

CORPORATE GOVERNANCE - 2010 – 11

Libord Finance 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 2011, the Board of Directors of your Company consisted of four directors.

- (a) The Composition of Board of Directors as of 31.03.2011 was as follows:

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

- (b) Details of Board meeting held during the year 2010 – 11.

Dates of meeting

02.04.2010
20.04.2010
08.06.2010
25.06.2010
29.07.2010
22.10.2010
27.01.2011

- (c) Attendance record of the Directors at the Board meetings held during the financial year 2010-11 and the last AGM held on 27th September,2010.

| Name | No. of Board meeting attended | Whether last Annual General meeting Attended |
|----------------------|-------------------------------|--|
| Shri V. H. Pandya | 5 | NO |
| Shri N. G. Deshpande | 1 | NO |
| Shri Lalit Dangi | 7 | YES |
| Shri Nawal Agrawal | 7 | YES |

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 31.03.2011 the Audit committee consists of 3 Directors – Shri Lalit Dangi, Shri Nawal Agrawal and Shri N. G. Deshpande. Mr. Lalit Dangi acts as the Chairman of the Committee. During the year the committee met four times held on 20.04.2010, 29.07.2010, 22.10.2010 & 27.01.2011.

Audit committee attendance during 2010 – 11.

| Sr. No. | Name of the Audit Committee Member | No. of Meeting Addended |
|---------|------------------------------------|-------------------------|
| 1 | Shri N. G. Deshpande | 1 |
| 2 | Shri Lalit Dangi | 4 |
| 3 | Shri Nawal Agrawal | 4 |

III Remuneration Committee

Remuneration committee is constituted. Mr. N.G. Deshpande & Mr. Nawal Agrawal are the members of the committee. Committee met 2 times in the year.

IV Shareholders Committee / Transfer Committee

- (a) Shareholders Committee consists of two Directors. Shri Lalit Dangi & Nawal Agrawal. The Committee look into the redressing of shareholders & investors complaint's like transfer of shares, non receipt of annual Report etc. During the year two committee met twelve times.
- (b) Transfer Committee: Mr. Lalit Dangi Director monitor the activities of Registrar & transfer Agent & look after the issues relating to shareholders. Share transfers / transmission are approved by a sub committee.
- (c) Mr. Lalit Dangi is the Compliance officer in terms of the Requirement of the Stock Exchange.
- (d) The Company has around **12638** shareholders. The Company regularly interacts with the shareholders through letters and at the AGM wherein the activities of the Company, its performance, its future plans are provided for information of the shareholders. The quarterly results are published in the newspapers.
- (e) The number of shares transferred during the last two years are as given below:

| | 2010 – 2011 | 2009 – 2010 |
|--|-------------|-------------|
| Number of meetings for transfer of shares | 21 | 16 |
| Average number of shares transfers per month | 2576 | 7800 |
| Number of shares transferred | 54080 | 124787 |

- (f) Details of shares demated / remated during the last two years are given below:

| | NSDL | | CDSL | |
|--------------------------------------|---------|---------|---------|---------|
| | 2010-11 | 2009-10 | 2010-11 | 2009-10 |
| Number of Demat transfers Approved | 110280 | 126487 | 9400 | 4900 |
| Number of Sub Committee meeting held | 41 | 33 | 41 | 33 |
| Number of shares demated | 110280 | 126487 | 9400 | 4900 |
| Number of Remat requests approved | NIL | NIL | NIL | NIL |
| Number of shares Rematted | -- | -- | -- | -- |

- (g) Details of Complaints received & redressed during the last two years are given below:
During the year 2010-11 & 2009-10, no investor's complaints were received.

V The Company has also been taking all steps to ensure that shareholders related activities are given due priority and matters are resolved at the earliest.

VI GENERAL BODY MEETING:

- (a) Details of location, time & date of last three AGMS are given below:

| Date | Location | Time |
|------------|-------------------|----------|
| 29.09.2008 | Registered Office | 11.00 AM |
| 29.09.2009 | Registered Office | 10.00 AM |
| 27.09.2010 | Registered Office | 10.00 AM |

- (b) Key special business if any transacted during the last three years at the General Body Meeting.

- (c) Although the notification prescribing the important items to be considered by postal ballot was issued by the Government of India, as far as the Company is concerned the necessity of passing such resolutions relating to business specified in the Rules did not arise.

VII DISCLOSURES

- (a) There was no material transaction with directors or the management or their relatives having potential conflict with the interest of the Company at large.
- (b) There have been no instances of non compliance by the Company, Penalty / Structures / imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities on any matter related to Capital Market during the Last three years.

- (c) The Equity Shares of the Company have been voluntarily delisted from Madras Stock Exchange, Jaipur Stock Exchange & Ahmedabad Stock Exchange w.e.f. 15.03.2011, 07.06.2010 & 02.06.2010 respectively. The Company continues to be listed with Bombay Stock Exchange.

VIII MEANS OF COMMUNICATION

Your directors take on record the unaudited Financial Results, in the Prescribed Performance of every quarter & half years and announce the results to all the listed Stock Exchanges. The same are published within 48 hours, in the newspapers namely the Financial Express and Lok Satta. The Company also issues new releases on significant Corporate decisions and activities.

IX GENERAL INFORMATION TO SHAREHOLDERS

(a)

| | |
|-------------------|--|
| Number of AGM | 17 th |
| Day & time | 29 th September 2011 at 10.00 a.m. |
| Venue | 104, M.K. Bhavan, 300 Shahid Bhagat Singh Road, Fort, Mumbai – 400 001 |
| Book Closure | 27 th Sept. 2011 to 28 th Sept.2011 |
| Proposal Dividend | NIL |

(b) Financial year April to March

Yours Company shares are listed on
Bombay Stock Exchange Ltd, P. J. Towers, Dalal Street, Mumbai – 23.

The Company has paid listed fees of the Stock Exchange, Mumbai upto 2011 – 12.

(c) Code Number:

| | |
|-------------------------------|--------------------|
| | The Stock Exchange |
| | Mumbai |
| Stock Code | 511593 |
| Trade Symbol | LIBORD |
| ISN NO for Demutalised Shares | INE212B01011 |

(d) Details of shares Price movement in the BSE Mumbai from April 2010 to 31st March 2011 are as follows:

| Month | The Stock Exchange, Mumbai (In Rupees) | |
|-----------------|--|------|
| | High | Low |
| April, 2010 | 7.80 | 5.48 |
| May, 2010 | 7.90 | 4.94 |
| June, 2010 | 8.42 | 6.50 |
| July, 2010 | 7.20 | 5.33 |
| August, 2010 | 6.15 | 4.60 |
| September, 2010 | 7.87 | 4.55 |
| October, 2010 | 7.53 | 5.00 |
| November, 2010 | 8.79 | 5.19 |
| December, 2010 | 9.68 | 7.70 |

| | | |
|----------------|------|------|
| January, 2011 | 8.95 | 8.49 |
| February, 2011 | 8.48 | 7.94 |
| March, 2011 | 8.00 | 8.00 |

(e) Registrar & Transfer Agent.

Sharex Dynamic (India) Pvt Ltd

Unit 1, Luthra Indl. Premises,

Safed Pool,

Andheri Kurla Road,

Andheri (E), Mumbai-400072.

Tel :28515606 / 28515644

(f) Distribution of shares as on 31.03.2011

| Shareholding of Nominal values | No. of holders | % of Holders | Total Amount | % of Amount |
|--------------------------------|----------------|---------------|--------------------|---------------|
| Upto 5000 | 11612 | 91.88 | 17428380.00 | 21.79 |
| 5001 – 10000 | 601 | 4.76 | 5065270.00 | 6.33 |
| 10001 – 20000 | 230 | 1.82 | 3486380.00 | 4.36 |
| 20001 – 30000 | 81 | .64 | 2018160.00 | 2.52 |
| 30001 – 40000 | 28 | .22 | 1005380.00 | 1.26 |
| 40001 – 50000 | 21 | .17 | 997230.00 | 1.25 |
| 50001 – 100000 | 30 | .24 | 2224760.00 | 2.78 |
| 100001 & above | 35 | .28 | 47774440.00 | 59.72 |
| Total | 12638 | 100.00 | 80000000.00 | 100.00 |

Shareholding Pattern as on 31.03.2011

| | Category | No. of shares held | Percentage of shareholding |
|----|---|--------------------|----------------------------|
| A | Promoters Holding | | |
| 1. | Promoters | | |
| | Indian Promoters | 4251816 | 53.147 |
| | Foreign Promoters | - | - |
| 2. | Persons acting in concert # | - | - |
| | Sub-Total | 4251816 | 53.147 |
| | Non-Promoters Holding | - | - |
| 3 | Institutional Investors | - | - |
| A | Mutual Funds and UTI | - | - |
| B | Banks, Financial Institutions, Insurance | | |
| | Companies (Central / State Govt. Institutions / Government Institutions) | | |
| 4 | Others | | |
| A | Private Corporate Bodies | 160374 | 2.009 |
| B | Indian Public | 3497010 | 43.709 |
| C | NRIs OCBs | 90800 | 1.135 |
| D | Any other (Please Specify) Clearing Member | - | - |
| | Sub-Total | 3748184 | 46.853 |
| | Grand Total | 8000000 | 100.00 |

(g) Dematerialization of shares & liquidity: -

6012700 Shares have been dematerialized as on 31.03.2011.

(h) The Company has not issued any GDR / ADR / Convertible instruments.

(i) Address for Correspondence:

104, M. K. Bhavan, 300, Shahid Bhagat Singh Road,
Fort Market, Fort, Mumbai 400 001.

Phone No: 22658108 / 09 / 10

Fax No: 22662520

Email ID: libord@vsnl.com

On Behalf of Board of Directors

Place : Mumbai
Date : 01.07.2011

Lalit Kumar Dangi
Director