

LIBERTY PHOSPHATE LIMITED



TWENTY THIRD ANNUAL REPORT 2010-2011

**LIBERTY PHOSPHATE LIMITED****ANNUAL REPORT 2010-11****CONTENTS**

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Mr. Abdul Razak Dawood Dhanani - Chairman Emeritus

BOARD OF DIRECTORS

1.	Mr. Raof Razak Dhanani	- Chairman & Managing Director
2.	Mr. Shakil Zakaria Memon	- Whole time Director
3.	Mr. Vinit J. Shah	- Director (upto 13.04.2011)
4.	Mr. Firoz Asgar Khambati	- Director
5.	Mr. Salim Abdul Aziz Sherani	- Director
6.	Mr. Abdul Mabood Shaikh	- Whole time Director
7.	Mr. Hemant Motilal Shah	- Director
8.	Mr. Zafar Ullah Khan	- Whole time Director
9.	Mr. Tuntun Singh	- Whole time Director (upto 13.04.2011)
10.	Mr. Ajay Paliwal	- Additional Director (w.e.f. 23.03.2011)

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, Hazareshwar Colony, Udaipur- 313 001

Bankers

Canara Bank, IDBI Bank Limited
Karur Vysya Bank Limited, State Bank of Patiala

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)

Company Secretary

Ms.Rehanuma Khan



NOTICE

NOTICE is hereby given that the **Twenty Third** 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, District- Vadodara on Wednesday, the 14th day of September, 2011, at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the Audited Accounts of the Company for the year ended on 31.03.2011 along with the Report of the Directors' and Auditors' thereon.
- (2) To declare dividend on 8% Cumulative Redeemable Preference Shares.
- (3) To declare dividend on Equity Shares.
- (4) To appoint a Director in place of Mr. Salim Abdul Aziz Sherani, who retires by rotation and being eligible, offer himself for reappointment.
- (5) To appoint a Director in place of Mr. Shakil Zakaria Memon, who retires by rotation and being eligible, offer himself for reappointment.
- (6) To appoint Joint Statutory 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, Vadodara (ICAI Registration No. FRN 109816W) and M/s. K. L. Vyas & Company, Chartered Accountants, Udaipur (ICAI Registration No. FRN 003289C), 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 BUSINESS:

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

Ordinary Resolution:

"RESOLVED THAT Mr. Ajay Paliwal, who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 23.03.2011 and in accordance with the provisions of Section 260 of the Companies Act, 1956, ceases to be a 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 member 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. 14.09.2011 whose period of office is liable to be determined by retirement by rotation."



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

"RESOLVED THAT pursuant to the provisions of section 17 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and as may be enacted from time to time and subject to such permissions, consents, confirmations, approvals as may be required, the Memorandum of Association of the Company be and is hereby altered and extended by inserting the following sub-clause as new sub-clause- (s) immediately after the existing sub clause (r) of Clause III (C) - Other Objects of the Memorandum of Association of the Company :

(s). To invest in and acquire, hold or otherwise deal in any shares, stocks, debentures, debenture stock, warrants, any other financial instruments, bonds obligations and securities issued or guaranteed by any company constituted or carrying on the business in India or elsewhere or Government, State Government, semi Government Authorities, local authorities, public Sector Undertakings, Financial Institutions, Public Body, any other persons or otherwise and to carry on and undertake the business of finance, marketing loans or all kinds of purchasing, selling, hiring or letting/leasing on hire all kinds of plant and machinery and equipment and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to subsidise finance or assist in subsidising or financing the sale and maintenance of any goods articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of immovable and movable property including land and buildings, plant and machinery, equipments, ships, aircrafts, automobiles, computers and all consumer, commercial, medical and industrial items and to lease or otherwise deal with them including resale thereof, regardless of whether the property purchased and leased is now and/or used and from any part of the world."

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

"RESOLVED THAT pursuant to Section 149 (2A) and all other applicable provisions, if any , of the Companies Act, 1956, approval of the Company be and is hereby accorded to the Board of Directors for commencing and undertaking all or any of the businesses specified in the newly introduced sub-clause (s) of Clause IIIC of the Memorandum of Association of the Company as and when deemed fit by the Board of Directors upon the aforesaid sub-clause becoming effective."

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

"RESOLVED THAT pursuant to the Section 149 (2A) and all other applicable provisions, if any , of the Companies Act, 1956, approval of the Company be and is hereby accorded to the Board of Directors for commencing and undertaking all or any of the businesses specified in the sub-clause (i) of Clause IIIC of the Memorandum of Association (as reproduced below) of the Company as and when deemed fit by the Board of Directors."

"Hotels, Motels, Restaurants, Caf , Guest Houses, tavern, refreshments rooms, boarding and lodging, house keepers, beer house keepers, licenced, victuallers, wine beer and spirit merchants, dealers in food stuff of all kind and varieties, brewers, maltsteres, inporters, exporters and manufacturers of aerated mineral and artificial waters and other drinks, surveyors, caterers to railways, air lines and steamship corporations and to public amusements, ice merchants, refrigerating store keepers, proprietors of club, bath and dressing and to carry on the business of running night



clubs, swimming pools, bakery, confectionery, canned goods, curios, carpets, novelty shops, general merchandise connected with hotel and restaurants trade and to provide lodging, boarding and other facilities to the public including tourist visitors and other delegates, missions coming from any part of the world and to encourage and carry on and facilitate tourist trade in India and / or any other part of the world."

Registered Office:

74/75, GIDC, Nandesari,

District : Vadodara

PIN - 391 340

Place : Mumbai.

Dated : 29th July, 2011

For Liberty Phosphate Ltd.

REHANUMA KHAN
Company Secretary**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 08.09.2011 to 14.09.2011 (both days inclusive) for the purpose of payment of dividend and Annual General Meeting.
- (3) Members are requested to bring their copies of 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) Members are hereby informed that dividend which remain unclaimed /unencashed over a period of 7 years have to be transferred by the Company to the Investor Education and Protection Fund constituted by the Central Government under section 205A and 205C of the Companies Act, 1956. The interim dividend declared by the Company on 30.10.2010 if remained unclaimed /unencashed /unpaid will be transferred to such fund of the Central Government on 30.10.2017. It may be noted that no claim of the shareholder will be entertained for the unclaimed dividend which have been transferred to the credit of the Investor Education and Protection Fund constituted by the Central Government under section 205B of the Companies Act, 1956.

In view of the above, the Shareholders are advised to send all the unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government .

- (7) An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Item No. 7 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.7**

Mr. Ajay Paliwal was appointed as an Additional Director of the Company w.e.f. 23.03.2011. 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. Ajay Paliwal is interested or concerned in the passing of the resolution.

Your directors propose the resolution as set out at item no. 7 of the accompanying notice .

Item no.8

In order to diversify into certain new business ventures, your Directors have always been considering various proposals.

Amendments proposed by way of additions to the Object Clause in the Memorandum of Association as set out in the resolution under this item are to facilitate diversification etc., and enable the Company to enlarge its area of operation.

Your directors are of the view that it will be beneficial for the Company and the members and also in harmony with greater public interest that the Company should diversify its activities. Your Directors are also of the view that the proposed additional objects may conveniently and advantageously be combined with the existing business of the Company. Accordingly, the Directors propose to amend Clause IIIC of the Memorandum of Association of the Company as set out at item no. 8 of the accompanying Notice. To enable the Company to take these new lines of activities in due course as and when considered proper by the Board of Directors, alterations in the Object Clause of the Memorandum of Association are necessary.

As per the provisions of Section 17 of the Companies Act, 1956, the Object Clause of the Company can be amended only by a special resolution passed by the members and accordingly the Directors of the Company recommend the resolution set out at item no. 8 for consideration and acceptance of the members.

A copy of the Memorandum of Association together with all the proposed amendments is available for inspection at the registered office of the Company between 10.30 AM and 1.30 PM on all working days except Saturdays and holidays upto the date of the meeting.

None of the directors of the Company is concerned or interested in any way in passing the resolution.

Items no. 9 and 10

As per the provisions of Section 149 (2A) of the Companies Act, 1956, approval of the members in general meeting is required for commencement of any business as set out in the Other Object under Clause IIIC of the Memorandum of Association.

As a matter of expediency, approval of the members sought to enable the Directors at such time or times as they may consider appropriate and in the interest of the Company to commence and undertake all or any of the business specified in the sub clause (i) and newly introduced sub clause (s) to the Object Clause IIIC of the Memorandum of Association of the Company upon aforesaid sub-clause becoming effective.

The Board recommends the acceptance of the special resolutions as set out at item no.9 and 10 of the accompanying notice.

A copy of the Memorandum of Association together with all the proposed amendments is available for inspection at the registered office of the Company between 10.30 AM and 1.30 PM on all working days except Saturdays and holidays upto the date of the meeting.



None of the directors of the Company is concerned or interested in any way in passing the resolution.

Registered Office:

74/75, GIDC, Nandesari,

District : Vadodara

PIN - 391 340

Place : Mumbai.

Dated : 29th July, 2011

For Liberty Phosphate Ltd.

REHANUMA KHAN
Company Secretary

Brief resume and other information in respect of Director(s) seeking appointment/re-appointment at the Annual General Meeting in accordance with the Clause- 49 of the Listing Agreement with the Stock Exchange:

MR. SHAKIL ZAKARIA MEMON

Mr. Shakil Zakaria Memon, aged 41 years, is associated with the company since 1987 and has rich and varied experience in managing the affairs of fertilizer industry. He is looking after production, marketing and other activities of the company.

He is director in the Company since 01.04.2009.

He is a member of the following Committees of the Board of Directors of the Company :

1. Audit Committee
2. Shareholders/Investors Grievance Committee.

Nature of expertise in specific functional area: Marketing

He is director in the following companies:

- (a) Liberty Urvarak Limited
- (b) Liberty Pesticides and Fertilizers Limited
- (c) Tungabhadra Fertilizers and Chemicals Company Limited
- (d) Durg Manures and Chemicals Company Limited
- (e) Rama Buildcare Private Limited

He is not a Chairman / Member of any of the Committee(s) of Board of Directors of the above companies.

He does not hold any share of the Company as on the date of this Notice.

MR. SALIM ABDUL AZIZ SHERANI

Mr. Salim Abdul Aziz Sherani, aged 52 years, has rich and varied experience in managing the affairs of fertilizer industry.

He is director in the Company since 28.04.2008.

He is a member of the following Committees of the Board of Directors of the Company :

1. Audit Committee
2. Remuneration Committee.
3. Shareholders/Investors Grievance Committee.



Nature of expertise in specific functional area : Commercial Activities

He is not a director in any other Company. Hence he is not a Chairman /Member of the Committee(s) of Board of Directors of any other Company.

He does not hold any share of the Company as on the date of this Notice.

MR.AJAY PALIWAL

Mr. Ajay Paliwal , aged 33 years, is a Practising Chartered Accountant and has rich experience in the field of auditing, accounting and taxation.

He is a member of the following Committees of the Board of Directors of the Company :

1. Audit Committee
2. Remuneration Committee.
3. Shareholders/Investors Grievance Committee.

Nature of expertise in specific functional area : Finance, Accounts, Audit and Taxation.

He is not a director in any other Company. Hence he is not a Chairman /Member of the Committee(s) of Board of Directors of any other Company.

He does not hold any share of the Company as on the date of this Notice.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance "by allowing paperless compliances by the companies and has permitted service of documents including Annual Report to its members through electronic modes. In this backdrop, the Company has given an option to the shareholders to receive the Annual Report through e-mail and is sending the Annual Report through e-mail to those members whose registered e-mail ids were available with us. To further support this initiative Members, whose e-mail ids have not been registered so far, are requested to register their e-mail addresses with their respective Depository Participant, in respect of holdings in Demat form and, with the company's RTA, M/s. Link Intime India Private Limited, in respect of shares held in physical form.



DIRECTORS' REPORT

To
The Members of
Liberty Phosphate Limited

The Directors of your Company have pleasure in presenting Twenty Third Annual Report and the Audited Accounts of your Company for the year ended 31.03.2011.

FINANCIAL RESULTS:

Your Company's performance during the year as compared with that of the previous year is summarized below :

(Rs in Lakhs)

Particulars	2010-11	2009-10
Turnover including Other Income	36765.95	21010.83
Profit before Interest, Depreciation and Tax	6420.48	1716.74
Less : Financial Charges	696.76	477.54
Less : Depreciation	281.40	227.69
Profit before tax	5442.31	1011.51
Deferred tax (liability)/Assets	0.59	7.45
Provision for current Taxation	1887.05	368.75
Income Tax of Earlier Years	37.32	2.59
Profit after tax	3518.52	647.62
Add: Profit brought forward from previous year	3208.31	2560.69
Amount available for appropriation	6726.84	3208.31

APPROPRIATION :

Your Directors recommend appropriation as under:

(Rs in Lakhs)

	2010-2011	2009-2010
Interim Dividend - Equity	86.63	Nil
Arrears of Preference Dividend	120.00	Nil
Proposed Dividend - Preference shares	40.00	Nil
- Equity Shares	86.63	Nil
Dividend Distribution Tax	54.86	Nil
Transfer to General Reserve	87.97	Nil
Surplus Carried Forward	6250.75	3208.31
Total Appropriation	6726.84	3208.31