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| MD | <input checked="" type="checkbox"/> | | BKC | <input checked="" type="checkbox"/> |
| CS | <input checked="" type="checkbox"/> | | DPY | <input checked="" type="checkbox"/> |
| RO | <input checked="" type="checkbox"/> | | DIV | <input checked="" type="checkbox"/> |
| TRA | <input checked="" type="checkbox"/> | | AC | <input checked="" type="checkbox"/> |
| AGM | <input checked="" type="checkbox"/> | | SHI | <input checked="" type="checkbox"/> |
| YE | <input checked="" type="checkbox"/> | | | |



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11TH

ANNUAL REPORT

1997-98



LIBERTY PHOSPHATE LTD.



LIBERTY PHOSPHATE LTD.

BOARD OF DIRECTORS**CHAIRMAN EMERITUS**

Shri R. D. Dhanani

BOARD OF DIRECTORS

Shri R. R. Dhanani

Chairman & Managing Director

Shri D. K. Gadia

Executive Director

Shri B. K. Parikh

Nonminee Director

Shri Vinit. J. Shah

Director

Shri R. D. Yadav

Director

Shri D. D. Trivedi

Director

Shri A. R. Shingewar

Director

~~Shri O. P. Trehad~~~~Director~~**COMPANY SECRETARY**

Shri Y. L. Sindhwad

REGISTERED OFFICE & FACTORY

74/75, G.I.D.C.

Nandesari - 391 340.

Dist. Baroda. (Gujarat)

HEAD OFFICE

18, Kailash Darshan, 5th Floor,

Nr. Kennedy Bridge, Nana Chowk,

Grant Road,

Bombay - 400 011.

STATUTORY AUDITORS

M/s. V. Shah & Associates,

Chartered Accountants,

Behind Niraj Clinic,

Nr. World Trade Centre,

Sayajigunj,

Baroda - 390 005.

K. L. Vyas & Company

Chartered Accountant

42, Bapu Bazar, 2nd Floor,

Udaipur - 313001. (Raj.)

BANKERS

Canara Bank,

Raopura Branch,

Baroda-390 001.

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LIBERTY PHOSPHATE LTD.

NOTICE

NOTICE is hereby given that the ELEVENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, the 25th June, 1999, at 4.30 p.m. at the Registered Office at 74/75 GIDC, Nandesari 391 340, Dist. Baroda (Gujarat), to transact the following business :

ORDINARY BUSINESS :

1. To receive consider and adopt the audited Profit & Loss Account for the year ended 30th September, 1998 and the Balance Sheet as at that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri D.D.Trivedi who retires by rotation, but being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri R.D.Yadav who retires by rotation, but being eligible, offer himself for re-appointment.
4. To appoint Joint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

Reduction / Revision of Remuneration of Shri R R Dhanani, Chairman cum Managing Director :

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Special Resolution :

"RESOLVED THAT in supersession of resolution passed by the shareholders in the Tenth Annual General Meeting held on 27.03.98 & notwithstanding to Sec 269, 309 read with schedule XIII and other applicable provisions if any of the companies act 1956, Company be and is hereby approve the reduction / revision in remuneration of Shri R R Dhanani, Managing Director of the company with effect from 19th May, 1998 to Rs. 30,000/- P.M. as salary (inclusive of commission) plus perquisite which will be the same as per the approval accorded to it by the share holders vide their meeting held on 27.03.98.

Date : 27.05.99
Place : Regd. Office : 74/75 GIDC
Nandesari - 391 340
Dist. Baroda (Gujarat)

By Order of the Board of Directors,
for **LIBERTY PHOSPHATE LTD.**

Y.L. SINDHWAD
Company Secretary

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) Members are requested to notify immediately changes in their addresses, if any, to the Company.
- c) The Register of members will remain close from 10th August 1999 to 20th August 1999 (both the days inclusive)
- d) Members are requested to bring their copy of annual report as no copy will be distributed in the Annual General Meeting.
- e) The relative explanatory statements, pursuant to Section 173 (2) of the companies Act 1956 in respect of the business under item no. 5 above, is annexed hereto.

**LIBERTY PHOSPHATE LTD.****ANNEXURE TO NOTICE**

As required by Section 173 of the Companies Act 1956 (hereinafter referred to as "the Act") the following explanatory statements set out all material facts relating to the business mentioned under item No.5 of the accompanying notice dated 27/5/99.

Shri R.R.Dhanani was reappointed for a further period of five years with effect from 19.05.98 and the same was approved by share holders vide its 10th Annual General Meeting held on 27.03.98 and the terms of remuneration was in accordance with Schedule XIII of the Companies Act 1956, However in order to conserve the resources & also to reduce the expenses Shri R.R.Dhanani voluntarily decided to cut his salary (inclusive of commission) to Rs. 30000/- (Rupees Thirty Thousand only) per month plus perquisite which will be the same as approved by shareholders vide their meeting held on 27.03.98. The Board of Directors has also approved the revision of remuneration vide its meeting held on 25.02.99.

None of the Directors other than Shri.R.R.Dhanani is deemed to be concerned or interested in the resolution.

By Order of the Board of Directors,

Date : 27.05.99

Place : Regd. Office : 74/75 GIDC

Nandesari - 391 340

Dist. Baroda (Gujarat)

for LIBERTY PHOSPHATE LTD.

Y.L. SINDHWAD
Company Secretary

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LIBERTY PHOSPHATE LTD.

DIRECTORS' REPORT

To the members

Your Directors are pleased to present 11th Annual Report of the Company with the Audited account for the year ended 30th September, 1998 :

FINANCIAL RESULTS :

| PARTICULARS | 1997-98 (Rs. in lacs) | 1996-97 (Rs. in lacs) |
|---------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Sales & Other Income | 5274.51 | 4794.66 |
| Gross Profit | 650.52 | 666.46 |
| Financial Charges | 539.89 | 420.42 |
| Depreciation | 141.23 | 31.30 |
| Profit before tax | (30.60) | 214.74 |
| Taxation | - | - |
| Profit after tax | (30.60) | 214.74 |
| Prior Period Adjustment-Depreciation | (120.09) | - |
| Add : Profit brought forward from previous year | 369.02 | 200.43 |
| Add : Excess Provision for Income Tax reversed. | 0.69 | 1.00 |
| Surplus available for appropriation | 219.02 | 416.17 |
| Appropriation : | | |
| Proposed Dividend (Previous year subject to deduction of Tax) | - | 32.87 |
| Tax on Dividend | - | 3.28 |
| Transfer to General Reserve | - | 11.00 |
| Balance carried to Balance Sheet | 219.02 | 369.02 |

2. DIVIDEND

In order to strengthen the financial position of the company and in view of the higher depreciation charges for the year your Directors do not recommend any dividend for the year.

3. REVIEW OF OPERATION

During the year, the company achieved a turnover of Rs. 5222.05 Lacs as against Rs. 4756.12 Lacs in the previous year. This represents an increase of 9.80% over the previous year. The gross profit before financial charges is Rs. 650.52 Lacs as against Rs. 666.46 Lacs for the previous year. However the net loss for the current year is Rs. 30.60 Lacs as against the previous year profit of Rs. 214.74 Lacs mainly due to higher depreciation charges of Rs. 141.23 Lacs (due to change in method of depreciation to W.D.V. in place of S.L.M.) as against Rs. 31.30 Lacs for the previous year. The company is facing liquidity crunch due to delay/non-receipt of Central Subsidy and for which your directors are taking requisite measures to improve/receive the cashflow/subsidy.

4. PERFORMANCE V/S PROJECTION

Projections and profitability which have been reported in the prospectus of the Company v/s. the actual performance of the Company for 1997-98 is given below :

| | Projection for year 1997-98 (as on 31.3.98) (Rs. in lacs) | Audited Financial Figures for 1997-98 (Rs. in lacs) |
|----------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Sales & Other Income | 1790.00 | 5274.51 |
| Net profit after tax | 125.18 | (30.60) |
| Earning per share (in Rs.) | 4.17 | NIL |

**5. FUTURE PROSPECTS :**

The Indian Meteorological Department has forecasted that there will be a 11th successive normal rainfall of the country, which will increase the demand of the product of your company, which is in short supply.

The Madhya Pradesh government has lifted the restriction places on fixed ratio percentage on the sales of fertilisers in respect of MARKFED v/s PRIVATE TRADE. Which in turn will further boost the sales of your company as M.P. is one of the largest consuming centre of Single Super Phosphate. We expect the future prospect of the industry and your company is bright.

6. SUBSIDIARY

The audited Statement of Account of Liberty Pesticides and Fertilizers Limited together with the reports of the Directors and Auditors for the year ended 30th September, 1998, as required under Section 212 of the Companies Act, 1956, is annexed.

7. DIRECTORS :

Shri D.D.Trivedi and Shri R.D.Yadav, Directors of the Company retires by rotation and being eligible to offer himself for reappointment.

8. AUDITORS :

At the Annual General Meeting, members are requested to appoint Joint Auditors M/s V.Shah & Associates, Chartered Accountants, Baroda and M/s K.L. Vyas & Co., Chartered Accountants, Udaipur, for the current year and to fix their remuneration.

9. PARTICULARS OF EMPLOYEES :

The statement of particulars pursuant to Provisions of Section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules 1975 is annexed hereto as Annexure "A" and form apart of this report.

10. ENERGY CONSERVATION, TECHNICAL ABSORPTION AND FOREIGN EARNINGS AND OUTGOINGS :

In pursuance to Section 217(1) of the Companies Act, 1956 read together with the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 the relevant information is annexed hereto as Annexure "B" and form a part of this report.

11. ACKNOWLEDGEMENT :

The Directors acknowledge with gratitude the co-operation extended by Canara Bank, Gujarat Industrial Investment Corporation Ltd., Rajasthan State Mines Minerals Ltd., Railway Authority, and the various Central and State Government departments. The Directors also wish to place on record their appreciation to the team of executives, staff and workers who have shown devotion and efficiency in performing their jobs.

For and on behalf of the Board
For Liberty Phosphate Ltd.

Place : Baroda
Date : 27th MAY, 1999

R. R. DHANANI
Chairman & Managing Director



LIBERTY PHOSPHATE LTD.

"ANNEXURES TO DIRECTORS' REPORT"**ANNEXURE "A" : PARTICULARS OF EMPLOYEES**

Particulars of employees as per the provisions of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, attached to and forming part of the Directors' Report for the year ended 30th September, 1998.

- Notes : 1. Remuneration includes Salary, Commission and perquisites
2. The nature of employment is contractual.

ANNEXURE "A" ENERGY CONSERVATION, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

1) CONSERVATION OF ENERGY

- a) The company is taking adequate steps for the conservation of energy at every stage of production.
- b) The steps taken by the Company for conservation of energy will result in reduction of energy consumption and consequent impact on the cost of production in the coming years.
- c) The information pertaining to total energy consumption and energy consumption per unit of production :
As per Form 'A' attached.

2) TECHNOLOGY ABSORPTION

The Company has carried no Research and development activities during the year under review, however company continues to take measures to improve the process and reduce the cost time to time when found necessary. The company has not imported any foreign technology.

3) FOREIGN EXCHANGE EARNINGS & OUTGO

| | 1997-98 (Rs. in lacs) | 1996-97 (Rs. in lacs) |
|-----------------------------------------|--------------------------|--------------------------|
| Foreign Exchange Earnings : | — | — |
| Exports | — | — |
| Foreign Exchange Outgo : Foreign Travel | 1.48 | 4.97 |
| Raw Materials Trading & Purchases | — | — |
| Capital Goods & Spares : | 0 | 8.25 |

FORM - A : PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**A) Power and Fuel Consumption**

| | 1997-98 | 1996-97 |
|---------------------------------|---------|---------|
| 1. Electricity | | |
| a) Purchased | | |
| Unit : 000 KWH | 4583.25 | 3061.35 |
| Total amount (Rs. in lacs) | 164.92 | 99.27 |
| Rate/Unit Rs. | 3.60 | 3.24 |
| b) Own Generation through Steam | | |
| Turbine/generator Units | | |
| Units per ltr. Of fuel/gas | NIL | NIL |
| Cost/Unit | | |



LIBERTY PHOSPHATE LTD.

| | | | |
|-----------|--------------------------------------------------------|----------------------|-------------|
| 2. | Coal (Specify quality and where used) | | |
| | Quantity | | |
| | Total Cost | | |
| | Avg.Rate | NIL | NIL |
| 3. | Furnace Oil Qty. (K.ltrs.) | 1207.92 | 1131.77 |
| | Total cost (Rs. in lacs) | 67.97 | 50.86 |
| | Avg.Rate/Unit Rs. | 5.63 | 4.49 |
| 4. | Other/Internal generation (Please give details)Qty. | | |
| | Total Cost | | |
| | Rate/Unit | NIL | NIL |
| B. | Consumption per unit production | | |
| | Product | Standard (if any) | |
| | Single Super Phosphate - Electricity | N.A | |
| | | 19.50 Units | 18.54 Units |