

LIBORD INFOTECH LIMITED



12th
ANNUAL REPORT
2005-2006

REGISTERED OFFICE :

104, M. K. Bhawan,
300, Shahid Bhagat Singh Road,
Fort, Mumbai - 400 001.
Tel. : 2265 8108 / 09 / 01
Fax : 2266 2520

AUDITOR :

MEHTA SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS

REGISTARS & SHARE TRANSFER AGENTS
SHAREX (INDIA) PVT. LTD.

17B, DENA BANK BUILDING,
2ND FLOOR, HORNIMAN CIRCLE,
FORT, MUMBAI - 400 001.
TEL : 2270 2483 / 85
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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of Libord Infotech Ltd. will be held on 28th September, 2006 on Thursday at 11.00 AM at 104, M. K. Bhawan, 300 Shahid Bhagat Singh Road, 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, 2006 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. V.H. Pandya who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. N. G. Deshpande who retires by rotation and being eligible, offers himself 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. Naval Agrawal be and is hereby appointed as Director of the Company."

6. To consider and if thought fit to pass with or without modifications the following resolution as a **SPECIAL RESOLUTION** :

"Resolved that subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, Listing Agreements, and all other applicable laws, rules regulations and guidelines and subject to such approval, permissions and sanction, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from all or any of the Stock Exchanges at Ahmedabad, Chennai and Jaipur."

Place : Mumbai
Date : 28-06-2006

For & on Behalf of Board

Registered office :
104- M. K. Bhawan
300, Shahid Bhagat Singh Road,
Fort, Mumbai

(Lalit Kumar Dangi)
Vice Chairman

Explanatory Statement Under Section 173 of the Companies Act, 1956**Item No.5**

Mr. Naval Agrawal was appointed as an additional director with effect from 12.1.2006 and pursuant to Section 260 of the Companies Act 1956 he holds office upto this Annual General Meeting. A notice as required under Section 257 of the Companies Act, 1956 has been received from a shareholder for proposing Mr. Naval Agrawal for the office of the Director. Mr. Naval Agrawal has worked with Libord Securities Ltd and has vast experience in the areas of software and financial sector.

The Board considers that it would be in the interest of the company to appoint Mr. Naval Agrawal and therefore recommend the resolution for his appointment. None of the directors are concerned or interested in the said resolution.

Item No.6

Presently, the Company's Securities are listed at the following Stock Exchanges in India;

1. Bombay Stock Exchange Ltd (the Regional Stock Exchange).
2. The Stock Exchange, Ahmedabad.
3. Madras Stock Exchange Limited.
4. Jaipur Stock Exchange Limited.

With the screen base trading introduced by Bombay Stock Exchange Ltd, and the extension of the BSE terminals to other cities as well investors have access to online dealings in the Company's Equity Shares across the Country. The bulk of the trading in the Company's equity shares in any case take place on the BSE. It is also observed that the listing fee paid to the other Stock Exchanges is disproportionately higher, and the trading volumes and liquidity are lower compared to the BSE.

As a part of its cost reduction measures, the Company has proposed this resolution, which will enable it to delist its equity shares from all or any of the following stock Exchanges i.e. the Stock Exchange Ahmedabad, Madras Stock Exchange Limited and Jaipur Stock Exchange Limited, at an appropriate time in the future. The actual timing of such an action will depend upon future developments regarding integration of the Stock Exchange across the country, growth in volume of trading on different exchanges, etc.

In line with the SEBI regulations and approval, members' approval is being sought by a special Resolution for enabling voluntary delisting of its Securities from the said other Stock Exchanges.

The Company is also separately giving special notice of the proposed enabling resolution for the said delisting in one National Newspaper on all India basis. The proposed delisting of the Company's securities from The Stock Exchange, Ahmedabad, Madras Stock Exchange Limited, Jaipur Stock Exchange Limited, as and when the same takes place, will not adversely affect the investors.

Your Directors recommend the Special Resolution for approval of members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

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 Shares transfer books will remain closed from 26th September to 27th September 2006 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
4. Members may kindly communicate immediately any change in their address mentioning PIN CODE to the Company's address.

DIRECTORS' REPORT

To the Members,
Libord Infotech Limited

Your Directors have pleasure in presenting the 12th Annual Report along with Audited Accounts of the Company for the year ended 31st March, 2006.

FINANCIAL PERFORMANCE

	2005 – 2006 (Rs. in Lacs)	2004 – 2005 (Rs. in Lacs)
Gross Income	73.42	47.12
Gross Profit before depreciation & Provision for Taxation	38.90	7.37
Depreciation	0.79	0.78
Provision for taxation	1.35	0.70
Profit after taxation (PAT)	36.76	5.89
Provisions written back	31.11	5.63
Balance brought forward from Previous Years	(255.86)	(267.38)
Balance carried to Balance sheet	(219.10)	(255.86)

REVIEW OF OPERATIONS

The income from operation during the year was Rs. 73.42 Lacs (Previous Year 47.12 Lacs)

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year.

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 earning or outgo in foreign exchange for the period under review.

PERSONNEL

No employee of the Company was drawing salary in excess of the limits specified under section 217 (2A) of the Companies Act, 1956 read with the Company's (Particular of Employees) Rules, 1975.

DIRECTORS

Mr. R.N. Singh died on 20.12.2005, hence his office was vacated. Your directors place on record their appreciation of the services rendered by Mr.R.N. Singh.

Mr.H.G. Nanavaty's office was vacated due to non-attendance of the Board Meeting consecutively for nine months. Your directors place on record their appreciation of the services rendered by Mr.H.G. Nanavaty.

Mrs. Vandna Dangi resigned from the Board w.e.f. from 12.1.2006. Your directors place on record their appreciation of the services rendered by Mrs.Vandna Dangi.

Mr. Naval Agrawal was appointed as an Additional Director w.e.f. 12.1.2006 who retires at the conclusion of the AGM, being eligible offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2006, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) That the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2006 on a going concern basis.

REPORT ON AUDIT COMMITTEE

a) Terms of Reference

To oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of the audit fees, to review and discuss with the Auditors about internal control systems, scope of audit including observations of the auditors an adequacy of internal control systems, major accounting policies & practices, adopting accounting standards and complying various requirement concerning financial statements, if any, to review the Company's half-yearly and annual financial statements before submission to the Board of Directors.

During the year five Audit Committee meeting were held on 25.4.2005, 29.6.2005, 29.7.2005, 29.10.2005, 12.1.2006. The Minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

b) Composition

Name of Member	Status	No. of Meeting Attended
Mr. N. G. Deshpande	Member	2
Mr. Lalit Kumar Dangi	Member	5
Dr R. N. Singh	Member	4
Mr.Naval Agrawal	Member	1

AUDITORS

Your Directors recommend the re-appointment of M/s Mehta Singhvi & Associates, Chartered Accountants as the auditors for the Company from the conclusion of this ensuing annual general meeting upto the conclusion of the next annual general meeting. The Notes on accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further explanation.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the valuable contribution made by the staff members of the company.

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

For and on behalf of the Board

Place: Mumbai
Date: 28th June, 2006

(Lalit Kumar Dangi)
Vice Chairman

CORPORATE GOVERNANCE – 2005 – 06

Libord Infotech Ltd. believes in good Corporate Governance, which results in corporate excellence and attaining maximum level of transparency disclosures, accountability and equity in all its interaction with its Shareholders. Your Company continued to recognize the importance of Corporate Governance to ensure fairness of the Shareholders. Corporate Governance envisages disclosures on various facets of Company's operations to achieve corporate excellence. The Company continued to shares with you from time to time various information through public notices, press releases and through Annual Reports. In addition, we give below the information on areas covered under Corporate Governance.

- I In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board.

As on 31st March 2006, the Board of Directors of your Company consisted of five directors.

(a) The Composition of Board of Directors as of 31.03.2006 was as follows:

Sr. No.	Name	No. of Outside Directorships held	No. of Membership in Committee of Board
1	Shri V. H. Pandya	7	-
2	Shri Y. K. Bhusan	2	-
3	Shri N. G. Deshpande	1	1
4	Shri Lalit Dangi	5	2
5	Shri Naval Agrawal	1	2

Mr. R.N. Singh died on 20.12.2005, hence his office was vacated.

Mr.H.G. Nanawaty's office was vacated due to non-attendance of the Board Meeting consecutively for nine months.

Mrs. Vandna Dangi resigned from the Board w.e.f. from 12.1.2006.

Mr. Naval Agrawal was appointed as an Additional Director w.e.f. 12.1.2006 who retires at the conclusion of the AGM, being eligible offers himself for reappointment.

- (b) Details of Board meeting held during the year 2005 – 06.

Dates of meeting

25.04.2005

29.06.2005

29.07.2005

26.09.2005

29.10.2005

12.01.2006

- (c) Attendance record of the Directors at the Board meetings held during the financial year 2005– 06 and the last AGM held on 26.09.2005

Name	No. of Board meeting attended	Whether last Annual General meeting Attended
Shri R. N. Singh	5	YES
Shri V. H. Pandya	4	NO
Shri Y. K. Bhusan	-	NO
Shri N. G. Deshpande	2	NO
Shri H. G. Nanawaty	-	NO
Shri Lalit Dangi	6	YES
Smt. Vandana Dangi	5	YES
Shri Naval Agrawal	1	NO

II Audit Committee

The Audit committee of the Company continued to oversee the functions of the Audit committee under the Companies Act as well as Audit Committee under the listing agreement. As on 31.03.2006 the Audit committee consists of 4 Directors – Dr.R.N.Singh, Shri Lalit Dangi, Shri Naval Agrawal and Shri N. G. Deshpande. Mr. Lalit Dangi acts as the secretary of the Committee. During the year the committee met five times held on 25.04.2005, 29.6.2005, 29.7.2005, 29.10.2005 and 12.1.2006.

Audit committee attendance during 2005 – 06.

Sr. No.	Name of the Audit Committee Member	No. of Meeting Addedded
1	Shri N. G. Deshpande	2
2	Shri Lalit Dangi	5
3	Dr. R.N.Singh (Now deceased)	4
4	Shri Naval Agrawal	1

III Remuneration Committee

No Remuneration committee was constituted since no remuneration was paid to any director except Board sitting fees.