

LIBERTY PHOSPHATE LIMITED

TWENTY FIFTH ANNUAL REPORT 2012-2013



Coromandel 


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**BOARD OF DIRECTORS**

1. Mr. M. K. Tandon - Chairman
2. Mr. Dipak Ghose
3. Mr. Kapil Mehan
4. Mr. S.Sankarasubramanian
5. Mr. S. Govindarajan - Wholetime Director and COO

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
State Bank of India,
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).
- ★ Plot No.A-4 & A-5, UPSIDC, Amawan Road,
Raebareli (U.P.)

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 Fifth** Annual General Meeting of the Members of **LIBERTY PHOSPHATE LIMITED** will be held at Surya Palace Hotel, Sayajiganj, Opp. Parsi Agiyari, Vadodara (Gujarat) - 390005 on Wednesday, the 17th day of July, 2013, at 11.00 AM to transact the following business:

ORDINARY:

- (1) To receive, consider and adopt the Audited Accounts of the Company for the year ended on 31.03.2013 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 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:

- (5) Appointment of Mr. Mohan Krishna Tandon as a Director of the company:

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

"RESOLVED THAT Mr. Mohan Krishna Tandon, who was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 07.03.2013 and in accordance with the provisions of Section 260 of the Companies Act, 1956, ceases to be Director at the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company with effect from the date of AGM, whose period of office is liable to be determined by retirement by rotation."

- (6) Appointment of Mr. Dipak Ghose as a Director of the company:

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

"RESOLVED THAT Mr. Dipak Ghose, who was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 07.03.2013 and in accordance with the provisions of Section 260 of the Companies Act, 1956, ceases to be Director at the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company with effect from the date of AGM, whose period of office is liable to be determined by retirement by rotation."

- (7) Appointment of Mr. Kapil Mehan as a Director of the company:

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

"RESOLVED THAT Mr. Kapil Mehan, who was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 07.03.2013 and in accordance with the provisions of Section 260 of the Companies Act, 1956, ceases to be Director at the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company with effect from the date of AGM, whose period of office is liable to be determined by retirement by rotation."

(8) Appointment of Mr. S. Sankarasubramanian as a Director of the company:

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

"RESOLVED THAT Mr. S. Sankarasubramanian, who was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 07.03.2013 and in accordance with the provisions of Section 260 of the Companies Act, 1956, ceases to be Director at the ensuing Annual General Meeting, be and is hereby appointed as a Director of the company with effect from the date of AGM, whose period of office is liable to be determined by retirement by rotation."

(9) Appointment of Mr. Seshadri Govindarajan as a Director of the company:

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

"RESOLVED THAT Mr. Seshadri Govindarajan, who was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 07.03.2013 and in accordance with the provisions of Section 260 of the Companies Act, 1956, ceases to be Director at the ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company with effect from the date of AGM, whose period of office is liable to be determined by retirement by rotation."

(10) Appointment of Mr. Seshadri Govindarajan as Wholetime Director and Chief Operating Officer of the company:

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. Seshadri Govindarajan as Wholetime Director & Chief Operating Officer of the Company for a period of five years with effect from 07.03.2013 to 06.03.2018 on the terms and conditions including remuneration as recommended by the Remuneration Committee of the company and are as set out in the Agreement entered into between the Company, duly explained in the explanatory statement to the Notice of even date, and Mr. Seshadri Govindarajan, a copy whereof duly initialed by Mr. M. K. Tandon, 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 upon between the Board and Mr. Seshadri Govindarajan 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."

"RESOLVED FURTHER THAT the remuneration paid/payable to Mr. Seshadri Govindarajan for the period from 07.03.2013 to 17.07.2013, be and is hereby ratified."

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

Registered Office:
74/75, GIDC, Nandesari,
District : Vadodara
PIN - 391 340
Place : Mumbai
Dated : 17th April, 2013

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 11.07.2013 to 17.07.2013 (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 & 23.08.2012 if remained unclaimed /unencashed /unpaid will be transferred to such fund of the Central Government on 30.10.2017, 14.09.2018 & 23.08.2019 respectively. It may be noted that 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. 5 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.5**

The Board of Directors of the Company at their meeting held on 07.03.2013 appointed Mr. Mohan Krishna Tandon as an Additional Director of the Company with effect from 07.03.2013. 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 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/-.

The Board commends the resolution as set out at Item No.5 of the notice for your approval.

None of the Directors of the Company except Mr. Mohan Krishna Tandon is interested or concerned in the resolution.

Item No.6

The Board of Directors of the Company at their meeting held on 07.03.2013 appointed Mr. Dipak Ghose as an Additional Director of the Company with effect from 07.03.2013. 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 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/-.



The Board commends the resolution as set out at Item No.6 of the notice for your approval.

None of the Directors of the company except Mr. Dipak Ghose is interested or concerned in the resolution.

Item No.7

The Board of Directors of the Company at their meeting held on 07.03.2013 appointed Mr. Kapil Mehan as an Additional Director of the Company with effect from 07.03.2013. 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 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/-.

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

None of the Directors of the Company except Mr. Kapil Mehan is interested or concerned in the passing of the resolution.

Item No.8

The Board of Directors of the Company at their meeting held on 07.03.2013 appointed Mr. S. Sankarasubramanian as an Additional Director of the Company with effect from 07.03.2013. 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 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/-.

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

None of the Directors of the company except Mr. S. Sankarasubramanian is interested or concerned in the resolution.

Item No.9

The Board of Directors of the Company at their meeting held on 07.03.2013 appointed Mr. Seshadri Govindarajan as an Additional Director of the Company with effect from 07.03.2013. 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 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/-.

The Board commends the resolution as set out at Item No.9 of the notice for your approval.

None of the Directors of the company except Mr. Seshadri Govindarajan is interested or concerned in the resolution.

Item No.10

The Board of Directors of the company (the 'Board') at its meeting held on 7th March, 2013 has, subject to the approval of members, appointed Mr. Seshadri Govindarajan as Whole time Director & Chief Operating Officer for a period of five years effective from 07.03.2013 to 06.03.2018 on the remuneration determined by the Remuneration Committee and approved by the Board.

It is proposed to seek members' approval for the appointment of and remuneration payable to Mr. Seshadri Govindarajan as Wholetime Director & Chief Operating Officer in terms of the applicable provisions of the Companies Act, 1956 ("the Act").

Broad particulars of the terms of appointment of and remuneration payable to Mr. Seshadri Govindarajan are as under:-

Mr. Seshadri Govindarajan shall be paid remuneration by way of salary, allowances, incentive and perquisites upto a maximum limit of 5% of the net profits of the company, as determined by the Remuneration Committee and approved by the Board, for each of the financial year, computed as per the provisions of Section 198, 349 and 350 read with Schedule-XIII of the Companies Act, 1956.



a. Salary

Rs.1,77,165/- per month in the range of Rs. 1,75,000/- to Rs.5,25,000/-. The Increments to be decided by the Remuneration Committee.

b. Allowances

Allowances like House Rent Allowance, Leave Travel Allowance, Personal Allowance, Special Allowance, Additional Special Allowance Grade Allowance and/ or any other allowance as determined by the Remuneration Committee.

c. Incentive

As determined by the Remuneration Committee for each year.

d. Perquisites

As determined by the Remuneration Committee such as Furnished / Unfurnished accommodation, or House Rent Allowance in lieu thereof, reimbursement of medical expenses incurred by Mr. Seshadri Govindarajan and his family, club fees, provision of car and encashment of leave as per the rules of the company in force from time to time, and any other perquisites, benefits, amenities as applicable to senior management staff of the company, from time to time.

e. Retiral Benefits

Provident Fund/Superannuation Fund/Gratuity

Contribution to the Provident Fund, Superannuation Fund and Gratuity as per rules / scheme of company as in force from time to time.

Gratuity

Gratuity payable in accordance with the rules / Scheme of the Company as in force from time to time.

f. General

- (i) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes) the perquisites shall be valued as per income tax rules.(ii)Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.
- (iii) Mr. Seshadri Govindarajan would not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- (iv) Mr. Seshadri Govindarajan would be subject to all other service conditions as applicable to any other employee of the Company.

In the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Seshadri Govindarajan's office as Wholetime Director & Chief Operating Officer, the remuneration by way of salary, perquisites, special allowance, benefits, amenities and facilities shall not, unless approved by the Central Government, exceed the limits prescribed under the Companies Act, 1956 and rules made there under or any statutory modifications or re-enactment thereof.

Either party shall be entitled to determine this arrangement by giving not less than 90 days notice in writing in that behalf to the other party without the necessity of showing any cause, and on the expiry of the period of such notice, this arrangement shall stand terminated and Mr. Seshadri Govindarajan shall thereupon cease to be a Director and Wholetime Director & Chief Operating Officer of the company. However, the company shall be entitled to terminate Mr. Seshadri Govindarajan's employment at any time by payment to him of 3 months remuneration in lieu of such notice.

The agreement entered between the Company and Mr. Seshadri Govindarajan 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.



An abstract dated 7th March, 2013 of the terms of appointment of Mr. Seshadri Govindarajan as
Wholetime Director & Chief Operating Officer for the company, pursuant to Section 302 of the

Registered Office:

74/75, GIDC, Nandesari,
District : Vadodara
PIN - 391 340
Place : Mumbai.
Dated : 17th April, 2013

By the Order of Board
For and on behalf of
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. M. K. Tandon :

Mr. M. K. Tandon, aged 71 years, is having Master Degree in Commerce and Bachelor Degree in Law, and has more than 35 years of experience in Indian insurance industry.

He is appointed as Chairman of Board of Liberty Phosphate Limited w.e.f. 7th March, 2013.

He is also Chairman of the following Committee of the Board of Directors of the Company:

1. Audit Committee
2. Remuneration Committee

Presently, he is Chairman of Sabero Organics Gujarat Limited also.

He holds directorship in the following companies:

1. GIC Housing Finance Limited
2. Sabero Organics Gujarat Limited
3. Welspun Syntex Limited
4. Welspun Projects Limited

He is the sole proprietor of a firm called M. K. Tandon & Associates.

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

Mr. Dipak Ghose:

Mr. Dipak Ghose, aged 67 years, is a Fellow Member of Institute of Chartered Accountants of India and also having Master Degree in Commerce. He has worked in various capacities in Finance, Accounts and Commercial including the position of Chief Financial Officer in Tata Steel. He served as Chief Audit and Risk Officer at Tata Chemicals Limited also. Currently, he is engaged as Senior Advisor for Deloitte Touche Tohmatsu India Pvt. Ltd.

He is Chairman of Shareholders/Investors Grievance Committee and member of Audit Committee of the Board of Directors of the Company.

He does not hold directorship in any other company.

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

Mr. Kapil Mehan:

Mr. Kapil Mehan, aged 54 years, is a graduate in Veterinary Science and Animal Health. He also holds a PG Diploma in Management from IIM, Ahmedabad with specialization in Agriculture. He has held various positions in Sales and Marketing functions in Rallis India Limited and Tata Chemicals Limited.

Presently, he is Chairman of Parry Chemicals Limited and Managing Director of Coromandel International Limited.

He is member of Remuneration Committee of the Board of Directors of the company.

He also holds directorship in the following companies:

1. Tunisian Indian Fertilizers (Tunisia)
2. Sabero Organics Gujarat Limited
3. Dare Investments Limited
4. Coromandel International Limited