

LIBERTY PHOSPHATE LIMITED



TWENTY FOURTH ANNUAL REPORT 2011-2012

**LIBERTY PHOSPHATE LIMITED****ANNUAL REPORT 2011-12****CONTENTS**

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Shri Abdul Razak Dawood Dhanani - Chairman Emeritus

BOARD OF DIRECTORS

- | | | |
|----|---------------------------|--------------------------------|
| 1. | Shri Raoof Razak Dhanani | - Chairman & Managing Director |
| 2. | Shri Shakil Zakaria Memon | - Whole time Director |
| 3. | Shri Firoz Asgar Khambati | - Director |
| 4. | Shri Salim Sherani | - Director |
| 5. | Shri Abdul Mabood Shaikh | - Whole time Director |
| 6. | Shri Hemant Motilal Shah | - Director |
| 7. | Shri Zafar Ullah Khan | - Whole time Director |
| 8. | Shri Ajay Paliwal | - Director |

Statutory Auditors

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

Bankers

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

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 Fourth** Annual General Meeting of the Members of **LIBERTY PHOSPHATE LIMITED** will be held at Sayaji Hotel, Sayajigunj, Kala Goda, Baroda (Gujarat) on Thursday, the 23rd day of August, 2012, at 2.30 P.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 31.03.2012 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 Shri Firoz Asgar Khambhati, who retires by rotation and being eligible, offers himself for reappointment.
- (5) To appoint a Director in place of Shri Hemant Motilal Shah, who retires by rotation and being eligible, offers himself for reappointment.
- (6) 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, 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 in accordance with the provisions of sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof and in terms of Clause 125 of Articles of Association of the company, approval of the members be and is hereby accorded to the re-appointment of Shri Shakil Zakaria Memon as Wholtime Director of the Company for a period of three years with effect from 01.04.2012 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening the meeting with liberty to Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include any committee of the Board constituted to exercise its powers including the powers conferred by this resolution to alter and vary the terms and conditions of appointment and/or remuneration subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof."

"RESOLVED FURTHER THAT the remuneration paid/payable to Shri Shakil Zakaria Memon as Whole time Director as per Resolution approved in the meeting of Board of Directors held on 8th February, 2012 for the period from 01.04.2012 to 23.08.2012, be and is hereby ratified."



"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."

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

"RESOLVED THAT in accordance with the provisions of section 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modifications or re-enactment thereof and in terms of Clause 125 of Articles of Association of the company, approval of the members be and is hereby accorded to the reappointment of Shri Raoof Razak Dhanani, as Managing Director of the Company for a period of five years with effect from 01.07.2012 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening the meeting with liberty to Board of Directors (hereinafter referred to as "The Board") which term shall be deemed to include any committee of the Board constituted to exercise its powers including the powers conferred by this resolution to alter and vary the terms and conditions of appointment and/or remuneration subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof.

"RESOLVED FURTHER THAT the remuneration paid/payable to Shri Raoof Razak Dhanani as Managing Director as per Resolution approved in the meeting of Board of Directors held on 16th June, 2012 for the period from 01.07.2012 to 23.08.2012 be and is hereby ratified."

"RESOLVED FURTHER THAT the Board be is hereby authorized to do all acts and take all such steps as maybe necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED that in accordance with the provisions of sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof and in terms of Clause 125 of Articles of Association of the company, approval of the members be and is hereby accorded to the re-appointment of Shri Abdul Mabood Shaikh as Wholetime Director of the Company for a period of three years with effect from 01.11.2012 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening the meeting with liberty to Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include any committee of the Board constituted to exercise its powers including the powers conferred by this resolution to alter and vary the terms and conditions of appointment and/or remuneration subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof."

"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."

Registered Office:

74/75, GIDC, Nandesari,
District : Vadodara
PIN - 391 340
Place : Baroda.
Dated : 16th June, 2012

By the Order of Board
For and on behalf of
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 18.08.2012 to 23.08.2012 (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 and final dividend declared by the Company on 30.10.2010 & 14.09.2011 if remained unclaimed /unencashed /unpaid will be transferred to such fund of the Central Government on 30.10.2017 & 14.09.2018 respectively. It may be noted no claim of the shareholder will be entertained for the unclaimed dividend which has 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 9 is annexed herewith and forms part of the Notice.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.**Item No.7**

The Board of Directors of the company (the 'Board') at its meeting held on 8th February, 2012 has, subject to the approval of members, re-appointed Shri Shakil Zakaria Memon as Wholetime Director for a period of Three years from the expiry of his term on 31st March, 2012, on the remuneration determined by the Remuneration Committee and approved by the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Shakil Zakaria Memon as Wholetime Director in terms of the applicable provisions of the Companies Act, 1956 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Shakil Zakaria Memon are as under:-

**REMUNERATION :****(a) Salary & Allowances**

Basic Salary : Rs.27500/- to 50000/- per month.

Allowances : Maximum upto 150% of the Basic Salary.

(b) Shri Shakil Zakaria Memon shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified in (a) above.

- (i) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (ii) Contribution to Provident Fund, Superannuation Fund or Annuity Funds to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Encashment of Leave at the end of the tenure.

(c) Reimbursement of Expenses :

Reimbursement of expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of Car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.

The salary and perquisites together will, however, not exceed the limits provided in Schedule XIII Part II Section II Paragraph (1)(A) read with Section 198, 269 and 309 of the Act.

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 Shri Shakil Zakaria Memon 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 should also be treated as an abstract of terms and conditions pursuant to Section 302 of the Companies Act, 1956.

The Board commends the resolution as set out at Item No. 7 of the notice for your approval.

Shri Shakil Zakaria Memon is deemed to be interested or concerned in the resolution, which pertains to the re-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 (the 'Board') at its meeting held on 16th June, 2012 has, subject to the approval of members, re-appointed Shri Raoof Razak Dhanani as Managing Director for a period of five years from the expiry of his present term on 30th June, 2012, on the remuneration determined by the Remuneration Committee of the Board and approved by the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Raoof Razak Dhanani as Managing Director in terms of the applicable provisions of the Companies Act, 1956 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Razak Dhanani are as under:-

**I. Payable when the company has adequate profit :****(a) Salary, Perquisites and Allowances per month :**

(Rs.in Lacs)

Name	Salary	Perquisites and Allowances
Shri Raoof Razak Dhanani	8.00	2.00

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilization of gas, electricity, water furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; medical insurance and such other perquisites and/or allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Law, Gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration. The increment in salary and perquisites and remuneration by way of incentive/bonus payable to Shri Raoof Razak Dhanani, as may be determined by the Board and/or the Remuneration Committee of the Board, is not to be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration permissible under the Act.

(b) Commission :

The amount of commission payable shall be calculated at and will not exceed 5% of the net profit calculated as per the provisions of Section 349 and other applicable provisions, if any, of the

Companies Act, 1956, after taking into consideration the amount of Salary and Perquisites as stated in (a) above. In other words, the remuneration payable to Shri Raoof Razak Dhanani shall not in any case exceed 5% of the net profit calculated as per the provisions of Section 349 and other applicable provisions of the Companies Act, 1956 taken together Salary & Perquisites as stated in (a) above and the commission.

(c) Reimbursement of Expenses:

Reimbursement of expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of Car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.

II. Payable when the company has inadequate profit or incurred loss :**(a) Salary, Perquisites and Allowances per month :**

(Rs.in Lacs)

Name	Salary
Shri Raoof Razak Dhanani	2.00

(b) Shri Raoof Razak Dhanani shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified in (a) above.

- (i) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.



(ii) Contribution to Provident Fund, Superannuation Fund or Annuity Funds to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(iii) Encashment of Leave at the end of the tenure.

(c) Reimbursement of Expenses :

Reimbursement of expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of Car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.

Either party giving six months notice in writing may terminate the agreement at any time.

The draft agreement to be entered into between the Company and Shri Raoof Razak Dhanani is available for inspection by the members of the Company up to the date of this 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 the draft agreement between the Company and Shri Raoof Razak Dhanani, pursuant to Section 302 of the Companies Act, 1956.

The Board recommends the resolution as set out at Item No.8 of the notice for your approval.

Shri Raoof Razak Dhanani is interested or concerned in the resolution which pertains to his re-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. 9

The Board of Directors of the company (the 'Board'), at its meeting held on 16th June, 2012 has, subject to the approval of members, re-appointed Shri Abdul Mabood Shaikh as Wholetime Director for a period of three years from the expiry of his present term on 31st October, 2012, on the remuneration determined by the Remuneration Committee of the Board and approved by the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Abdul Mabood Shaikh as Wholetime Director in terms of the applicable provisions of the Companies Act, 1956 ("the Act").

Broad particulars of the terms of re-appointment of and remuneration payable to Shri Abdul Mabood Shaikh are as under:-

(a) Salary & Allowances

Basic Salary : Rs.20000/- to 50000/- per month.

Allowances : Maximum upto 150% of the Basic Salary.

(b) Shri Abdul Mabood Shaikh shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified in (a) above.



- (i) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (ii) Contribution to Provident Fund, Superannuation Fund or Annuity Funds to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Encashment of Leave at the end of the tenure.

(c) **Reimbursement of Expenses :**

Reimbursement of expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of Car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.

The salary and perquisites together will, however, not exceed the limits provided in Schedule XIII Part II Section II Paragraph (1)(A) read with Section 198, 269 and 309 of the Act.

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 Shri Abdul Mabood Shaikh 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 Shri Abdul Mabood Shaikh 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. 9 of the accompanying Notice is recommended for passing.

Shri Abdul Mabood Shaikh 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.

Registered Office:

74/75, GIDC, Nandesari,
District : Vadodara
PIN - 391 340
Place : Baroda.
Dated : 16th June, 2012

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

REHANUMA KHAN
Company Secretary