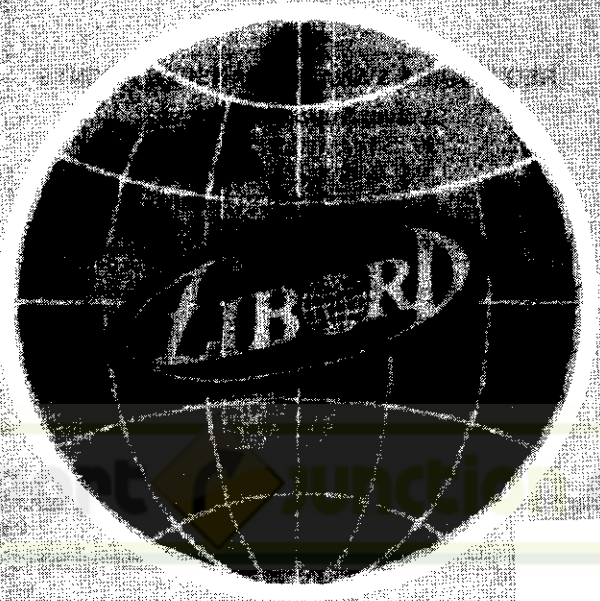
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LIBORD INFOTECH LIMITED

(Formerly, LIBORD FINANCE LIMITED)



6th ANNUAL REPORT 1999-2000

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REGISTERED OFFICE

104, M.K. Bhavan,
300, Shahid Bhagat Singh Road,
Fort, Mumbai 400 001
Tel. : 265 9880 / 265 8110
Fax : 270 0843

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 : 850 1438

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

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NOTICE

Notice is hereby given that the 6th Annual General Meeting of the Members of Libord Infotech Limited will be held on Tuesday the 26th September, 2000 at 11.00 A.M. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhusru Dubash Marg, (Behind Prince of Wales Museum), 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, 2000 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. H.G. Nanavaty who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint a director in place of Mrs. Vandana Dangi who retires by rotation and being eligible, offers herself for reappointment.

4. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modifications the following as an ORDINARY RESOLUTION:

   "RESOLVED THAT Mr. N.G. Deshpande be and is hereby appointed as Director of the Company."

6. To consider and if thought fit to pass with or without modification the following as an ORDINARY RESOLUTION :

   "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, Mr. Pramod Patel be and is hereby appointed as the Manager of the Company for a period of FIVE YEARS from 15th July, 2000 to 14th July, 2005.

   FURTHER RESOLVED THAT Mr. Pramod Patel be paid the following remuneration, benefits and amenities:

Salary	: Rs. 8,000 p.m.
House Rent Allowance	: Rs. 3,500 p.m.
Conveyance Reimbursement subject to a maximum of	: Rs. 4,500 p.m.

   FURTHER RESOLVED THAT the Vice Chairman be and is hereby authorised to alter, increase, expand, enhance, enlarge or widen the scope of the remuneration and perquisites, including the monetary value thereof to the extent prescribed under Schedule XIII of the Companies Act, 1956 and any amendments thereto may permit."

7. To consider and if thought fit to pass with or without modification the following as an ORDINARY RESOLUTION :

   "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, Mr. T. Anil Kumar be and is hereby appointed as the Manager of the Company from 20th November, 1999 to 15th July, 2000.

   FURTHER RESOLVED THAT Mr. T. Anil Kumar be paid the following remuneration, benefits and amenities during the aforesaid period:

Salary	: Rs. 8,000 p.m.
House Rent Allowance	: Rs. 3,500 p.m.
Conveyance Reimbursement subject to a maximum of	: Rs. 4,500 p.m.

BY ORDER OF THE BOARD

Mumbai.
Dated: 15th July, 2000.

(LALIT KUMAR DANGI)
Vice Chairman

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, 2000 to 26th September, 2000 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.

4) The members may note that the Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Service (I) Limited (CDSL) to facilitate their holding and trading of the equity shares in electronic form. Members are advised to open a beneficiary account with any Depository Participant(DP) and approach them for dematerialising their share certificates and convert them into electronic form.

In order to dematerialise the shares the members are requested to submit a Dematerialisation Request Form (DRF) along with the share certificates to their Depositary Participants (DP) through whom they have opened a beneficiary account quoting International Securities Identification Number (ISIN) INE212B01011.

In regard to transfer cum dematerialisation of shares the investor shall send his share certificates along with transfer deed to our Registrar and Transfer Agents viz. System Support Estates, **209, Shivai Industrial Services, 89, Andheri Kurla Road, Sakinaka, Andheri(East), Mumbai-400 072** as per the normal procedures. Thereafter the transferee shall be intimated about such transfer and an option letter shall be sent by the registrars & transfer agents. The option letter and Dematerialisation Request Form (DRF) are to be submitted to the Depositary Participants (DP) through whom they have opened a beneficiary account quoting International Securities Identification Number (ISIN) INE212B01011.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5 :

Mr. N.G. Deshpande was appointed as an Additional Director with effect from 25th October, 1999 and pursuant to Section 260 of the Companies Act, 1956, he holds office up to this Annual General Meeting. A notice as required under Section 257 of the Companies Act, 1956 had been received from a shareholder for proposing Mr. N.G. Deshpande for the office of the Director of the Company.

Mr. N.G. Deshpande served the Industrial Bank of India as the General Manager and has vast experience in the areas of financial sector.

The Board considers that it would be in the interest of the Company to appoint Mr. N.G. Deshpande and therefore commends the resolution for his appointment.

None of the Directors are concerned or interested in the said resolution.

Item No. 6 :

Mr. Pramod Patel was appointed as Manager of the Company by the Board of Directors with effect from 15th July, 2000 in its meeting held 26th June, 2000.

The Board considers that it would be in the interest of the Company to appoint Mr. Pramod Patel as the Manager of the Company and therefore commends the resolution for his appointment.

None of the Directors are concerned or interested in the said resolution.

Item No. 7 :

Mr. T. Anil Kumar was appointed as the Manager u/s 2(24) of the Companies Act, 1956 from 20th November, 1995 to 19th November, 2000. He has resigned from the Company with effect from 15th July, 2000. The Proposed resolution is to seek the shareholders approval for his appointment and the remuneration paid to him from 20th November, 1999 to 15th July, 2000.

The Board considers that it would be in the interest of the Company to approve the appointment and the remuneration paid to Mr. T. Anil Kumar as the Manager of the Company from 20th November, 1999 to 15th July, 2000 and therefore commends the resolution.

None of the Directors are concerned or interested in the said resolution.

Registered office:

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

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DIRECTORS' REPORT

To the Members,

Libord Infotech Limited

Your Directors have pleasure in presenting the 6th Annual Report along with Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL PERFORMANCE

	1999-2000	1998-99
	(Rs. in lacs)	
Gross Income	**54.99**	38.55
Gross Profit/Loss before		
Depreciation and tax	**7.26**	-49.53
Depreciation	**6.08**	6.44
Provision for Taxation	**0.14**	-
Profit/Loss after taxation (PAT)	**1.04**	-55.97
Balance brought forward		
from previous year	**-108.83**	-52.86
Transfer from general reserve	**12.00**	-
Balance carried to Balance Sheet	**-95.79**	-108.83

REVIEW OF OPERATIONS

Software Activity

During the year under review the Company changed its name from Libord Finance Limited to Libord Infotech Limited with an intent to seize the growing software activity in the Country. There is high potential in the field of Information Technology Sector. Serious efforts are being made to exploit this potentail by your company. It is expected that the efforts will bring positive results, in the near future. Your Company has also got itself registered with the Software Technology Park of India (STPI) and had been active in providing software solutions within the country and abroad. The income generated on account of Software business was Rs. 25.77 lacs.

Forex business

Inspite of tough competition form various quarters the Foreign Exchange Business had earned an income of Rs. 16.00 lacs.

Asset Based Financing

The were no Leasing and hire purchase activity taken up during this year.

Money Market Operations

Your Company has earned an income of Rs. 6.21 lacs from the Money Market Operations though the market has been very dull.

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, 2000. There were also no unclaimed deposits outstanding at the end of the year.

YEAR 2000 COMPLIANCE

Your Company was fully geared up for the Year2K in regard to the Computer Systems and had successfully rolled over to the year 2000 and the transition was smooth.

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. H.G. Nanavaty and Mrs. Vandana Dangi retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.

Mr. N.G. Deshpande was appointed as an Additional Director during the year. Notice from shareholder under Section 257 of the Companies Act, 1956 has been received for his appointment as Director libale to retire by rotation.

AUDITORS

M/s S.C.Kachhara & Co., and 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
26th June, 2000

Dr. R. N. Singh
Chairman

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AUDITORS' REPORT

To The Members,

Libord Infotech Limited

(Formerly, Libord Finance Ltd)

We have audited the attached Balance Sheet of LIBORD INFOTECH LIMITED as at 31st March, 2000 and also the annexed Profit and Loss Account for the year ended on that date 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 our 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 :

(a) 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;

(b) 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;

(c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the Accounting Standards as prescribed under the provisions of Section 211(3C) of the Act, to the extent applicable;

(e) i. No provision for the loss has been made in the accounts with regard to certain long overdue loans and advances aggregating to Rs. 22,95,095 (Net of provision) which in our opinion are doubtful of recovery (Refer Note no.2 in Schedule 19).

ii. Further, we are unable to express our opinion as to the extent of recoverability of overdue loans and advances and debtors aggregating to Rs.2,32,91,032. 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 in Schedule 19).

iii. We are also unable to express our opinion as to the extent of realisibility of Investments of Rs.3,24,37,775. (Refer Note no.3 in Schedule 19).

(f) We further report that, without considering the effect of para e(ii) and e(iii) above which is presently not determinable, had the observations made by us in para e(i) above been considered, the loss for the year would have been Rs.21,90,943 (as against the reported profit figure of Rs. 1,04,152), accumulated losses would have been Rs.1,18,73,941 (as against the reported figure of Rs.95,78,846) and net current assets would have been Rs.3,04,25,158 (as against the reported figure of Rs.3,27,20,253)

(g) 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 (f) above and read together with other notes appearing in Schedule 19 and elsewhere in the accounts, give the information required by the Act in the manner so required and give a true and fair view :

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000 and;

(ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **S.C. Kachhara & Company**
Chartered Accountants

For **R.P. Baradiya & Company**
Chartered Accountants

(S.C. Kachhara)
Proprietor

(R.P. Baradiya)
Proprietor

Mumbai, 26th June, 2000

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. The Company is under the process of updating its records showing full particulars including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the Management during the year at reasonable intervals. Discrepancies, if any, will be adjusted as and when the records are completed.
2. None of the fixed assets have been revalued during the year.
3. Physical verification has been conducted by the management at reasonable intervals in respect of stocks of shares, securities and currency notes.
4. 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.
5. No discrepancies have been noticed on physical verification of stocks as compared to book records.
6. 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.
7. 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.
8. 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.2,64,88,450. As explained, necessary steps have been taken by the company for the recovery of the said amount. However, in our opinion, concerted efforts in this direction are needed.
9. 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.
10. 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.
11. The Company has not accepted any deposit from the public within the meaning of Section 58A of the Act.
12. 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.
13. 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.
14. There were no undisputed amounts payable in respect of Income tax, Wealth tax and Sales tax which have remained outstanding as at 31st March, 2000 for a period of more than six months from the date they became payable.
15. No personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
16. The services rendered by the Company, as explained, do not require allocation of man-hours and materials. 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.
17. 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

For **R.P. Baradiya & Company**
Chartered Accountants

(S.C. Kachhara)
Proprietor

(R.P. Baradiya)
Proprietor

Mumbai, 26th June, 2000

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