

Annual Report

2017-2018



THE PHOSPHATE COMPANY LIMITED

For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073



THE PHOSPHATE COMPANY LIMITED

CIN: L24231WB1949PLC017664

BOARD OF DIRECTORS

Shri Binod Khaitan	<i>Non Executive Director</i>
Shri Hemant Bangur	<i>Non Executive Director</i>
Shri Dilip P Gocuidas	<i>Independent Director</i>
Smt. Vijaya Mohan	<i>Independent Director</i>
Shri Suresh Kumar Bangur	<i>Executive Director & CEO</i>

PRESIDENT & CFO

Shri Ajay Bangur

COMPANY SECRETARY

Shri Shankar Banerjee

STATUTORY AUDITORS

M/s S K Agrawal & Company
Chartered Accountants
Kolkata

BANKERS

State Bank of India, Kolkata
Syndicate Bank, Kolkata

REGISTRAR & TRANSFER AGENTS

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

REGISTERED OFFICE

14, Netaji Subhas Road, Kolkata - 700001
Tel : 033-2230 0771 / 4035 1234
E-Mail : phosphate@vsnl.net
Website : www.phosphate.co.in

WORKS

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

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-1000

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THE PHOSPHATE COMPANY LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2018.

	Stand-alone		Consolidated	
	Current year	Previous year	Current year	Previous year
FINANCIAL RESULTS				
Turnover	7546	6873	7546	6873
EBIDTA	829	837	828	836
Finance Cost	509	672	509	672
Depreciation	103	99	103	99
Net Tax Provisions	63	18	63	17
Profit after tax	154	49	153	48
Other Comprehensive Income	(10)	(9)	(10)	(9)
Total Comprehensive Income	143	39	142	38

BUSINESS PERFORMANCE

We are pleased to report an all-round growth in the affairs of the Company.

Sales of SUPER PHOSPHATE Fertiliser, both Powder and Granulated together was at 65946 MT, an increase of 17 % over previous year from 56563 MT. Similarly, turnover of the Company also increased to Rs.7546 lacs, an increase of 10% over previous year from Rs.6873 lacs.

Major rationalisation of selling price became effective with the introduction of Goods & Service Tax (GST) from July 2017

EBIDTA of the Company is more or less at same level of Rs.829 lacs in current year compared to Rs.837 lacs in previous year.

Better working capital management, certain low cost borrowing and less delay in the disbursal of Subsidy from Central Government helped the Company to save Rs.163 lacs in Finance Cost during the year.

On making Provision for Depreciation, Income Tax (Current & Deferred), the Company earned a Profit after Tax of Rs.154 lacs in current year in comparison Rs.49 lacs in previous year.

After adjusting Other Comprehensive Income, Total Comprehensive Income for the year stood at Rs.143 lacs in current year compared to Rs.39 lacs in previous year on standalone basis.

OUTLOOK

World over price of commodities led by crude oil is increasing. Looking to the trend of increasing prices, Government of India has increased subsidy by 26% from Rs.2166 PMT of Super Phosphate sold in 2017-18 to Rs.2734 PMT for the year 2018-19.

Monsoon is expected to be normal as per long range forecast predicted by Indian Meteorological Department (IMD) and by Skymet.

Government of India in its vision of doubling farm income has increased Minimum Support Price (MSP) of all major crops at a level of 1.5 times of Farmers cost.

These measures should auger well for the Company.



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ACCOUNTING STANDARD

The Company has adopted Indian Accounting Standard (referred to as 'Ind AS') with effect from April 1, 2016 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the relevant Rules framed thereunder and the other accounting principles generally accepted in India.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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

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

CREDIT RATING

Latest Credit Rating has been carried by India Ratings in May 2018 which is valid for one year and thereafter subjected to annual surveillance. The Company's Bank Loan Rating has improved consistently as follows:

Particulars	Based on financials of FY.2014-15 & issued in Nov. 2015	Based on financials of FY.2015-16 & issued in Jan. 2017	Based on financials of FY.2016-17 & issued in May. 2018
Long Term Rating	B	BB-	BB
Short term Rating	A4	A4+	A4+

DIVIDEND

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

TRANSFER TO GENERAL RESERVES

The Company does not propose to transfer any amount to the General Reserve.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis, comprising details of the overview, industry structure and development of the Company is appended and forms an integral part of the 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, 2018 was Rs.360.75 lacs. During the year under review, the Company has not issued any shares. The Company has not issued shares with deferential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. However, the Company has secured an approval from the members to issue Compulsorily Redeemable Cumulative Preference Shares on Preferential Basis.

SEGMENT WISE PERFORMANCE

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

DIRECTORS

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



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Shri Binod Khaitan (DIN: 00128502) retires by rotation and is eligible for re-appointment.

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

WOMAN DIRECTOR

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

KEY MANAGERIAL PERSONNEL

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

The tenure of Shri Suresh Kumar Bangur as Executive Director/CEO expires on 11th August 2018. Approval of the members is being sought for re-appointment of Shri Bangur as Executive Director/CEO at the ensuing Annual General Meeting.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Your Board of Directors met 6 times during the financial year 2017-18. The dates are 25th May 2017, 18th August 2017, 8th November 2017, 15th January 2018, 13th February 2018 & 19th March 2018. Intervening gap between two meetings is within the time limit prescribed under the Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

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

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

DECLARATION BY INDEPENDENT DIRECTOR(S)

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

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

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of your Company in its Meeting



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held on 15th May, 2014, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are –

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

FORMAL ANNUAL EVALUATION

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

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

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

INTERNAL CONTROL SYSTEM & ADEQUACY

Your Company has an Internal Control System, commensurate with the size, scale and complexity of operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board for its direction.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

HUMAN RESOURCES

As on March 31, 2018 your company had 52 permanent employees. The company acknowledges the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them. The company maintained cordial relationship with workers and staff during the year. Particulars of employees required under section 197(12) of the Companies Act 2013 read with Rule 5(1) of Companies (Management and Administration) Rules 2014 is annexed in Annexure G and forms an integral part of this report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential



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

CONSOLIDATED FINANCIAL STATEMENTS

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

CODE OF CONDUCT

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

VIGIL MECHANISM & WHISTLE BLOWER POLICY

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

PREVENTION OF INSIDER TRADING

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

DEMATERIALISATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with ISIN:INE398C01016. SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 notified in Gazette of India on 8th June, 2018, has made transfer of securities compulsorily in dematerialised form w.e.f. 5th December 2018. Shareholders holding shares in physical segment are therefore advised to get their shares dematerialised immediately, if not done already. As on March 31, 2018, 93.76% of the share capital stands dematerialized.

CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act 2013 relating to Corporate Social Responsibility Committee and its obligations are not applicable to your Company as it is neither having net worth of Rupees Five Hundred Crore or more, or turnover of Rupees One Thousand Crore or more or a net profit of Rupees Five Crore or more during any financial year.

INSURANCE

All the properties of your Company are adequately insured.

STATUTORY AUDITOR & AUDIT REPORT

M/s S.K.Agrawal & Co., Chartered Accountants (F.R.No.305158E), were appointed as the Statutory Auditors of the Company at the 69th AGM of the Company. The appointment was for a term of 5 (five) consecutive years from the conclusion of 69th AGM till the conclusion of 74th AGM of the Company subject to ratification of the



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members at each Annual General Meeting. Accordingly, the proposal to ratify their appointment forms part of the Notice convening the ensuing AGM.

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. However, as a cautionary measure, members approval for ratification of such appointment has been sought in the ensuing Annual General Meeting.

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

COST AUDITOR & COST AUDIT

Pursuant to the provisions of Section 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, 2019. 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, 2019.

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, 2019. The Secretarial Audit Report for the financial year ended March 31, 2018, in Form MR-3, forms an integral part of this report and is annexed herewith as Annexure : 'H'.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, comprises 3 (Three) Members, namely Smt. Vijaya Mohan, Shri Dilip P Goculdas and Shri Suresh Kumar Bangur, two of them are Independent Directors and one is a Non-Independent Executive Director. The Committee met six times in the financial year 2017-18. The Board accepted all the recommendations of the Audit Committee during the year.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

EXTRACT OF ANNUAL RETURN

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

BUSINESS RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013, the Board of Directors of the company regularly evaluates its associated business risks. It has an elaborate risk management procedure 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.

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

Energy Conservation

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

Technology Absorption

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

Foreign Exchange Earnings & Outgo

Particulars	2017-18	2016-17
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo		
– Purchase of Raw materials	Rs. 28,72,04,717	Rs. 15,92,58,877

Particulars of Employees

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

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / STATUTORY AUTHORITIES

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

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

CORPORATE GOVERNANCE

In terms of Reg.15 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, Corporate Governance is not applicable to your Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments occurring after 31st March 2018 affecting the financial position of the Company requiring disclosure.



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SEXUAL HARASSMENT

The Company has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. Your Company has a well formulated Policy on Prevention & Redressal of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This policy has striven to prescribe a code of conduct for the employees. The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee. During the year 2017-18, 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 and depositories, auditors, advisors, consultants, associates and all the employees for their helping hand, cooperation and dedicated work. The Board deeply acknowledges the trust and confidence placed on the Company and all its shareholders.

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

Kolkata

Dated: August 08, August 2018

(Suresh Kumar Bangur)
Executive Director
DIN:00040862

(Binod Khaitan)
Director
DIN:00128502

CAUTIONARY STATEMENT:

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

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



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MANAGEMENT DISCUSSION AND ANALYSIS

Industry review:

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.

Last year was a good year for the domestic Fertiliser industry, which benefitted from demand revival due to near normal south west monsoon, lower channel stock, stable raw material prices and exchange rates. As a result, all the Fertiliser Segments have shown growth in 2017-18.

Government Policy

- a. In order to address balanced nutrition and improve soil health, Government is systematically rationalizing consumption of Urea fertilisers. Towards this, marketing of slow release Neem Coated Urea was made mandatory from 2016-17. During 2017-18, Government mandated the Urea companies to introduce 45 Kg bag of urea in place of existing 50 Kg bags, which is likely to moderate consumption.
- b. Government has increased subsidy on Single Super Phosphate Fertiliser from Rs.2166 per ton in 2017-18 to Rs.2734 per ton in 2018-19.

Review of the Company

a. Performance:

The Company produced 65328 MTs of Green Super Phosphate fertiliser during the year compared to 53883 MTs in previous year. Company sold 65946 MTs of Single Super Phosphate (Powder + Granulated) Fertiliser during the year compared to 56563 MTs in previous year.

The Company earned a Total Comprehensive Income of Rs.143 lacs after making all provisions and tax compared to Total Comprehensive Income of Rs.39 lacs in previous year.

b. Others:

- i. The Company organised camps at its office and at Dealer's places to facilitate registration under GST Act by Fertiliser Dealers and Retailers.
- ii. On the direction of Government of India, the Company distributed 71 number of Point of Sale (POS) machines free of cost (FOC) to different retailers.

Opportunities & Risks

Company envisages following Opportunities and Risks to its business.

Opportunities

- Government's focus on improving soil health and promote balanced nutrition.
- Tax reforms introduced under GST to help in eliminating spurious players, bringing transparency in operations and benefiting organized players.
- Doubling farm income by 2022 - Higher Minimum Support Price, price discovery through electronic markets and agriculture insurance to improve disposable income for the farmers and support higher agri inputs usage.
- Policy change in SSP mandating marketers to print brand name of the manufacturers on the bags to promote quality consciousness among consumers.

Risk

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



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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.

Cautionary Statement:

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



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Annexure B

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

A. Related Party Disclosures

Compliance of Accounting Standards:

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

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

Management Discussion and Analysis

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

B. Disclosure of Accounting Treatment

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

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

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



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Annexure C

POLICY FOR SELECTION & APPOINTMENT OF DIRECTORS & THEIR REMUNERATION

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

Criteria of selection of Non Executive Directors

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

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

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

Remuneration

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

CEO & Managing Director - Criteria for selection / appointment

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

Remuneration for the CEO & Managing Director

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

Remuneration Policy for the Senior Management Employees

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

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



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Annexure D

FORM NO. AOC -1

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

Statement containing salient features of the financial statement of subsidiaries as on 31-03-2018
Part "A" : Subsidiaries

(Rs. in Lacs)

Sl. No.	Particulars	Details
1	Name of the subsidiary	Abhinandan Goods Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting period as that of Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee
4	Share capital	24.00
5	Reserves & Surplus	2.71
6	Total Assets	952.25
7	Total Liabilities	925.54
8	Investments	Nil
9	Profit (Loss) before Taxation	(1.58)
10	Provision for Taxation (Deferred Tax)	(0.41)
11	Profit (Loss) after Taxation	(1.17)
12	Proposed dividend	Nil
13	% of shareholding	100
14	Date of acquisition of the subsidiary company	26-03-2016

Notes:

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

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

On behalf of the Board of Directors

For The Phosphate Co. Ltd.

Kolkata
Dated: August 08, 2017

(Suresh Kumar Bangur)
Executive Director
DIN : 00040862

(Binod Khaitan)
Director
DIN : 00128502

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-10073

THE PHOSPHATE COMPANY LIMITED

Annexure E

FORM NO. AOC -2

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

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

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

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

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

Name of the related party	Nature of Contract	Duration of Contract	Salient terms	Date of Board Approval
Shri Suresh Kumar Bangur	Executive Director	Duration 3 years	Salary/Contribution to PF etc/Perquisites	10-08-16
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
Devendra Finvest & Holding Pvt Ltd	Rs. 5 lacs	Payable on demand	ICD @ 12%	25-05-17
Devendra Finvest & Holding Pvt Ltd	Rs. 10 lacs	Payable on demand	ICD @ 12%	25-05-17
Kottleweli Bullen & Co Ltd	Rs. 50 lacs	Payable on demand	ICD @ 12%	25-05-17
Devendra Finvest & Holding Pvt Ltd	Rs. 5 lacs	Payable on demand	ICD @ 12%	25-05-17
Kottleweli Bullen & Co Ltd	Rs. 50 lacs	Payable on demand	ICD @ 12%	25-05-17
Kherapati Vanija Ltd	Rs. 170 lacs	Payable on demand	ICD @ 12%	25-05-17



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Name of the related party	Nature of Contract	Duration of Contract	Salient terms	Date of Board Approval
P.D.G.D.Investments &Trading Pvt.Ltd.	Rs. 50 lacs	Payable on demand	ICD @ 12%	25-05-17
Kettlewell Bullen & Co Ltd	Rs. 40 lacs	Payable on demand	ICD @ 12%	25-05-17
Art Finance & Trade Pvt Ltd.	Rs 5 lacs	Payable on demand	ICD @ 12%	25-05-17
Devendra Finvest & Holding Pvt Ltd	Rs. 8 lacs	Payable on demand	ICD @ 12%	25-05-17
Gloster Limited	Rs. 500 lacs	Payable on demand	ICD @ 12%	25-05-17
Devendra Finvest & Holding Pvt Ltd	Rs. 32 lacs	Payable on demand	ICD @ 12%	18-08-17
Devendra Finvest & Holding Pvt Ltd	Rs. 3 lacs	Payable on demand	ICD @ 12%	18-08-17
Devendra Finvest & Holding Pvt Ltd	Rs. 100 lacs	Payable on demand	ICD @ 12%	18-08-17
Devendra Finvest & Holding Pvt Ltd	Rs. 15 lacs	Payable on demand	ICD @ 12%	18-08-17
Kanchan Udyog Ltd	Rs. 7 lacs	Payable on demand	ICD @ 12%	18-08-17
Devendra Finvest & Holding Pvt Ltd	Rs. 2 lacs	Payable on demand	ICD @ 12%	08-11-17
Kettlewell Bullen & Co Ltd	Rs.100 lacs	Payable on demand	ICD @ 12%	15-01-18
Devendra Finvest & Holding Pvt Ltd	Rs 10 lacs	Payable on demand	ICD @ 12%	15-01-18
Devendra Finvest & Holding Pvt Ltd	Rs.5 lacs	Payable on demand	ICD @ 12%	15-01-18
Art Finance & Trade Pvt. Ltd	Rs 69 lacs	Payable on demand	ICD @ 12%	15-01-18
Devendra Finvest & Holding Pvt Ltd	Rs.70 lacs	Payable on demand	ICD @ 12%	15-01-18
Kanchan Udyog Ltd	Rs.190 lacs	Payable on demand	ICD @ 12%	15-01-18
Devendra Finvest & Holding Pvt Ltd	Rs.10 lacs	Payable on demand	ICD @ 12%	13-02-18
Devendra Finvest & Holding Pvt Ltd	Rs. 7 lacs	Payable on demand	ICD @ 12%	13-02-18
Credwyn Holdings India Ltd.	Rs. 50 lacs	Payable on demand	ICD @ 12%	19-03-18
Devendra Finvest & Holding Pvt Ltd	Rs 26 lacs	Payable on demand	ICD @ 12%	19-03-18
Devendra Finvest & Holding Pvt Ltd	Rs. 5 lacs	Payable on demand	ICD @ 12%	19-03-18
P.D.G.D.Investments &Trading Pvt.Ltd.	Rs.110 lacs	Payable on demand	ICD @ 12%	22-05-18

No advance has been made to any related party whatsoever.

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

Kolkata
Dated: August 08, 2018

(Suresh Kumar Bangur) (Binod Khaitan)
Executive Director Director
DIN : 00040862 DIN : 00128502



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd.)

ANNEXURE F

FORM MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31-03-2018

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L24231WB1949PLC017664
ii.	Registration Date	25-02-1949
iii.	Name of the Company	The Phosphate Company Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	14 Netaji Subhas Road, Kolkata-700001 033-22300771, 033-22436236 phosphate@vsnl.net
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata -700001 Ph : 033-22482248, 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 :-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Single Super Phosphate	3462101	87
2	Others		13

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

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

i. Category-wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/April/2017)				No. of Shares held at the end of the year (As on 31/March/2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoter									
1) Indian									
a) individual / HUF	1296566	30000	1326566	36.7727	1299666	26900	1326566	36.7727	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	1159010	0	1159010	32.1280	1159010	0	1159010	32.1280	0.0000
e) Banks / FI									
f) Any Other									
Sub-total (A) (1) :-	2455576	30000	2485576	68.9007	2458676	26900	2485576	68.9007	0.0000
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total (A) (2) :-	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Shareholding of Promotor (A)=(A)(1) + (A)(2)	2455576	30000	2485576	68.9007	2458676	26900	2485576	68.9007	0.0000
B.Public Shareholding									
1) Institutions									
a) Mutual Funds									
b) Banks / FI	1100	3200	4300	0.1192	1100	3200	4300	0.1192	0.0000
c) Central Govt.	0	240	240	0.0067	0	240	240	0.0067	0.0000
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies	333480	0	333480	9.2441	333480	0	333480	9.2441	0.0000
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

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

i. Category-wise ShareHolding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/April/2017)				No. of Shares held at the end of the year (As on 31/March/2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total (B) (1)	334580	3440	338020	9.3700	334580	3440	338020	9.3700	0.0000
2) Non Institutions									
a) Bodies Corp.									
(i) Indian	139080	11790	150870	4.1821	139080	11790	150870	4.1821	0.0000
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	142614	183853	326467	9.0497	142486	182458	324944	9.0075	-0.0422
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	285000	0	285000	7.9003	285000	0	285000	7.9003	0.0000
c) Others (Specify)									
Non Resident Indians	987	560	1547	0.0429	2510	560	3070	0.0851	0.0422
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members									
Trusts									



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

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

i. Category-wise ShareHolding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01/April/2017)				No. of Shares held at the end of the year (As on 31/March/2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Bodies-DR									
Foreign Portfolio Investors									
d) NBFC's Registered with RBI	20000	0	20000	0.5544	20000	0	20000	0.5544	0.0000
Employee Trusts									
Domestic Corporation Unclaimed Shares									
Investor Education & Protection Fund Authority									
Sub-total (B)(2) :	587681	196203	783884	21.7294	589076	194808	783884	21.7294	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	922261	199643	1121904	31.0994	923656	198248	1121904	31.0994	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	33778837	229643	3607480	100.0000	3382332	225148	3607480	100.0000	0.0000



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-48073

THE PHOSPHATE COMPANY LIMITED

II. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	Madhav Trading 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	Kettiewell Bullen & Company Ltd.	170000	4.7124	0.0000	170000	4.7124	0.0000	0.0000
5	Nikate Khaitan	164740	4.5666	0.0000	164740	4.5666	0.0000	0.0000
6	Chandrakala Khaitan	148280	4.1103	0.0000	148280	4.1103	0.0000	0.0000
7	Joonktollee Tea and Industries Ltd.	138680	3.8442	0.0000	138680	3.8442	0.0000	0.0000
8	Nikate Khaitan	105600	2.9273	0.0000	105600	2.9273	0.0000	0.0000
9	Raj Packwell Limited	100000	2.7720	0.0000	100000	2.7720	0.0000	0.0000
10	Amvi Tradecom Private Limited	100000	2.7720	0.0000	100000	2.7720	0.0000	0.0000
11	Wind Power Vinimay Pvt. Ltd.	87840	2.4349	0.0000	87840	2.4349	0.0000	0.0000
12	Binod Khaitan	82400	2.2841	0.0000	82400	2.2841	0.0000	0.0000
13	Madan Gopal Bangur	79500	2.2038	0.0000	79500	2.2038	0.0000	0.0000
14	Bina Bangur	70900	1.9654	0.0000	70900	1.9654	0.0000	0.0000
15	Sakate Khaitan	64760	1.7952	0.0000	64760	1.7952	0.0000	0.0000
16	Suresh Kumar Bangur	60860	1.6871	0.0000	60860	1.6871	0.0000	0.0000
17	Rajendra Kumar Bangur	56900	1.5773	0.0000	56900	1.5773	0.0000	0.0000
18	Gita Bangur	46200	1.2807	0.0000	46200	1.2807	0.0000	0.0000
19	Suresh Kumar Bangur	43000	1.1920	0.0000	43000	1.1920	0.0000	0.0000
20	Vijay Kumar Bangur	29400	0.8150	0.0000	29400	0.8150	0.0000	0.0000
21	Ramesh Kumar Bangur	27206	0.7542	0.0000	27206	0.7542	0.0000	0.0000
22	Pradyumna Bangur	26580	0.7368	0.0000	26580	0.7368	0.0000	0.0000
23	Sudarshan Bangur	26300	0.7290	0.0000	26300	0.7290	0.0000	0.0000
24	Anirudh Bangur	15100	0.4186	0.0000	15100	0.4186	0.0000	0.0000
25	Usha Kiran Bangur	13380	0.3709	0.0000	13380	0.3709	0.0000	0.0000
26	The Oriental Company Limited	9610	0.2664	0.0000	9610	0.2664	0.0000	0.0000
27	Ajay Bangur	7800	0.2162	0.0000	7800	0.2162	0.0000	0.0000
28	Bimala Devi	5400	0.1497	0.0000	5400	0.1497	0.0000	0.0000
29	Shree Prakash Bangur	5400	0.1497	0.0000	5400	0.1497	0.0000	0.0000
30	Milan Bangur	4000	0.1109	0.0000	4000	0.1109	0.0000	0.0000
31	Luxmi Devi	4000	0.1109	0.0000	4000	0.1109	0.0000	0.0000
32	Ramesh Kumar Bangur	4000	0.1109	0.0000	4000	0.1109	0.0000	0.0000
33	Bangur Trafin Pvt. Ltd.	3000	0.0832	0.0000	3000	0.0832	0.0000	0.0000
34	Suresh Kumar Bangur	2000	0.0554	0.0000	2000	0.0554	0.0000	0.0000
35	Sushma Bangur	840	0.0233	0.0000	840	0.0233	0.0000	0.0000
36	Veena Bangur	520	0.0144	0.0000	520	0.0144	0.0000	0.0000
37	Murli Dhar Khaitan	300	0.0083	0.0000	300	0.0083	0.0000	0.0000
38	Hemant Bangur	200	0.0055	0.0000	200	0.0055	0.0000	0.0000
TOTAL		2485576	68.9007	0.0000	248557	668.9007	0.0000	0.0000



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

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

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year and at the end of the year 31.3.2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year	2485576	68.9007	2485576	68.9007
	Date wise Increase / Decrease in Promoters Share holding 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	2485576	68.9007

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

		Shareholding at the beginning of the year		Cumulative Shareholding during the year [01.04.2017 to 31.03.2018] and at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation Of India 01-04-2017 31-03-2018	189240	5.2458	189240 189240	5.2458 5.2458
2	Ramesh Chandra Tapuriah 01-04-2017 31-03-2018	110000	3.0492	110000 110000	3.0492 3.0492
3	Shri Sudershan Prasad Bagaria 01-04-2017 31-03-2018	100000	2.7720	100000 100000	2.7720 2.7720
4	The New India Assurance Company Limited 01-04-2017 31-03-2018	82720	2.2930	82720 82720	2.2930 2.2930
5	National Insurance Company Ltd 01-04-2017 31-03-2018	61520	1.7053	61520 61520	1.7053 1.7053
6	Shrish Tapuriah 01-04-2017 31-03-2018	50000	1.3860	50000 50000	1.3860 1.3860



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

		Shareholding at the beginning of the year		Cumulative Shareholding during the year [01.04.2017 to 31.03.2018] and at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	S R Tie Up Private Limited * 01-04-2017 31-03-2018	45000	1.2474	45000 45000	1.2474 1.2474
8	Sangam Merchants Pvt Ltd * 01-04-2017 31-03-2018	35000	0.9702	35000 35000	0.9702 0.9702
9	Maruti Business Services Ltd 01-04-2017 31-03-2018	27010	0.7487	27010 27010	0.7487 0.7487
10	Hindusthan Udyog Limited 01-04-2017 31-03-2018	26400	0.7318	26400 26400	0.7318 0.7318



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Shareholding Pattern of Director and Key Managerial Personnel

		Shareholding at the beginning of the year		Cumulative Shareholding during the year [01.04.2017 to 31.03.2018] and at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Binod Khaitan 01-04-2017 31-03-2018	82400	2.2841	82400 82400	2.2841 2.2841
2	Shri Hemant Bangur 01-04-2017 31-03-2018	200	0.0055	200 200	0.0055 0.0055
3	Shri Suresh Kumar Bangur @ 01-04-2017 31-03-2018	43000	1.1920	43000 43000	1.1920 1.1920
4	Shri Suresh Kumar Bangur # 01-04-2017 31-03-2018	2000	0.0554	2000 2000	0.0554 0.0554
5	Shri Suresh Kumar Bangur* 01-04-2017 31-03-2018	60860	1.6871	60860 60860	1.6871 1.6871
6	Shri Ajay Bangur 01-04-2017 31-03-2018	7800	0.2162	7800 7800	0.2162 0.2162

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

@ as Trustee

as Karta of HUF

* in personal capacity



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Rs. 1157.86 lacs	Rs.2573.24 lacs	Nil	Rs. 3731.10 lacs
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not paid	Nil	Rs. 59.21 lacs	Nil	Rs. 59.21 lacs
Total (i + ii + iii)	Rs. 1157.86 lacs	Rs. 2632.45 lacs	Nil	Rs. 3790.31 lacs
Change in Indebtedness during the financial year				
- Addition	Rs. 702.21 lacs	Rs. 2541.94 lacs	Nil	Rs. 3244.15 lacs
- Reduction	Rs. 97.65 lacs	Rs. 3565.11 lacs	Nil	Rs. 3662.76 lacs
Net Change	Rs. 604.56 lacs	(Rs.1023.17 lacs)	Nil	(Rs. 418.61 lacs)
Indebtedness at the end of the financial year				
i) Principal Amount	Rs. 1762.42 lacs	Rs. 1527.05 lacs	Nil	Rs.3289.47 lacs
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Rs. 82.23 lacs	Nil	Rs. 82.23 lacs
Total (i + ii + iii)	Rs. 1762.42 lacs	Rs. 1609.28 lacs	Nil	Rs. 3371.70 lacs



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary

ACS-45073

THE PHOSPHATE COMPANY LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name	Total Amount
1.	Gross salary	Shri Suresh Kumar Bangur	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		Rs. 3195000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		Rs. 410612
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		Nil
2.	Stock Option		Nil
3.	Sweat Equity		Nil
4.	Commission		
	- as % of profit		Nil
	- others, specify...		Nil
5.	Others, please specify		Nil
6.	Total (A)		Rs. 3605612

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Total Amount		
	Independent Directors	Shri D P Goculdas	Smt Vijaya Mohan	
	• Fee for attending board committee meetings	Rs. 75,000	Rs. 1,55,000	Rs. 2,30,000
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (1)	Rs. 75,000	Rs. 1,55,000	Rs. 2,30,000
	Other Non-Executive Directors	Shri Binod Khaitan	Shri Hemant Bangur	
	• Fee for attending board committee meetings	Rs. 1,00,000	Rs. 95,000	Rs. 1,95,000
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	Total (2)	Rs. 1,00,000	Rs. 95,000	Rs. 1,95,000
	Total (B) = (1+2)			Rs. 4,25,000
	Total Managerial Remuneration			Rs. 40,30,612
	Overall Ceiling as per the Act			Rs. 84,00,000



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 5,31,268	Rs. 31,95,000	Rs. 37,26,268
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 70,970	Rs. 4,19,677	Rs. 4,90,647
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total	Rs. 6,02,238	Rs. 36,14,677	Rs. 42,16,915

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

-NIL-

Kolkata
Dated: August 08, 2018

On behalf of the Board of Directors
For The Phosphate Co. Ltd.
(Suresh Kumar Bangur) (Binod Khaitan)
Executive Director Director
DIN : 00040862 DIN : 00128502



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT (Contd.)

ANNEXURE G

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

1. The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2017-18 are given below .

Non Executive Directors	Ratio to Median	Percentage Increase in Remuneration
A) Independent		
i. Smt. Vijaya Mohan	0.82	244
ii. Shri Dilip P Goculdas	0.40	50
B) Non Independent		
i. Shri Binod Khaitan	0.53	233
ii. Shri Hemant Bangur	0.50	171
C) Whole time Director		
i) Shri Suresh Kumar Bangur	18.99	32

Remarks : *Remuneration is based on attendance in Board / Committee meetings. Rate of Remuneration has changed compared to last year

- The percentage increase in remuneration of the Chief Financial Officer is 32% and of the Company Secretary is 15%.
- The percentage increase / (decrease) in the median remuneration of employees in the financial year is 6%.
- The number of permanent employees on the rolls of the Company as on 31/03/2018 is 52 against 52 as on 31/03/2017.
- The percentage increase / (decrease) in the Average salaries of employees in the last financial year is 24% as against an increase / (decrease) of 31% 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.
- It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.
- The 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
- There was no woman in the employment of the Company during the financial year 2017-18.

Kolkata
Dated: August 08, 2018

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

(Suresh Kumar Bangur)
Executive Director
DIN : 00040862

(Binod Khaitan)
Director
DIN : 00128502



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

ANNEXURE H

FORM No. MR3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2018

(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 (L24231WB1949PLC017664) (hereinafter called the Company) to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2018.

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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, 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, 2018 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')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

(f) The following Acts, over and above other laws are specifically applicable to the Company as per the Management Representation Letter issued by the Company of even date:

- (i) Fertiliser (Control) Order 1985 issued under the Essential Commodities Act, 1955 by the Central Government.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which are not applicable to the Company during the financial year under report :-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
3. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards with respect to the board and general meetings issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above
Further, notice by the Calcutta Stock Exchange Ltd. for suspension of dealing of Company's equity shares has been revoked and dealing has been admitted w.e.f. 08-01-2018.
5. We further report that:
 - (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (ii) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
 - (iii) All decision at Board Meetings and Committee Meetings have been carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.
6. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the laws applicable specifically to the Company.
7. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, to the best of our understanding, the Company, during the year under report, the Company, has following specific events/actions have a major bearing on the Company's affairs in pursuance of the laws, regulations, guidelines, standards etc. referred to as above are as follows:-

- (i) Company has obtained approval of members on the following items by way of Special Resolution through Postal Ballot under the provision of the Companies Act, 2013.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45873

THE PHOSPHATE COMPANY LIMITED

- (a) To Amend existing Article 56 of the Articles of Association Of the Company with the following new Article 56

"Any debenture, debenture- stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors, transferability i.e. transferable or non- transferable, and otherwise. Debentures, debenture- stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued."

- (b) To issue Non- Convertible Zero Coupon Asset Backed Debentures ("NCZCABD/Debenture") of face value Rs.1,00,00,000/- of the Company at par on Private Placement basis

The consent of the members of the Company accorded to the Board to create, issue, offer and allot upto a maximum of 10 (Ten) Secured Redeemable Non-Convertible Zero Coupon Asset Backed Debentures ("NCZCABD/ Debenture") having face value of Rs. 1,00,00,000/- (Rupees One Crore) each at par, for an aggregate amount of upto a maximum of Rs. 10,00,00,000 (Rupees Ten Crores only) - on private placement basis to such person or persons, whether or not they are Member(s) of the Company in one or more tranches during a period of one year from the date of passing this resolution within the overall borrowing limits of the Company, as approved by the Members, from time to time

- (c) To Issue 60000 Non Convertible Redeemable Preference Shares (NCRPS) of face value Rupees 1000- each of the company.

The consent of the members of the Company accorded to the Board to create, offer and/or invite to subscribe, issue and allot, for cash at par 60000 (Sixty Thousand) Non Convertible Redeemable Preference Shares ("NCRPS/ Preference Shares") of face value of Rs. 1000/- Rupees One Thousand Only aggregating to Rs. 6,00,00,000/- Rupees Six Crores Only on private placement basis

- (d) (i) To Increase the Borrowing Limit of the Company by Hypothecation of the Company's Assets from existing Rs.100.00 crores to Rs.125.00 crores under the provision of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013.

- (ii) To Increase the Borrowing Limit of the Company from existing Rs.100.00 crores to Rs.125.00 crores under the provision of Section 180(1)(c) of the Companies Act, 2013

- (e) To Increase the Investment, Lending, Guarantee Limit to Rs.10 Crores under the provisions of Section 186 of the Companies Act, 2013.

Place: Kolkata
Date: 7th August, 2018

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

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



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

'ANNEXURE A'

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

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

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

Place: Kolkata
Date: 7th August, 2018

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

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of THE PHOSPHATE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cashflows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with relevant Rules issued thereunder.

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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 accounting principles generally accepted in India including the



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45973

THE PHOSPHATE COMPANY LIMITED

Ind AS, of the state of affairs(financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cashflows and the changes in equity for the year ended on that date.

Other Matter

The audit of the standalone financial statements for the corresponding year ended 31st March 2017, prepared in accordance with applicable Accounting Standards was carried out by the predecessor auditor vide their unmodified report dated 25th May 2017, whose report have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not modified in respect of this matter.

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 Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order
- 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 accounts 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, the Cash Flow Statement and the Statement of Changes in Equity 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 relevant Rules issued thereunder.
 - e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer Note No. 35 to 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 is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Kolkata
Dated: May 22, 2018

For S. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration Number- 306033E
(Hemant Kumar Lakhotia)
Partner
Membership No: 068851

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-40173

THE PHOSPHATE COMPANY LIMITED

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 31st March 2018. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities made.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records 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, Good & Service Tax, 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, 2018 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no material dues of duty of customs, income tax, sales tax, excise duty, value added tax, service tax and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- viii. In our opinion and according to information and explanations given to us 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.



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

- ix. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company for the purposes for which the loans were obtained. 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 course of our audit.
- 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.

Place: Kolkata
Dated: May 22, 2018

For S. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration Number- 306033E
(Hemant Kumar Lakhota)
Partner
Membership No: 068851



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

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 31 March 2018 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 standalone 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

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 31 March 2018, 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: May 22, 2018

For S. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration Number- 306033E
(Hemant Kumar Lakhotia)
Partner
Membership No: 068851



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45173

THE PHOSPHATE COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Notes	31st March, 2018	31st March, 2017	1st April, 2016
ASSETS				
I. Non-current assets				
a) Property, Plant and Equipment	3	73,16,29,741	73,48,88,914	74,22,51,089
b) Capital work-in-progress	3	15,30,823	3,30,000	4,79,499
c) Financial Assets				
i) Investments	4	24,32,000	24,32,000	24,32,000
ii) Loans	5	46,13,033	46,61,249	48,28,479
d) Deferred tax assets (net)	6	43,82,758	83,19,231	1,10,71,341
		<u>74,45,88,355</u>	<u>75,16,29,394</u>	<u>76,10,62,408</u>
II. Current assets				
a) Inventories	7	11,19,64,979	9,79,50,765	16,29,67,172
b) Financial Assets				
i) Investments	8	9,48,950	5,00,686	17,84,271
ii) Trade receivables	9	20,38,67,878	22,47,59,000	30,33,73,123
iii) Cash and cash equivalents	10	5,01,948	4,75,175	4,62,612
iv) Other Bank Balances	11	1,17,36,970	96,17,310	1,79,20,660
v) Loans	12	4,19,80,000	4,19,82,000	5,07,18,000
vi) Other Financial Assets	13	4,84,01,994	4,68,99,727	5,29,04,025
c) Current Tax Asset (Net)	14	—	2,56,218	13,06,793
d) Other Current Assets	15	2,70,50,045	80,86,570	62,63,699
		<u>44,64,52,764</u>	<u>43,05,27,449</u>	<u>59,77,00,355</u>
Total Assets		<u>1,19,10,41,119</u>	<u>1,18,21,56,843</u>	<u>1,36,87,62,763</u>
EQUITY AND LIABILITIES				
A. Equity				
a) Equity Share Capital	16	3,60,74,800	3,60,74,800	3,60,74,800
b) Other Equity	17	65,98,86,277	64,55,59,070	64,16,25,563
		<u>69,59,61,077</u>	<u>68,16,33,870</u>	<u>67,77,00,363</u>
B. Liabilities				
I. Non-current liabilities				
a) Financial Liabilities				
i) Borrowings	18	10,16,52,050	10,08,34,818	11,25,47,386
ii) Other financial liabilities	19	1,24,74,756	1,25,73,763	1,25,67,943
b) Provisions	20	29,18,196	24,77,350	44,53,255
		<u>11,70,45,003</u>	<u>11,58,85,931</u>	<u>12,95,68,584</u>
II. Current liabilities				
a) Financial Liabilities				
i) Borrowings	21	21,51,68,417	24,79,89,251	34,02,28,035
ii) Trade payables	22	12,21,14,076	10,15,50,419	15,33,38,927
iii) Other financial liabilities	23	1,24,41,642	1,78,62,772	3,08,55,230
b) Other current liabilities	24	2,46,05,675	1,51,50,950	2,70,71,624
c) Provisions	25	26,61,849	20,83,650	—
d) Current Tax Liabilities (Net)	26	10,43,380	—	—
		<u>37,80,35,039</u>	<u>38,46,37,042</u>	<u>55,14,93,816</u>
Total Equity and Liabilities		<u>1,19,10,41,119</u>	<u>1,18,21,56,843</u>	<u>1,36,87,62,763</u>
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 & Co.
Chartered Accountants
Firm Registration Number: 306033E

Hemant Kumar Lakhota
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

For and on behalf of the Board of Directors

Binod Khaitan
Director
(DIN 00128502)

Suresh Kumar Bangur
Executive Director
(DIN 00040862)

Vijaya Mohan
Independent Director
(DIN 02474421)

Ajay Bangur
President & CFO

Shankar Banerjee
Dy. Secretary

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-1073

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

Particulars	Notes	31st March, 2018	31st March, 2017
A INCOME			
I. Gross Sales / Income from Operations		75,45,72,036	68,73,00,443
Less : Discounts, Rebates & Taxes		(6,33,83,884)	(5,69,48,354)
Revenue from Operations		69,11,88,152	63,03,54,089
II. Other Income	27	23,40,841	36,93,749
Total Income		69,35,28,993	63,40,47,838
B. Expenses			
III. Cost of Material Consumed	28	34,19,32,485	28,27,07,415
Purchase of Trading Goods		7,15,98,839	6,26,28,918
Changes in Inventories of Finished Goods			
Stock in Trade and Work-in-Progress	29	64,14,265	2,25,99,221
Excise Duty on Sale of Goods		5,93,615	39,61,518
Employee benefit Expenses	30	2,74,58,592	2,46,45,247
Other Expenses	32	16,26,26,409	15,38,00,061
Total Expenses		61,06,24,205	55,03,42,380
C. Earnings before Interest, Depreciation and Tax (EBIDTA) (A-B)		8,29,04,787	8,37,05,458
Finance Cost	31	5,08,59,165	6,71,73,891
Depreciation and amortisation expenses	3	1,03,28,605	99,28,920
IV. Profit Before Tax		2,17,17,018	66,02,647
V. Tax Expense			
1. Current Tax		14,07,113	—
2. Deferred Tax		49,36,473	17,52,110
VI. Profit for the year (IV-V)		1,53,73,432	48,50,537
VII. Other Comprehensive Income			
Items that will not be classified to statement of Profit or Loss			
Remeasurements of the defined benefit liabilities		(10,46,225)	(9,17,030)
Total Comprehensive Income for the Year (VI-VII)		1,43,27,207	39,33,507
Earnings per equity share			
Basic & Diluted		4.26	1.34
Cash		7.12	4.10

Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For and on behalf of the Board of Directors

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number: 306033E

Binod Khaitan
Director
(DIN 00128502)

Vijaya Mohan
Independent Director
(DIN 02474421)

Hemant Kumar Lakhotia
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

Suresh Kumar Bangur
Executive Director
(DIN 00040862)

Ajay Bangur
President & CFO

Shankar Banerjee
Dy Secretary



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-41073

THE PHOSPHATE COMPANY LIMITED

Statement of Changes in Equity for the year ended 31st March 2018

a. Equity Share Capital

Amount in Rs.

Balance as at 1 April 2016	3,60,74,800
Changes in Equity Share Capital during the year 2016-17	—
Balance as at 31 March 2017	3,60,74,800
Changes in Equity Share Capital during the year 2017-18	—
Balance as at 31 March 2018	3,60,74,800

b. Other Equity

	Reserve and Surplus			Other Comprehensive Income	Total Other Equity
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 April 2016	2,62,50,000	64,60,34,254	(3,08,91,691)	2,33,000	64,16,25,563
Profit for the year			48,50,537		48,50,537
Other Comprehensive Income				(9,17,030)	(9,17,030)
Balance as at 31 March 2017	2,62,50,000	64,60,34,254	(2,60,41,154)	(6,84,030)	64,55,59,070
Balance as at 1 April 2017	2,62,50,000	64,60,34,254	(2,60,41,154)	(6,84,030)	64,55,59,070
Profit for the year			1,53,73,432	—	1,53,73,432
Other Comprehensive Income				(10,46,225)	(10,46,225)
Balance as at 31 March 2018	2,62,50,000	64,60,34,254	(1,06,67,722)	(17,30,255)	65,98,86,277

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number: 306033E

Hemant Kumar Lakhota
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

For and on behalf of the Board of Directors

Binod Khaitan
Director
(DIN 00128502)

Suresh Kumar Bangur
Executive Director
(DIN 00040862)

Vijaya Mohan
Independent Director
(DIN 02474421)

Ajay Bangur
President & CFO

Shankar Banerjee
Dy. Secretary

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-40073

THE PHOSPHATE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	31 March 2018	31 March 2017
A. Cash Flow from Operating Activities		
Net Profit before Tax	2,06,70,793	56,85,617
Add: Adjustments for Non Cash & Non Operating Items		
Interest Received	(10,66,835)	(14,08,398)
Interest Paid	4,88,67,586	5,77,78,564
Depreciation	1,03,28,605	99,28,920
Operating Profit before Working Capital Changes	7,88,00,149	7,19,84,703
Add: Increase /Decrease in Working Capital		
Increase in Current Liabilities	2,45,97,252	(7,67,01,640)
(Increase)/Decrease in Non-Current/Current Financial and other Assets	(2,10,34,919)	66,47,709
Increase/(Decrease) in Non-Current/Current Financial and other Liabilities	4,40,846	(19,75,905)
Decrease in Provision	5,78,199	20,83,650
Increase in Investments	(4,48,264)	12,83,585
Increase in Inventories	(1,40,14,214)	6,50,16,407
Trade & Other Receivables	1,93,90,855	9,33,54,421
	95,09,755	8,97,08,227
Cash generated from Operation	8,83,09,905	16,16,92,930
Direct Tax Paid	(1,07,517)	10,50,577
Net Cash flow from Operating Activities	8,82,02,388	16,27,43,507
B. Cash Flow from Investing Activities		
Purchase of Fixed assets/CWIP	(84,11,928)	(24,25,948)
Sale of Fixed Assets	1,39,673	10,702
Interest Received	10,66,835	14,08,398
Net Cash used in Investing Activities	(72,05,420)	(10,06,848)
C. Cash Flow from Financing Activities		
Net Proceeds from Borrowings	(3,21,02,609)	(10,39,45,532)
Interest Paid	(4,88,67,586)	(5,77,78,564)
Net Cash used in Financing Activities	(8,09,70,195)	(16,17,24,096)
Net Changes in Cash & Cash Equivalents (A+B+C)	26,773	12,563
Cash & Cash Equivalents-Opening Balance	4,75,175	4,62,612
Cash & Cash Equivalents-Closing Balance#	5,01,948	4,75,175
# Fixed Deposit having original maturity of over 3 months not included		

As per our report of even date attached.

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number: 306033E

Hemant Kumar Lakholla
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

For and on behalf of the Board of Directors

Binod Khaitan
Director
(DIN 00128502)

Suresh Kumar Bangur
Executive Director
(DIN 00040862)

Vijaya Mohan
Independent Director
(DIN 02474421)

Ajay Bangur
President & CFO

Shankar Banerjee
Dy Secretary



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
AOS-11070

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

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 (CSE). The Company is primarily engaged in the business of farm inputs comprising of fertiliser, crop protection, specialty nutrients and organic compost & 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.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with relevant Rules which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 39.

b) Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognized when all significant risks and rewards of their ownership are transferred to the customer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue is measured at the fair value of the consideration received or receivable and includes excise duty and are net of returns and allowances, trade discounts, volume rebates and value added tax and goods and service tax.

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.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

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 and the resulting exchange gains or losses are included in Other Income/Financial Cost.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

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. 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

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.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACG-15173

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

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.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACR-40073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

n) Income Taxes

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of 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.

o) Earnings per Share

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

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

p) Recent Accounting Pronouncements

Ind AS 115 – Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 'Revenue from Contracts with Customers' which is applicable to it w.e.f 01.04.2018.

Ind AS 21 – The Effect of Changes In Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.



For The Phosphate Co. Ltd.

Shankar Banerjee
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ACS-45075

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

Note 3 Property, plant and equipment (Current Year)

Amount in Rs

Description	Gross block				Accumulated depreciation				Net block	
	1 April 2017	Additions	Disposals/ Adjustments	31 March 2018	1 April 2017	Additions	Disposals/ Adjustments	31 March 2018	31 March 2018	31 March 2017
Freehold land	62,98,27,021	—	—	62,98,27,021	—	—	—	—	62,98,27,021	62,98,27,021
Building	3,92,06,848	8,35,968	2,72,809	3,95,70,007	21,00,382	26,38,874	1,74,870	45,64,186	3,50,05,821	3,71,06,466
Plant & machinery	7,16,66,490	48,17,863	1,53,483	7,63,30,870	67,19,128	68,87,119	1,45,808	1,34,00,438	6,28,70,432	6,49,47,362
Computers	2,51,295	2,01,436	—	4,52,731	1,14,077	25,062	—	1,39,139	3,13,582	1,37,218
Water & Acid Installation	13,35,181	—	—	13,35,181	41,266	2,27,980	—	2,69,246	10,65,935	12,93,915
Laboratory Equipment	4,38,026	—	—	4,38,026	1,12,094	80,632	—	1,92,726	2,45,300	3,25,932
Furniture & Fittings	5,85,416	73,871	96,355	5,62,932	1,08,810	2,05,495	91,538	2,22,767	3,40,165	4,76,606
Motor Cars & Trucks	11,33,635	14,81,967	5,23,369	20,92,233	3,69,664	2,62,498	4,94,126	1,38,036	19,54,197	7,63,971
Electric Installation	10,056	—	—	10,056	1,633	1,145	—	2,778	7,278	8,423
Total Tangible Assets	74,44,53,968	72,11,105	10,46,016	75,08,19,057	95,67,054	1,03,28,605	9,06,343	1,89,89,316	73,16,29,741	73,48,86,914
Capital work-in-progress	3,30,000	15,30,823	3,30,000	15,30,823	—	—	—	—	15,30,823	3,30,000
Total	74,47,83,968	87,41,928	13,76,016	75,21,49,880	95,67,054	1,03,28,605	9,06,343	1,89,89,316	73,31,60,564	73,52,16,914

Note 3 Property, plant and equipment (Previous Year)

Description	Gross block				Accumulated depreciation				Net block	
	1 April 2016	Additions	Disposals/ Adjustments	31 March 2017	1 April 2016	Additions	Disposals/ Adjustments	31 March 2017	31 March 2017	31 March 2016
Freehold land	62,98,27,021	—	—	62,98,27,021	—	—	—	—	62,98,27,021	62,98,27,021
Building	3,92,06,848	—	—	3,92,06,848	—	21,00,382	—	21,00,382	3,71,06,466	3,92,06,848
Plant & machinery	6,95,25,334	21,41,156	—	7,16,66,490	—	67,19,128	—	67,19,128	6,49,47,362	6,95,25,334
Computers	2,25,780	25,515	—	2,51,295	—	1,14,077	—	1,14,077	1,37,218	2,25,780
Water & Acid Installation	12,31,072	2,92,558	1,88,449	13,35,181	—	2,27,981	1,86,715	41,266	12,93,915	12,31,072
Laboratory Equipment	4,38,026	—	—	4,38,026	—	1,12,094	—	1,12,094	3,25,932	4,38,026
Furniture & Fittings	6,53,317	1,16,218	1,84,119	5,85,416	—	2,83,961	1,75,151	1,08,810	4,76,606	6,53,317
Motor Cars & Trucks	11,33,635	—	—	11,33,635	—	3,69,664	—	3,69,664	7,63,971	11,33,635
Electric Installation	10,056	—	—	10,056	—	1,633	—	1,633	8,423	10,056
Total Tangible Assets	74,22,51,089	25,75,447	3,72,568	74,44,53,968	—	99,28,920	3,61,866	95,67,054	73,48,86,914	74,22,51,089
Capital work-in-progress	4,79,499	3,30,000	4,79,499	3,30,000	—	—	—	—	3,30,000	4,79,499
Total	74,27,30,588	29,05,447	8,52,067	74,47,83,968	—	99,28,920	3,61,866	95,67,054	73,52,16,914	74,27,30,588



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 4 Investments - Non Current			
Investments carried at Cost (Unquoted)			
Investments in Equity Instruments			
In Subsidiaries			
Abhinandan Goods Pvt. Ltd.	24,06,000	24,06,000	24,06,000
2,40,000 Equity Shares of Rs.10/- each			
Investments carried at Amortised Cost (Unquoted)			
Investments in Government or trust securities			
National Savings Certificate	26,000	26,000	26,000
Total	24,32,000	24,32,000	24,32,000
Note 5 Loans - Non Current			
Financial assets carried at Amortised Cost			
(Unsecured, considered good)			
Security deposits	46,13,033	46,61,249	48,28,479
Total	46,13,033	46,61,249	48,28,479
Note 6 Deferred Tax Asset (Net)			
Deferred Tax Assets			
Losses/ Unabsorbed Depreciation			
under Income Tax	1,22,80,384	2,21,35,398	2,39,24,835
Expenses allowable against taxable			
income in future years	25,61,510	—	—
Deferred Tax Liabilities			
Timing difference in depreciable assets	(1,04,59,136)	(1,28,16,167)	(1,28,53,494)
Total	43,82,758	93,19,231	1,10,71,341
Note 7 Inventories			
(Valued at lower of cost or net realisable value)			
Raw Materials	7,80,63,974	5,67,85,016	10,00,93,049
Packing Materials	23,75,245	28,00,568	20,31,155
Stores & Spare Parts	1,07,00,582	1,11,25,738	1,10,68,732
Finished Goods (including WIP)	2,08,25,178	2,72,39,443	4,97,74,236
Total	11,19,64,979	9,79,50,765	16,29,67,172
Note 8 Investments - Current			
Investment carried at fair value through Profit & Loss			
(at fair value NAV)			
Investments in Mutual Funds (Unquoted)			
Nil (3758.90 units) Birla Sunlife Cash Plus Collection			9,12,548
Nil (734.45 units) ICICI Prudential Liquid Plan- Growth			1,62,168
Nil (286.50 units) UTI Liquid Cash Plan			7,09,555
Nil (24,328.76 units) SBI Dynamic Bond Fund Growth		5,00,686	
396.142 units Reliance Money Manager Fund Growth	9,48,950		
Total	9,48,950	5,00,686	17,84,271



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 9 Trade Receivables (Unsecured, considered good)			
Financial Assets carried at amortised cost			
Trade receivables-Market	6,22,27,138	5,36,93,345	8,17,78,253
Subsidy receivable from Central Government	14,16,40,740	17,10,65,655	22,15,94,870
Total	20,38,67,878	22,47,59,000	30,33,73,123
Note 10 Cash and Cash Equivalents			
Financial Assets carried at amortised cost			
Balance with banks	53,200	50,076	77,889
Cash on hand	4,48,748	4,25,099	3,84,723
Total	5,01,948	4,75,175	4,62,612
Note 11 Other Bank Balances			
Financial Assets carried at amortised cost			
Fixed deposits having original maturity more than 3 months but less than 12 months (pledged)	1,17,36,970	96,17,310	1,79,20,660
Total	1,17,36,970	96,17,310	1,79,20,660
Note 12 Loans- Current (Unsecured, considered good)			
Financial Assets carried at amortised cost			
Advances to Subsidiary	4,19,35,000	4,19,35,000	5,06,85,000
Advances to Employees	45,000	47,000	33,000
Total	4,19,80,000	4,19,82,000	5,07,18,000
Note 13 Other Financial Assets- Current (Unsecured, considered good)			
Financial Assets carried at amortised cost			
Interest Receivable			
From Banks	4,94,497	3,05,650	10,93,936
From Others	2,17,511	2,13,149	2,36,183
Other Advances	4,76,89,986	4,63,80,928	5,15,73,906
Total	4,84,01,994	4,68,99,727	5,29,04,025
Note 14 Current tax assets (Net)			
Advance income tax (net of provision)	—	2,56,216	13,06,793
Total	—	2,56,216	13,06,793
Note 15 Other Current Assets (Unsecured, considered good)			
Advance to suppliers	7,64,498	26,01,871	4,10,701
Advances against expenses	27,52,211	30,72,614	30,02,685
Prepaid expenses	17,14,699	20,78,980	25,05,022
Input tax receivable	2,18,18,637	3,33,105	3,45,291
Total	2,70,50,045	80,86,570	62,63,699



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 16 Equity share capital			
Authorised capital			
1,00,00,000 equity shares of Rs. 10 each	10,00,00,000	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000	10,00,00,000
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	3,60,74,800	3,60,74,800

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

	31 March 2018		31 March 2017		1 April 2016	
	No of shares	Amount	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	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	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

	As on 31 March 2018		As on 31 March 2017		As on 1 April 2016	
	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
Madhav Trading Corpn. Ltd.	3,74,880	10.39	3,74,880	10.39	3,39,880	9.42
Shrivats Khaitan	2,31,000	6.40	2,31,000	6.40	55,000	1.52
Life Insurance Corporation of India	1,89,240	5.25	1,89,240	5.25	1,89,240	5.25



For The Phosphate Co. Ltd.

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ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 17 Other Equity			
Securities Premium			
Opening Balance	2,62,50,000	2,62,50,000	—
Addition during the Year	—	—	—
	<u>2,62,50,000</u>	<u>2,62,50,000</u>	<u>2,62,50,000</u>
General Reserve			
Opening Balance	64,60,34,254	64,60,34,254	—
Addition during the Year	—	—	—
	<u>64,60,34,254</u>	<u>64,60,34,254</u>	<u>64,60,34,254</u>
Retained Earnings			
Opening Balance	(2,60,41,154)	(3,08,91,691)	—
Profit for the Year	1,53,73,432	48,50,537	—
	<u>(1,06,67,722)</u>	<u>(2,60,41,154)</u>	<u>(3,08,91,691)</u>
Other Comprehensive Income			
Opening Balance	(6,84,030)	2,33,000	—
Addition during the Year	(10,46,225)	(9,17,030)	—
	<u>(17,30,255)</u>	<u>(6,84,030)</u>	<u>2,33,000</u>
Total	<u>65,98,86,277</u>	<u>64,55,59,070</u>	<u>64,16,25,563</u>
Note 18 Borrowings (Non Current)			
Financial Liabilities carried at amortised cost			
Secured			
Term loans from bank	—	—	1,15,00,000
Vehicle loans from banks	16,52,050	8,34,818	10,47,386
Unsecured			
From Limited Companies	8,50,00,000	10,00,00,000	10,00,00,000
From Related Parties	1,50,00,000	—	—
From Others	—	—	—
Total	<u>10,16,52,050</u>	<u>10,08,34,818</u>	<u>11,25,47,386</u>

Term Loan from Bank is secured by first charge on factory land and building and entire fixed assets of the company & collaterally secured by second charge on current assets of the company. Current Interest rate is 13.10%
Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme. Current Interest rate is 9.20-11.20%

Note 19 Other financial liabilities - Non Current

Financial Liabilities carried at amortised cost

Deposit from Dealers	1,24,74,756	1,25,73,763	1,25,67,943
Total	<u>1,24,74,756</u>	<u>1,25,73,763</u>	<u>1,25,67,943</u>



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ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 20 Provisions - Non Current			
Provisions for Employee Benefits			
Leave Encashment	29,18,196	24,77,350	44,53,255
Total	29,18,196	24,77,350	44,53,255
Note 21 Borrowings - Current			
Financial Liabilities carried at amortised cost			
Secured			
From Banks			
Cash Credit	17,21,18,417	10,32,39,251	14,79,71,537
Buyers Credit in Foreign Currency	—	—	1,76,06,498
Unsecured			
From Limited Companies			
From Related Parties	87,50,000	4,64,50,000	9,13,50,000
From Others	3,43,00,000	9,83,00,000	8,33,00,000
Total	21,51,68,417	24,79,89,251	34,02,28,035

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 12.14.10%

Note 22 Trade payables			
Financial Liabilities carried at amortised cost			
Micro, Small and Medium Enterprises	—	—	—
Others	12,21,14,076	10,15,50,419	15,33,38,927
Total	12,21,14,076	10,15,50,419	15,33,38,927

Notes : Disclosure of payables to MSME vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Note 23 Other financial liabilities - Current			
Financial Liabilities carried at amortised cost			
Current Maturities of Term loans	20,00,000	1,15,00,000	1,40,00,000
Current Maturities of Vehicle loans	4,71,493	2,12,399	1,91,021
Interest accrued and due	82,23,536	59,21,095	92,48,520
Employee Benefits	15,01,970	10,69,223	8,61,089
Financial Liabilities carried at Fair Value through Profit & Loss			
(Gain)/Loss on Fair Valuation of Forward Contracts	2,44,643	(8,39,945)	65,54,600
Total	1,24,41,642	1,78,62,772	3,08,55,230



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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 24 Other current liabilities			
Advance from customers	64,01,890	61,23,462	40,06,774
Duties & Taxes			
Employee related payables	—	1,68,069	1,52,600
Statutory & other dues payables	1,04,90,688	21,93,869	25,08,574
Liability for expenses	77,13,098	66,65,550	2,04,03,676
Total	<u>2,46,05,675</u>	<u>1,51,50,950</u>	<u>2,70,71,624</u>
Note 25 Provisions - Current			
Provisions for Employee Benefits			
Leave Encashment	26,61,849	20,83,650	—
Total	<u>26,61,849</u>	<u>20,83,650</u>	<u>—</u>
Note 26 Current Tax Liabilities (Net)			
Provision for Income Tax (Net of Advance Tax)	10,43,380	—	—
Total	<u>10,43,380</u>	<u>—</u>	<u>—</u>
	<u>For the year ended March 31, 2018</u>	<u>For the year ended March 31, 2017</u>	
Note 27 Other income			
Interest income on			
Fixed Deposits	10,66,835	14,08,398	
Others	37,819	51,885	
Profit on sales of Property, plant and equipment	55,990	6,918	
Liability no longer required written back	6,32,379	1,58,651	
Insurance claim received	46,673	40,642	
Profit on Redemption of Mutual Fund	8,312	65,819	
Gain on measuring investments at FVTPL	48,264	686	
Scrap Sales	4,44,570	19,60,750	
Total	<u>23,40,841</u>	<u>36,93,749</u>	
Note 28 Cost of Material Consumed:			
Raw Materials	32,57,91,979	26,83,60,495	
Packing Materials	1,61,40,506	1,43,46,920	
Total	<u>34,19,32,485</u>	<u>28,27,07,415</u>	
Note 29 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-In-Progress			
Closing Stock	2,08,25,178	2,72,39,443	
Less : Opening Stock	(2,72,39,443)	(4,97,74,236)	
Balance	(64,14,265)	(2,25,34,793)	
Add : Increase / (Decrease) in Excise Duty	—	(64,428)	
Total	<u>(64,14,265)</u>	<u>(2,25,99,221)</u>	



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	For the year ended March 31, 2018	Amount in Rs For the year ended March 31, 2017
Note 30 Employee benefit expenses		
Salaries, wages and bonus	2,14,25,379	2,00,56,183
Staff welfare	31,62,579	29,36,095
Contribution to Provident & other funds	28,70,634	16,52,969
Total	2,74,58,592	2,46,45,247
Note 31 Finance costs		
Interest	4,88,67,586	5,77,78,564
Bank charges	33,15,782	43,03,849
Foreign Exchange Rate Fluctuation	(14,24,204)	48,99,478
Other Charges	1,00,000	1,92,000
Total	5,08,59,165	6,71,73,891
Note 32 Other expenses		
Consumption of Stores and Spares	79,52,820	51,48,532
Power and Fuel Expenses	2,15,85,269	1,74,97,541
Repairs to : Building	9,69,306	6,78,164
Machinery	6,44,497	5,55,593
Others	3,06,199	2,63,688
Manufacturing & Supervision Charges	1,30,09,405	1,05,53,206
Storage & Handling Expenses	1,75,50,699	1,91,39,220
Packing Expenses	47,72,667	38,15,329
Freight, Delivery Expenses	7,38,39,129	7,16,08,422
Selling Expenses	1,04,38,201	1,07,25,913
Rent	5,20,400	4,35,938
Rates and Taxes	10,69,181	16,92,373
Payment to Auditors : Audit Fee	50,000	37,950
Certification Fee	60,878	39,105
Legal & Professional Expenses	26,76,777	32,59,357
Director's Fees : Board Meeting Fee	3,40,000	1,20,000
Audit Committee Fee	1,28,000	40,000
Information & Technology Expenses	59,419	68,024
Insurance Charges	3,48,982	4,11,642
Motor Vehicle Expenses	12,11,661	11,10,801
Maintenance Expenses	21,40,855	21,88,648
Miscellaneous Expenses	29,52,067	44,10,615
Total	16,26,26,409	15,38,00,061



For The Phosphate Co. Ltd.

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ACC-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	31 March, 2018	31 March, 2017
Amount in Rs		
Note 33 Effective tax reconciliation		
Income Tax Recognised In Statement of Profit & Loss		
Current Tax	14,07,113	—
Deferred Tax	49,36,473	17,52,110
Total Income Tax Expense recognised in the current year	63,43,586	17,52,110
The income tax expense can be reconciled to the accounting profit as follows :		
Profit before tax	2,17,17,018	66,02,647
Applicable tax rate	33.06%	30.90%
Computed Tax Expense	71,80,298	20,40,218
Tax effect of :		
Benefit on account of unabsorbed losses under Income Tax	(98,55,014)	(17,89,437)
Timing difference in respect of expenses allowed under Income Tax	26,74,716	(2,50,781)
Liability under Minimum Alternate Tax	14,07,113	—
Current Tax Provision (A)	14,07,113	—
Reversal of Deferred Tax Asset on unabsorbed losses under Income Tax	98,55,014	17,89,437
Deferred Tax Asset on items allowed on payment basis	(49,18,541)	(37,327)
Deferred Tax Provision (B)	49,36,473	17,52,110
Tax expenses recognised in the statement of Profit & Loss (A+B)	63,43,586	17,52,110
Effective Tax Rate	29.21	26.54
Note 34 Earnings per equity share		
Profit as per Statement of Profit and Loss	1,53,73,432	48,50,537
Weighted average number of equity shares	36,07,480	36,07,480
Earnings per share - Basic and Diluted	4.26	1.34
Note 35 Contingencies and Commitments		
(to the extent not provided for)		
I) Contingent Liabilities		
Claims against the company/disputed liabilities not acknowledged as Debts		
Particulars	31 March 2018	31 March 2017
Entry Tax	—	77,11,036
Income Tax matter under appeal in respect of TDS deposit for A.Y. 2007-08 before C.I.T. (A)	—	2,71,910
Total	—	79,82,946
II) Guarantees given		
Guarantees given by the Company not acknowledged as debt	1,99,660	1,99,660
Total	1,99,660	1,99,660
III) Commitments		
Commitment of Capital Expenditure not provided for in the accounts (Estimated)	5,70,000	23,20,000
Total	5,70,000	23,20,000



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

Amount in Rs

Note 36 Employee Benefit Obligations

I) Defined Contribution Plan

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

Particulars	31 March, 2018	31 March, 2017
Employers' Contribution to Provident Fund	12,63,473	10,70,396

II) Defined Benefit Plan

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

Particulars	Gratuity		Accumulated Leave	
	Funded		Unfunded	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
(i) Amount recognised in the statement of profit and loss is as under:				
Current service cost	7,13,131	6,36,325	3,89,168	1,12,146
Interest cost	(30,196)	(1,20,341)	3,46,367	3,04,420
Actuarial loss/(gain) recognized during the year	—	—	4,66,986	1,99,906
Amount recognized in the statement of profit and loss	6,82,935	5,15,984	12,02,521	6,16,472
(ii) Changes in Present Value Obligation				
Present value of defined benefit obligation as at the start	1,29,73,221	1,21,33,208	45,61,000	44,53,255
Current service cost	7,13,131	6,36,325	3,89,168	1,12,146
Interest cost	9,80,172	8,18,896	3,46,367	3,04,420
Actuarial loss/(gain) recognized during the year	11,75,551	10,60,971	4,66,987	1,99,906
Benefits paid	(6,51,693)	(16,76,179)	(1,83,476)	(5,08,727)
Present value of Defined Benefit Obligation as at the end of the year	1,51,90,382	1,29,73,221	55,80,046	45,61,000
(iii) Change in fair value of plan assets				
Fair value of plan assets as at the start of the year	1,30,37,000	1,29,55,000	—	—
Return on plan assets	1,29,326	1,43,941	—	—
Interest income	10,10,368	9,39,238	—	—
Actuarial loss/(gain)	—	—	—	—
Contribution	17,00,000	6,75,000	—	—
Benefits paid	(6,51,693)	(16,76,179)	(1,83,476)	—
Fair value of plan assets as at the end of the year	1,52,25,001	1,30,37,000	—	—



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	Gratuity		Amount in Rs Accumulated Leave	
	Funded		Unfunded	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Reconciliation of present value of defined benefit obligation and the fair value of plan assets				
Funded Status	34,619	63,779	—	—
Present value obligation as at the end of the year	1,51,90,382	1,29,73,221	55,80,046	45,61,000
Fair value of plan assets as at the end of the year	1,52,25,001	1,30,37,000	—	—
Net liability/(asset) recognized in balance sheet	—	—	55,80,046	45,61,000
Amount recognised in the statement of Other Comprehensive Income				
Actuarial Gain/(Loss) for the year on PBO	1,82,391	(2,54,664)	—	—
Actuarial Gain/(Loss) for the year on Asset	(13,57,942)	(8,06,307)	—	—
Return on Plan Asset, Excluding Interest Income	1,29,326	1,43,941	—	—
Unrecognised actuarial Gain/(Loss) at the end of the year	(10,46,225)	(9,17,030)	—	—
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	1,82,391	(2,54,664)	—	—
Actuarial Gain/(Loss) on arising from experience adjustment	(13,57,942)	(8,06,307)	—	—
Assumptions				
Financial Assumptions				
Discount rate p.a.	7.75%	7.25%	7.75%	7.25%
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	6 Years	6 Years

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



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

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 :

	Amount in Rs			
	As at 31 March 2018	As at 31 March 2017		
Sensitivity analysis for Gratuity				
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	1,50,16,300	1,53,72,818	1,28,01,326	1,31,53,938
% Change Compared to base due to sensitivity	-1.15%	1.20%	-1.33%	1.39%
Salary Growth (-/+ 0.5%)	1,53,71,451	1,50,15,996	1,31,51,862	1,28,01,715
% Change Compared to base due to sensitivity	1.19%	-1.15%	1.38%	-1.32%
Attrition Rate (-/+ 0.5%)	1,51,93,724	1,51,87,040	1,29,76,075	1,29,70,367
%Change Compared to base due to sensitivity	0.02%	-0.02%	0.02%	-0.02%
Mortality Rate (-/+ 10%)	1,52,16,509	1,51,64,255	1,29,97,870	1,29,48,572
%Change Compared to base due to sensitivity	0.17%	-0.17%	0.19%	-0.19%
Sensitivity analysis for Accumulated Leave				
	As at 31 March 2018	As at 31 March 2017		
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 0.5%)	54,90,365	56,75,135	44,82,323	46,44,466
%Change Compared to base due to sensitivity	-1.81%	1.70%	-1.73%	1.83%
Salary Growth (-/+ 0.5%)	56,74,458	54,90,183	46,43,508	44,82,505
%Change Compared to base due to sensitivity	1.69%	-1.61%	1.81%	-1.72%
Attrition Rate (-/+ 0.5%)	55,82,278	55,77,814	45,62,824	45,59,176
%Change Compared to base due to sensitivity	-0.04%	-0.04%	0.04%	-0.04%
Mortality Rate (-/+ 10%)	55,92,549	55,67,543	45,71,673	45,50,327
%Change Compared to base due to sensitivity	0.22%	0.22%	0.23%	-0.23%

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:

Gratuity 2017-18

The Company's best estimate of contribution during the next year 2,11,429



For The Phosphate Co. Ltd.

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ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

	Allocation of Plan Asset (Rs.)		Amount in Rs Allocation in % of Plan Asset	
	Gratuity (Funded)		Gratuity (Funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Table Showing Allocation of Plan Asset at the end				
Cash & Cash Equivalents	7,03,404	12,14,730	4.62%	9.32%
Special Deposit Scheme	5,19,833	5,19,833	3.41%	3.99%
State Government Securities	82,40,090	72,71,840	54.12%	55.78%
Government of India Securities	2,01,250	2,01,250	1.32%	1.54%
Corporate Bonds	46,50,065	34,08,315	30.54%	26.14%
Debt Securities	2,15,000	—	1.41%	—
Other	6,95,358	4,21,032	4.57%	3.23%
Total	1,52,25,000	1,30,37,000	100.00%	100.00%

Note 37 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 38 The Company has preferred an appeal before High Court Kolkata against dismissal of writ petition earlier filed by the Company for recovery of Freight Rebate.

Note 39 Financial instruments and other related disclosures

i. Capital Management

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

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

The debt equity ratio highlights the ability of a business to repay its debts. As at 31st March, 2018, the ratio was 0.4516

Particulars	31 March 2018	31 March 2017	Amount in Rs 1 April 2016
Equity Share Capital	3,60,74,800	3,60,74,800	3,60,74,800
Other Equity	65,98,86,277	64,55,59,070	64,16,25,563
Total Equity (A)	69,59,61,077	68,16,33,870	67,77,00,363
Non-Current Borrowings	10,16,52,050	10,08,34,818	11,25,47,386
Short Term Borrowings	22,58,63,446	26,56,22,745	30,36,67,576
Total Borrowings (Gross Debt) (B)	32,75,15,496	36,64,57,563	47,62,14,962
Less: Investments	(9,48,950)	(5,00,686)	(17,84,271)
Less: Cash and Cash Equivalents	(5,01,948)	(4,75,175)	(4,62,612)
Less: Other Bank Balances	(1,17,36,970)	(96,17,310)	(1,79,20,660)
Net Debt (C)	31,43,27,628	35,58,64,392	45,60,47,419
Net Debt to Equity (C/A)	0.4516	0.5221	0.6729



For The Phosphate Co. Ltd.

Shankar Banerjee
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ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

Amount in Rs

Disclosures on Financial Instruments

1) Financial Instruments by Category

As at March 31, 2018

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

As at March 31, 2017

Particulars	Amortised Cost	Fair Value through PL	Total Carrying	Total Fair Value
Financial Assets				
Investments	26,000	5,00,686	5,26,686	5,26,686
Trade Receivables	22,47,59,000	—	22,47,59,000	22,47,59,000
Cash and Cash Equivalents	4,75,175	—	4,75,175	4,75,175
Other Bank Balances	96,17,310	—	96,17,310	96,17,310
Loans	4,66,43,249	—	4,66,43,249	4,66,43,249
Other Financial Assets	4,68,99,727	-	4,68,99,727	4,68,99,727
Total Financial Assets	32,84,20,461	5,00,686	32,89,21,147	32,89,21,147
Financial Liabilities				
Borrowings	34,88,24,069	—	34,88,24,069	34,88,24,069
Trade Payables	10,15,50,419	—	10,15,50,419	10,15,50,419
Other Financial Liabilities	3,12,76,480	(8,39,945)	3,04,36,535	3,04,36,535
Total Financial Liabilities	48,16,50,968	(8,39,945)	48,08,11,023	48,08,11,023



For The Phosphate Co. Ltd.

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ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

As at April 01 2016

Amount in Rs

Particulars	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets				
Investments	26,000	17,84,271	18,10,271	18,10,271
Trade Receivables	30,33,73,123	—	30,33,73,123	30,33,73,123
Cash and Cash Equivalents	4,62,612	—	4,62,612	4,62,612
Other Bank Balances	1,79,20,660	—	1,79,20,660	1,79,20,660
Loans	5,55,46,479	—	5,55,46,479	5,55,46,479
Other Financial Assets	5,29,04,025	—	5,29,04,025	5,29,04,025
Total Financial Assets	43,02,32,899	17,84,271	43,20,17,170	43,20,17,170
Financial Liabilities				
Borrowings	45,27,75,421	—	45,27,75,421	45,27,75,421
Trade Payables	15,33,38,927	—	15,33,38,927	15,33,38,927
Other Financial Liabilities	3,68,68,573	65,54,600	4,34,23,173	4,34,23,173
Total Financial Liabilities	64,29,82,921	65,54,600	64,95,37,521	64,95,37,521

(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 2018	31 March 2017	1 April 2016
Financial Assets				
Current Investments	Level 1	9,48,950	5,00,686	17,84,271
Derivative financial instruments - Foreign Currency Forward Contracts	Level 2	2,44,643	(8,39,945)	65,54,600

(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



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

(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.

The sensitivity analyses below have been determined based on average floating rate liabilities outstanding as on beginning and end of the reporting period. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2018 would decrease/increase by Rs 16,99,571 (for the year ended March 31, 2017, decrease/ increase by Rs 20,68,757)

(b) Foreign currency risks

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Foreign Currency Payable (Amount in USD)	16,13,693	9,56,066	23,47,458

(B) Liquidity risk

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

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

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

Particulars	31 March 2018	31 March 2017	1 April 2016
One Year or less			
Borrowings	21,51,68,417	24,79,89,251	34,02,28,035
Trade Payables	12,21,14,076	10,15,50,419	15,33,38,927
Other Financial Liabilities	1,24,41,642	1,78,62,772	3,08,55,230
More than One Year			
Borrowings	10,16,52,050	10,08,34,818	11,25,47,386
Other Financial Liabilities	1,24,74,756	1,25,73,763	1,25,67,943

(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.



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

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 40 Related Party Disclosures:

List of Related Parties :

1. Subsidiary	Relation	Extent of Holding
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	
3. Directors		
Shri Binod Khaitan	Non Executive Director	
Shri Hemant Bangur	Non Executive Director	
Shri Dilip P Goculdas	Independent Director	
Smt. Vijaya Mohan	Independent Director	
4. Entities over which Directors, Key Managerial Personnel and their relatives have significant influence		
Art Finance & Trade Pvt Ltd		
Credwyn Holdings India Pvt Ltd		
Gloster Limited		
Joonktolle Tea & Industries Ltd		
Kanchan Udyog Ltd		
Kettlewell Bullen & Co Ltd		
Kherapati Vaniya Ltd		
PDGD Investments & Trading Private Ltd		
Devendra Finvest & Holding Pvt Ltd		
Chintamani Holdings Pvt Ltd		
Mani Invest Brokers Pvt Ltd		



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

The following table summarises related-party transactions included in the financial statements for the year ended March 31, 2018 & March 31, 2017 and details of outstanding balances as on March 31, 2018, March 31, 2017 & April 1, 2016.

Amount in Rs.				
Nature of Transactions	Subsidiary (1)	Key Managerial Personnel & Other Directors (2+3)	Entities where Directors KMPs and relatives have significant influence (4)	Total
Salary and Other Benefits	—	49,20,108	—	49,20,108
	—	37,66,012	—	37,66,012
Contribution to Provident Fund & Superannuation Policy	—	12,64,404	—	12,64,404
	—	9,60,913	—	9,60,913
Other Perquisites	—	16,38,015	—	16,38,015
	—	12,54,298	—	12,54,298
Meeting Fees	—	4,25,000	—	4,25,000
	—	1,60,000	—	1,60,000
Interest on Loan	—	—	3,01,29,430	3,01,29,430
	—	—	2,68,47,056	2,68,47,056
Loan Taken	—	—	20,09,00,000	20,09,00,000
	—	—	4,39,50,000	4,39,50,000
Loan Repaid	—	—	24,38,00,000	24,38,00,000
	—	—	8,52,50,000	8,52,50,000
Outstanding Receivable	4,19,35,000	—	—	4,19,35,000
	4,19,35,000	—	—	4,19,35,000
	5,06,85,000	—	—	5,06,85,000
Outstanding Payable	—	—	11,44,15,579	11,44,15,579
	—	—	15,54,73,225	15,54,73,225
	—	—	19,96,71,627	19,96,71,627

Note : 41

First-Time Adoption of Ind-AS

These financial statements of The Phosphate Company Limited for the year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company had followed the guidance prescribed in Ind AS 101-First Time Adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet & Statement of Profit and Loss, is set out in note 41(2) and 41(3). Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 41(1).



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

1 Exemptions availed on first time adoption of Ind-AS 101

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied following exemptions in the financial statements:

- i) In accordance with Ind AS 101, the Company has elected not to restate business combinations that occurred before the date of transition i.e 1st April 2016. In view of the same, the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind. AS.
- ii) In accordance with Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as deemed cost at the transition date i.e. 1st April 2016 for all the items of property, plant and equipment, except freehold land.

Further, the Company had considered fair value of freehold land based on professional valuation as at 1st April 2016. Accordingly, carrying value of land is increased by Rs 11,30,98,066. On transition, such increase in value alongwith balance lying in revaluation reserve has been adjusted in general reserve.

- iii) Under previous GAAP, investment in subsidiaries were stated at cost and provisions made to recognise decline, other than temporary. Under Ind AS, the company has elected to regard such carrying amount as at 31st March 2016, as deemed cost at the date of transition.



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

Note 41 First-Time Adoption of Ind-AS

2. Reconciliation of equity as at date of transition

Amount in Rs

Particulars	Note	1st April, 2016			31st March, 2017		
		IGAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
Assets							
Non current assets							
a) Property plant and equipment	1	62,91,53,023	11,30,98,066	74,22,51,089	62,17,88,847	11,30,98,067	73,48,86,914
b) Capital work-in-progress		4,79,499		4,79,499	3,30,000		3,30,000
c) Financial assets							
i) Investments		24,32,000		24,32,000	24,32,000		24,32,000
ii) Loans		48,28,479		48,28,479	46,61,249		46,61,249
d) Deferred tax assets (net)		1,10,71,341		1,10,71,341	93,19,231		93,19,231
		64,79,64,342	11,30,98,066	76,10,62,408	63,85,31,327	11,30,98,067	75,16,29,394
Current assets							
a) Inventories		16,29,67,172		16,29,67,172	9,79,50,765		9,79,50,765
b) Financial assets	2		2,98,878			686	
i) Investments		14,85,392		17,84,271	5,00,000		6,00,686
ii) Trade receivables		30,33,73,123		30,33,73,123	22,47,59,000		22,47,59,000
iii) Cash and Cash equivalents		4,62,612		4,62,612	4,75,175		4,75,175
iv) Other Bank Balances		1,79,20,660		1,79,20,660	96,17,310		96,17,310
v) Loans		5,07,18,000		5,07,18,000	4,19,82,000		4,19,82,000
vi) Other Financial Assets		5,29,04,025		5,29,04,025	4,68,99,727		4,68,99,727
c) Current tax asset (Net)		13,06,793		13,06,793	2,56,216		2,56,216
d) Other current assets		62,63,699		62,63,699	80,86,570		80,86,570
		59,74,01,477	2,98,878	59,77,00,355	43,05,26,763	686	43,05,27,449
Total Assets		1,24,53,65,819	11,30,98,944	1,35,87,62,763	1,06,90,58,090	11,30,98,753	1,18,21,56,843
Equity and Liabilities							
Equity							
a) Equity Share capital		3,60,74,800		3,60,74,800	3,60,74,800		3,60,74,800
b) Other equity	1&2	52,82,28,619	11,33,96,944	64,16,25,563	53,24,60,317	11,30,98,753	64,55,59,070
Total Equity attributable to equity shareholders of the company		56,43,03,419	11,33,96,944	67,77,00,363	56,85,35,117	11,30,98,753	68,16,33,870
Liabilities							
Non-current liabilities							
a) Financial liabilities							
i) Borrowings		11,25,47,386		11,25,47,386	10,08,34,818		10,08,34,818
ii) Other financial liabilities		1,25,67,943		1,25,67,943	1,25,73,763		1,25,73,763
b) Provisions		44,53,255		44,53,255	24,77,350		24,77,350
		12,95,68,584		12,95,68,584	11,58,86,931		11,58,86,931
Current liabilities							
a) Financial liabilities							
i) Borrowings		34,02,28,036		34,02,28,036	24,79,89,251		24,79,89,251
ii) Trade payables		15,33,38,927		15,33,38,927	10,15,50,419		10,15,50,419
iii) Other financial liabilities		3,08,55,230		3,08,55,230	1,78,62,772		1,78,62,772
b) Other current liabilities		2,70,71,624		2,70,71,624	1,51,50,950		1,51,50,950
c) Provisions					20,83,650		20,83,650
		55,14,93,816		55,14,93,816	38,46,37,042		38,46,37,042
Total Equity and liabilities		1,24,53,65,819	11,33,96,944	1,35,87,62,763	1,06,90,58,090	11,30,98,753	1,18,21,56,843



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2018

Notes (contd.)

- 1 Under IGAAP, the fixed assets were measured at cost. In accordance with Ind AS 101, the company has fair valued its free hold land resulting in the increase in the carrying value of Property Plant & Equipment.
- 2 Under previous GAAP, current investments were stated at lower of cost and fair value, under Ind AS, these financial assets have been classified as fair value through profit or loss on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.

3. Reconciliation Statement of Profit and Loss as previously reported under IGAAP to IND AS

Amount in Rs

Particulars	Note	For the Year ended 31 March 2017		
		Indian GAAP	Adjustments	Ind AS
Revenue from operations	4	68,33,38,925	(5,29,84,836)	63,03,54,089
Other Income	5	39,91,941	(2,98,192)	36,93,749
I Total Income		68,73,30,866	(5,32,83,028)	63,40,47,838
Cost of Material Consumed		28,27,07,415	—	28,27,07,415
Cost of Trading Goods		6,26,28,918	—	6,26,28,918
(Increase)/Decrease of Finished Goods		2,25,99,221	—	2,25,99,221
Excise duty on Sale of Goods	4	—	39,61,518	39,61,518
Employee benefit expenses	6	2,55,62,277	(9,17,030)	2,46,45,247
Other expenses	4	21,07,46,415	(5,69,46,354)	15,38,00,061
Total Expenses before Interest, Depreciation		60,42,44,246	(5,39,01,866)	55,03,42,380
Finance Cost		6,71,73,891	—	6,71,73,891
Depreciation and amortisation expenses		99,28,920	—	99,28,920
II Total Expenses		68,13,47,057	(5,39,01,866)	62,74,45,191
III Profit/(loss) before tax (I-II)		59,83,809	6,18,838	66,02,647
IV Tax expense:				
(1) Current tax		—	—	—
(2) Deferred tax		17,52,110	—	17,52,110
V Profit/(loss) for the period (III-IV)		42,31,699	6,18,838	48,50,537
Other Comprehensive Income		—	—	—
VI Items that will not be classified to statement of Profit or Loss		—	—	—
VII Remeasurements of the defined benefit liabilities/(asset)	6	—	(9,17,030)	(9,17,030)
Total Comprehensive Income for the Year		42,31,699	(2,98,192)	39,33,507

Notes

4. Under Ind AS, revenue from sales of goods is inclusive of excise duty and are net of sales tax, discounts.
5. Under Ind AS, mutual funds are valued at fair value instead of cost.
6. Under Ind AS, Acturial Gain/Loss on Gratuity routed through Other Comprehensive Income instead of Profit & Loss.

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 and on behalf of the Board of Directors

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number: 306033E
Hemant Kumar Lakhota
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

Binod Khaitan
Director
(DIN 00128502)

Vijaya Mohan
Independent Director
(DIN 02474421)

Suresh Kumar Bangur
Executive Director
(DIN 00040862)

Ajay Bangur
President & CFO

Shankar Banerjee
Dy. Secretary



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Financial Statements of THE PHOSPHATE COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its Subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
AC3-45073

THE PHOSPHATE COMPANY LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matters

We did not audit the financial statements/financial information of a subsidiary, whose financial statements/financial information reflect total assets of Rs.952.25 lacs as at 31st March 2018, total revenue of Nil and net cash outflows amounting to Rs.1.77 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information have been audited by other auditor whose report 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 these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

The audit of comparative financial information of the Company for the year ended 31st March 2018 prepared in accordance with applicable Accounting Standards was carried out by the predecessor auditor vide their unmodified report dated 25th May 2017, whose report have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of the financial results.

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company none of the directors is disqualified as on 31st March, 2018 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
AC3-45073

THE PHOSPHATE COMPANY LIMITED

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 35 to the consolidated Ind AS financial statements);
 - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts
 - There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

Place: Kolkata
Dated: May 22, 2018

For, S. K. AGRAWAL & CO
Chartered Accountants
Firm's Registration Number- 306033E
(Hemant Kumar Lakhota)
Partner
Membership No: 068851

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 Group as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of The Phosphate Company Limited ("the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

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 standalone 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company, incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Place: Kolkata
Dated: May 22, 2018

For, S. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration Number- 306033E
(Hemant Kumar Lakhota)
Partner
Membership No: 068851



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

Amount in Rs.

Particulars	Notes	31st March, 2018	31st March, 2017	1st April, 2016
ASSETS				
I. Non-current assets				
a) Property, Plant and Equipment	3	81,31,31,059	81,63,94,232	82,37,64,407
b) Capital Work-in-Progress	3	1,24,92,998	57,14,596	4,79,499
c) Financial Assets				
i) Investments	4	26,000	26,000	26,000
ii) Loans	5	46,13,033	46,61,249	48,28,479
d) Deferred Tax Assets (Net)	6	44,94,647	93,90,352	1,10,71,458
		<u>83,47,57,737</u>	<u>83,61,86,429</u>	<u>84,01,69,843</u>
II. Current assets				
a) Inventories	7	11,19,64,979	9,79,50,765	16,29,67,172
b) Financial Assets				
i) Investments	8	9,48,950	5,00,686	17,84,271
ii) Trade Receivables	9	20,64,14,629	22,73,05,751	30,61,19,874
iii) Cash and Cash Equivalents	10	6,05,237	7,55,930	40,58,933
iv) Other Bank Balances	11	1,17,36,970	96,17,310	1,79,20,660
v) Loans	12	45,000	47,000	33,000
vi) Other Financial Assets	13	4,84,01,994	4,68,99,727	5,29,04,025
c) Current Tax Asset (Net)	14	—	2,56,216	13,08,793
d) Other Current Assets	15	2,70,50,045	80,86,570	62,63,699
		<u>40,71,67,804</u>	<u>39,14,19,955</u>	<u>55,33,60,427</u>
Total Assets		<u>1,24,19,25,541</u>	<u>1,22,76,06,384</u>	<u>1,39,35,30,270</u>
EQUITY AND LIABILITIES				
A. Equity				
a) Equity Share Capital	16	3,60,74,800	3,60,74,800	3,60,74,800
b) Other Equity	17	66,01,51,570	64,59,41,394	64,20,87,345
		<u>69,62,26,370</u>	<u>68,20,16,194</u>	<u>67,81,62,145</u>
B. Liabilities				
I. Non-Current Liabilities				
a) Financial Liabilities				
i) Borrowings	18	10,16,52,050	10,08,34,818	11,25,47,386
ii) Other Financial Liabilities	19	1,24,74,756	1,25,73,763	1,25,67,943
b) Provisions	20	29,18,196	24,77,350	44,53,255
		<u>11,70,45,003</u>	<u>11,58,85,931</u>	<u>12,95,68,584</u>
II. Current liabilities				
a) Financial Liabilities				
i) Borrowings	21	26,55,35,611	29,29,61,625	37,37,28,035
ii) Trade Payables	22	12,21,14,076	10,15,50,419	15,33,38,927
iii) Other Financial Liabilities	23	1,24,41,842	1,78,62,772	3,08,55,230
b) Other Current Liabilities	24	2,48,57,610	1,52,45,793	2,78,77,349
c) Provisions	25	26,61,849	20,83,650	—
d) Current Tax Liabilities (Net)	26	10,43,380	—	—
		<u>42,86,54,168</u>	<u>42,97,04,259</u>	<u>58,57,99,541</u>
Total Equity and Liabilities		<u>1,24,19,25,541</u>	<u>1,22,76,06,384</u>	<u>1,39,35,30,270</u>

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For and on behalf of the Board of Directors

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number: 306033E

Binod Khaitan
Director
(DIN 00128502)

Vijaya Mohan
Independent Director
(DIN 02474421)

Hemant Kumar Lakhota
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

Suresh Kumar Bangur
Executive Director
(DIN 00040862)

Ajay Bangur
President & CFO

Shankar Banerjee
Dy. Secretary

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED

Amount in Rs.

Particulars	Notes	31st March, 2018	31st March, 2017
A INCOME			
I. Gross Sales / Income from Operations		75,45,72,036	68,73,00,443
Less : Discounts, Rebates & Taxes		(6,33,83,884)	(5,69,46,354)
Revenue from Operations		69,11,88,152	63,03,54,089
II Other Income	27	23,40,841	36,93,980
Total Income		69,35,28,993	63,40,48,069
B. Expenses			
III. Cost of Material Consumed	28	34,19,32,485	28,27,07,415
Purchase of Trading Goods		7,15,98,839	6,26,28,918
Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress	29	64,14,265	2,25,99,221
Excise Duty on Sale of Goods		5,93,615	39,61,518
Employee benefit Expenses	30	2,75,85,488	2,47,51,999
Other Expenses	32	16,26,48,522	15,38,41,879
Total Expenses		61,07,73,214	55,04,90,950
C. Earnings before Interest, Depreciation and Tax (EBIDTA) (A-B)		8,27,55,778	8,35,57,119
Finance Cost	31	5,08,61,954	6,71,74,656
Depreciation and amortisation expenses	3	1,03,34,605	99,34,920
IV. Profit Before Tax		2,15,59,219	64,47,543
V. Tax Expense :			
1. Current Tax		14,07,113	—
2. Deferred Tax		48,95,705	16,81,106
VI. Profit for the year (IV-V)		1,52,56,401	47,66,437
VII. Other Comprehensive Income			
Items that will not be classified to statement of Profit or Loss			
Remeasurements of the defined benefit liabilities		(10,46,225)	(9,17,030)
Total Comprehensive Income for the Year (VI-VII)		1,42,10,176	38,49,407
Earnings per equity share			
Basic & Diluted		4.23	1.32
Cash		7.09	4.08

Significant Accounting Policies 2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached.

For and on behalf of the Board of Directors

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number. 306033E

Binod Khaitan
Director
(DIN 00128502)

Vijaya Mohan
Independent Director
(DIN 02474421)

Hemant Kumar Lakhota
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

Suresh Kumar Bangur
Executive Director
(DIN 00040862)

Ajay Bangur
President & CFO

Shankar Banerjee
Dy. Secretary

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Consolidated Statement of Changes in Equity for the year ended 31st March 2018

a. Equity Share Capital

Amount in Rs.

Balance as at 1 April 2016	3,60,74,800
Changes in Equity Share Capital during the year 2016-17	—
Balance as at 31 March 2017	3,60,74,800
Changes in Equity Share Capital during the year 2017-18	—
Balance as at 31 March 2018	3,60,74,800

	Reserve and Surplus			Other Comprehensive Income	Total Other Equity
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 April 2016	2,62,50,000	64,60,28,254	(3,04,23,909)	2,33,000	64,20,87,345
Profit for the year	—	—	47,66,437	—	47,66,437
Excess provision written back	—	—	4,642	—	4,642
Other Comprehensive Income	—	—	—	(9,17,030)	(9,17,030)
Balance as at 31 March 2017	2,62,50,000	64,60,28,254	(2,56,52,830)	(6,84,030)	64,59,41,394
Balance as at 1 April 2017	2,62,50,000	64,60,28,254	(2,56,52,830)	(6,84,030)	64,59,41,394
Profit for the year	—	—	1,52,56,401	—	1,52,56,401
Other Comprehensive Income	—	—	—	(10,46,225)	(10,46,225)
Balance as at 31 March 2018	2,62,50,000	64,60,28,254	(1,03,96,429)	(17,30,255)	66,01,51,570

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number: 306033E

Hemant Kumar Lakhota
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May 2018

For and on behalf of the Board of Directors

Binod Khaitan
Director
{DIN 00128502}

Suresh Kumar Bangur
Executive Director
{DIN 00040862}

Vijaya Mohan
Independent Director
{DIN 02474421}

Ajay Bangur
President & CFO

Shankar Banerjee
Dy. Secretary

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For The Phosphate Co. Ltd.

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Company Secretary
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THE PHOSPHATE COMPANY LIMITED

Consolidated Cash Flow Statement for the year ended 31 March 2018

Particulars	Amount in Rs.	
	31 March 2018	31 March 2017
A. Cash Flow from Operating Activities		
Net Profit before Tax	2,05,12,994	55,35,155
Add: Adjustments for Non Cash & Non Operating Items		
Interest Received	(10,66,835)	(14,08,398)
Interest Paid	4,88,67,586	5,77,78,564
Depreciation	1,03,34,605	99,34,920
Operating Profit before Working Capital Changes	7,86,48,351	7,18,40,241
Add: Increase /Decrease in Working Capital		
Increase in Current Liabilities	2,47,54,344	(7,74,12,522)
(Increase)/Decrease in Non-Current/Current Financial and other Assets	(2,10,34,919)	66,47,709
Increase/(Decrease) in Non-Current/Current Financial and other Liabilities	3,41,839	(19,70,085)
Decrease in Provision	5,78,199	20,83,650
Increase in Investments	(4,48,264)	12,83,585
Increase in Inventories	(1,40,14,214)	6,50,16,407
Trade & Other Receivables	1,93,90,855	8,48,04,421
Cash generated from Operation	95,67,841	8,04,53,165
Direct Tax Paid	8,82,16,191	15,22,93,406
	(1,07,517)	10,52,577
Net Cash flow from Operating Activities	8,81,08,675	15,33,45,883
B. Cash Flow from Investing Activities		
Purchase of Fixed assets/CWIP	(1,39,89,507)	(78,10,544)
Sale of Fixed Assets	1,39,673	10,702
Interest Received	10,66,835	14,08,398
Net Cash used in Investing Activities	(1,27,82,999)	(63,91,444)
C. Cash Flow from Financing Activities		
Net Proceeds from Borrowings	(2,66,08,782)	(9,24,78,978)
Interest Paid	(4,88,67,586)	(5,77,78,564)
Net Cash used in Financing Activities	(7,54,76,368)	(15,02,57,542)
Net Changes in Cash & Cash Equivalents (A+B+C)	(1,50,693)	(33,03,003)
Cash & Cash Equivalents-Opening Balance	7,55,930	40,58,933
Cash & Cash Equivalents-Closing Balance#	6,05,237	7,55,930

Fixed Deposit having original maturity of over 3 months not included

As per our report of even date attached.

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number: 306033E

Hemant Kumar Lakhota
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

For and on behalf of the Board of Directors

Binod Khaitan
Director
{DIN 00128502}

Suresh Kumar Bangur
Executive Director
{DIN 00040862}

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Shankar Banerjee
Dy. Secretary

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For The Phosphate Co. Ltd.

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Shankar Banerjee
Company Secretary
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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

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, 2018.

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 (CSE). The Company is primarily engaged in the business of farm inputs comprising of fertiliser, crop protection, specialty nutrients and organic compost & Acid. 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) notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements are prepared under the historical cost convention on the accrual basis except for certain items of assets and liabilities which have been measured at their fair values.

The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101-First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with relevant Rules which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 39.

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:

- 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.
- 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.
- 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.



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

- iv) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's financial statements.
- v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company.
- c) Revenue Recognition**
- Revenue from sale of goods in the course of ordinary activities is recognized when all significant risks and rewards of their ownership are transferred to the customer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue is measured at the fair value of the consideration received or receivable and includes excise duty and are net of returns and allowances, trade discounts, volume rebates and value added tax and goods and service tax.
- 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 Company's product are accounted on accrual basis and where there is a reasonable assurance that such subsidy will be receivable and the company will be able to comply with the requirements attached with its realisation.
- e) 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



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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

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 and the resulting exchange gains or losses are included in Other Income/Financial Cost.

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.



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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

- 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. 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

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



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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

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 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.

n) Borrowing Cost

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

o) Income Taxes

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

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



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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

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 subsidiary and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

p) Earnings per Share

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

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

q) Recent Accounting Pronouncements

Ind AS 115 – Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f 01.04.2018.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 3 Property, plant and equipment (Current Year)

Amount in Rs

Description	Gross block				Accumulated depreciation				Net block	
	1 April 2017	Additions	Disposals/ Adjustments	31 March 2018	1 April 2017	Additions	Disposals/ Adjustments	31 March 2018	31 March 2018	31 March 2017
Freehold land	71,13,27,021	—	—	71,13,27,021	—	—	—	—	71,13,27,021	71,13,27,021
Building	3,92,06,848	6,35,968	2,72,809	3,95,70,007	21,00,382	26,38,674	1,74,670	45,64,186	3,50,05,821	3,71,06,466
Plant & machinery	7,16,79,808	48,17,863	1,53,483	7,63,44,188	67,25,128	68,93,119	1,45,809	1,34,72,438	6,28,71,750	6,49,54,680
Computers	2,51,295	2,01,436	—	4,52,731	1,14,077	25,062	—	1,39,139	3,13,592	1,37,218
Water & Acid Installation	13,35,181	—	—	13,35,181	41,266	2,27,980	—	2,69,246	10,65,935	12,93,915
Laboratory Equipment	4,38,026	—	—	4,38,026	1,12,094	80,632	—	1,92,726	2,45,300	3,25,932
Furniture & Fittings	5,85,416	73,871	96,355	5,62,932	1,08,810	2,05,495	91,538	2,22,767	3,40,165	4,76,606
Motor Cars & Trucks	11,33,635	14,81,967	5,23,369	20,92,233	3,69,664	2,62,498	4,94,126	1,38,036	19,54,197	7,63,971
Electric Installation	10,056	—	—	10,056	1,633	1,145	—	2,778	7,278	8,423
Total Tangible Assets	82,59,67,286	72,11,105	10,46,016	83,21,32,375	95,73,054	1,03,34,605	9,06,343	1,90,01,316	81,31,31,059	81,63,94,232
Capital work-in-progress	57,14,596	71,08,402	3,30,000	1,24,92,998	—	—	—	—	1,24,92,998	57,14,596
Total	83,16,81,882	1,43,19,507	13,76,016	84,46,25,373	95,73,054	1,03,34,605	9,06,343	1,90,01,316	82,56,24,057	82,21,08,828

Note 3 Property, plant and equipment (Previous Year)

Description	Gross block				Accumulated depreciation				Net block	
	1 April 2016	Additions	Disposals/ Adjustments	31 March 2017	1 April 2016	Additions	Disposals/ Adjustments	31 March 2017	31 March 2017	31 March 2016
Freehold land	71,13,27,021	—	—	71,13,27,021	—	—	—	—	71,13,27,021	71,13,27,021
Building	3,92,06,848	—	—	3,92,06,848	—	21,00,382	—	21,00,382	3,71,06,466	3,92,06,848
Plant & machinery	6,95,38,652	21,41,156	—	7,16,79,808	—	67,25,128	—	67,25,128	6,49,54,680	6,95,38,652
Computers	2,25,780	25,515	—	2,51,295	—	1,14,077	—	1,14,077	1,37,218	2,25,780
Water & Acid Installation	12,31,072	2,92,558	1,88,449	13,35,181	—	2,27,981	1,86,715	41,266	12,93,915	12,31,072
Laboratory Equipment	4,38,026	—	—	4,38,026	—	1,12,094	—	1,12,094	3,25,932	4,38,026
Furniture & Fittings	6,53,317	1,16,218	1,84,119	5,85,416	—	2,83,961	1,75,151	1,08,810	4,76,606	6,53,317
Motor Cars & Trucks	11,33,635	—	—	11,33,635	—	3,69,664	—	3,69,664	7,63,971	11,33,635
Electric Installation	10,056	—	—	10,056	—	1,633	—	1,633	8,423	10,056
Total Tangible Assets	82,37,64,407	25,75,447	3,72,568	82,59,67,286	—	99,34,920	3,61,866	95,73,054	81,63,94,232	82,37,64,407
Capital work-in-progress	4,79,499	57,14,596	4,79,499	57,14,596	—	—	—	—	57,14,596	4,79,499
Total	82,42,43,906	82,90,043	8,52,067	83,16,81,882	—	99,34,920	3,61,866	95,73,054	82,21,08,828	82,42,43,906



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 4 Investments - Non Current			
Investments carried at amortised Cost			
Investments in Government or trust securities			
National Savings Certificate	26,000	26,000	26,000
Total	26,000	26,000	26,000
Note 5 Loans - Non Current			
(Unsecured, considered good)			
Financial assets carried at amortised cost			
Security deposits	46,13,033	46,61,249	48,28,479
Total	46,13,033	46,61,249	48,28,479
Note 6 Deferred Tax Asset/(Liabilities)			
Deferred Tax Assets			
Losses/ Unabsorbed Depreciation under Income Tax	1,23,92,273	2,22,06,519	2,39,24,952
Expenses allowable against taxable income in future years	25,61,510	—	—
Deferred Tax Liabilities			
Timing difference in depreciable assets	(1,04,59,136)	(1,28,16,167)	(1,28,53,494)
Total	44,94,647	93,90,352	1,10,71,458
Note 7 Inventories			
(Valued at lower of cost or net realisable value)			
Raw Materials	7,80,63,974	5,67,85,016	10,00,93,049
Packing Materials	23,75,245	28,00,568	20,31,155
Stores & Spare Parts	1,07,00,582	1,11,25,738	1,10,68,732
Finished Goods (including WIP)	2,08,25,178	2,72,39,443	4,97,74,236
Total	11,19,64,979	9,79,50,765	16,29,67,172
Note 8 Investments - Current			
Investment carried at fair value through Profit & Loss (at fair value NAV)			
Investments in Mutual Funds (Unquoted)			
Nil (3758.90 units) Birla Sunlife Cash Plus Collection	—	—	9,12,548
Nil (734.45 units) ICICI Prudential Liquid Plan- Growth	—	—	1,62,168
Nil (286.50 units) UTI Liquid Cash Plan	—	—	7,09,555
Nil (24,328.76 units) SBI Dynamic Bond Fund Growth	—	5,00,886	—
396.142 units Reliance Money Manager Fund Growth	9,48,950	—	—
Total	9,48,950	5,00,886	17,84,271



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
AOC-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 9 Trade Receivables (Unsecured, considered good)			
Financial Assets carried at amortised cost			
Trade receivables-Market	6,47,73,889	5,62,40,096	8,45,25,004
Subsidy receivable from Central Government	14,16,40,740	17,10,65,655	22,15,94,870
Total	20,64,14,629	22,73,05,751	30,61,19,874
Note 10 Cash and Cash Equivalents			
Financial Assets carried at amortised cost			
Balance with banks	1,15,221	2,80,363	36,14,982
Cash on hand	4,90,016	4,75,568	4,43,952
Total	6,05,237	7,55,930	40,58,933
Note 11 Other Bank Balances			
Financial Assets carried at amortised cost			
Fixed deposits having original maturity more than 3 months but less than 12 months (pledged)	1,17,36,970	96,17,310	1,79,20,660
Total	1,17,36,970	96,17,310	1,79,20,660
Note 12 Loans- Current (Unsecured, considered good)			
Financial Assets carried at amortised cost			
Advances to Employees	45,000	47,000	33,000
Total	45,000	47,000	33,000
Note 13 Other Financial Assets- Current (Unsecured, considered good)			
Financial Assets carried at amortised cost			
Interest Receivable			
From Banks	4,94,497	3,05,650	10,93,936
From Others	2,17,511	2,13,149	2,36,183
Other Advances	4,76,89,986	4,63,80,928	5,15,73,906
Total	4,84,01,994	4,68,99,727	5,29,04,025
Note 14 Current tax assets (Net)			
Advance income tax (net of provision)	—	2,56,216	13,08,793
Total	—	2,56,216	13,08,793
Note 15 Other Current Assets (Unsecured, considered good)			
Advance to suppliers	7,64,498	26,01,871	4,10,701
Advances against expenses	27,52,211	30,72,614	30,02,685
Prepaid expenses	17,14,699	20,78,980	25,05,022
Input tax receivable	2,18,18,637	3,33,105	3,45,291
Total	2,70,50,045	80,86,570	62,63,699



For The Phosphate Co. Ltd.

Shankar Banerjee
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Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 16 Equity share capital			
Authorised capital			
1,00,00,000 equity shares of Rs. 10 each	10,00,00,000	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>	<u>10,00,00,000</u>
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
	<u>3,60,74,800</u>	<u>3,60,74,800</u>	<u>3,60,74,800</u>

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

	31 March 2018		31 March 2017		1 April 2016	
	No of shares	Amount	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	36,07,480	3,60,74,800
Add: Share issued during the year	—	—	—	—	—	—
Equity shares at the end of the year	<u>36,07,480</u>	<u>3,60,74,800</u>	<u>36,07,480</u>	<u>3,60,74,800</u>	<u>36,07,480</u>	<u>3,60,74,800</u>

b) Rights/preferences/restrictions attached to equity shares

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

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

	As on 31 March 2018		As on 31 March 2017		As on 1 April 2016	
	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
Madhav Trading Corpn. Ltd.	3,74,880	10.39	3,74,880	10.39	3,39,880	9.42
Shrivats Khaitan	2,31,000	6.40	2,31,000	6.40	55,000	1.52
Life Insurance Corporation of India	1,89,240	5.25	1,89,240	5.25	1,89,240	5.25



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 17 Other Equity			
Securities Premium			
Opening Balance	2,62,50,000	2,62,50,000	—
Addition during the Year	—	—	—
	<u>2,62,50,000</u>	<u>2,62,50,000</u>	<u>2,62,50,000</u>
General Reserve			
Opening Balance	64,60,28,254	64,60,28,254	—
Addition during the Year	—	—	—
	<u>64,60,28,254</u>	<u>64,60,28,254</u>	<u>64,60,28,254</u>
Retained Earnings			
Opening Balance	(2,56,52,830)	(3,04,23,909)	—
Profit for the Year	1,52,56,401	47,66,437	—
Excess Provision written back	—	4,642	—
	<u>(1,03,96,429)</u>	<u>(2,56,52,830)</u>	<u>(3,04,23,909)</u>
Other Comprehensive Income			
Opening Balance	(6,84,030)	2,33,000	—
Addition during the Year	(10,46,225)	(9,17,030)	—
	<u>(17,30,255)</u>	<u>(6,84,030)</u>	<u>2,33,000</u>
Total	<u>66,01,51,570</u>	<u>64,59,41,394</u>	<u>64,20,87,345</u>
Note 18 Borrowings (Non Current)			
Financial Liabilities carried at amortised cost			
Secured			
Term loans from bank	—	—	1,15,00,000
Vehicle loans from banks	16,52,050	8,34,818	10,47,386
Unsecured			
From Limited Companies	8,50,00,000	10,00,00,000	10,00,00,000
From Related Parties	1,50,00,000	—	—
From Others	—	—	—
Total	<u>10,16,52,050</u>	<u>10,08,34,818</u>	<u>11,25,47,386</u>
Vehicle loan is secured by first charge by way of hypothecation of cars purchased under the scheme. Current Interest rate is 9.20-11.20%			
Note 19 Other financial liabilities - Non Current			
Financial Liabilities carried at amortised cost			
Deposit from Dealers	1,24,74,756	1,25,73,763	1,25,67,943
Total	<u>1,24,74,756</u>	<u>1,25,73,763</u>	<u>1,25,67,943</u>



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs As at April 01, 2016
Note 20 Provisions - Non Current			
Provisions for Employee Benefits			
Leave Encashment	29,18,196	24,77,350	44,53,255
Total	<u>29,18,196</u>	<u>24,77,350</u>	<u>44,53,255</u>
Note 21 Borrowings - Current			
Financial Liabilities carried at amortised cost			
Secured			
From Banks			
Cash Credit	17,21,18,417	10,32,39,251	14,79,71,537
Buyers Credit in Foreign Currency	—	—	1,76,06,498
Unsecured			
From Limited Companies			
From Related Parties	5,91,17,194	9,14,22,374	12,48,50,000
From Others	3,43,00,000	9,83,00,000	8,33,00,000
Total	<u>26,55,35,611</u>	<u>29,29,61,625</u>	<u>37,37,28,035</u>

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 12.14.10%

Note 22 Trade payables			
Financial Liabilities carried at amortised cost			
Micro, Small and Medium Enterprises	—	—	—
Others	12,21,14,076	10,15,50,419	15,33,38,927
Total	<u>12,21,14,076</u>	<u>10,15,50,419</u>	<u>15,33,38,927</u>

Notes : Disclosure of payables to MSME vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with Group regarding the status of registration of such vendors under the said Act.

There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Note 23 Other financial liabilities - Current			
Financial Liabilities carried at amortised cost			
Current Maturities of Term loans	20,00,000	1,15,00,000	1,40,00,000
Current Maturities of Vehicle loans	4,71,493	2,12,399	1,91,021
Term Loan	—	—	—
Interest accrued and due	82,23,536	59,21,095	92,48,520
Employee Benefits	15,01,970	10,69,223	8,61,089
Financial Liabilities carried at Fair Value through Profit & Loss			
(Gain)/Loss on Fair Valuation of Forward Contracts	2,44,643	(8,39,945)	65,54,600
Total	<u>1,24,41,642</u>	<u>1,78,62,772</u>	<u>3,08,55,230</u>



For The Phosphate Co. Ltd.

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Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	As at March 31,2018	As at March 31,2017	Amount in Rs As at April 01,2016
Note 24 Other current liabilities			
Advance from customers	64,01,890	61,23,462	40,06,774
Duties & Taxes			
Employee related payables	—	1,68,069	1,52,600
Statutory & other dues payables	1,07,36,873	22,82,962	33,08,574
Liability for expenses	77,18,848	66,71,300	2,04,09,401
Total	2,48,57,610	1,52,45,793	2,78,77,349
Note 25 Provisions - Current			
Provisions for Employee Benefits			
Leave Encashment	26,61,849	20,83,650	—
Total	26,61,849	20,83,650	—
Note 26 Current Tax Liabilities (Net)			
Provision for Income Tax (Net of Advance Tax)	10,43,380	—	—
Total	10,43,380	—	—
	For the year ended March 31,2018	For the year ended March 31,2017	
Note 27 Other income			
Interest income on			
Fixed Deposits	10,66,835	14,08,398	
Others	37,819	52,116	
Profit on sales of Property, plant and equipment	55,990	6,918	
Liability no longer required written back	6,32,379	1,58,651	
Insurance claim received	46,673	40,642	
Profit on Redemption of Mutual Fund	8,312	65,819	
Gain on measuring investments at FVTPL	48,264	686	
Scrap Sales	4,44,570	19,60,750	
Total	23,40,841	36,93,980	
Note 28 Cost of Material Consumed:			
Raw Materials	32,57,91,979	26,83,60,495	
Packing Materials	1,61,40,506	1,43,46,920	
Total	34,19,32,485	28,27,07,415	
Note 29 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress			
Closing Stock	2,08,25,178	2,72,39,443	
Less : Opening Stock	(2,72,39,443)	(4,97,74,236)	
Balance	(64,14,265)	(2,25,34,793)	
Add : Increase / (Decrease) in Excise Duty	—	(64,428)	
Total	(64,14,265)	(2,25,99,221)	



For The Phosphate Co. Ltd.

Shankar Banerjee
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Company Secretary
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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	For the year ended March 31, 2018	Amount in Rs For the year ended March 31, 2017
Note 30 Employee benefit expenses		
Salaries, wages and bonus	2,15,51,187	2,01,62,935
Staff welfare	31,63,667	29,36,095
Contribution to Provident & other funds	28,70,634	16,52,969
Total	2,75,85,488	2,47,51,999
Note 31 Finance costs		
Interest	4,88,67,586	5,77,78,564
Bank charges	33,18,572	43,04,614
Foreign Exchange Rate Fluctuation	(14,24,204)	48,99,478
Other Charges	1,00,000	1,92,000
Total	5,08,61,954	6,71,74,656
Note 32 Other expenses		
Consumption of Stores and Spares	79,52,820	51,48,532
Power and Fuel Expenses	2,15,85,269	1,74,97,541
Repairs to : Building	9,69,306	6,78,164
Machinery	6,44,497	5,55,593
Others	3,06,199	2,63,688
Manufacturing & Supervision Charges	1,30,09,405	1,05,53,206
Storage & Handling Expenses	1,75,50,699	1,91,39,220
Packing Expenses	47,72,667	38,15,329
Freight, Delivery Expenses	7,38,39,129	7,16,08,422
Selling Expenses	1,04,38,201	1,07,25,913
Rent	5,20,400	4,35,938
Rates and Taxes	10,69,181	16,92,373
Payment to Auditors : Audit Fee	55,750	43,700
Certification Fee	60,878	39,105
Legal & Professional Expenses	26,81,427	32,74,757
Director's Fees : Board Meeting Fee	3,40,000	1,20,000
Audit Committee Fee	1,28,000	40,000
Information & Technology Expenses	59,419	68,024
Insurance Charges	3,48,982	4,11,642
Motor Vehicle Expenses	12,11,661	11,10,801
Maintenance Expenses	21,40,855	21,88,648
Miscellaneous Expenses	29,63,780	44,31,283
Total	16,26,48,522	15,38,41,879



For The Phosphate Co. Ltd.

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ACB-45,73

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	31 March, 2018	Amount in Rs 31 March, 2017
Note 33 Effective tax reconciliation		
Income Tax Recognised in Statement of Profit & Loss		
Current Tax	14,07,113	—
Deferred Tax	48,95,705	16,81,106
Total Income Tax Expense recognised in the current year	63,02,818	16,81,106
The income tax expense can be reconciled to the accounting profit as follows :		
Profit before tax	2,15,59,219	64,47,543
Applicable tax rate	33.06%	30.90%
Computed Tax Expense	71,28,125	19,92,291
Tax effect of :		
Benefit on account of unabsorbed losses under Income Tax	(98,14,246)	(17,18,433)
Timing difference in respect of expenses allowed under Income Tax	26,86,121	(2,73,858)
Liability under Minimum Alternate Tax	14,07,113	—
Current Tax Provision (A)	14,07,113	—
Reversal of Deferred Tax Asset on unabsorbed losses under Income Tax	98,14,246	17,18,433
Deferred Tax Asset on items allowed on payment basis	(49,18,541)	(37,327)
Deferred Tax Provision (B)	48,95,705	16,81,106
Tax Expenses recognised in the Statement of Profit & Loss (A+B)	63,02,818	16,81,106
Effective Tax Rate	29.23	26.07
Note 34 Earnings per equity share		
Profit as per Statement of Profit and Loss	1,52,56,401	47,66,437
Weighted average number of equity shares	36,07,480	36,07,480
Earnings per share - Basic and Diluted	4.23	1.32

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

I) Contingent Liabilities

Claims against the company/disputed liabilities not acknowledged as Debts

Particulars	31 March 2018	31 March 2017	1 April 2016
Entry Tax Matters	—	77,11,036	57,91,365
Income Tax matter under appeal in respect of TDS deposit for A.Y. 2007-08 before C.I.T. (A)	—	2,71,910	2,71,910
Total	—	79,82,946	60,63,275
II) Guarantees given			
Guarantees given by the Company not acknowledged as debt	1,99,660	1,99,660	1,99,660
Total	1,99,660	1,99,660	1,99,660
III) Commitments			
Commitment of Capital Expenditure not provided for in the accounts (Estimated)	5,70,000	23,20,000	26,70,000



For The Phosphate Co. Ltd.

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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

Amount in Rs

Note 36 Employee Benefit Obligations

I) Defined Contribution Plan

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

Particulars

Employers' Contribution to Provident Fund

31 March, 2018	31 March, 2017
12,63,473	10,70,396

II) Defined Benefit Plan

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

Particulars	Gratuity		Accumulated Leave	
	Funded		Unfunded	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
(I) Amount recognised in the statement of profit and loss is				
Current service cost	7,13,131	6,36,325	3,89,168	1,12,146
Interest cost	(30,196)	(1,20,341)	3,46,367	3,04,420
Actuarial loss/(gain) recognized during the year	—	—	4,66,986	1,99,906
Amount recognized in the statement of profit and loss	6,82,935	5,15,984	12,02,521	6,16,472
(II) Changes In Present Value Obligation				
Present value of defined benefit obligation as at the start of the	1,29,73,221	1,21,33,208	45,61,000	44,53,255
Current service cost	7,13,131	6,36,325	3,89,168	1,12,146
Interest cost	9,80,172	8,18,896	3,46,367	3,04,420
Actuarial loss/(gain) recognized during the year	11,75,551	10,60,971	4,66,987	1,99,906
Benefits paid	(6,51,693)	(16,76,179)	(1,83,476)	(5,08,727)
Present value of Defined Benefit Obligation as at the end of the year	1,51,90,382	1,29,73,221	55,80,046	45,61,000
(III) Change in fair value of plan assets				
Fair value of plan assets as at the start of the year	1,30,37,000	1,29,55,000	—	—
Return on plan assets	1,29,326	1,43,941	—	—
Interest Income	10,10,368	9,39,238	—	—
Actuarial loss/(gain)	—	—	—	—
Contribution	17,00,000	6,75,000	—	—
Benefits paid	(6,51,693)	(16,76,179)	(1,83,476)	—
Fair value of plan assets as at the end of the year	1,52,25,001	1,30,37,000	—	—



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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	Gratuity		Amount in Rs Accumulated Leave	
	Funded		Unfunded	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Reconciliation of present value of defined benefit obligation and the fair value of plan assets				
Funded Status	34,619	63,779	—	—
Present value obligation				
as at the end of the year	1,51,90,382	1,29,73,221	55,80,046	45,61,000
Fair value of plan assets				
as at the end of the year	1,52,25,001	1,30,37,000	—	—
Net liability/(asset) recognized in balance sheet	<u>—</u>	<u>—</u>	<u>55,80,046</u>	<u>45,61,000</u>
Amount recognised in the statement of Other Comprehensive Income				
Actuarial Gain/(Loss) for the year on PBO	1,82,391	(2,54,664)	—	—
Actuarial Gain/(Loss) for the year on Asset	(13,57,942)	(8,06,307)	—	—
Return on Plan Asset, Excluding Interest Income	1,29,326	1,43,941	—	—
Unrecognised actuarial Gain/(Loss) at the end of the year	<u>(10,46,225)</u>	<u>(9,17,030)</u>	<u>—</u>	<u>—</u>
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	1,82,391	(2,54,664)	—	—
Actuarial Gain/(Loss) on arising from experience adjustment	(13,57,942)	(8,06,307)	—	—
Assumptions				
Financial Assumptions				
Discount rate p.a.	7.75%	7.25%	7.75%	7.25%
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	6 Years	6 Years

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



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THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

Amount in Rs

Sensitivity Analysis

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

	As at 31 March 2018		As at 31st March 2017	
	Increase	Decrease	Increase	Decrease
Sensitivity analysis for Gratuity				
Discount Rate (-/+ 0.5%)	1,50,16,300	1,53,72,818	1,28,01,326	1,31,53,938
% Change Compared to base due to sensitivity	-1.15%	1.20%	-1.33%	1.39%
Salary Growth (-/+ 0.5%)	1,53,71,451	1,50,15,996	1,31,51,862	1,28,01,715
% Change Compared to base due to sensitivity	1.19%	-1.15%	1.38%	-1.32%
Attrition Rate (-/+ 0.5%)	1,51,93,724	1,51,87,040	1,29,76,075	1,29,70,367
%Change Compared to base due to sensitivity	0.02%	-0.02%	0.02%	-0.02%
Mortality Rate (-/+ 10%)	1,52,16,509	1,51,64,255	1,29,97,870	1,29,48,572
%Change Compared to base due to sensitivity	0.17%	-0.17%	0.19%	-0.19%

	As at 31 March 2018		As at 31st March 2017	
	Increase	Decrease	Increase	Decrease
Sensitivity analysis for Accumulated Leave				
Discount Rate (-/+ 0.5%)	54,90,365	56,75,135	44,82,323	46,44,466
%Change Compared to base due to sensitivity	-1.61%	1.70%	-1.73%	1.83%
Salary Growth (-/+ 0.5%)	56,74,458	54,90,183	46,43,508	44,82,505
%Change Compared to base due to sensitivity	1.69%	-1.61%	1.81%	-1.72%
Attrition Rate (-/+ 0.5%)	55,82,278	55,77,814	45,62,824	45,59,176
%Change Compared to base due to sensitivity	-0.04%	-0.04%	0.04%	-0.04%
Mortality Rate (-/+ 10%)	55,92,549	55,67,543	45,71,673	45,50,327
%Change Compared to base due to sensitivity	0.22%	0.22%	0.23%	-0.23%

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.

Effect of plan on Entity's future Cash Flow

Expected contribution during the next annual reporting period:

Gratuity 2017-18

The Company's best estimate of contribution during the next year 2,11,429



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
Asst. Secy.

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

	Allocation of Plan Asset (Rs.)		Amount in Rs Allocation in % of Plan Asset	
	Gratuity (Funded)		Gratuity (Funded)	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Table Showing Allocation of Plan Asset at the end Measurement Period				
Cash & Cash Equivalents	7,03,404	12,14,730	4.62%	9.32%
Special Deposit Scheme	5,19,833	5,19,833	3.41%	3.99%
State Government Securities	82,40,090	72,71,840	54.12%	55.78%
Government of India Securities	2,01,250	2,01,250	1.32%	1.54%
Corporate Bonds	46,50,065	34,08,315	30.54%	26.14%
Debt Securities	2,15,000	—	1.41%	—
Other	6,95,358	4,21,032	4.57%	3.23%
Total	1,52,25,000	1,30,37,000	100.00%	100.00%

Note 37 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 38 The Company has preferred an appeal before High Court Kolkata against dismissal of writ petition earlier filed by the Company for recovery.

Note 39 Financial instruments and other related disclosures

i. Capital Management

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

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

The debt equity ratio highlights the ability of a business to repay its debts. As at 31st March, 2018, the ratio was 0.5236

Particulars	31 March 2018	31 March 2017	Amount in Rs 1 April 2016
Equity Share Capital	3,60,74,800	3,60,74,800	3,60,74,800
Other Equity	66,01,51,570	64,59,41,394	64,20,87,345
Total Equity (A)	69,62,26,370	68,20,16,194	67,81,62,145
Non-Current Borrowings	10,16,52,050	10,08,34,818	11,25,47,386
Short Term Borrowings	27,62,30,640	31,05,95,119	39,71,67,576
Total Borrowings (Gross Debt) (B)	37,78,82,690	41,14,29,937	50,97,14,962
Less: Investments	(9,74,950)	(5,26,686)	(18,10,271)
Less: Cash and Cash Equivalents	(6,05,237)	(7,55,930)	(40,58,933)
Less: Other Bank Balances	(1,17,36,970)	(96,17,310)	(1,79,20,660)
Net Debt (C)	36,45,65,533	40,05,30,011	48,59,25,098
Net Debt to Equity (C/A)	0.5236	0.5873	0.7165



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACCA 4073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

Amount in Rs

Disclosures on Financial Instruments

i) Financial Instruments by Category

As at March 31, 2018

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

As at March 31, 2017

Particulars	Amortised Cost	Fair Value through PL	Total Carrying	Total Fair Value
Financial Assets				
Investments	26,000	5,00,686	5,26,686	5,26,686
Trade Receivables	22,73,05,751	—	22,73,05,751	22,73,05,751
Cash and Cash Equivalents	7,55,930	—	7,55,930	7,55,930
Other Bank Balances	96,17,310	—	96,17,310	96,17,310
Loans	47,08,249	—	47,08,249	47,08,249
Other Financial Assets	4,68,99,727	-	4,68,99,727	4,68,99,727
Total Financial Assets	28,93,12,967	5,00,686	28,98,13,653	28,98,13,653
Financial Liabilities				
Borrowings	39,37,96,443	—	39,37,96,443	39,37,96,443
Trade Payables	10,15,50,419	—	10,15,50,419	10,15,50,419
Other Financial Liabilities	3,12,76,480	(8,39,945)	3,04,36,535	3,04,36,535
Total Financial Liabilities	52,66,23,342	(8,39,945)	52,57,83,397	52,57,83,397



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018
As at April 01, 2016

Particulars	Amortised Cost	Fair Value through PL	Amount in Rs	
			Total Carrying Value	Total Fair Value
Financial Assets				
Investments	26,000	17,84,271	18,10,271	18,10,271
Trade Receivables	30,61,19,874	—	30,61,19,874	30,61,19,874
Cash and Cash Equivalents	40,58,933	—	40,58,933	40,58,933
Other Bank Balances	1,79,20,660	—	1,79,20,660	1,79,20,660
Loans	48,61,479	—	48,61,479	48,61,479
Other Financial Assets	5,29,04,025	—	5,29,04,025	5,29,04,025
Total Financial Assets	38,58,90,972	17,84,271	38,76,75,242	38,76,75,242
Financial Liabilities				
Borrowings	48,62,75,421	—	48,62,75,421	48,62,75,421
Trade Payables	15,33,38,927	—	15,33,38,927	15,33,38,927
Other Financial Liabilities	3,68,68,573	65,54,600	4,34,23,173	4,34,23,173
Total Financial Liabilities	67,64,82,921	65,54,600	68,30,37,521	68,30,37,521

(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 2018	31 March 2017	1 April 2016
Financial Assets				
Current Investments	Level 1	9,48,950	5,00,686	17,84,271
Derivative financial instruments - Foreign Currency Forward Contracts	Level 2	2,44,643	(8,39,945)	65,54,600

(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.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

(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 and by the use of interest rate swap contracts. 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.

The sensitivity analyses below have been determined based on average floating rate liabilities outstanding as on beginning and end of the reporting period. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2018 would decrease/increase by Rs 19,37,920 lakhs (for the year ended March 31, 2017: decrease/ increase by Rs 22,64,938).

(b) Foreign currency risks

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

Particulars	31 March 2018	31 March 2017	1 April 2016
Foreign Currency Payable (Amount in USD)	16,13,693	9,56,066	23,47,458

(B) Liquidity risk

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

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

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

Particulars	31 March 2018	31 March 2017	1 April 2016
One Year or less			
Borrowings	26,55,35,611	29,29,61,625	37,37,28,035
Trade Payables	12,21,14,076	10,15,50,419	15,33,38,927
Other Financial Liabilities	1,24,41,642	1,78,62,772	3,08,55,230
More than One Year			
Borrowings	10,16,52,050	10,08,34,818	11,25,47,386
Trade Payables	—	—	—
Other Financial Liabilities	1,24,74,756	1,26,73,763	1,25,67,943

(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.



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

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 40 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

2. Directors

Shri Binod Khaitan	Non Executive Director
Shri Hemant Bangur	Non Executive Director
Shri Dilip P Goculdas	Independent Director
Smt. Vijaya Mohan	Independent Director

3. Entities over which Directors, Key Managerial Personnel and their relatives have significant influence

Art Finance & Trade Pvt Ltd
Credwyn Holdings India Pvt Ltd
Gloster Limited
Devendra Finvest & Holding Pvt Ltd
Joankolle Tea & Industries Ltd
Kanchan Udyog Ltd
Kettlewell Bullen & Co. Ltd
Kherapati Vanijya Ltd
PDGD Investments & Trading Private Ltd
Chintamani Holdings Pvt Ltd
Mani Invest Brokers Pvt Ltd

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For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

The following table summarises related-party transactions included in the financial statements for the year ended March 31, 2018 & March 31, 2017 and details of outstanding balances as on March 31, 2018, March 31, 2017 & April 1, 2016.

Amount in Rs.

Nature of Transactions	Key Managerial Personnel & Other Directors (1+2)	Entities where Directors KMPs and relatives have significant influence (3)	Total
Salary and Other Benefits	49,20,108 37,66,012	— —	49,20,108 37,66,012
Contribution to Provident Fund & Superannuation Policy	12,64,404 9,60,913	— —	12,64,404 9,60,913
Other Perquisites	16,38,015 12,54,298	— —	16,38,015 12,54,298
Meeting Fees	4,25,000 1,60,000	— —	4,25,000 1,60,000
Interest Payment	— —	3,57,07,009 3,22,31,652	3,57,07,009 3,22,31,652
Loan Taken	— —	20,12,75,000 5,08,00,000	20,12,75,000 5,08,00,000
Loan Repaid	— —	24,38,00,000 8,54,50,000	24,38,00,000 8,54,50,000
Outstanding Payable	— — —	16,47,82,773 20,04,45,599 23,31,71,627	16,47,82,773 20,04,45,599 23,31,71,627

Note : 41

First-Time Adoption of Ind-AS

These consolidated financial statements of The Phosphate Company Limited for the year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Group has followed the guidance prescribed in Ind AS 101-First Time Adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, is set out in note 41(2) and 41(3). Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 41(1)

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
A/C 45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

1. Exemptions availed on first time adoption of Ind-AS 101

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied following exemptions in the financial statements:

- i) In accordance with Ind AS 101, the Group has elected not to restate business combinations that occurred before the date of transition i.e. 1st April 2016. In view of the same, the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.
- ii) In accordance with Ind AS 101, the Holding Company has elected to continue with the carrying values under previous GAAP as deemed cost at the transition date i.e. 1st April 2016 for all the items of property, plant and equipment, except freehold land.

Further, the Holding Company had considered fair value of freehold land based on professional valuation as at 1st April 2016. Accordingly, carrying value of land is increased by Rs 11,30,98,067. On transition, such increase in value alongwith balance lying in revaluation reserve has been adjusted in general reserve.

Further Subsidiary Company has elected to continue with the carrying values under previous GAAP as deemed cost at the transition date i.e. 1st April 2016 for all the items of property, plant and equipment.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 41 First-Time Adoption of Ind-AS

2. Reconciliation of equity as at date of transition

Amount in Rs

Particulars	Note	1st April, 2016			31st March, 2017		
		IGAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
Assets							
Non-current assets							
a) Property plant and equipment	1	71,06,06,340	11,30,98,007	82,37,04,407	70,32,96,165	11,30,98,007	81,63,94,232
b) Capital work in-progress		4,79,499	—	4,79,499	57,14,596	—	57,14,596
c) Financial assets							
i) Investments	2	32,000	(6,000)	26,000	32,000	(6,000)	26,000
ii) Loans		48,28,479	—	48,28,479	46,61,249	—	46,61,249
d) Deferred tax assets (net)		1,10,71,458	—	1,10,71,458	93,90,352	—	93,90,352
		72,70,77,776	11,30,92,067	84,01,69,843	72,30,94,362	11,30,92,067	83,61,86,429
Current assets							
a) Inventories		16,29,67,172	—	16,29,67,172	9,79,50,765	—	9,79,50,765
b) Financial assets							
i) Investments	3	14,85,392	2,98,678	17,84,270	5,00,000	686	5,00,686
ii) Trade receivables		30,61,19,874	—	30,61,19,874	22,73,05,751	—	22,73,05,751
iii) Cash and Cash equivalents		40,58,933	—	40,58,933	7,55,930	—	7,55,930
iv) Other Bank Balances		1,79,20,660	—	1,79,20,660	96,17,310	—	96,17,310
v) Loans		33,000	—	33,000	47,000	—	47,000
vi) Other Financial Assets		5,29,04,025	—	5,29,04,025	4,68,99,727	—	4,68,99,727
c) Current tax asset (Net)		13,08,793	—	13,08,793	2,56,216	—	2,56,216
d) Other current assets		62,63,699	—	62,63,699	80,86,570	—	80,86,570
		55,30,61,549	2,98,678	55,33,60,427	39,14,19,269	686	39,14,19,955
Total Assets		1,28,01,39,326	11,33,90,945	1,39,35,30,270	1,11,45,13,631	11,30,92,753	1,22,76,06,384
Equity and Liabilities							
Equity							
a) Equity Share capital		3,60,74,800	—	3,60,74,800	3,60,74,800	—	3,60,74,800
b) Other equity	1&2	52,86,96,400	11,33,90,945	64,20,87,345	53,28,48,641	11,30,92,753	64,59,41,394
Total Equity attributable to equity shareholders of the company		56,47,71,200	11,33,90,945	67,81,62,145	56,89,23,441	11,30,92,753	68,20,16,194
Liabilities							
Non-current liabilities							
a) Financial liabilities							
i) Borrowings		11,25,47,386	—	11,25,47,386	10,08,34,818	—	10,08,34,818
ii) Other financial liabilities		1,25,67,943	—	1,25,67,943	1,25,73,763	—	1,25,73,763
b) Provisions		44,53,255	—	44,53,255	24,77,350	—	24,77,350
		12,95,68,584	—	12,95,68,584	11,58,85,931	—	11,58,85,931
Current liabilities							
a) Financial liabilities							
i) Borrowings		37,37,28,035	—	37,37,28,035	29,29,61,625	—	29,29,61,625
ii) Trade payables		15,33,38,927	—	15,33,38,927	10,15,50,419	—	10,15,50,419
iii) Other financial liabilities		3,08,55,230	—	3,08,55,230	1,78,62,772	—	1,78,62,772
b) Other current liabilities		2,78,77,349	—	2,78,77,349	1,52,45,793	—	1,52,45,793
c) Provisions		—	—	—	20,83,650	—	20,83,650
		58,57,99,541	—	58,57,99,541	42,97,04,259	—	42,97,04,259
Total Equity and liabilities		1,28,01,39,326	11,33,90,945	1,39,35,30,270	1,11,45,13,631	11,30,92,753	1,22,76,06,384



For The Phosphate Co. Ltd.

Shankar Banerjee

Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

Notes

- Under IGAAP, the fixed assets were measured at cost. In accordance with Ind AS 101, the company has fair valued its free hold land resulting in the increase in the carrying value of Property Plant & Equipment.
- Transaction cost has been recognised from the cost of the investment.
- Under previous GAAP, current investments were stated at lower of cost and fair value, under Ind AS, these financial assets have been classified as fair value through profit or loss on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.

3. Reconciliation Statement of Profit and Loss as previously reported under IGAAP to IND AS

Particulars	Note	For the Year ended 31 March 2017		
		Indian GAAP	Adjustments	Ind AS
Revenue from operations	4	68,33,38,925	(5,29,84,836)	63,03,54,089
Other Income	5	39,92,172	(2,98,192)	36,93,980
I Total Income		68,73,31,097	(5,32,83,028)	63,40,48,069
Cost of Material Consumed		28,27,07,415	—	28,27,07,415
Cost of Trading Goods		6,26,28,918	—	6,26,28,918
(Increase)/Decrease of Finished Goods		2,25,99,221	—	2,25,99,221
Excise duty on Sale of Goods	4	—	39,61,518	39,61,518
Employee benefit expenses	6	2,56,69,029	(9,17,030)	2,47,51,999
Other expenses	4	21,07,88,233	(5,69,46,354)	15,38,41,879
Total Expenses before Interest, Depreciation and amortisation		60,43,92,816	(5,39,01,866)	55,04,90,950
Finance Cost		6,71,74,656	—	6,71,74,656
Depreciation and amortisation expenses		99,34,920	—	99,34,920
II Total Expenses		68,15,02,392	(5,39,01,866)	62,76,00,526
III Profit/(loss) before tax (I-II)		58,28,705	6,18,838	64,47,543
IV Tax expense:				
(1) Current tax		—	—	—
(2) Deferred tax		16,81,106	—	16,81,106
V Profit/(loss) for the period (III-IV)		41,47,599	6,18,838	47,66,437
Other Comprehensive Income		—	—	—
VI Items that will not be classified to statement of Profit or Loss		—	—	—
VII Remeasurements of the defined benefit liabilities/(asset)	6	—	(9,17,030)	(9,17,030)
Total Comprehensive Income for the Year		41,47,599	(2,98,192)	38,49,407

Notes

- Under Ind AS, revenue from sales of goods is inclusive of excise duty and are net of sales tax, discounts.
- Under Ind AS, mutual funds are valued at fair value instead of cost.
- Under Ind AS, Actuarial Gain/Loss on Gratuity routed through Other Comprehensive Income instead of Profit & Loss.



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

THE PHOSPHATE COMPANY LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2018

Note 42

Additional Information for the year ended 31st March 2018

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.	Amount in Rs.	As a % of Cons.	Amount in Rs.	As a % of Cons.	Amount in Rs.	As a % of Cons.	Amount in Rs.
Parent :								
The Phosphate Company Limited	93.59%	65,16,26,077	100.77%	1,53,73,432	100.00%	(10,46,225)	100.82%	1,43,27,207
Subsidiary :								
Abhinandan Goods Private Limited	6.41%	4,46,06,293	-0.77%	(1,17,031)	0.00%	—	-0.62%	(1,17,031)
Total :	100%	69,62,32,370	100%	1,52,56,401	100%	(10,46,225)	100%	1,42,10,176

Note 43

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

As per our report of even date attached

For, S. K. Agrawal & Co.
Chartered Accountants
Firm Registration Number: 306033E
Hemant Kumar Lakhota
Partner
Membership No. 068851
Place: Kolkata
Dated : 22nd May, 2018

For and on behalf of the Board of Directors

Binod Khaitan
Director
(DIN 00128502)

Vijaya Mohan
Independent Director
(DIN 02474421)

Suresh Kumar Bangur
Executive Director
DIN : 00040862

Ajay Bangur
President & CFO

Shankar Banerjee
Dy. Secretary

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-40173

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-6070

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073

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For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-5073

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Kolkata - 700 001



For The Phosphate Co. Ltd.

Shankar Banerjee
Shankar Banerjee
Company Secretary
ACS-45073