

# Annual Report

FOR THE YEAR ENDED 31ST MARCH, 2007



# THE PHOSPHATE COMPANY LIMITED

## THE PHOSPHATE COMPANY LIMITED

### BOARD OF DIRECTORS

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

### BANKERS

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

### AUDITORS

Messrs Batliboi, Purohit & Darbari

### REGISTERED OFFICE

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

### WORKS

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

### REGISTRAR & TRANSFER AGENT

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

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# THE PHOSPHATE COMPANY LIMITED

## NOTICE

Notice is hereby given that the Annual General Meeting of the Members of the Company will be held at Somany Conference Hall of Merchants' Chamber of Commerce, 15B Hemant Basu Sarani, Kolkata-700001 on Saturday, the 8<sup>th</sup> September, 2007 at 11.45 A.M. to transact the following business :-

- 1) To receive and adopt the Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2007 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 elect a Director in place of Shri G. D. Bangur, who retires by rotation and being eligible offers himself for re-election.
- 5) To appoint Auditors and to fix their remuneration.

Registered Office :  
14, Netaji Subhas Road,  
Kolkata-700001.  
Dated: 14<sup>th</sup> July, 2007

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 3<sup>rd</sup> September, 2007 to 8<sup>th</sup> September, 2007. (both days inclusive).
4. Payment of dividend, when declared, will be paid to those members whose names shall appear in the register of members as on 8<sup>th</sup> September, 2007.
5. 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.
6. Pursuant to Section 205A of the Companies Act, 1956, as amended: -
  - a) All unclaimed/unpaid dividends upto the Financial Year 1993-94 have been transferred to the General Revenue Account of Central Government. Members concerned are requested to claim the amount from the Registrar of Companies, West Bengal.
  - b) Unclaimed dividend for the financial years 1994-95 to 1998-99 have been transferred and thereafter, there remain no unpaid or unclaimed for a period of 7 years to transfer to the Investor Education and Protection Fund of the Central Government and no payment shall be made in respect of any such claim.
7. Members attending the meeting are requested to bring their Copy of the Annual Report with them to the meeting.
8. As per the provisions of the Companies Act, 1956, as amended, facility for making nomination is available to individual shareholder. The prescribed form can be obtained from the Company.
9. 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.
10. Details of Directors seeking appointment/re-appointment;
  - i. **Shri Binod Khaitan**, aged 64 years a Commerce Graduate & M.B.A. (Geneva), is on the Board of Directors of the Company since December 1990. He is an eminent businessman with wide experience and associated with leading social & charitable organisations. He holds directorships in Electro Steel Casting Ltd., Art Finance & Trade Ltd. and Adelina Investment Pvt. Ltd.
  - ii. **Shri G.D. Bangur**, aged 61 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 40 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 Chairman of Joonktollee Tea & Industries Ltd. and holds directorship in a number of other companies.

# THE PHOSPHATE COMPANY LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2007.

## FINANCIAL RESULTS

	Rs. in Lacs.	
	Current Year	Previous Year
<b>Sales &amp; Other Incomes</b>	<b>5007.65</b>	6418.91
<b>Operating Profit (PBIDT)</b>	<b>262.95</b>	280.27
Interest	<b>86.84</b>	108.53
<b>Gross Profit</b>	<b>176.11</b>	171.74
Depreciation	<b>71.72</b>	66.91
<b>Net Profit (PBT)</b>	<b>104.39</b>	104.83
Provision for Income Tax	<b>11.80</b>	8.72
Provision for Fringe Benefit Tax	<b>1.27</b>	1.25
<b>Profit after tax</b>	<b>91.32</b>	94.86
Appropriations		
<b>Proposed Dividend</b>	<b>8.66</b>	—
Tax on proposed dividend	<b>1.47</b>	—
<b>Balance Carried forward</b>	<b>81.19</b>	94.86

## DIVIDEND

Your directors are pleased to propose a dividend of 5% subject to your approval.

## YEAR IN RETROSPECT :

The Indian economy is registering a steady growth year on year basis. This has lead to increased consumption of all products. Demand of fertiliser in India has increased and large-scale import of fertiliser had to be resorted after a gap of few years. Government oilseed mission has necessitated increased use of Single Super Phosphate (SSP), being the best sulphur carrying fertiliser. Production of SSP on all India basis increased by 6.3% over and above 13.6% rise in previous year. Even after substantial increase in production, demand of SSP outstripped supply in most parts of the country. Production of SSP at your Rishra factory was 94334 MTs and Sulphuric acid was at 55902 MTs. Disturbance in Singur in the home district Hooghly of your factory and few logistic problems in imports had affected operations in peak season which otherwise had a good start. Judicious planning has helped the company to improve the bottom line.

## OUTLOOK

As stated above demand of SSP is outstripping production. Further use of SSP in terms of P<sub>2</sub>O<sub>5</sub> (Phosphate) nutrient in agriculture in India is only 10.7% compared to very high uses in other countries viz. Egypt 99%, China 38%, Brazil 28%, New Zealand 70% .

It is thus hoped that there would be an opportunity for increase in demand for SSP in India. A pragmatic approach by the Government to make it at par with other phosphatic fertilisers will boost production and profitability of the Industry.

# THE PHOSPHATE COMPANY LIMITED

## 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 a 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

Industrial Relation remained cordial during the year.

## DIRECTORS

Shri Binod Khaitan and Shri G.D.Bangur retires by rotation and being eligible, offers themselves 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 2007-08.

## 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 State Bank of India, State Bank of Mysore, Syndicate Bank, Central Government, State Government, Shareholders, Customers, Dealers and Overseas Suppliers & Vendors for the continuous support and assistance.

Kolkata

Dated : 14<sup>th</sup> July, 2007

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 :

- i.) Regular Energy Audit by experienced Engineers.
- ii.) 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	3531	3860		
Total	Rs./Lacs	150.50	170.66		
Rate/Unit	Rs./KWH	4.26	4.42		
(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	3689	3863		
2. Coal (Specify & Where Used):					
Quantity	Tonnes	—	—		
Total Cost	Rs./Lacs	—	—		
Average Rate	Rs./Tonne	—	—		
3. Furnace Oil :					
Quantity	KL	50	80		
Total Cost	Rs./Lacs	10.45	15.27		
Average Rate	Rs./KL	20901	19092		
4. Others/Internal Generation :					
	'000KWH	—	—		
B. Consumption per unit of Production		Electricity (KWH/MT)	Furnace Oil (LTRS/MT)	Electricity (KWH/MT)	Furnace Oil (LTRS/MT)
Superphosphate		28.18	—	25.64	—
Sulphuric Acid		76.10	—	74.29	—
Graunlated Fertiliser		10.12	11.17	15.00	9.52
Sodium Silico Fluoride		37.85	—	42.68	—

### II. FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings	Rs./Lacs	Nil	Nil
Outgo	Rs./Lacs	2271.56	2626.63

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

Name	Age	Designation/ Nature of Duty	Remuneration	Qualification & Experience	Date of Commencement of Employment	Previous Employment held with	% of Equity held
Shri Suresh Bangur	53	Chief Executive (Production & Development)	Rs. 7,62,774/-	B. Com 34 yrs.	15th Oct., 1982	M/s. Raj Luxmi Associates	4.41

### NOTES :

1. 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.
2. Gratuity has not been included in remuneration.
3. Nature of Employment Non Contactual.
4. Terms & Conditions - As per Company's Rules.

On behalf of the Board

**G. D. BANGUR**

*Chairman*