

**12th**  
**ANNUAL REPORT**  
**2005-2006**



**LIBORDS SECURITIES LIMITED**

**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 12<sup>th</sup> Annual General Meeting of the Members of Libords Securities Limited will be held on Thursday 28<sup>th</sup> September, 2006 at 11.30 A.M. 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 31<sup>st</sup> 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. Lalit Kumar Dangl who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint the Auditors and fix their remuneration.

### **SPECIAL BUSINESS**

4. 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."
5. To consider and if thought fit to pass with or without modifications the following as an ORDINARY RESOLUTION :  
"RESOLVED THAT Mr.T.R. Ramanathan 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 as an ORDINARY RESOLUTION :  
"RESOLVED THAT Mr.Ramesh Jain be and is hereby appointed as Director of the Company."
7. 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 and Jaipur."

Place : Mumbai

Date : 28-06-2006

Registered office :

104- M. K. Bhawan

300, Shahid Bhagat Singh Road,  
Fort, Mumbai

For & on Behalf of Board  
(Lalit Kumar Dangl)  
Chairman

### **Explanatory Statement under Section 173 of the Companies Act**

#### **Item No.4**

Mr.N.G. Deshpande was appointed as an Additional Director with effect from 29<sup>th</sup> October 2005 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 Development Bank of India as the Chief 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 recommends the resolution for his appointment.

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

#### **Item No.5**

Mr.T.R. Ramanathan was appointed as an Additional Director with effect from 28<sup>th</sup> February 2006 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.T.R. Ramanathan for the office of the Director of the Company.

The Board considers that it would be in the interest of the Company to appoint Mr.T.R.Ramanathan and therefore recommends the resolution for his appointment.

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

#### **Item No.6**

Mr.Ramesh Jain was appointed as an Additional Director with effect from 28<sup>th</sup> February 2006 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.Ramesh Jain for the office of the Director of the Company.

The Board considers that it would be in the interest of the Company to appoint Mr.Ramesh Jain and therefore recommends the resolution for his appointment.

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

#### **Item No.7**

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. 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 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, and 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 26<sup>th</sup> September 2006 to 27<sup>th</sup> 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,  
**Libords Securities Limited**

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

### FINANCIAL PERFORMANCE

	2005 - 2006 (Rs. in Lacs)	2004 - 2005 (Rs. in Lacs)
Gross Income	53.82	7.05
Gross Profit / (Loss) before depreciation & Provision for Taxation	16.78	1.92
Depreciation	1.08	2.53
Provision for taxation	0.70	-
Profit / (Loss) after taxation (PAT)	15.00	(0.61)
Taxation for earlier years	-	-
Balance brought toward from Previous Years	(7.75)	(7.14)
Profit/Loss available for appropriations	7.24	(7.75)

### REVIEW OF OPERATIONS

The earning on account of operation for the year was Rs.53.82 Lacs (Previous Year Rs.7.05 Lacs)

### FIXED DEPOSITS

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

### 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.

### PERSONNEL

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

As required under provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors Report.

### DIRECTORS

- Mr. R.N. Singh was appointed as an additional Director on 29.10.2005. He died on 20.12.2005 and his office was vacated. Your directors place on record their appreciation of the services rendered by Mr.R.N. Singh.
- Mr.Hemant Nahata resigned from the Board and his resignation was accepted in the Board Meeting held on 29.10.2005 making the same effective from 29.10.2005. Your directors place on record their appreciation of the services rendered by Mr.Hemant Nahata
- Mr.N.G. Deshpande was appointed as an additional Director in the Board Meeting held on 29.10.2005. His term expires at the conclusion of the AGM. He being eligible offers himself for reappointment.
- Mr.Ramesh Jain was appointed as an additional Director in the Board Meeting held on 28.2.2006. His term expires at the conclusion of the AGM. He being eligible offers himself for reappointment.
- Mr.TR. Ramnathan was appointed as an additional Director in the Board Meeting held on 28.2.2006. His term expires at the conclusion of the AGM. He 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:

- That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2006, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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.
- 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.
- That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> 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 it's 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 meetings were held on 25.4.2005, 29.6.2005, 29.7.2005, 29.10.2005 and 14.1.2006. 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. Lalit Kumar Dangi	Director	5
Mr. Naval Agrawal	Director	5
Mr. Ramesh Jain	Director	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 existing 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 wish to place on record their appreciation for the active support given by Banks, Investors, Shareholders, Brokers, Employees and Customers for their continued support to the Company.

For and on behalf of the Board

Place: Mumbai  
Date: 28<sup>th</sup> June, 2006

(Lalit Kumar Dangi)  
Chairman

## CORPORATE GOVERNANCE – 2005 – 06

Libords Securities Limited 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 31<sup>st</sup> 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 Lalit Dangi	5	2
2	Shri Nawal Agarwal	1	2
3	Shri N.G.Deshpande	1	-
4	Shri Ramesh Jain	-	1
5	Shri TR. Ramnathan	-	-

Mr. R.N. Singh was appointed as an additional Director on 29.10.2005. He died on 20.12.2005 and his office was vacated.

Mr.N.G. Deshpande was appointed as an additional Director in the Board Meeting held on 29.10.2005. His term expires at the conclusion of the AGM. He being eligible offers himself for reappointment.

Mr.Hemant Nahata resigned from the Board and his resignation was accepted in the Board Meeting held on 29.10.2005 making the same effective from 29.10.2005.

Mr.Ramesh Jain was appointed as an additional Director in the Board Meeting held on 28.2.2006. His term expires at the conclusion of the AGM. He being eligible offers himself for reappointment.

Mr.TR. Ramnathan was appointed as an additional Director in the Board Meeting held on 28.2.2006. His term expires at the conclusion of the AGM. He being eligible, offers himself for reappointment.

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

Dates of meeting

25.4.2005

29.6.2005

29.7.2005

29.10.2005

14.1.2006

20.2.2006

- (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 Lalit Dangi	6	YES
Shri Nawal Agrawal	6	YES
Shri Hemant Natha	-	NO
Shri Ramesh Jain	1	NO
Shri N.G. Deshpande	2	NO
Shri TR. Ramnathan	1	NO

### II. Audit Committee

The Audit committee consists 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 3 Directors – Shri Nawal Agrawal, Shri Lalit Dangi and Shri Ramesh Jain. Mr. Lalit Dangi acts as the secretary of the Committee during the year the committee met five times held on 25.4.2005, 29.6.2005, 29.7.2005, 29.10.2005 and 14.1.2006.

**Audit committee attendance during 2005 – 06.**

Sr. No.	Name of the Audit Committee Member	No. of Meeting Addedded
1	Shri Lalit Dangi	5
2	Shri Nawal Agrawal	5
3	Shri Ramesh Jain	1

### III. Remuneration Committe

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