

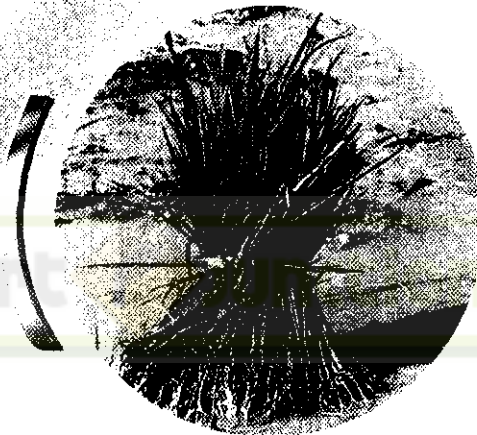


THE

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SPHATE



REPORT  
COMPANY

LIMITED

ANNUAL REPORT 1998 - 99

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**THE PHOSPHATE COMPANY LIMITED**

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**BOARD OF DIRECTORS**

Shri B. G. Bangur, *Chairman*

Shri C. D. Bangur, *Managing Director*

Shri Binod Khaitan

Shri C. M. Mookerjee

Shri N. A. Bhaduri

**SR. MANAGER CUM SECRETARY**

Shri M. D. Damani

**BANKERS**

State Bank of India, Calcutta

ICICI Banking Corporation Limited, Calcutta

Times Bank Ltd., Calcutta

**AUDITORS**

Messrs Batliboi, Purohit & Darbari

**REGISTERED OFFICE**

21, Strand Road, Calcutta-700 001

**ADMINISTRATIVE OFFICE**

14, N. S. Road, Calcutta-700 001

**WORKS**

Rishra, Hooghly (W.Bengal)-712 248

## THE PHOSPHATE COMPANY LIMITED

### NOTICE

Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at Somany Conference Hall of Merchants' Chamber of Commerce, 15-B, Hemant Basu Sarani, Calcutta-700 001 on Monday, the 15th November 1999 at 11.30 A.M. to transact the following business :-

- 1) To receive and adopt the Profit and Loss Account of the Company for the year ended 30th June, 1999 and Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
- 2) To declare dividend.
- 3) To elect a Director in place of Shri Binod Khaitan, who retires by rotation and being eligible offers himself for re-election.
- 4) To appoint Auditors and to fix their remuneration.

Registered Office:

21, Strand Road,

Calcutta-700 001.

Dated, the 18th September, 1999.

By Order of the Board

**M. D. DAMANI**

*Sr. Manager & Secretary*

### NOTES

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from the 8th day of November, 1999 to the 15th day of November, 1999 (both days inclusive).
3. Payment of dividend, when declared, will be paid to those members whose names shall appear on the Register of Members as on 15th November, 1999.
4. Members are requested to notify immediately any change in address and Bank mandate instructions, their Bank A/c. No. for payment of dividend.
5. As per provisions of the Companies Act, 1956 as amended, facility for making nomination is now available to individual shareholders. The prescribed form can be obtained from the Company.
6. Pursuant to Section 205A of the Companies Act, 1956, as amended :-
  - a) all unclaimed / unpaid dividends upto the Financial Year 1993-94 have been transferred to the General Revenue Account of Central Government. Members concerned are requested to claim the amount from the Registrar of Companies, West Bengal.
  - b) Unclaimed dividend for the year 1994-95 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members, who have not encashed their dividend warrants for the said period, may please write immediately to the Company at its Registered Office.
7. Members desirous of obtaining any information concerning the accounts and operation of the Company are requested to send their queries to the Company Secretary at least 7 days before the date of the Meeting, so that the information required by the Members is made available at the Meeting.
8. Members attending the Meeting are required to bring their Copy of the Annual Report with them to the Meeting.

## THE PHOSPHATE COMPANY LIMITED

### DIRECTORS' REPORT

#### TO THE MEMBERS

The Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the Company for the year ended 30th June, 1999.

	(Rs.in Lacs.)	
FINANCIAL RESULTS	This Year	Previous Year
Sales & Other Income	<u>4,092.03</u>	<u>3,782.34</u>
Operating Profit before Interest, Depreciation & Tax	372.93	215.31
Interest	<u>150.85</u>	<u>111.54</u>
Gross Profit	222.08	103.77
Depreciation	<u>69.72</u>	<u>61.45</u>
Profit before Tax	152.36	42.32
Provision for Taxation	<u>25.00</u>	<u>—</u>
Balance Profit after Tax	127.36	42.32
Refund of Tax	—	3.54
Excess Tax Provision written back	—	4.39
Transfer from Debenture Redemption Reserve	33.50	6.50
Balance of Previous year brought forward	<u>22.18</u>	<u>44.02</u>
Available for appropriation	<u>183.04</u>	<u>100.77</u>
<b>Appropriations</b>		
General Reserve	9.56	50.00
Proposed Dividend	34.65	25.99
Tax on Proposed Dividend	3.81	2.60
Balance Carried forward	135.02	22.18

### DIVIDEND

Your Directors recommend payment of dividend @ 20.00 % on 17,32,480 Equity Shares of Rs. 10/- each for the year ended 30th June, 1999. The payment of dividend will absorb Rs. 38.46 Lacs. inclusive of Dividend Tax.

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**THE PHOSPHATE COMPANY LIMITED**

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**DIRECTORS' REPORT** *(contd.)***OPERATIONS & PERFORMANCE**

As reported to you in the last year, subsidy of SSP has been increased to Rs.900/- per ton with effect from 1st October, 1998. However, State Government, arbitrational reduction of maximum selling price has restricted the benefit of increased subsidy.

Even though the production remained low due to poor offtake, but the increase in subsidy had offset the increased raw material cost arising out of weakness of Rupee and substantial increase in electricity cost.

Production of Sulphuric Acid could not be significantly increased owing to excess supply in the market and therefore full advantage of Co-generation of power plant could not be achieved. Despite all these difficulties, bottom line of your Company has improved.

In the current year, new additional capacity has come up in this area with not much increase in demand and therefore the market will remain very competitive. However, in the next millennium, with the introduction of Agricultural Insurance and Corporate Financing, your Company hopes to market their full production.

**DEBENTURES**

50,000 Non Convertible Debentures, privately placed, have been fully redeemed.

**Y2K**

The products manufactured and marketed by the Company will not be affected by Y2k problem. All the hardware has been tested for Y2k compliance and the software is expected to be fully compliant shortly.

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

Information regarding conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in terms of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms part of this Report.

**PARTICULARS OF EMPLOYEES**

There is no Employee in the Company in the receipt of remuneration exceeding the limit specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## **THE PHOSPHATE COMPANY LIMITED**

### **DIRECTORS' REPORT** *(contd.)*

#### **DIRECTORS**

Shri Binod Khaitan retires by rotation and being eligible, offers himself for re-appointment.

#### **AUDITORS**

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

#### **SUBSIDIARY COMPANY**

A statement relating the subsidiary company namely Phosphate Enterprise & Investment Ltd. pursuant to Section 212 of the Companies Act, 1956 together with Audited Accounts for the year ended 31st March 1999 is annexed and forms a part of this report.

#### **ACKNOWLEDGMENT**

The Directors wish to record their appreciation of dedication and commitment of the employees and the team work displayed by them. Your Directors are also thankful to Financial Institutions, Banks, Central and State Government, Shareholders, Customers, Dealers and Overseas Suppliers & Vendors for their continuous support and assistance.

Report  junction.com

On behalf of the Board

Calcutta

Dated : 18th September, 1999

**B. G. BANGUR**

*Chairman*

## THE PHOSPHATE COMPANY LIMITED

### ANNEXURE TO DIRECTORS' REPORT

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

#### I. CONSERVATION OF ENERGY :

Energy Conservation measures taken:

- i) Regular Energy Audit by experienced Engineers.
- ii) Monitoring of maximum demand regularly to control maximum KVA drawn from grid supply.
- iii) Reduction of idle running of equipments.

#### Disclosure of Particulars with respect to conservation of energy

##### A. Power and Fuel Consumption

		Current year	Previous year
1. Electricity:			
(a) Purchased :			
Unit	'000 KWH	4,537	6,160
Total	Rs./Lakhs	216.47	224.76
Rate/Unit	Rs./KWH	4.77	3.65
(b) Own Generation:			
(i) Through Diesel Generator			
Unit	'000 KWH	—	—
Unit per litre of Diesel oil	'000 KWH	—	—
Cost/Unit	Rs./KWH	—	—
(ii) Through Steam Turbine/Generator	'000 KWH	2740	358
2. Coal (Specify & Where Used) :			
Quantity	Tonnes	—	—
Total Cost	Rs./Lakhs	—	—
Average Rate	Rs./Tonne	—	—
3. Furnace Oil :			
Quantity	KL	220	100
Total Cost	Rs./Lakhs	13.05	6.44
Average Rate	Rs./ KL	5,930	6,440
4. Others/Internal Generation :	'000 KWH	—	—

##### B. Consumption per unit of Production

	Electricity (KWH/MT)	Furnace Oil (LTRS/MT)	Electricity (KWH/MT)	Furnace Oil (LTRS/MT)
Superphosphate	25.49	—	24.08	—
Sulphuric Acid	59.34	—	49.47	—
Granulated Fertiliser	12.75	10.41	19.77	11.90
Sodium Silico Fluoride	45.92	—	48.24	—

#### II. FOREIGN EXCHANGE EARNINGS & OUTGO.

Earnings	Rs./Lakhs	—	6.96
Outgo	Rs./Lakhs	1341.13	2,333.53

On behalf of the Board  
**B. G. BANGUR**  
*Chairman*

## THE PHOSPHATE COMPANY LIMITED

### STATEMENT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATED TO SUBSIDIARY COMPANY

1. Name of the Subsidiary Company : Phosphate Enterprise & Investment Ltd.
2. Financial Year of the Subsidiary  
Company ended on : 31. 3. 1999
3. Holding Company's interest : Entire paid-up Share Capital of 2,50,000 Equity Shares of Rs. 10/- each.
4. Net aggregate amount of Profit  
of Subsidiary Company
  - a) Not dealt with in the accounts of the  
Holding Company for the  
Financial Year ended 31. 3. 1999 : Rs. 35,371
  - b) Dealt with in the accounts of the Company : Nil
5. Net aggregate amount of Profit of the  
Subsidiary for previous financial year :
  - a) Not dealt with in the accounts of the  
Holding Company for the year  
ended 31.3.1998. : Rs. 60,151/- (Loss)
  - b) Dealt with in the Accounts of the Company : Nil

Calcutta  
18th September, 1999

On behalf of the Board  
**B. G. BANGUR**  
Chairman