



5th Annual Report

REGISTERED OFFICE :

104, M.K. Bhawan,
300, Shahid Bhagat Singh Road,
Fort, Mumbai - 400 001.
Tel. : 2659680/2658110
Fax : 2700843

AUDITORS :

S.C. Kachhara & Co.
Chartered Accountants
R.P. Baradiya & Co.
Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENTS :

System Support Services,
209, Shivai Industrial Estate,
89, Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400 072.
Tel. : 850 0835.
Fax : 8501438

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Note : Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting.

NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of Libord Finance Limited will be held on **Wednesday the 29th September, 1999 at 4.00 P.M. at Kasturba Board Room, C/o Maharashtra Chamber of Commerce & Industry, Orison House, 6th Floor, 12, K. Dubash Marg (Rampart Row), Fort, Mumbai 400 001** to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet of the Company as at 31st March, 1999 and the Audited Profit and Loss account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in place of Mr. Y.K. Bhushan who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. Lalit Kumar Dangi who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint the Auditors and fix their remuneration.

BY ORDER OF THE BOARD

(LALIT KUMAR DANGI)
 Vice Chairman

Place: Mumbai.

Dated: 24th June, 1999.

Registered office:

Libord Finance Limited
 104, M.K.Bhavan
 300, Shahid Bhagat Singh Road,
 Fort, Mumbai-400 001.

NOTE :

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
- 2) Instruments of proxies in order to be effective must be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
- 3) The register of members of the Company and the share transfer books will remain closed from **16th September, 1999 to 29th September, 1999** (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
- 4) The Company has already transferred the unclaimed dividend declared upto the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid (Transfer to the General Revenue Account of the Central Government) Rules 1978. Those shareholders who have so far not claimed or collected their dividend may do so from the Registrar of Companies, Mumbai.
- 5) The members are requested to kindly communicate immediately any change in their address mentioning PIN CODE to the Company's Share Transfer Agents viz. **System Support Services, 209, Shivai Industrial Estate, 89, Andheri Kurla Road, Sakinaka, Andheri(East), Mumbai-400 072.**

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5th Annual Report

DIRECTORS' REPORT

To
The Members,
Libord Finance Limited

Your Directors have pleasure in presenting the 5th Annual Report along with Audited Accounts of the Company for the year ended 31st March, 1999.

FINANCIAL PERFORMANCE

	1998-99 (Rs. in lacs)	1997-98 (Rs. in lacs)
Gross Income	38.55	78.32
Gross Profit/Loss before		
Depreciation and tax	-49.53	-46.98
Depreciation	6.44	6.49
Provision for Taxation	-	-
Profit/Loss after taxation (PAT)	-55.97	-55.47
Balance brought forward from previous year	-52.86	2.61
Balance carried to Balance Sheet	-108.83	-52.86

REVIEW OF OPERATIONS

Merchant Banking

During the year under review SEBI came out with regulations wherein a registered merchant banker carrying on any business other than in the securities market, would have to discontinue such activities or transfer the merchant banking activities to a new entity which should be registered with SEBI. The Merchant banking activity was transferred to Libord Securities Limited, a group Company which is a member of the The Stock Exchange Mumbai and an application for amendment to the certificate has already been made to SEBI.

Forex business

Foreign Exchange Business for the country has been good and your company has earned an income of Rs. 22.64 lacs from Money Changing activities. Your Company would like to aggressively market the foreign exchange activity through corporate and individual clients.

Asset Based Financing

Leasing and hire purchase still continues to be depressed and your Company has not taken up any activity in this area.

Money Market Operations

Your Company has earned an income of Rs. 14.84 lacs from the Money Market Operations though the market has been very dull.

FUTURE OUTLOOK

The Indian economic environment continues to be under a severe recession further aggravated by opening up of the economy to the international companies. The financial services sector is now represented by competent survivors and can hope for a good future. Your company has drawn up plans and strategies for future growth.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has no activities relating to conservation of energy or technology absorption. There were no earnings or outgo in foreign

exchange.

FIXED DEPOSITS

There was no Fixed Deposits outstanding with the company as on 31st March, 1999. There were also no unclaimed deposits outstanding at the end of the year.

YEAR 2000 COMPLIANCE

Risk to the Company due to year 2000 bug.

Your Company has the software and the hardware which is Y2K compliant which implies that all computer systems are verified to be capable of correctly recognising and processing date related information beyond December, 1999.

Cost

Your Company's philosophy of selection of hardware and software based on the latest technology has reduced the Company's Year 2000 Compliance efforts and cost.

Company's Contingency Plan

A contingency plan comprising of a team of external consultants and internal managers has been set up to study the risks posed by Year 2000 issue.

SUBSIDIARY COMPANY

A Statement pursuant to Section 212 of the Companies Act, 1956, in respect of the subsidiaries of the company, is attached to the Accounts of the Company.

PERSONNEL

The performance that your Company achieved during the year under review has been due to the dedicated efforts put in by all the employees. Your Directors place on record their appreciation for the valuable contribution made by the staff members of the Company.

During the year under review, there was no employee drawing salary in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 and the rules prescribed thereunder.

DIRECTORS

Mr. Y.K. Bhushan and Mr. Lalit Kumar Dangri retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

M/s S.C.Kachhara and Co., & M/s R.P. Baradiya & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of this Annual General Meeting and being eligible, are recommended for reappointment.

The Notes on accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further explanations.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the active support given by Banks, Merchant Bankers, Investors, Brokers, Employees and Customers for their continued support to the Company.

For and on behalf of the Board

Mumbai
24th June, 1999

Dr. R. N. Singh
Chairman

AUDITORS' REPORT

To The Members,
Libord Finance Limited.

We have audited the attached Balance Sheet of LIBORD FINANCE LIMITED as at 31st March, 1999 and Profit and Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 (hereinafter referred to as 'the Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.

2. Further to our comments in the Annexure referred to in paragraph (1) above :

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
- The Balance Sheet and Profit and Loss Account dealt with by this

For S.C. Kachhara & Company
Chartered Accountants
(S.C. Kachhara)
Proprietor

Mumbai, 24th June, 1999.

- report are in agreement with the books of account.
- The Balance Sheet and the Profit & Loss account, comply with the accounting standards prescribed under section 211(3C) of the Companies Act, 1956.
- We are unable to express our opinion as to the extent of recoverability of overdue loans and advances aggregating to Rs.1,16,01,774. It was explained that the Company has taken suitable measures to recover the said dues including filing of legal cases wherever considered appropriate and that, therefore, no provision is considered necessary at this stage. (Refer Note no. 2 of Schedule 20).
- We are also unable to express our opinion as to the extent of recoverability / realisability of investments of Rs. 3,23,73,825. (Refer Note no. 3 of Schedule 20).
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to what is stated in paragraph (a) above having consequential impact on the loss for the year, the reserves and surplus and the assets of the Company and read together with other notes appearing in Schedule 20 and elsewhere in the accounts, give the information required by the Act, in the manner so required and give a true and fair view :
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and
 - in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

For R.P. Baradiya & Company
Chartered Accountants
(R.P. Baradiya)
Proprietor

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 1 of our report of even date)

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals during the year. No discrepancies were noticed on such verification.
- None of the fixed assets have been revalued during the year.
- Physical verification has been conducted by the management at reasonable intervals in respect of stocks of shares, securities and currency notes.
- The procedures followed by the management for physical verification of stocks are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- No discrepancies have been noticed on physical verification of stocks as compared to book records.
- On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in preceding year.
- The rates of interest and other terms and conditions of the unsecured loans taken/granted by the Company from/to the Companies listed in the register maintained under Section 301 of the Act and from the Company under the same management as defined under Section 370 (1B) of the Act, is prima-facie, not prejudicial to the interest of the Company.
- In respect of loans and advances in the nature of loans given to the parties and interest free loans given to employees, the parties are repaying the principal amount as stipulated and are also generally regular in payment of interest wherever applicable except in respect of overdue loans and advances aggregating to Rs. 1,16,01,774. As explained, necessary steps has been taken by the company for the recovery of the said amount. However, in our opinion, concerted efforts in this direction are needed.
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with

- the size of the Company and the nature of its business for the purchase of equipment and other assets and for the sale of shares and securities.
- The Company has during the year not entered into any transactions of purchase and sale of shares and securities in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Act and aggregating to Rs. 50,000 or more in respect of each party.
- The Company has not accepted any deposit from the public within the meaning of Section 58A of the 'Act'.
- In our opinion, the internal audit system needs to be strengthened to make it commensurate with the size of the Company and the nature of its business.
- As explained to us, the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948 are not applicable to the Company.
- There were no undisputed amounts payable in respect of Income tax, Wealth tax and Sales tax which have remained outstanding as at 31st March, 1999 for a period of more than six months from the date they became payable.
- No personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
- The services rendered by the Company, as explained, do not require allocation of man hours. However, in respect of the same there exists a reasonable internal control system, commensurate with the size of the Company and the nature of its business.
- The Company has kept proper records of its transactions in shares, securities and other investments and timely entries have been made therein. The shares, securities and other investments have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Act.

For S.C. Kachhara & Company
Chartered Accountants
(S.C. Kachhara)
Proprietor

Mumbai, 24th June, 1999.

For R.P. Baradiya & Company
Chartered Accountants
(R.P. Baradiya)
Proprietor