



BOARD OF DIRECTORS

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

BANKERS

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

AUDITORS

Messrs. Batliboi, Purohit & Darbari

REGISTERED OFFICE

14, N.S.Road, Kolkata-700001
Tel.033-2220 0771(3lines)
Fax.91-33-2243 6236
E.Mail-phosphate@vsnl.net

WORKS

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

REGISTRAR & TRANSFER AGENT

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

NOTICE

Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at Somany Conference Hall of Merchants' Chamber of Commerce, 15B Hemant Basu Sarani, Kolkata-700001 on Thursday, the 16th September, 2004 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 31st March, 2004 and Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
- 2) To elect a Director in place of Shri G.D.Bangur, who retires by rotation and being eligible offers himself for re-election.
- 3) To appoint Auditors and to fix their remuneration.

Registered Office :
14, Netaji Subhas Road,
Kolkata-700001.
Dated: 30th July, 2004

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

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.**
2. Members who hold shares in Dematerialized form are requested to bring their Client ID and DP ID nos. for easier identification of attendance at the meeting.
3. **The Register of Members and Share Transfer Books of the Company will remain closed from the 13th day of September 2004 to the 16th day of September 2004 (both days inclusive).**
4. A member desirous of obtaining any information concerning the accounts and operation of the Company is requested to send his queries to the Company at least 7 days before the date of the meeting, so that the information required by the member is made available at the meeting.
5. Pursuant to Section 205A of the Companies Act, 1956, as amended: -
 - a) All unclaimed/unpaid dividends upto the Financial Year 1993-94 have been transferred to the General Revenue Account of Central Government. Members concerned are requested to claim the amount from the Registrar of Companies, West Bengal.
 - b) Unclaimed dividend for the financial years 1994-95 & 1995-96 have been transferred 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 and no payment shall be made in respect of any such claim.
 - c) Members, who have not encashed their dividend warrants for the financial year 1996-97 to 1998-99 may please write immediately to the Company at its Registered Office.
6. Members attending the meeting are requested to bring their Copy of the Annual Report with them to the meeting.
7. As per the provisions of the Companies Act, 1956, as amended, facility for making nomination is available to individual shareholder. The prescribed form can be obtained from the Company.
8. SEBI has made trading in shares of the Company compulsory in dematerialised form for all investors w.e.f. 27/2/2001 under ISIN:INE398C01016. Shareholders are requested to get their share holding dematerialised.
9. **Details of Director seeking appointment/re-appointment;**

Shri G.D.Bangur, aged 58 years, is the Chairman of this company since March 2000. He is a Commerce Graduate from University of Calcutta and belongs to the pioneer Industrial Group of Bangurs. He has a wide experience of more than 38 years in managing various industries viz. Jute, Textile, Engineering, Plantation. He had been Chairman of Indian Jute Manufacturers Association and Indian Wire Rope Association and was associated with Indian Chamber of Commerce, Calcutta. At present he is Chairman & Managing Director of Gloster Jute Mills Ltd. and Managing Director of Joonktolee Tea & Industries Ltd. and holds directorship in a number of other companies.

DIRECTORS' REPORT**TO THE MEMBERS**

The Directors present their Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

	Rs. in Lacs.	
	Current Year	Previous Year
Sales & Other Incomes	3586.07	3235.13
Operating Profit before Interest & Depreciation	229.91	275.88
Interest	157.30	151.91
Gross Profit	72.61	123.97
Depreciation	71.54	73.06
Net Profit/(Loss)	1.07	50.91
Less: Extra Ordinary Items	(30.37)	(30.38)
Add: Income tax refund received	5.53	—
Balance of Previous year brought forward	(266.72)	(287.25)
Balance Carried forward	(290.49)	(266.72)

DIVIDEND

Your Directors regret their inability to recommend any dividend owing to brought forward losses.

YEAR IN RETROSPECT

On all India basis agriculture sector recorded significant growth. However, untimely rainfall in West Bengal resulted in less use of fertiliser and Single Super Phosphate (SSP) in particular.

OPERATION & PERFORMANCE

Government of India maintained the concession @Rs.650/- pmt on SSP for the year 2003-2004. The cost of Imported raw material started increasing gradually from October, 2003 onwards and are still hovering at all time high. The industry's representation from time to time yielded no result. This had effected the working of the Company. The increase in cost without corresponding realisation had compelled the Company to restrict the production.

OUTLOOK

As reported earlier, Cost Audit Branch under Department of Expenditure, Ministry of Finance had submitted their report to Department of Fertiliser (DOF). The industry had made representation through Fertiliser Association of India (FAI) on the report and the same is under consideration. Meantime, DOF has announced Base Rate Concession for the first quarter i.e. April-June 2004. It is expected that the final rate will be announced after taking into consideration the rise in the input cost and also the points raised by industry through FAI.

There are indications that the Central Government has recognised the difficulty due to increased cost of input and is in process of finding suitable solution. Recently it has announced base rate of subsidy instead of fixed subsidy which is a step in the right direction and it is expected that a suitable policy decision will be announced shortly.

TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY 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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

INDUSTRIAL RELATIONS

Inter-Union rivalry disrupted law and order position. The situation was dealt with strongly and is under control. Long term agreement with both permanent and handling contract workmen is expiring on 31st August, 2004.

DIRECTORS

Shri G.D.Bangur retires by rotation and being eligible, offers himself for re-appointment.

LISTING

Equity shares of your Company are listed at The Calcutta Stock Exchange Association Ltd. and annual listing fee has been paid for the year 2004-05.

AUDITORS

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

ACKNOWLEDGEMENT

The Directors wish to record their appreciation of dedication and commitments of the employees and the teamwork displayed by them. Your Directors are also thankful to I.I.B.I, State Bank of India. Industrial Finance Branch, State Bank of Mysore, Bentinck Street Branch, Central Government and State Government, Shareholders, Customers, Dealers and Overseas Suppliers & Vendors for the continuous support and assistance.

Kolkata

Dated : 30th July, 2004

On behalf of the Board

G. D. Bangur
Chairman

THE PHOSPHATE COMPANY LIMITED

ANNEXURE TO DIRECTORS' REPORT

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

I. CONSERVATION OF ENERGY

Energy measures taken :

- Regular Energy Audit by experienced Engineers.
- Monitoring of maximum demand regularly to control maximum KVA drawn from grid supply.

Disclosure of Particulars with respect to conservation of energy

A. Power and Fuel Consumption		This Year	Previous Year		
1. Electricity:					
(a) Purchased:					
Units	'000KWH	2937	2481		
Total	Rs./Lacs	166.22	137.48		
Rate/Unit	Rs./KWH	5.66	5.54		
(b) Own generation:					
(i) Through Diesel Generator					
Units	'000KWH	—	—		
Unit per litre of Diesel oil	'000KWH	—	—		
Cost/Unit	Rs. /KWH	—	—		
(ii) Through Steam					
Turbine/Generator	'000KWH	2503	2425		
2. Coal (Specify & Where Used):					
Quantity	Tonnes	—	—		
Total Cost	Rs./Lacs	—	—		
Average Rate	Rs./Tonne	—	—		
3. Furnace Oil :					
Quantity	KL	130	110		
Total Cost	Rs./Lacs	16.85	14.15		
Average Rate	Rs./KL	12961	12,863		
4. Others/Internal Generation :					
	'000KWH	—	—		
B. Consumption per unit of Production		Electricity	Furnace Oil	Electricity	Furnace Oil
		(KWH/MT)	(LTRS/MT)	(KWH/MT)	(LTRS/MT)
Superphosphate		26.19	—	23.83	—
Sulphuric Acid		59.50	—	58.59	—
Graunlated Fertiliser		11.00	11.16	11.19	10.39
Sodium Silico Fluoride		26.60	—	29.51	—

II. FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings	Rs./Lacs	2.56	3.70
Outgo	Rs./Lacs	1,389.82	1,661.34

B. Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1970

Name	Age	Designation/ Nature of Duty	Remuneration	Qualification & Experience	Date of Commencement of Employment	Previous Employment held with	% of Equity held
Shri Suresh Bangur	50	Chief Executive (Production & Development)	Rs. 6,52,770/-	B. Com 31 yrs.	15th Oct., 1982	M/s. Raj Luxmi Associates	4.41

NOTES :

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

On behalf of the Board
G. D. BANGUR
Chairman

THE PHOSPHATE COMPANY LIMITED**AUDITORS' REPORT****TO THE MEMBERS OF THE PHOSPHATE COMPANY LIMITED**

We have audited the attached Balance Sheet of THE PHOSPHATE COMPANY LIMITED as at March 31, 2004 and also the Profit and Loss Account & Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report as follows:

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

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except provision of Deferred Tax as per AS-22 of Institute of Chartered Accountants of India (Note No.15(b) of Schedule 'O') ;
- v. On the basis of the written representations received from the Directors as on March 31, 2004, which have been taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2004 from being appointed as a Director in terms of clause (g) of sub-section (I) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required subject to our remark in foregoing paragraph (iv) having a consequential effect on the profit for the year and net assets position of the Company, give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2004,
 - b. in the case of the Profit and Loss Account of the loss for the year ended on that date and
 - c. in the case of Cash Flow Statement of the cash flows for the year ended on that date.

Kolkata
Dated : 30th July, 2004

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