

Annual Report

for the year ended 31st March, 2009



THE PHOSPHATE COMPANY LIMITED

THE PHOSPHATE COMPANY LIMITED

BOARD OF DIRECTORS

Shri G.D.BANGUR, Chairman
Shri BINOD KHAITAN
Shri N.A.BHADURI
Shri M.D.DAMANI, Director & Secretary

BANKERS

State Bank of India, Kolkata
State Bank of Mysore, Kolkata
Syndicate Bank, Kolkata

AUDITORS

Messrs Batliboi, Purohit & Darbari

REGISTERED OFFICE

14, N.S.Road, Kolkata-700001
Tel.033-2230 0771(3lines)
Fax.91-33-2243 6236
E.Mail-phosphate@vsnl.net

WORKS

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

REGISTRAR & TRANSFER AGENT

Messrs Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata-700001
Tel.:033-2243 5029/5809

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THE PHOSPHATE COMPANY LIMITED

NOTICE

Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at Somany Conference Hall of Merchants' Chamber of Commerce, 15B Hemant Basu Sarani, Kolkata-700001 on Thursday, the 3rd September, 2009 at 11.30 AM to transact the following business :-

- 1) To receive and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2009 and Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
- 2) To elect a Director in place of Shri Murali Dhar Damani, who retires by rotation and being eligible offers himself for re-election.
- 3) To appoint Auditors and to fix their remuneration.

Special Business

To consider, and if thought fit, to pass with or without modification(s) the following resolution :-

As Special Resolution

- 4) "Resolved that pursuant to the provisions of Sections 198, 269, 309 and read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory amendment or modification thereto the Company hereby approves the re-appointment of Shri Murali Dhar Damani, as the whole-time Director of the Company designated as Director & Secretary, for a period of 3 years with effect from 27th July, 2009 on the terms and conditions including remuneration as are set out in the draft agreement to be entered into between the Company and Shri Murali Dhar Damani, as laid before the meeting and for the purpose of identification initialed by the Chairman, which agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors of the Company to alter, vary and modify the terms and conditions of the said appointment and/or remuneration and/or agreement, in such manner as may be agreed upon by and between the Board of Directors and Shri Murali Dhar Damani as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 including any amendment thereof from time to time being in force".

"Resolved further that notwithstanding anything herein above stated, where in any financial year the Company has no profits or its profits are inadequate, the Company do pay Shri Murali Dhar Damani, remuneration by way of salary, perquisites and allowances not exceeding the ceiling / limit specified under Schedule XIII of the Companies Act, 1956".

"Resolved further that the Board of Directors of the Company be and is hereby authorised to do and perform such acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable to give effect to the aforesaid Resolutions".

Registered Office :
14, Netaji Subhas Road,
Kolkata-700001.
Dated: 31st July, 2009

By Order of the Board
M. D. Damani
Director & Secretary

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
2. Members who hold shares in Dematerialized form are requested to bring their Client ID and DP ID nos. for easier identification of attendance at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the 1st September, 2009 to 3rd September, 2009 (both days inclusive).
4. A member desirous of obtaining any information concerning the accounts and operation of the Company is requested to send his queries to the Company at least 7 days before the date of the meeting, so that the information required by the member is made available at the meeting.
5. Members who have not encashed their dividend warrant for F.Y. 2006-07 are requested to write to the Company.

THE PHOSPHATE COMPANY LIMITED

6. Pursuant to Section 205A of the Companies Act, 1956, as amended: -
 - a) All unclaimed/unpaid dividends upto the Financial Year 1993-94 have been transferred to the General Revenue Account of Central Government. Members concerned are requested to claim the amount from the Registrar of Companies, West Bengal.
 - b) Unclaimed dividend for the financial years 1994-95 to 1998-99 have been transferred and thereafter, there remain no unpaid or unclaimed for a period of 7 years to transfer to the Investor Education and Protection Fund of the Central Government and no payment shall be made in respect of any such claim.
7. Members attending the meeting are requested to bring their Copy of the Annual Report with them to the meeting.
8. As per the provisions of the Companies Act, 1956, as amended, facility for making nomination is available to individual shareholder. The prescribed form can be obtained from the Company.
9. As per SEBI's circular in respect of transaction involving transfer of shares in physical form of a listed company, it is mandatory for the transferee(s) to furnish a copy of PAN card for registration of transfer of Shares.
10. Details of Directors seeking appointment/re-appointment;
 - i. **Shri M. D. Damani** is a B.Com; D.M. (Cal.) and a Fellow Member of the Institute of Company Secretaries of India. He has worked at Senior Management levels handling various corporate functions. He is associated with the Company since long and presently is the whole-time Director designated as Director & Secretary of the Company.

ANNEXURE TO NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item No. 4

At the General Meeting of the Company held on 25th September, 2006 the Members had approved the appointment and terms of remuneration of Shri M. D. Damani as Director & Secretary for a period of three years w.e.f. 20-07-2006. With regard to his wide experience and qualifications, the Board of Directors of the Company, in its meeting held on 31st July 2009, has re-appointed Shri Damani as Director & Secretary of the Company for a further period of three years effective from 27th July 2009 subject to the approval of the Members. Accordingly, an agreement is proposed to be entered into between the Company and Shri Damani, in respect of his appointment, inter-alia, containing the following remuneration.

Salary : Rs. 37,500/- p.m. subject to annual increments as decided by the Board from time to time.

Exgratia : As applicable to other executive staff.

Perquisites :

Category 'A'

- i. House Rent Allowance @ 15% of Salary
- ii. Reimbursement of Medical Expenses : For himself and family members equal to one month's salary in a year and accumulable over a period of three years.
- iii. Leave Travel Assistance : For himself and family members' equivalent to one month's salary.
- iv. Club Fees : For for a Single Club, which will not include Admission or Life Membership Fee.
- v. Personal Accident Insurance : Premium not exceeding Rs. 4,000/- per annum.
- vi. Leave : On full remuneration in accordance with the leave rules of the Company and encashment of due leave at the end of tenure.

Category 'B' :

Contributions to Provident Fund @12% of Salary, to Superannuation Fund @ 15% of Salary and to Gratuity Fund as per actuarial valuation based on 15 days salary for each completed year of service:

Category 'C' :

A telephone connection at his residence. Long distance personal calls shall be billed by the Company.

In the event of loss of inadequacy of profits of the Company in any year during the term of Shri Damani's appointment, he shall be entitled by way of minimum remuneration to the salary and perquisites as hereinabove mentioned.

Notwithstanding anything herein contained the Board may at any time during the term of this Agreement at its absolute discretion and without any further reference to the members of the Company in General Meeting may increase Shri Damani's remuneration and / or perquisites and vary other terms subject to the limits laid down in Schedule XIII of the Act and any Statutory amendments or modification thereof.

The above may be treated as an abstract of the terms and conditions governing the appointment and remuneration of Shri Damani as Director & Secretary, pursuant to Section 302 of the Companies Act, 1956.

The Directors commend the resolution for approval of the members.

None of the Directors, except Shri Damani, is in any way regarded as concerned or interested in the aforesaid resolution.

THE PHOSPHATE COMPANY LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors present their Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Rs. in Lacs.
Sales & Other Income	457.49
Operating Profit / (Loss)	(31.13)
Interest	62.68
Gross Profit	(93.81)
Depreciation	10.07
Net Profit (Loss)	(103.88)
Extra Ordinary Item	45.88
Provision for Fringe Benefit Tax	0.96
Fringe Benefit Tax written back	0.07
Deferred Tax Credit	73.15
MAT Credit	—
Profit/(Loss) after Tax	(77.52)

DIVIDEND

In view of the losses, your Directors do not recommend any dividend for the year under review.

YEAR IN RETROSPECT

Global economy was a game of Sea-saw last year. Prices of almost all commodity / goods were risen to new highs during first half of the year and suddenly everything busted, demand vanished and prices nosedived at much faster speed than one can imagine. This phenomenon has greatly impacted Indian economy at all levels. However, 3 stimulus package one after another by Government of India (GOI) and sharp cuts in all key rates by Reserve Bank of India coupled with stable domestic demand kept our economy growing albeit at a slow pace.

GOI has announced Single Super Phosphate (SSP) Fertilizer Policy w.e.f. 1-5-2008 and revised the same on 25-08-08, which did not favour manufacturers dependent on imported raw material. Since your company was totally dependent on imported raw material, it had no option but to continue suspension of operation. During the year Department of Fertiliser has amended policy guidelines frequently, which have created more confusions than solutions. The said policy expired on 31-03-2009, was extended upto 30-06-09, and has since expired.

GOI has announced a separate uniform "Freight Policy" and Fertilizer Monitoring System for all fertilisers including SSP. This is a welcome development and will go a long way in availability of fertiliser to every nook and corner of the country.

Since Government has emphasised and favoured manufacturing of SSP with indigenous raw materials, your Company has an arrangement at Udaipur (Rajasthan) based unit to process SSP for your Company. Indigenous raw materials are being procured locally. After some teething problems in obtaining various permissions being sorted out, operations are in process of stabilising.

OUTLOOK

The last policy announced for SSP has since expired on 30-06-2009, and a new long term policy is expected shortly.

MARKET SCENARIO

Government's recognition and acceptance of Sulphur as the fourth nutrient besides nitrogen phosphorous and potash. Your Company's product SSP is the best and cheapest carrier of Sulphur along with Phosphorous and Calcium required to be supplemented in the soil for all major crops. Thus the product has good potential.

THE PHOSPHATE COMPANY LIMITED

FUTURE OUTLOOK

Operations based on indigenous raw material is stabilising and your Company is in course of increase the scope of operations at Udaipur to cater to the local demand as well as market of M.P., U.P., and Bihar along with our traditional market of West Bengal which have a brand image of your Company's "Laksmi Brand."

Hon'ble Finance Minister in his budget speech has come with the proposal of nutrient based fertiliser policy and the concession will be linked to nutrient content and details thereof awaited.

Meanwhile, new policy on SSP is expected and hopefully it should be more pragmatic in line with recent budget speech of Hon'ble Finance Minister and Hon'ble Agriculture Minister.

RISK & CONCERN

Your Company's product is agro input, the demand of which is totally dependent on good monsoon and fair climatic conditions besides Government policy. Thus viability of SSP industry depends on all these factors.

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

The operation at Company's works continued to remain under suspension hence any technology absorption and conservation of energy in manufacture of product does not arise. Information as per Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in an Annexure and forms a part of this Report.

FIXED DEPOSITS

Your Company has not accepted any deposit from the public under Section 58A of the Companies Act, 1956 and the Deposit Rules during the year under review.

INDUSTRIAL RELATIONS

The relations with the employees remained cordial. In absence of any long term Government policy on SSP and due to continuity of suspension of operations at Rishra works, workers are opting for VRS in terms of bipartite discussion / arrangement with their unions and dues are settled accordingly from time to time.

PARTICULARS OF EMPLOYEES

As per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are given as per Annexure and forms a part of this Report.

DIRECTORS

Shri M. D. Damani retires by rotation and being eligible, offers himself for re-appointment. Particulars of the retiring director are appended in the notes forming part of the notice for the ensuing General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance to Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby state :

1. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors have arranged preparation of the Annual Accounts on a going concern basis.

THE PHOSPHATE COMPANY LIMITED

CORPORATE GOVERNANCE

Your company does not fall under the provisions of the revised clause 49 of Listing Agreement. However, Corporate Governance practice are being followed by the Company.

COMPULSORY DEMAT

Trading in your company's shares has been made compulsory in dematerialized form as notified by SEBI. Your company's International Security Identification Number (ISIN) is INE398C01016.

LISTING OF EQUITY SHARES

Equity shares of your company are listed with The Calcutta Stock Exchange Association Ltd. under scrip code no 10026031 and annual listing fee has been paid for the year 2009-10. An application has been made for listing with Bombay Stock Exchange through The Calcutta Stock Exchange.

COST AUDIT

Since the works at Rishra is under suspension, an application is being moved to the ministry of Corporate Affairs New Delhi requesting to keep in abeyance Cost Audit Orders till the suspension of works at Rishra is lifted and production commences.

INSURANCE

All the properties of the company are adequately insured.

SECRETARIAL AUDIT & RECONCILIATION OF CAPITAL

As stipulated by SEBI, a firm of Chartered Accountants carried out secretarial audit and reconciliation of total admitted capital every quarter and their reports were submitted to The Calcutta Stock Exchange.

AUDITORS

Messrs. Batliboi, Purohit & Darbari, Chartered Accountants, the Auditors of the Company also retire at the ensuing Annual General Meeting and are eligible for re-appointment.

ADEQUACY OF INTERNAL CONTROLS

The company has adequate internal control system commensurate to its size and business. M/s. R. D. Daga & Co., Chartered Accountants, has been appointed Internal Auditors, to conduct internal audit on the companies' activities.

CEO's CERTIFICATE

A certificate from the Chief Executive of the Company on the Financial Statements of the Company, in terms of clause 49 of the Listing Agreement, placed before the Board and was taken on record.

COMPLIANCE OFFICER & MEANS OF COMMUNICATION

Shri M. D. Damani, Director & Secretary, is the Compliance Officer. He is available at the Registered Office of the company at 14, Netaji Subhas Road, Kolkata-700 001. Tel : 033-22300771-3, Fax : 033-22434623
Mob : 09230508645, E-mail : phosphate@vsnl.net

Registrar & Share Transfer Agents : M/s. Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, Kolkata - 700 001, Tel : 91-033-2243 5029 / 5809

ACKNOWLEDGEMENT

The Directors wish to record their appreciation of dedication and commitments of the employees and the teamwork displayed by them. Your Directors are also thankful to State Bank of India, State Bank of Mysore, Syndicate Bank, Central Government, State Government, Shareholders, Customers, Dealers & Vendors for the continuous support and assistance.

Kolkata

Dated : July 31st, 2009

On behalf of the Board

G. D. Bangur

Chairman

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT

A. Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming a part of the Directors' Report.

I. CONSERVATION OF ENERGY

Disclosure of Particulars with respect to conservation of energy

A. Power and Fuel Consumption	This Year	Previous Year		
1. Electricity:				
(a) Purchased:				
Units	'000KWH	2841		
Total	Rs./Lacs	124.51		
Rate/Unit	Rs./KWH	4.38		
(b) Own generation:				
(i) Through Diesel Generator				
Units	'000KWH	—		
Unit per litre of Diesel oil	'000KWH	—		
Cost/Unit	Rs. /KWH	—		
(ii) Through Steam Turbine/Generator	'000KWH	2020		
2. Coal (Specify & Where Used):				
Quantity	Tonnes	—		
Total Cost	Rs./Lacs	—		
Average Rate	Rs./Tonne	—		
3. Furnace Oil :				
Quantity	KL	20		
Total Cost	Rs./Lacs	4.10		
Average Rate	Rs./KL	20501		
4. Others/Internal Generation :	'000KWH	—		
B. Consumption per unit of Production	Electricity (KWH/MT)	Furnace Oil (LTRS/MT)	Electricity (KWH/MT)	Furnace Oil (LTRS/MT)
Superphosphate	—	—	31.78	—
Sulphuric Acid	—	—	77.79	—
Graunlated Fertiliser	—	—	11.40	10.43
Sodium Silico Fluoride	—	—	43.91	—

II. FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings	Rs./Lacs	Nil	Nil
Outgo	Rs./Lacs	6.80	1731.72

B. Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

Name	Age	Designation/ Nature of Duty	Remuneration	Qualification & Experience	Date of Commencement of Employment	Previous Employment held with	% of Equity held
Shri Suresh Bangur	55	Chief Executive (Production & Development)	Rs. 9,84,468/-	B. Com 36 yrs.	15th Oct., 1982	M/s. Raj Luxmi Associates	4.41

NOTES :

1. Remuneration includes Salary, House rent Allowance, Contribution to Provident fund, Superannuation Annuity policy, Leave Travel Assistance, Club Membership fee, Reimbursement of medical expenses and other perquisites evaluated on the basis of Income Tax Act, 1961 & Rules framed thereunder.
2. Gratuity has not been included in remuneration.
3. Nature of Employment : Non Contactual.
4. Terms & Conditions - As per Company's Rules.

On behalf of the Board

G. D. BANGUR

Chairman

THE PHOSPHATE COMPANY LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED

We have audited the attached Balance Sheet of THE PHOSPHATE COMPANY LIMITED as at March 31, 2009 and also the Profit and Loss Account & Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows :

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except as provided in clause vi of this Schedule.
- v. On the basis of the written representations received from the Directors as on March 31, 2009, which have been taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required, subject to Note 21(ii) under Schedule R being notes forming part of accounts as regards no charge of depreciation on Plants & Machinery which amounts to Rs. 61,90,631/- having a consequential effect on the loss of the year and net assets position as on March 31, 2009; give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2009,
 - b. in the case of the Profit and Loss Account of the loss for the year ended on that date and,
 - c. in the case of Cash Flow Statement of the cash flows for the year ended on that date.

For BATLIBOI, PUROHIT & DARBARI

Chartered Accountants

S. M. BASU

Partner

Membership No. : 51973

Kolkata

Dated : 31st July, 2009

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our report of even date to the members of THE PHOSPHATE COMPANY LIMITED on the accounts for year ended 31st March, 2009.

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. The company has not disposed of any substantial part of its fixed assets during the year.
2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancy were noticed on physical verification.
3. The Company has neither taken nor granted any Loan Secured / Unsecured from / to Companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii)(b) to (g) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us there are adequate internal Control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
5. Based on our audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 have been so entered. In our opinion and according to the information and explanations given to us, there are no transactions with such parties exceeding a value of Rupees five lacs in respect of each party during the year.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As explained to us the Company is maintaining Cost records pursuant to the order made by the Central Government under Section 209 (1)(d) of the Companies Act, 1956. However, we are not required to carry out and have not carried out any detailed examination of such accounts and records.
9. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty and cess applicable to it with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding at the year end for a period of more than six month from the date they become payable. According to the records of the Company there are no dues outstanding of sales tax on account of any dispute, other than the following:

Name of the Statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending
Income Tax Act	Income tax	92,45,341/-	CIT Appeals
10. The Company does not have accumulated losses at the end of the financial year and it has incurred cash losses in the current financial year but not in immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any debentures outstanding during the year.
12. According to the information and explanations given to us and based on the documents and records produced to us the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
14. The Company does not deal or trade in shares securities and other investments.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. We have been informed by the management that the funds raised on short-term basis have not been used for long-term investments and vice-versa.
18. The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company does not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **BATLIBOI, PUROHIT & DARBARI**
Chartered Accountants
S. M. BASU
Partner
Membership No. : 51973

Kolkata
Dated : 31st July, 2009

THE PHOSPHATE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	31st March, 2009		31st March, 2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
SHAREHOLDERS FUND					
Share Capital	'A'	1,73,24,800		1,73,24,800	
Reserves & Surplus	'B'	4,77,03,578	6,50,28,378	5,60,16,078	7,33,40,878
LOAN FUNDS					
Secured	'C'	4,25,16,501		6,29,75,288	
Unsecured	'D'	3,79,22,742	8,04,39,243	3,11,18,483	9,40,93,771
Deferred Tax Liability (net)			25,92,972		99,06,344
TOTAL			14,80,60,593		17,73,40,993
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	'E'	20,97,24,159		21,00,82,370	
Less : Depreciation		11,99,38,217		11,87,02,553	
Net Block		8,97,85,942		9,13,79,817	
Add : Capital Work-in-Progress		4,84,531	9,02,70,473	4,84,531	9,18,64,348
INVESTMENTS	'F'		26,000		6,000
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	'G'	2,58,86,247		1,50,15,091	
Sundry Debtors	'H'	2,87,32,957		4,92,44,450	
Cash & Bank Balances	'I'	4,04,986		2,63,85,695	
Loans & Advances	'J'	1,19,85,318		1,10,70,868	
		6,70,09,508		10,17,16,104	
Less :					
CURRENT LIABILITIES & PROVISION					
Current Liabilities	'K'	1,44,98,785		1,12,59,753	
Provision for Leave Encashment & Gratuity		37,06,996		37,17,737	
Provision for Taxation		12,34,139		12,67,969	
		1,94,39,920		1,62,45,459	
NET CURRENT ASSETS			4,75,69,588		8,54,70,64
Miscellaneous Expenditure					
Deferred Revenue Expenditure			1,01,94,532		—
TOTAL			14,80,60,593		17,73,40,993
Notes on Accounts & Accounting Policies	'R'				

The Schedules 'A' to 'K' and 'R' referred to above form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our Report of even date.

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants

S. M. BASU

Partner

Membership No. : 51973

7, Waterloo Street, Kolkata 700 069

Dated : 31st July, 2009

M. D. DAMANI
Director & Secretary

BINOD KHAITAN
Director

G. D. BANGUR
Chairman

THE PHOSPHATE COMPANY LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	31st March, 2009		31st March, 2008	
		Rs.	Rs.	Rs.	Rs.
INCOMES					
Turnover & Other Income	'L'		4,57,49,198		39,46,58,384
	TOTAL		4,57,49,198		39,46,58,384
EXPENDITURE					
(Increase)/Decrease of Finished Goods	'M'		(78,91,920)		1,98,94,469
Consumption & Purchase of materials	'N'		2,62,12,749		24,73,48,195
Payments to employees	'O'		1,25,96,133		2,60,34,175
Manufacturing & Other expenses	'P'		1,79,45,530		9,11,68,124
Interest (net)	'Q'		62,67,949		98,81,031
Depreciation		15,67,585		81,04,728	
Less : Transfer from Revaluation Reserve		5,60,768	10,06,817	5,60,768	75,43,960
	TOTAL		5,61,37,258		40,18,69,954
Profit / (Loss) before Tax & Extra Ordinary Items			(1,03,88,060)		(72,11,570)
Extra Ordinary Items			45,88,633		—
Profit/(Loss) before Tax			(1,49,76,693)		(72,11,570)
Provisions					
Current Income Tax		—		—	
Fringe Benefit Tax		96,250		1,21,734	
Fringe Benefit Tax Excess Provision written back		(7,839)		—	
Deferred Tax Liability written back		(73,13,372)		(19,42,272)	
MAT Credit of Previous year		—	(72,24,961)	(11,56,986)	(29,77,524)
Profit / (Loss) after Tax			(77,51,732)		(42,34,046)
Balance Brought forward			38,84,316		81,18,362
Transfer from General Reserve			—		1,18,48,616
Available for Appropriation			(38,67,416)		1,57,32,932
Deferred Tax Liability (opening) provided			—		1,18,48,616
Balance Carried Forward			(38,67,416)		38,84,316
			(38,67,416)		1,57,32,932
Basic and Diluted Earning per Share (Rs.) (Refer Note No. 19)			(4.47)		(2.44)

Notes on Accounts & Accounting Policies 'R'

The Schedules 'L' to 'Q' and 'R' referred to above form an integral part of the Profit & Loss Account. This is the Profit & Loss Account referred to in our Report of even date.

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants

S. M. BASU

Partner

Membership No. : 51973

7, Waterloo Street, Kolkata 700 069

Dated : 31st July, 2009

M. D. DAMANI
Director & Secretary

BINOD KHAITAN
Director

G. D. BANGUR
Chairman

THE PHOSPHATE COMPANY LIMITED

SCHEDULES

	31st March, 2009		31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'A'				
SHARE CAPITAL				
Authorised				
50,00,000 Equity Shares of Rs. 10/- each		5,00,00,000		5,00,00,000
Issued, Subscribed & Paid up :				
17,32,480 Equity Shares of Rs. 10/- each (of the above Equity Shares 9,84,360 of Rs 10/- each allotted as fully Paid-up by way of Bonus Shares by Capitalisation of Share Premium & General Reserve)		1,73,24,800		1,73,24,800
TOTAL		1,73,24,800		1,73,24,800
SCHEDULE 'B'				
RESERVES & SURPLUS				
a. Reserve on Revaluation of Fixed Assets				
As per last Balance Sheet	1,73,38,331		1,78,99,099	
Less : Transferred to Profit & Loss A/c.	5,60,768	1,67,77,563	5,60,768	1,73,38,331
b. General Reserve				
As per last Balance Sheet		3,47,93,431	4,66,42,047	
Less : Transferred to Profit & Loss A/c.			1,18,48,616	3,47,93,431
c. As per Profit & Loss Account Balance C/f		(38,67,416)		38,84,316
TOTAL		4,77,03,578		5,60,16,078
SCHEDULE 'C'				
LOAN FUNDS SECURED				
1. TERM LOANS				
(a) (i) ICICI Bank Ltd. (Car Loan)		—		59,818
(ii) HDFC Bank Ltd. (Car Loan)		1,95,600		3,32,372
(b) (i) State Bank of India (FCNRB Loan)		44,06,340		87,60,497
(ii) State Bank of Mysore (Corporate Loan)		2,00,00,000		
2. CASH CREDITS				
State Bank of India		1,01,71,550		1,37,39,349
State Bank of Mysore		8,13,726		99,32,191
Syndicate Bank		69,29,285		3,01,51,061
TOTAL		4,25,16,501		6,29,75,288
1. TERM LOANS				
(a) Secured by first charge by way of Hypothecation of Car purchased under the Scheme.				
(b) (i) Secured by equitable mortgage of immovable property and exclusive first charge on fixed assets & pari-passu second charge on current assets and (ii) Secured by pari-passu 1st charge on entire fixed assets with State Bank of India.				
2. CASH CREDITS				
Secured by hypothecation by way of pari-passu first charge of all existing and future Stocks of Raw Materials, Finished goods, Stores, present and future Book Debts and pari-passu second Charge by way of equitable mortgage on immovable property and on Fixed Assets.				

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2009 Rs.	31st March, 2008 Rs.
SCHEDULE 'D'		
UNSECURED LOANS		
From Limited Companies	3,00,00,000	2,27,00,000
From Dealers security deposits	72,59,000	73,05,000
Interest accrued and due	<u>6,63,742</u>	<u>11,13,483</u>
TOTAL	<u>3,79,22,742</u>	<u>3,11,18,483</u>

SCHEDULE 'E'

FIXED ASSETS

	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Upto 31st March 2008	Additions during the year	Sales/ Adjustment	Total Cost upto 31st March 2009	Upto 31st March 2008	For the year	Sales/ Adjustment	Upto 31st March 2009	As at 31st March 2009	As at 31st March 2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I) LAND & BUILDING										
a) Land	52,70,000	—	—	52,70,000	—	—	—	52,70,000	52,70,000	52,70,000
b) Buildings	4,09,58,360	—	—	4,09,58,360	2,15,47,380	11,70,127	—	2,27,17,507	1,82,40,853	1,94,10,980
II) PLANT & MACHINERY										
a) Plants	15,68,68,109	—	—	15,68,68,109	9,20,74,054	—	—	9,20,74,054	6,47,94,055	6,47,94,055
b) Computer at Head Office	12,66,961	30,000	—	12,96,961	9,13,645	80,123	—	9,93,768	3,03,193	3,53,316
c) Computer at Factory	5,06,514	—	—	5,06,514	4,20,652	—	—	4,20,652	85,862	85,862
d) Water & Acid Installations	1,88,449	—	—	1,88,449	1,85,075	—	—	1,85,075	3,374	3,374
e) Laboratory Equipments	89,534	—	—	89,534	81,541	—	—	81,541	7,993	7,993
f) Railway Sidings	1,01,090	—	—	1,01,090	1,01,072	—	—	1,01,072	18	18
g) Electric Installations	3,55,631	—	—	3,55,631	3,44,377	—	—	3,44,377	11,254	11,254
III) MOTOR CARS & TRUCKS	24,06,562	—	3,48,671	20,57,891	14,69,935	2,37,100	3,00,588	14,06,447	6,51,444	9,36,627
IV) FURNITURE & FITTINGS	20,71,160	3,050	42,590	20,31,620	15,64,822	80,235	31,333	16,13,724	4,17,896	5,06,338
	21,00,82,370	33,050	3,91,261	20,97,24,159	11,87,02,553	15,67,585	3,31,921	11,99,38,217	8,97,85,942	9,13,79,817
V) PLANT UNDER ERECTION	—	—	—	—	—	—	—	—	4,84,531	4,84,531
TOTAL	21,00,82,370	33,050	3,91,261	20,97,24,159	11,87,02,553	15,67,585	3,31,921	11,99,38,217	9,02,70,473	9,18,64,348
PREVIOUS YEAR	19,33,67,178	1,68,75,294	1,60,102	21,00,82,370	11,07,56,984	81,04,728	1,59,159	11,87,02,553	9,18,64,348	8,27,29,849

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2009 Rs.	31st March, 2008 Rs.
SCHEDULE 'F'		
INVESTMENTS (AT COST)-Long term		
Other than Trade (Unquoted)		
a. 6 year National Savings Certificates (VIII Issue) (deposited as security with Collector of Customs, Kolkata)	6,000	6,000
b. 6 year National Saving Certificates (VIII Issue) (deposited as security with Sales Tax Department, Udaipur)	20,000	—
TOTAL	<u>26,000</u>	<u>6,000</u>
 SCHEDULE 'G'		
INVENTORIES		
(As valued and certified by the Management)		
Stores & Spare Parts (At Cost)	1,12,22,344	1,12,32,850
Packing Materials (At Cost)	8,90,695	7,17,608
Raw Materials (At Cost)	36,68,395	8,51,740
Finished Goods (At Cost including excise or Net realisable value which ever is lower)	1,01,04,813	22,12,893
TOTAL	<u>2,58,86,247</u>	<u>1,50,15,091</u>
 SCHEDULE 'H'		
SUNDRY DEBTORS		
(Unsecured considered good)		
Debts outstanding for a period exceeding six months	16,51,138	10,37,683
Other Debts	2,70,81,819	4,82,06,767
TOTAL	<u>2,87,32,957</u>	<u>4,92,44,450</u>
 SCHEDULE 'I'		
CASH & BANK BALANCES		
Cash in Hand	1,57,458	6,13,280
Balances with Scheduled Banks in		
Current Accounts	1,03,264	2,56,94,331
Unpaid Dividend A/c.	44,264	46,084
Fixed Deposit Accounts (Pledged against Margin / Guarantees)	<u>1,00,000</u>	<u>32,000</u>
TOTAL	<u>2,47,528</u>	<u>2,57,72,415</u>
TOTAL	<u>4,04,986</u>	<u>2,63,85,695</u>

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2009		31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'J'				
LOANS AND ADVANCES				
(Unsecured Considered Good)				
Advance recoverable in Cash or in kind or for value to be received		38,02,405		30,68,160
Security Deposits		49,97,745		49,72,745
Advance with Central Excise		2,60,189		2,60,189
Advance for Taxation		29,24,979		27,69,774
TOTAL		1,19,85,318		1,10,70,868
SCHEDULE 'K'				
CURRENT LIABILITIES				
Security Deposits		12,07,640		12,07,640
Others		1,29,52,505		99,34,371
Dividend unpaid / unclaimed		44,264		46,084
Interest accrued but not due		2,94,376		71,658
TOTAL		1,44,98,785		1,12,59,753
SCHEDULE 'L'				
TURNOVER & INCOME				
Sales	2,70,64,544		33,90,59,298	
Less : Excise Duty	—	2,70,64,544	1,49,76,009	32,40,83,289
Concession		1,86,10,403		6,90,65,888
Other Goods		—		58,785
Other Income (Refer Note No. 5)		74,251		14,50,422
TOTAL		4,57,49,198		39,46,58,384
SCHEDULE 'M'				
INCREASE/(DECREASE) IN FINISHED GOODS				
Closing Stock		1,01,04,813		22,12,893
Less : Opening Stock		22,12,893		2,30,57,762
Balance		78,91,920		(2,08,44,869)
Add : Increase/(Decrease) in Excise Duty		—		9,50,400
TOTAL		78,91,920		(1,98,94,469)

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2009		31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'N'				
CONSUMPTION & PURCHASE OF MATERIALS				
Raw Materials		96,03,237		23,49,06,749
Packing Materials		6,44,489		1,23,74,783
Purchase of finished goods		1,59,65,023		—
Others		—		66,663
		<u>2,62,12,749</u>		<u>24,73,48,195</u>
SCHEDULE 'O'				
PAYMENTS TO EMPLOYEES				
Salary, Wages, Bonus, Gratuity etc.	1,02,09,015		2,08,69,267	
Staff Welfare	13,96,504		26,78,945	
Contribution to :				
Provident & Other Funds	9,09,302		20,15,193	
(Including Administrative Charges)				
Employee State Insurance	81,312		4,70,770	
		<u>1,25,96,133</u>		<u>2,60,34,175</u>
SCHEDULE 'P'				
MANUFACTURING & OTHER EXPENSES				
Consumption of Stores & Spares		—		1,24,91,989
Power & Fuel		14,71,213		1,34,57,645
Repairs & Maintenance				
Building	7,829		6,19,500	
Machinery	—		35,08,500	
Other Maintenance	6,72,874	6,80,703	5,95,455	47,23,455
Processing charges		22,77,000		—
Freight, Delivery & Handling Charges		46,25,455		2,71,95,392
Insurance		3,12,144		4,80,998
Rent		3,00,000		21,87,438
Rates & Taxes		8,79,629		18,64,498
Bank Charges		17,55,512		5,80,191
Miscellaneous Expenses		23,37,204		41,79,170
Motor Vehicle Expenses		6,02,089		6,06,32
Auditors Remuneration (incl. service tax) :				
Audit Fee	23,163		23,596	
Tax Audit Fee	8,273		8,427	
Certification Fees	12,362	43,798	14,646	46,669
Charity & Donation		2,240		3,942
Legal & Consultancy Charges		2,18,530		1,13,414
Distribution Expenses		10,40,944		1,00,69,127
Directors' Fees		22,000		30,000
Sales Tax of earlier year		1,69,380		53,238
VAT & CST		10,40,944		1,27,88,166
Information Technology Expenses		12,463		8,960
Excise Duty on captive consumption		—		20,182
Foreign Exchange Rate Difference		1,54,282		2,67,325
TOTAL		<u>1,79,45,530</u>		<u>9,11,68,124</u>

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2009		31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'Q'				
INTEREST				
On Term Loan	14,26,576		10,54,367	
Others	56,85,930		94,32,250	
	<u>71,12,506</u>		<u>1,04,86,617</u>	
Less : received from others (Gross) (T.D.S. Rs. 1,76,154/- Previous Year Rs. 1,03,737/-)	<u>8,44,557</u>	<u>62,67,949</u>	<u>6,05,586</u>	<u>98,81,031</u>
TOTAL		<u>62,67,949</u>		<u>98,81,031</u>

SCHEDULE 'R'

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

1. Commitment of Capital Expenditure not provided in the Accounts estimated at Rs. 22,00,000/- (Previous year Rs. 28,15,000/-).
2. Contingent Liabilities not provided for in respect of :-
 - (I) Guarantee Rs. 1,99,660/- (Previous year Rs. 3,19,660/-)
 - (II) Income Tax matter under appeal Rs. 92,45,341/- (Previous year Rs. 41,22,452)
3. Investments - Short Term
Purchased and sold during the year

Name of the Fund	No. of units	Value Rs.
UTI Liquid Cash Plan Institutional Growth Option	1784.236	25,00,000
UTI Floating Rate Fund Short Term Plan - Growth Option	1810.079	25,21,916
4. a) Satisfaction of Car Loan – petition is pending with Company Law Board, Kolkata
b) Outstanding FCNRB Term Loan of \$101086 has been taken at booked rate and Difference on Exchange rate charged to P & L A/c.
5. Other Income includes Miscellaneous Income Rs. 971/- (Previous year Rs. 6,13,323/-) Liabilities no longer required written back Rs. 22,677/- (Previous year Rs. 1,84,019/-), Profit on sale of Investment Rs. 38,208/- (Previous year Rs. 53,148/-), Profit on Sale of Fixed Assets (Motor Car) Rs. 1,110/- (Previous year Rs. 31,507/-), Insurance Claim Rs. 11,285/- (Previous year NIL)
6. Repairs to Building include Stores Rs. 7,828/- (Previous year Rs. 1,93,618/-)
7. Repairs to Machinery include Stores Rs. NIL (Previous year Rs. 69,459/- /-)
8. Disclosure as per AS15 (revised)

	Gratuity (Funded Rs.)	Leave Encashment (Non Funded) Rs.
Valuation of Obligations at the beginning of the year	90,38,970	25,93,678
Expected Return on Plan Asset	7,23,117	—
Interest Cost	—	1,52,812
Current Service Cost	—	57,467
Benefits Paid	(59,15,519)	(11,12,348)
Actuarial Gain/(Loss)	(1,91,372)	22,003
Value of Plan Asset at year end	39,55,196	—
Value of Obligation at the end of the year	59,48,579	17,13,615
Balance recognised in the accounts	19,93,383	17,13,615
9. Staff welfare include Superannuation Benefit Policies Rs. 2,81,700/- (Previous year Rs. 3,07,400/-)
10. Expenditure in Foreign Currency — Purchase of Raw Materials (C & F Value) Rs. NIL (Previous year Rs. 17,21,17,474/-), Interest on FCNRB Loan Rs. 6,80,249/- (Previous Year 10,54,367/-).

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

	31st March, 2009		31st March, 2008	
	%	Rs.	%	Rs.
11. Remuneration to a Director				
Salaries		4,18,800		4,00,800
Contribution to Provident Fund & Superannuation Policy		1,10,808		1,08,216
Other Perquisites		1,29,960		1,28,520
12. Value of Raw Materials, Stores & Spare Parts consumed.				
a) Raw Materials :				
Imported	—	—	95.20	22,36,31,530
Indigenous	100.00	96,03,237	4.80	1,12,75,219
b) Stores & Spare Parts				
Imported	—	—	—	—
Indigenous	—	—	100.00	1,24,91,989
13. Extra ordinary items consists of :				
i. Compensation paid to contract workers under Voluntary Retirement Scheme Rs. 20,40,000/-				
ii. Compensation paid to employees under Voluntary Retirement Scheme represents 1/5 of total expenditure on this account Rs. 25,48,633/- (Previous year NIL), balance has been shown under Miscellaneous expenditure as Deferred Revenue Expenditure to be amortised over the future years equally.				
14. Disclosure of transactions with related parties				
a. Shri M. D. Damani		Director & Secretary		
b. Remuneration		Rs. 6,59,568/-		Rs. 6,37,536/-
15. In absence of informations relating to micro small and medium enterprises, information relating to current indebtedness, as required under Schedule VI, Part I of the Companies Act, 1956 are not readily ascertainable.				
16. Sales includes materials processed from outside and purchases.				
17. Provision for excise duty only on closing stock of sulphuric acid meant for only sales has been provided.				
18. a) In view of losses no provision for tax has been made				
b) Deferred Tax				
		As on		As on
		31.3.2009		31.3.2008
i. Deferred Tax Liabilities				
Difference between carrying amount of fixed assets in the financial statements and income tax return		1,07,05,294	(28,91,236)	1,35,96,530
ii. Deferred Tax Asset				
Depreciation loss carried forward for set off in future years		81,12,322	44,22,136	36,90,186
Net Deferred Tax Liability (Asset)		25,92,972	(73,13,372)	99,06,344
a. Current year's difference credited to Profit & Loss Account				
b. Net Liability at opening adjusted against General Reserve				
19. Earning per Share :				
		31st March, 2009		31st March, 2008
		Rs.		Rs.
i) Profit/(Loss) after tax		(77,51,732)		(42,34,046)
ii) Number of Equity Shares		17,32,480		17,32,480
iii) Nominal value of ordinary shares		10.00		10.00
iv) Basic / Diluted Earnings per shares		(4.47)		(2.44)

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

20. Information of Licensed Capacity and quantitative information for class of goods manufactured, consumed, sold, closing & consumption of Raw Materials.

	31st March, 2009		31st March, 2008	
	M.T.s	Rs.	M.T.s	Rs.
A. Licensed Capacity per annum				
Super phosphate	1,60,700		1,60,700	
Granulated Fertiliser	36,000		36,000	
Sulphuric Acid	79,200		79,200	
Synthetic Cryolite	540		540	
Sodium Silico Fluoride	540		540	
B. Installed Capacity per annum				
Super phosphate	1,20,000		1,20,000	
Granulated Fertiliser	48,000		48,000	
Sulphuric Acid	79,200		79,200	
Sodium Silico Fluoride	540		540	
C. Opening Stock of Finished Goods				
Super phosphate	123	5,40,569	3,885	1,58,62,490
Sulphuric Acid	333	16,72,324	2,218	62,68,260
Sodium Silico Fluoride	—	—	89	9,27,012
		<u>22,12,893</u>		<u>2,30,57,762</u>
D. Production				
Super phosphate	9,110		57,656	
(processed by third party 3960 MT & purchased 5150 MT, previous year NIL Granulated NIL, Previous year 2197)				
Sulphuric Acid	—		36,287	
Sodium Silico Fluoride	—		284	
E. Raw Materials consumed				
Rock phosphate	2,311	87,20,764	34,678	14,15,99,635
Sulphur	—	—	12,442	8,94,59,764
Sulphuric Acid	1,502	8,82,473	20,709	—
(Previous year captive consumption)				
Spent Acid	—	—	1,799	30,03,091
Others	—	—		8,44,259
		<u>96,03,237</u>		<u>23,49,06,749</u>
F. Sales				
Super phosphate	7,654	2,70,64,544	61,418	22,55,48,191
(including Granulated NIL, Previous year 3101)				
Sulphuric Acid	—	—	17,463	10,91,84,304
Sodium Silico Fluoride	—	—	373	43,26,803
		<u>2,70,64,544</u>		<u>33,90,59,298</u>
G. Closing Stock of Finished Goods				
Super phosphate (Incl. Granulated)	1,579	84,32,489	123	5,40,569
Sulphuric Acid	333	16,72,324	333	16,72,324
		<u>1,01,04,813</u>		<u>22,12,893</u>

THE PHOSPHATE COMPANY LIMITED

SCHEDULES (contd.)

21. Significant Accounting Policies :

- i. Basis of Accounting :
The Financial Statements are prepared under the historical cost convention on accrual basis.
- ii. Fixed Assets & Depreciation :
Depreciation on Fixed Assets have been charged to Accounts on Written Down Value Method except on Plant & Machinery installed during the financial year 1980-81 onwards on Straight Line Method in accordance with the rate specified in Schedule XIV (as amended) of the Companies Act, 1956. No depreciation has been provided on Plant & Machinery during the year due to suspension of work at Factory
- iii. Investments :
Investments are stated at Cost unless there is a permanent diminution in Value.
- iv. Inventories valuation :
Raw materials, Stores & Spare Parts and Packing Materials at Cost; Finished Goods at Cost or net realisable value whichever is lower.
- v. Sales :
Sales at invoice value (including Excise, VAT & CST).
- vi. Retirement Benefit :
a) The Company contributes to E.P.F.O and approved Gratuity Fund.
b) Leave Encashment benefit accrued on retirement / superannuation of employees is provided on actuarial basis.
- vii. Foreign Currency transaction :
Transactions in foreign exchange are accounted at the exchange rates prevailing on the date of the transactions. Payments and outstanding foreign currency liabilities are re-stated at the prevailing rate unless covered by forward exchange contracts. The expenses/gains on account of exchange difference on payment or on translation is recognised in the Profit & Loss Account.

22. Information pursuant to part IV of Shedule VI of the Companies Act, 1956

Balance sheet abstract and company's general business profile

I. Registration Details

Registration No.	017664	State Code	21
Balance Sheet Date	31032009		

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	148061	Total Assets	148061
Sources of Funds :			
Paid up Capital	17325	Reserves & Surplus	47703
Secured Loans	42517	Unsecured Loans	37923
Deferred Tax Liability	2593		
Application of Funds :			
Net Fixed Assets	90270	Investments	26
Net Current Assets	47570	Misc. Expenditure	10195
Accumulated Loss	NIL		

IV. Performance of the Company (Amount in Rs. thousands)

Turnover	45749	Total Expenses	56137
Profit before Tax	-10388	Profit after Tax	-7752
Earnings Per Share in Rs.	-4.47	Dividend rate %	NIL

V. Generic Names of Principal Products of Company

Item Code No.	(ITC Code)	0310310
Product Description	SINGLE SUPER PHOSPHATE	
	PHOSPHATIC FERTILIZER	
Item Code No.	(ITC Code)	28070001
Product Description	SULPHURIC ACID	
	INORGANIC CHEMICALS	

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

Signatures to Schedules 'A' to 'R'

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants

S. M. BASU

Partner

Membership No. : 51973

7, Waterloo Street, Kolkata 700 069

Dated : 31st July, 2009

M. D. DAMANI
Director & Secretary

BINOD KHAITAN
Director

G. D. BANGUR
Chairman

THE PHOSPHATE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	31st March, 2009 Rs.	31st March, 2009 Rs.	31st March, 2008 Rs.	31st March, 2008 Rs.
A. Cash Flow from Operating Activities				
Net Profit before Tax and Extraordinary Items :		(1,03,88,060)		(72,11,570)
Adjustments for :				
Depreciation	10,06,817		75,43,960	
Investments	(38,207)		(53,149)	
Fixed Assets	(1,110)		(31,507)	
Interest / Dividend	62,67,949	72,35,449	90,14,791	1,64,74,095
Operating Profit before Working Capital Changes		(31,52,611)		92,62,525
Adjustments for :				
Trade and other Receivables	1,97,52,248		1,27,48,306	
Inventories	(1,08,71,156)		4,06,62,137	
Trade Payable	32,28,291	1,21,09,383	(3,12,23,263)	2,21,87,180
Cash generated from Operations		89,56,772		3,14,49,705
Interest paid	(71,12,506)		(1,04,86,617)	
Direct Tax paid	(2,77,446)		(15,71,556)	
Deferred Revenue	(1,01,94,532)	(1,75,84,484)	—	(1,20,58,173)
Cash Flow before extra ordinary items:		(86,27,712)		(1,93,91,532)
Payment under Voluntary Retirement Scheme		45,88,633		—
Net cash flow from operating activities		(1,32,16,345)		1,93,91,532
B. Cash Flow from investing activities				
Purchase of Fixed Assets	(33,050)		(1,72,40,170)	
Sales of fixed assets	60,450		32,450	
Purchase of Investments	(50,41,916)		(2,30,00,000)	
Sale of Investments	50,60,123		2,30,53,149	
Interest Received	8,44,557		6,05,586	
Net Cash used in Investing Activities		8,90,164		(1,65,48,985)
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	—		—	
Proceeds from long term / short term Borrowing	(1,36,54,528)		99,53,110	
Net Cash used in financing activities		(1,36,54,528)		99,53,110
Net increase in cash and cash equivalents		(2,59,80,709)		1,27,95,657
Cash and cash equivalents as at 1-4-08 (Opening balance)		2,63,85,695		1,35,90,038
Cash and cash equivalents as at 31-3-09 (Closing balance)		4,04,986		2,63,85,695

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

For **BATLIBOI, PUROHIT & DARBARI**

Chartered Accountants

S. M. BASU

Partner

Membership No. : 51973

7, Waterloo Street, Kolkata 700 069

Dated : 31st July, 2009

M. D. DAMANI
Director & Secretary

BINOD KHAITAN
Director

G. D. BANGUR
Chairman

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THE PHOSPHATE COMPANY LIMITED

Registered Office : 14, N. S. Road, Kolkata-700 001

NAME AND ADDRESS

[Empty box for Name and Address]

ANNUAL GENERAL MEETING ON 03.09.2009 AT 11.30 A.M.
Somany Conference Hall
Merchants' Chamber of Commerce
15B, Hemant Basu Sarani,
Kolkata - 700 001.

ADMISSION SLIP

PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL

FOLIO NO. : _____ HOLDING _____
DP ID : _____
CL ID NO. : _____

MEMBER PROXY

NAME OF THE PROXY (IN CAPITAL LETTERS)

I hereby register my presence at the meeting.

Signature of the Member/Proxy

THE PHOSPHATE COMPANY LIMITED

Registered Office : 14, N. S. Road, Kolkata-700 001

I/We.....
.....
of

PROXY FORM

FOLIO NO. : _____ HOLDING _____
DP ID : _____
CL ID NO. : _____

in the district of being a member/members of **The Phosphate Co. Ltd.**
hereby appoint of
in the district of
or failing him of
in the district of

as my/our Proxy to vote for me/us on my/our behalf on the Annual General Meeting of the Company to be held on Thursday, the 3rd September, 2009 and at any adjournment thereof.

Signed this day of2009

PROXY FORM MUST REACH COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING

FOR OFFICE USE ONLY

PROXY NO.	DATE OF RECEIPT

AFFIX REVENUE STAMP

Signature

BOOK-POST

If undelivered please return to :

THE PHOSPHATE COMPANY LIMITED

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