81,983	4,43,28,345
Less: Current maturities of Term Loan (refer note 22)	62,65,268	55,46,364
	3,25,16,715	3,87,81,981
b. Term loans from Banks		
(I) Vehicle loans from banks	15,28,797	1,81,2,219
(II) Equipment loans from banks	42,16,382	58,39,412
Less: Current maturities of Equipment & Vehicle Loan (refer note 22)	21,87,491	20,58,537
	35,57,688	55,93,094
Unsecured		
From Limited Companies		
From Related Parties	-	9,89,00,000
From Other Body Corporates	-	1,10,0,000
	-	10,00,00,000
Total	3,60,74,403	14,43,75,075

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

(i) Repayment terms and nature of securities given for term loan as follows :

Sl.No.	Name of the Bank	Nature of security	Repayment Terms	31-Mar-21	31-Mar-20
a	Aditya Birla Capital	Term Loan is secured by pari passu first charge on Industrial Property located at holding No.47, Rishi Bankim Chandra Road, Rishra ,Hooghly . Current Interest rate is 12.25%.	Repayble in 84 equal montly installment of Rs.8,89,336 commencing from February 2019.	3,87,81,983	4,43,28,345
bl (i)	Syndicate Bank	Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme.Current Interest rate is 9.65%.	Repayble in 75 equal monthly installment of Rs. 12,373.85 commencing from December, 2015	1,70,419	2,66,549
bl (ii)	Syndicate Bank	Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme.Current Interest rate is 8.90%.	Repayble in 81 equal monthly installment of Rs. 14,719.19 commencing from May, 2018.	6,43,881	6,97,313
bl (iii)	Syndicate Bank	Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme.Current Interest rate is 9.00%.	Repayble in 84 equal monthly installment of Rs. 13,980.78 commencing from March, 2019	7,14,497	7,57,328
bl (iv)	State Bank of India	Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme.	Repayble in 84 equal monthly installment of Rs. 13,740 commencing from November, 2013.	-	91,029
c (i)	ICICI Bank Limited	Equipment Loan secured by Exclusive charge on the hypothecated assets purchased under the scheme.	Repayble in 47 equal monthly installment of Rs. 86,353 commencing from August, 2019.	21,08,191	29,19,706
c (ii)	ICICI Bank Limited	Equipment Loan secured by Exclusive charge on the hypothecated assets purchased under the scheme.	Repayble in 47 equal monthly installment of Rs. 86,353 commencing from August, 2019.	21,08,191	29,19,706

Note 18 Other financial liabilities - Non Current

Financial Liabilities carried at amortised cost

Deposit from Dealer

1,09,84,991 1,10,78,840

Total

1,09,84,991 1,10,78,840

Note 19 Provisions - Non Current

Provisions for Employee Benefits

Leave Encashment

73,16,958 70,66,983

Less: Current Liability (refer note 24)

35,75,411 39,86,766

Total

37,41,547 30,80,217

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

	At at March 31, 2021	As at March 31,2020
Note 20 Borrowings - Current		
Financial Liabilities carried at amortised cost		
Secured		-
From Banks		
Cash Credit	11,10,64,730	-
Unsecured		
From Limited Companies		
From Related Parties	16,00,000	4,62,75,043
From Other Body Corporates	10,00,000	5,98,40,458
Total	11,36,64,730	10,61,15,501

Cash Credit Loan from Bank is secured by entire stocks of inventory, receivables and other current assets of the company on pari-passu first charge basis & collaterally secured by pari-passu second charge on entire fixed assets of the Company. Current Interest Rate is 10.25% to 12.30%.

Note 21 Trade payables

Financial Liabilities carried at amortised cost

MSMED [refer note (a) below]	3,16,947	4,69,747
Other Trade Payable	9,37,26,339	10,59,48,042
Total	9,40,43,286	10,64,17,789

Notes :

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

i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.Principal amount due to micro and small enterprise Interest due on above	3,16,947	4,69,747
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(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
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(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
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(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro,Small and Medium Enterprises Development Act,2006	-	-
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The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

	At at March 31, 2021	As at March 31, 2020
Note 22 Other financial liabilities - Current		
Financial Liabilities carried at amortised cost		
Current Maturities of Term loans from Non Banking financial Institution (refer note 17)	62,65,268	55,46,364
Current Maturities of Equipment & Vehicle loans from Banks (refer note 17)	21,87,491	20,58,537
Interest accrued and due	3,66,207	44,76,916
Employee Benefits	21,92,337	18,38,307
Financial Liabilities carried at Fair Value through Profit & Loss		
(Gain)/Loss on Fair Valuation of Forward Contracts	(11,71,799)	23,09,386
Total	98,39,504	1,62,29,510
Note 23 Other current liabilities		
Advance from customers	73,21,965	93,82,181
Duties & Taxes		
Statutory & other dues payables	1,20,52,252	1,28,78,546
Liability for expenses	3,01,07,669	65,39,807
Total	4,94,81,886	2,88,00,534
Note 24 Provisions - Current		
Provisions for Employee Benefits		
Leave Encashment (refer note No. 19)	35,75,411	39,86,766
Total	35,75,411	3,9,86,766
Note 25 Current Tax Liabilities (Net)		
Provision for Income Tax (Net of Advance Tax)	63,41,450	32,92,079
Total	63,41,450	32,92,079
	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 26- Total Revenue from Operations		
Gross Sales/ Income from Operations	68,07,53,126	78,82,78,578
Less: Discounts, Rebates & Taxes	7,38,31,007	5,96,87,700
	60,69,22,119	72,85,90,878
Other Operating Income		
Insurance Claim	51,60,795	
Scrap Sales	19,600	1,05,500
Total	61,21,02,514	72,86,96,378
Note 27 Other Income		
Interest income on		
Fixed Deposits	4,92,754	7,96,338
Others	2,61,417	2,62,618
Profit on sales of Property, plant and equipment	3,91,608	35,010
Liability no longer required written back	-	-
Profit on Redemption of Mutual Fund	3,20,874	1,22,629
Gain on measuring investments at FVTPL	(58,397)	50,548
Other Income	5,695	18,949
Total	14,13,951	12,86,092

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 28- Cost of Material Consumed:		
Raw Materials	31,79,04,781	36,14,03,460
Packing Materials	1,35,70,926	1,57,77,739
Total	31,79,04,781	36,14,03,460
Note 29- Change in Inventories of Finished Goods /Stock-in-Trade and Work-in-Progress		
Opening Stock		
Finished Goods	2,36,62,539	6,50,16,504
Trading Goods	49,603	7,79,667
Less : Closing Stock		
Finished Goods	(2,86,67,184)	(2,36,62,539)
Trading Goods	(49,603)	(2,36,972)
Total	(48,17,276)	4,18,96,660
Note 30- Employee benefit expenses		
Salaries, wages and bonus	2,56,55,980	2,33,03,052
Contribution to Provident & other funds	44,72,393	34,82,748
Staff welfare	38,91,697	39,26,208
Total	3,40,20,070	3,07,12,008
Note 31- Other Expenses		
Consumption of Stores and Spares	1,41,07,452	61,42,077
Power and Fuel Expenses	2,16,77,785	2,29,65,197
Repair to :	-	-
Building	46,78,305	17,00,545
Machinery	21,01,949	13,94,795
Others	15,29,792	7,01,737
Manufacturing & Supervision Charges	1,43,60,128	13,73,9,812
Storage & Handling Expenses	-	-
Packing Expenses	51,38,695	53,67,507
Freight, Delivery Expenses	9,31,50,506	9,54,35,045
Selling Expenses	4,46,908	26,78,013
Rent	2,37,875	2,31,195
Rates and Taxes	1,08,78,902	11,85,678
Payment to Auditors :		
Audit Fee	68,850	58,850
Certification Fee	1,22,460	64,400
Legal & Consultancy Expenses	55,61,455	54,46,881
Freight Subsidy Claims Written Off (Refer Note 41)	61,23,200	3,61,51,907
Director's Fees :		
Board Meeting Fees	3,20,000	3,20,000
Committee Meeting Fees	1,30,000	1,00,000
Information & Technology Expenses	1,12,132	1,00,015
Bad Debts	-	12,74,521
Insurance Charges	7,02,711	4,20,456
Motor Vehicle Expenses	8,16,799	8,57,552
Deffered Freight Subsidy	-	98,05,800
Other Maintenance Expenses	28,38,714	26,58,543
Provision for Doubtful Debts	-	34,77,682
Miscellaneous Expenses	42,36,236	55,38,430
Total	18,93,40,854	21,78,16,638

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

	For the year ended March 31, 2021	For the year ended March 31, 2020
Note 32- Finance Cost		
Interest	2,53,41,595	3,70,08,741
Bank charges	21,35,720	20,47,602
Foreign Exchange Rate Fluctuation	28,10,409	20,91,879
Other Charges	-	40,000.00
Total	3,02,87,724	4,11,88,222

Note 33 Effective tax reconciliation

Income Tax Recognised in Statement of Profit & Loss

Current Tax	59,99,768	40,85,388
Deferred Tax	(11,65,680)	9,25,003
Total Income tax Expense recognised in the current year	48,34,088	50,10,391

The income tax expense can be reconciled to the accounting profit as follows:

Profit before tax	3,49,76,091	1,98,20,620
Applicable tax rate	27.82%	27.82%
Computed Tax Expense	97,30,349	55,14,095
Add/(Deduct)		
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income	13,16,093	(14,60,084)
Tax effect of certain temporary differences measured at lower rates	(64,43,660)	5,85,555
Others	2,31,306	370,825
Total Income Tax Expense /(credit)	48,34,088	50,10,391

Note 34 Earnings per equity share

Profit as per Statement of Profit and Loss	2,48,64,023	2,12,43,032
Weighted average number of equity shares	36,07,480	36,07,480
Earnings per share - Basic and Diluted	6.89	5.89

**Note 35 Contingencies and Commitments
(to the extent not provided for)**

I) Guarantees given

Guarantees given by company not acknowledged aa debts.	1,99,660	1,99,660
Total	1,99,660	1,99,660

II) Commitments

Commitment of Capital Expenditure not provided for in the accounts (Estimated)	1,600,000	-
Total	1,600,000	-

Note 36 Employee Benefit Obligations

I) Defined Contribution Plan

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

Employers' Contribution to Provident Fund	18,74,777	16,00,894
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I) Defined Benefit Plan

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

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Particulars	Gratuity Funded		Accumulated Leave Unfunded	
	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
(i) Amount recognised in the statement of profit and loss is as under:				
Current service cost	9,88,328	9,02,817	5,30,091	4,90,396
Interest cost	(30,845)	(9,007)	4,02,108	3,53,707
Actuarial loss/(gain) recognized during the year	-	-	4,62,062	2,15,107
Amount recognized in the statement of profit and loss	9,57,483	8,93,810	4,70,137	10,59,210
(ii) Changes in Present Value Obligation				
Present value of defined benefit obligation as at the start of the year	2,02,99,066	1,70,17,823	70,66,983	60,84,793
Current service cost	9,88,328	9,02,817	5,30,091	4,90,396
Interest cost	11,43,196	9,91,051	4,02,108	3,53,707
Actuarial loss/(gain) recognized during the year	14,97,307	15,40,938	(4,62,062)	2,15,107
Benefits paid	(10,41,170)	(1,53,563)	(2,20,162)	(77,020)
Present value of Defined Benefit Obligation as at the end of the year	2,28,86,727	2,02,99,066	73,16,958	70,66,983
(iii) Change in fair value of plan assets				
Fair value of plan assets as at the start of the year	2,03,12,141	1,70,95,000	-	-
Return on plan assets	2,40,416	4,70,646	-	-
Interest Income	11,74,042	10,00,058	-	-
Actuarial loss/(gain)	-	-	-	-
Contribution	22,50,000	19,00,000	-	-
Benefits paid	(10,41,170)	(1,53,563)	(2,20,162)	(77,020)
Fair value of plan assets as at the end of the year	2,29,35,429	2,03,12,141	(2,20,162)	(77,020)
Reconciliation of present value of defined benefit obligation and the fair value of plan assets				
Funded Status	48,701	13,074	-	-
Present value obligation as at the end of the year	2,28,86,727	2,02,99,066	73,16,958	70,66,983
Fair value of plan assets as at the end of the year	2,29,35,428	2,03,12,140	-	-
Net liability/(asset) recognized in balance sheet	-	-	73,16,958	70,66,983
Amount recognised in the statement of Other Comprehensive Income				
Actuarial (Gain)/Loss for the year on Present value of obligation	33,101	6,33,759	-	-
Actuarial (Gain)/Loss for the year on Asset	14,64,206	9,07,179	-	-
Return on Plan Asset, Excluding Interest Income	2,40,416	4,70,646	-	-
Unrecognised actuarial (Gain)/Loss at the end of the year	12,56,891	10,70,292	-	-
Breakup of Actuarial gain/loss:				
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	33,101	6,33,759	-	-
Actuarial (gain)/loss on arising from experience adjustment	14,64,206	9,07,179	-	-
Assumptions				
Financial Assumptions				
Discount rate p.a.	5.78%	5.85%	5.78%	5.78%
Rate of increase in salary p.a.	7.50%	7.50%	7.50%	7.50%
Demographic Assumptions				
Attrition Rate	1.00%	1.00%	1.00%	1.00%
Super Annuation Age	58 Years	58 Years	58 Years	58 Years
Average expected future service	5 Years	5 Years	5 Years	5 Years

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

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

f) Sensitivity Analysis

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

Sensitivity analysis for Gratuity

	At a 31 March, 2021		At a 31 March, 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	2,26,27,878	23,16,09,101	2,00,95,263	2,05,14,439
%Change Compared to base due to sensitivity	-1.13%	1.20%	-1.00%	1.16%
Salary Growth (-/+ 0.5%)	23,1,54,044	2,26,31,769	2,05,05,958	2,00,98,308
%Change Compared to base due to sensitivity	1.17%	-1.11%	1.03%	-0.99%
Attrition Rate (-/+ 0.5%)	2,28,85,583	2,28,87,871	2,03,03,126	2,02,95,006
%Change Compared to base due to sensitivity	-0.01%	0.01%	0.02%	-0.02%
Mortality Rate (-/+ 10%)	2,28,83,523	2,28,89,931	2,03,26,064	2,02,72,068
%Change Compared to base due to sensitivity	-0.01%	0.01%	0.15%	-0.15%

Sensitivity analysis for Accumulated Leave

Discount Rate (-/+ 0.5%)	71,79,468	74,62,285	69,51,690	71,90,757
%Change Compared to base due to sensitivity	-1.88%	1.99%	-1.63%	1.75%
Salary Growth (-/+ 0.5%)	74,58,573	71,81,519	71,87,683	69,53,379
%Change Compared to base due to sensitivity	1.94%	-1.85%	1.71%	-1.61%
Attrition Rate (-/+ 0.5%)	73,15,049	73,16,363	70,69,812	70,64,150
%Change Compared to base due to sensitivity	-0.03%	-0.01%	0.04%	-0.04%
Mortality Rate (-/+ 10%)	73,14,034	73,17,384	70,80,463	7,0,53,500
%Change Compared to base due to sensitivity	-0.04%	0.01%	0.19%	-0.19%

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

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

Expected contribution during the next annual reporting period:

Particulars

Gratuity

The Company's best estimate of contribution during the next year

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Table Showing Allocation of Plan Asset at the end Measurement Period	Allocation of Plan Asset (Amt in Rs.)		Allocation in % of Plan Asset	
	Gratuity Funded		Gratuity Funded	
	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
Cash & Cash Equivalents	25,06,074	14,80,702	10.93%	7.29%
Special Deposit Scheme	51,9,833	5,19,833	2.27%	2.56%
State Government Securities	74,78,759	91,89,180	32.61%	45.24%
Government of India Securities	18,13,900	1,04,950	7.91%	0.52%
Corporate Bonds	93,32,270	79,67,155	40.69%	39.22%
Debt Securities	7,14,985	4,15,000	3.12%	2.04%
Other	5,69,607	6,35,320	2.48%	3.13%
Total	2,29,35,428	2,03,12,140	100.00%	100.00%

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Amount in Rs.

March 31, 2021 March 31, 2020

Note 37 Financial instruments and other related disclosures

i. Capital Management

"The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations and short term bank borrowings.

The debt equity ratio highlights the ability of a business to repay its debt. As at 31st March 2021 the ration is 0.19%

Equity Share Capital	3,60,74,800	3,60,74,800
Other Equity	71,84,64,352	69,48,57,219
Total Equity (A)	75,45,39,152	73,09,32,019
Non-Current Borrowings	3,60,74,403	14,43,75,075
Short Term Borrowings	2,24,83,696	11,81,97,318
Total Borrowings (Gross Debt) (B)	15,85,58,099	26,25,72,393
Less: Investments	(26,42,781)	(25,81,372)
Less: Cash and Cash Equivalents	(6,16,440)	(84,94,210)
Less: Other Bank Balances	(77,22,189)	(1,04,41,320)
Net Debt (C)	14,75,76,689	24,10,55,491
Net Debt to Equity (C/A)	0.196	0.330

Disclosures on Financial Instruments

l) Financial Instruments by Category

As at March 31, 2021

Amount in Rs

Particulars	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets				
Investments	26,000	26,16,781	26,42,781	26,42,781
Trade Receivables	7,32,44,296	-	7,32,44,296	7,32,44,296
Cash and Cash Equivalents	6,16,440	-	6,16,440	6,16,440
Other Bank Balances	77,22,189	-	77,22,189	77,22,189
Loans	45,95,724	-	45,95,724	45,95,724
Other Financial Assets	22,56,705	-	22,56,705	22,56,705
Total Financial Assets	8,84,61,354	26,16,781	9,10,78,135	9,10,78,135
Financial Liabilities				
Borrowings	14,97,39,133	-	14,97,39,133	14,97,39,133
Trade Payables	9,40,43,286	-	9,40,43,286	9,40,43,286
Other Financial Liabilities	2,19,96,294	(11,71,799)	2,08,24,495	2,08,24,495
Total Financial Liabilities	26,57,78,713	(11,71,799)	26,46,06,914	26,46,06,914

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

As at March 31, 2020

Amount in Rs

Particulars	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets				
Investments	26,000	25,55,372	25,81,372	25,81,372
Trade Receivables	13,15,55,423	-	13,15,55,423	13,15,55,423
Cash and Cash Equivalents	84,94,210	-	84,94,210	84,94,210
Other Bank Balances	1,04,41,320	-	1,04,41,320	1,04,41,320
Loans	48,53,889	-	48,53,889	48,53,889
Other Financial Assets	35,95,711	-	35,95,711	35,95,711
Total Financial Assets	15,89,66,553	25,55,372	16,15,21,925	16,15,21,925
Financial Liabilities				
Borrowings	25,04,90,576	-	25,04,90,576	25,04,90,576
Trade Payables	10,64,17,789	-	10,64,17,789	10,64,17,789
Other Financial Liabilities	2,49,98,964	23,09,386	2,73,08,350	2,73,08,350
Total Financial Liabilities	38,19,07,329	23,09,386	38,42,16,715	38,42,16,715

(ii) Fair value hierarchy

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

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

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

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

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

Particulars	Fair Value Hierarchy Level	31 March, 2021	31 March, 2020
Financial Assets			
Current Investments	Level 1	26,16,781	25,55,372
"Derivative financial instruments - Foreign Currency Forward Contracts"	Level 2	(11,71,799)	23,09,386

(iii) Financial risk management objectives and policies

Financial risk factors

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

(A) Market risk

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

(a) Interest rate risk

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

(b) Foreign currency risks

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

Particulars	31 March, 2021	31 March, 2020
Foreign Currency Payable (Amount in USD)	9,87,305	13,96,800

(B) Liquidity risk

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

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

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

One Year or less		
Borrowings	11,36,64,730	10,61,15,501
Trade Payables	9,40,43,286	10,64,17,789
Other Financial Liabilities	98,39,504	1,62,29,510
More than One Year		
Borrowings	3,60,74,403	14,43,75,075
Other Financial Liabilities	1,09,84,991	1,10,78,840

(C) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness. Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk. The Group has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Group manages risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Note 38 Related Party Disclosures:

List of Related Parties :

1. Key Management Personnel

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

2. Other Directors

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

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

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

Adelina Investments Pvt. Ltd.
 Art Finance & Trade Pvt. Ltd.
 Chintamani Holdings Pvt. Ltd
 Cowcody Builders Pvt. Ltd.
 Credwyn Holdings India Pvt. Ltd.
 Devendra Finvest & Holding Pvt Ltd
 Gloster Limited
 Kanchan Udyog Ltd.
 Kherapati Vanijya Ltd.
 Mani Invest Brokers Private Limited
 Mangal Builders & Enterprises Ltd.
 Maxworth Industrial Services Ltd
 Noshirvan & Company Private Ltd
 PDGD Investments & Trading Private Ltd
 Shreyans Paperplast Pvt. Ltd.
 The Oriental Co. Ltd.

The following table summarises related-party transactions included in the financial statements for the year ended March 31, 2021 & March 31, 2020 and details of outstanding balances as on March 31, 2020 & March 31, 2019

Nature of Transactions	Key Managerial Personnel & Other Directors (1+2) "	Entities where KMP and relatives have significant influence (3)	Total
Salary and Other Benefits	64,82,649	-	64,82,649
	57,44,144	-	57,44,144
Contribution to Provident Fund & Superannuation Policy	16,54,910	-	16,54,910
	14,68,288	-	14,68,288
Other Perquisites	21,09,169	-	21,09,169
	19,52,175	-	19,52,175
Meeting Fees	4,50,000	-	4,50,000
	4,20,000	-	4,20,000
Interest Payment	-	1,93,19,298	1,93,19,398
	-	2,76,84,850	2,76,84,850
Loan Taken	-	10,66,00,000	10,66,00,000
	-	18,40,20,000	18,40,20,000
Loan Repaid	-	23,15,30,000	23,15,30,000
	-	16,54,00,000	16,54,00,000
Outstanding Payable	-	9,00,000	9,00,000
	-	18,58,30,000	18,58,30,000

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

Note 39: Additional Information

Financial Year 2020-21

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.
Parent :								
The Phosphate Company Limited	100.07%	75,50,46,056	102.50%	2,54,84,913	100.00%	(12,56,890)	102.63%	2,42,28,023
Subsidiary :								
Abhinandan Goods Private Limited	0.25%	1,8,99,096	-2.50%	(6,20,891)	0.00%	-	-2.63%	(6,20,891)
Less: Inter-Company Elimination and Consolidation Adjustments	-0.32%	-24,06,000	0.00%	-	0.00%	-	0.00%	-
Total :	100%	75,45,39,152	100%	2,48,64,023	100%	(12,56,890)	100%	2,36,07,132

Financial Year 2019-2020

Name of the Entity	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.	As a % of Cons. Figure	Amount in Rs.
Parent :								
The Phosphate Company Limited	99.93%	73,08,18,031	100.09%	2,12,61,932	100.00%	(10,70,293)	100.09%	2,01,91,639
Subsidiary :								
Abhinandan Goods Private Limited	0.40%	29,35,489	-0.09%	(18,905)	0.00%	-	-0.09%	(1,89,05)
Less: Inter-Company Elimination and Consolidation Adjustments	-0.33%	-24,06,000	0.00%	-	0.00%	-	0.00%	-
Total :	100%	73,13,47,520	100%	2,12,43,027	100%	(10,70,293)	100%	2,01,72,734

Note 40: The Company is closely monitoring the impact of the pandemic on all aspect of its business. The management does not see long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Management has also evaluated the recoverability of receivables and realisability of inventory on hand based on subsequent realisations and customer orders respectively. However, given the uncertainties associated with the eventual outcome, nature and duration of the pandemic, the impact may be different from that estimated as on the date of approval of these financial statements.

Note 41 : Balance of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year

Note 42: Corresponding comparative figures for the previous year have been regrouped and readjusted wherever considered necessary to conform necessary to the current year presentation.

For, **S K AGRAWAL AND CO. CHARTERED ACCOUNTANTS LLP**
Firm Registration Number : 306033E/E300272

Hemant Kumar Lakhotia, Partner
Membership No. 068851

Place : Kolkata
Dated : 29th June, 2021

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CEO

For and on behalf of the Baord Directors

Sonali Sen
Independent Director
DIN : 00451839

Shankar Banerjee
Dy. Secretary
ACS : 45073