

LIBERTY PHOSPHATE LIMITED



TWENTY SECOND ANNUAL REPORT 2009-2010

**LIBERTY PHOSPHATE LIMITED****ANNUAL REPORT 2009-10****CONTENTS**

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Shri Abdul Razak Dawood Dhanani - Chairman Emirates

BOARD OF DIRECTORS

- | | | |
|----|--------------------------------|---|
| 1. | Shri Raoof Razak Dhanani | - Chairman & Managing Director |
| 2. | Shri Vinit Jashwantlal Shah | - Director |
| 3. | Shri Shakil Zakaria Memon | - Whole time Director |
| 4. | Shri Firoz Asgar Khambati | - Director |
| 5. | Shri Salim Aabdul Aziz Sherani | - Director |
| 6. | Shri Tuntun Singh | - Whole time Director (w.e.f. 01.11.2009) |
| 7. | Shri Abdul Mabood Shaikh | - Whole time Director (w.e.f. 01.11.2009) |
| 8. | Shri Hemant Motilal Shah | - Director (w.e.f. 27.03.2010) |

Statutory Auditors

- ★ V. Shah & Associates, Chartered Accountants
12, Dhayber Colony, Behind Baroda High School,
Near Pologround, Baroda- 390 001.
- ★ K. L. Vyas & Company, Chartered Accountants
Shop No.2, 2nd Floor, Parshwanath Dava Bazar,
6, Hazareashwar Colony,
Udaipur- 313 001

Banker

Canara Bank, Raopura(Main), Vadodara (Gujarat)
IDBI Bank Limited, SME, Nariman Point, Mumbai.
Karur Vysya Bank Limited, Fort, Mumbai.

Works

- ★ F-227, Mewar Industrial Area, Madri,
Udaipur -313 003 (Rajasthan).
- ★ 74/75/83, G.I.D.C., Nandesari-391 340
Dist.: Vadodara (Gujarat).
- ★ 19, Bhimpura Industrial Area, Jagpura
Kota (Rajasthan).
- ★ Survey No. 122 & 129, Rasal, Tal. Sudhagad,
Dist.: Raigad (Maharashtra).

Registered Office

74/75, G.I.D.C., Nandesari-391 340
Distt.: Vadodara (Gujarat)



NOTICE

NOTICE is hereby given that the **Twenty Second** Annual General Meeting of the Members of **LIBERTY PHOSPHATE LIMITED** will be held at the Registered Office of the Company at 74/75, GIDC, Nandesari -391 340, Distt. Vadodara on Wednesday, the 15th day of September, 2010, at 11.00 A.M. to transact the following business:

ORDINARY:

- (1) To receive, consider and adopt the Audited Accounts of the Company for the year ended on 31.03.2010 along with the Report of the Directors' and Auditors' thereon.
- (2) To appoint a Director in place of Mr. Firoz Asgar Khambati, who retires by rotation and being eligible, offer himself for reappointment.
- (3) To appoint Joint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **an Ordinary Resolution** :

"RESOLVED THAT the retiring Joint Statutory Auditors of the Company M/S.V. Shah & Associates, Chartered Accountants and M/S. K. L. Vyas & Company, Chartered Accountants, be and are hereby appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL:

- (4) To consider and, if thought fit, to pass with or without modification(s), the following resolution as **an Ordinary Resolution**:

"RESOLVED THAT Mr. Hemant Motilal Shah, who was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 27.03.2010 and in accordance with the provisions of Section 260 of the Companies Act, 1956, ceases to be Director at the commencement of the ensuing Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 having been received from a shareholder of the company proposing his candidature to the office of the Director, be and is hereby appointed as a Director of the Company with immediate effect from today i.e. 15.09.2010 whose period of office is liable to be determined by retirement by rotation."

- (5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Zafar Ullah Khan, be and is hereby appointed as a Director of the Company with effect from today i.e. 15.09.2010, whose period of office is liable to be determined by retirement by rotation."
- (6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:



"RESOLVED THAT pursuant to section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as "the Act") and subject to other approvals, permissions, etc., if any, as may be required, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Zafar Ullah Khan, as Wholtime Director of the Company for a period of three years with effect from 15.09.2010 to 14.09.2013 on the terms and conditions including remuneration as recommended by the Remuneration Committee of the company and are set out in the Agreement to be entered into between the Company, duly explained in the explanatory statement to the Notice of even date, and Mr. Zafar Ullah Khan, a draft whereof duly initialed by Mr. R. R. Dhanani, Managing Director of the Company for the purpose of identification, is submitted to this Meeting, with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board") to alter and vary the said terms of appointment and remuneration and/or Agreement in such manner as may be agreed upon between the Board and Mr. Zafar Ullah Khan but so that his remuneration shall not exceed the limits specified in Schedule XIII Part II Section II Paragraph (1)(A) read with Section 198, 269 and 309 of the Companies Act (including any statutory amendment/modification or re-enactment thereof, for the time being in force)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this Resolution."

- (7) To consider and, if thought fit, to pass with or without modification(s), the following resolution as **an Ordinary Resolution** :

"RESOLVED that pursuant to section 198, 269, 310 and all other applicable provisions, if any, of the Companies Act, 1956, approval of the shareholders be and is hereby accorded to the appointment of Mr. Tuntun Singh as a Wholtime Director of the Company for a period of three years with effect from 01.11.2009 to 31.10.2012 on the terms and conditions including remuneration as recommended by Remuneration Committee of the Company and as are set out in the Agreement to be entered into between the Company, duly explained in the Explanatory Statement to the Notice of even date, and Mr. Tuntun Singh, a draft whereof duly initialed by the Chairman of the Company for the purpose of identification is submitted to this meeting with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board") to alter and vary the said terms of appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Tuntun Singh but so that his remuneration shall not exceed the limit specified in Schedule XIII to the Act (including any statutory modification or re-enactment thereof, for the time being in force) or any amendment and/or modification that may hereafter from time to time be made thereto by the Central Government."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this Resolution."



"RESOLVED FURTHER THAT the remuneration paid/payable to Mr. Tuntun Singh from 01.11.2009 to 15.09.2010, be and is hereby ratified."

- (8) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED that pursuant to section 198, 269, 310 and all other applicable provisions, if any, of the Companies Act, 1956, approval of the shareholders be and is hereby accorded to the appointment of Mr. Abdul Mabood Shaikh as a Wholtime Director of the Company for a period of three years with effect from 01.11.2009 to 31.10.2012 on the terms and conditions including remuneration as recommended by Remuneration Committee of the Company and as are set out in the Agreement to be entered into between the Company, duly explained in the Explanatory Statement to the Notice of even date, and Mr. Abdul Mabood Shaikh, a draft whereof duly initialed by the Chairman of the Company for the purpose of identification is submitted to this meeting with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board") to alter and vary the said terms of appointment and remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Abdul Mabood Shaikh but so that his remuneration shall not exceed the limit specified in Schedule XIII to the Act (including any statutory modification or re-enactment thereof, for the time being in force) or any amendment and/or modification that may hereafter from time to time be made thereto by the Central Government."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this Resolution."

"RESOLVED FURTHER THAT the remuneration paid/payable to Mr. Abdul Mabood Shaikh from 01.11.2009 to 15.09.2010, be and is hereby ratified."

- (9) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs.20,00,00,000/- (Rupees Twenty Crores) divided into 1,50,00,000 (One Crore Fifty Lac) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs) 8% Cumulative Redeemable Preference Shares of Rs. 10/- each to Rs.25,00,00,000/- (Rupees Twenty Five Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs) 8% Cumulative Redeemable Preference Shares of Rs. 10/- each by creation of 50,00,000 Nos. of new Equity Shares of Rs.10/- each and that such new Equity Shares shall rank pari passu in all respect with the existing Equity Shares of the Company."

- (10) To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolutions :



"RESOLVED THAT pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Clause-V of the Memorandum of Association of the Company relating to share capital be and is hereby altered by deleting the same and substituting in its place and stead the following as new Clause V:

"V. The Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs) 8% Cumulative Redeemable Preference Shares of Rs. 10/- each."

Registered Office:
74/75, GIDC, Nandesari,
District : Vadodara
PIN - 391 340
Place : Udaipur.
Dated : 20th July, 2010

By Order of the Board of Directors

RAOOF RAZAK DHANANI
MANAGING DIRECTOR

NOTES:

- (1) 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 the proxy need not be a member of the Company. Proxies in order to be effective should be deposited at the Registered Office of 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 in respect of Equity Shares shall remain closed from 10.09.2010 to 15.09.2010 (both days inclusive) for the purpose of Annual General Meeting.
- (3) Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
- (4) Any query related to accounts should be notified to the Company at least 7 days before the date of the Annual General Meeting.
- (5) The Securities and Exchange Board of India has mandated compulsory trading of the Company's equity shares in demat form for all the investors. The International Securities Identification number (ISIN) code is INE 639 D 01011.
- (6) An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Item No. 4 to 10 is annexed herewith and forms part of the Notice.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No.4

The Board of Directors of the Company at their meeting held on 27.03.2010 appointed Mr. Hemant Motilal Shah as an Additional Director of the Company with effect from 27.03.2010. In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, he ceases to be a Director at the commencement of the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies act, 1956, from a member of the company proposing his candidature to the office of the Director along with a deposit of Rs. 500/-.



None of the Directors of the company except Mr. Hemant Motilal Shah is interested or concerned in the passing of the resolution.

Item No.5 and No. 6

To further strengthen the Board of Directors and to motivate the employees of the Company, the Board of Directors of the Company at their meeting held on 20.07.2010 considered the elevation of Mr. Zaffar Ullah Khan to the office of the director of the Company. Mr. Zaffar Ullah Khan is looking after the day to day affairs of the Udaipur Unit of the Company for the last 20 years and has contributed a lot in achieving the objects of the Company. Looking to his contribution in the growth of the Company, the Board of Directors of the Company at the said meeting also considered, subject to the approval of the members, his appointment as a Wholetime Director of the Company for a period of three years with effect from 15.09.2010 to 14.09.2013.

Remuneration and terms and conditions of the appointment of Mr. Zaffar Ullah Khan as Wholetime Director of the Company has been recommended by the Remuneration Committee of the Company. The proposed remuneration is within the limits as stipulated in the Schedule XIII as amended to the Companies Act, 1956.

The Company has received a notice under Section 257 of the Companies act, 1956, from a member of the company proposing his candidature to the office of the Director along with a deposit of Rs. 500/-.

The terms and conditions of his appointment as the Wholetime Director are embodied in the agreement to be entered into between the Company and the Wholetime Director, inter alia, contains the following terms and conditions :

Name & Designation	: Mr. Zaffar Ullah Khan Wholetime Director
Period	: 15.09.2010 to 14.09.2013

REMUNERATION AS ON 1.4.2010:

PART A

Basic Salary	: Rs.24000/- to 40000/-
Allowances	: Maximum upto 150% of the Basic Salary.

Annual increments will be performance based and will be decided by the Board of Directors of the Company. The increment will be effective from 1st April every year.

**PART B**

- (i) Gratuity not exceeding half month's salary for each completed year of service.
- (ii) Encashment of leave as per the rules of the Company.
- (iii) Contribution to Provident Fund as per the rules of the Company.

PART C

Provision of Car with driver to be used for company's business and telephone at the residence. These will not be considered as perquisites. The Company shall bill personal long distance call and use of Car for private purposes to the Wholetime Director.

In the event of loss or absence or inadequacy of profits in any financial year of the Company, Mr. Zafar Ullah Khan, Wholetime Director shall be paid the salary and perquisite as specified hereinabove.

Either party giving a three-month's notice in writing may terminate the Agreement at any time.

The draft agreement to be entered between the Company and Mr. Zafar Ullah Khan is available for inspection by the members of the Company upto the date of the meeting at its Registered Office between 10.30 A.M. and 1.30 P.M. on any working day except holidays.

This may be treated as an abstract of terms and conditions of the draft agreement between the Company and Mr. Zafar Ullah Khan pursuant to Section 302 of the Companies Act, 1956.

The resolutions as set out at Item No. 5 and 6 of the accompanying Notice is recommended for passing.

None of the Directors of the Company is interested or concerned in passing of the resolutions.

Item No. 7

The Board of Directors of the Company at their meeting held on 31.10.2009 appointed Mr. Tuntun Singh as Wholetime Director for a period of three years with effect from 01.11.2009 subject to the approval of the members of the Company. Mr. Tuntun Singh is associated with the Company since 2005 and has good experience in production of SSP fertilizer. Mr. Tuntun Singh is looking after the production activities of Kota Unit of the Company. His contribution will help the Company in attaining its objects in a better and harmonious way. The proposed remuneration is within the limits and other terms of the Schedule XIII as amended to the Companies Act, 1956. The terms and conditions of the appointment of the Wholetime Director are embodied in the agreement to be made between the Company and the Wholetime Director, inter alia, contains the following terms and conditions :

Name & Designation : Mr. Tuntun Singh,
Wholetime Director

Period : 01.11.2009 to 31.10.2012

**REMUNERATION AS ON 1.4.2009:****PART A**

Basic Salary : Rs.12000/- to 35000/-

Allowances : Maximum upto 150% of the Basic Salary.

Annual increments will be performance based and will be decided by the Board of Directors of the Company. The increment will be effective from April 1, every year.

PART B

- (i) Gratuity not exceeding half month's salary for each completed year of service.
- (ii) Encashment of leave as per the rules of the Company.
- (iii) Contribution to Provident Fund as per the rules of the Company.

PART C

Provision of Car with driver to be used for company's business and telephone at the residence. These will not be considered as perquisites. The Company shall bill personal long distance call and use of Car for private purposes to the Wholetime Director.

In the event of loss or absence or inadequacy of profits in any financial year of the Company, Mr. Tuntun Singh, Wholetime Director shall be paid the salary and perquisite as specified hereinabove. Either party giving a three-month notice in writing may terminate the Agreement at any time.

The draft agreement to be entered between the Company and Mr. Tuntun Singh is available for inspection by the members of the Company upto the date of the meeting at its Registered Office between 10.30 A.M. and 1.30 P.M. on any working day except holidays.

This may be treated as an abstract of terms and conditions of the draft agreement between the Company and Mr. Tuntun Singh pursuant to Section 302 of the Companies Act, 1956.

The remuneration has been approved by the Remuneration Committee.

The resolution as set out at Item No. 7 of the accompanying Notice is recommended for passing.

Mr. Tuntun Singh is deemed to be interested or concerned in the resolution, which pertains to the appointment and remuneration payable to him.

None of the other Directors of the Company is interested or concerned in passing of the resolution.

Item No.8

The Board of Directors of the Company at their meeting held on 31.10.2009 appointed Mr. Abdul Mabood Shaikh as Wholetime Director for a period of three years with effect from 01.11.2009