

THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

New Delhi, Mumbai, Kolkatta, Patna,
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Fax No. 2204 63 86
11 - B, Vatsa House,
Janmabhoomi Marg, Fort,
Mumbai --- 400 001.
Email-tvamu@vsnl.com**CERTIFICATE OF THE AUDITORS IN RESPECT OF COMPLIANCE
OF CORPORATE GOVERNANCE**

To The Members Of IB Infotech Enterprises Ltd.

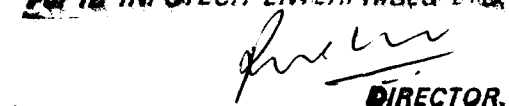
We have examined the compliance of conditions of Corporate Governance by IB Infotech Enterprises Ltd. for the year ended on 31st March 2003, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2003, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Thakur, Vaidyanath Aiyar & Co.
Chartered AccountantsC. V. Parameswar
PartnerPlace : Mumbai
Dated: 31st July 2003**CERTIFIED TRUE COPY.****For IB INFOTECH ENTERPRISES LTD.**
DIRECTOR.

THAKUR, VAIDYANATH AIYAR & CO.**Chartered Accountants**New Delhi, Mumbai, Kolkatta, Patna,
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Mumbai --- 400 001.
Email-tvamv@vsnl.com**AUDITORS' REPORT****TO THE MEMBERS OF IB INFOTECH ENTERPRISES LTD.**

We have audited the attached Balance Sheet of IB INFOTECH ENTERPRISES LTD. as at 31st March 2003 and also the Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of account as required by the law, have been kept by the Company so far as it appears from our examination of such books;
- iii. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the Directors as on 31st March 2003, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2003 from being appointed as a Director in terms of Clause (g) of Sub Section (1) of section 274 of the Companies Act, 1956.



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- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2003;
 - b. In the case of Profit and Loss Account, of the Loss for the year ended on that date; and
 - c. In the case of cash flow statement, of the cash flows for the year ended on that date.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants


C. V. Parameswar
Partner

Place : Mumbai
Dated: 31st July 2003



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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)


As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government and on the basis of such checks, as we considered appropriate, we state that :

1. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management and we are informed that no discrepancies were noticed on such verification.
2. None of fixed assets have been revalued during the year.
3. The stock of stores and spares have been physically verified at the year-end by the management, which in our opinion and considering the size and nature of its business is reasonable.
4. The procedure of physical verification of raw material, stock, stores and spares followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. We are informed that no discrepancies were noticed by the management on such verification between physical stock and book records.
6. On the basis of our examination of stock records and information given to us, we are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in previous year.
7. According to the information and explanation given to us, the Company has neither accepted nor granted any loans from/to the Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
8. No loans or advances in the nature of loan have been given by the Company during the year excepting interest free staff advances where repayments are generally regular.
9. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw material, components, Plant and machinery equipment and other assets, and for sale of goods.



10. The Company has not entered into any transaction of purchase of goods and materials and sale of goods, materials and services exceeding Rs. 50,000/- in value of each type with any of the parties listed in the Register maintained U/S 301 of the Companies Act, 1956.
11. As explained to us there are no unserviceable or damaged goods during the year and hence no provision is required to be made in the accounts.
12. The Company has not accepted any deposits from the public during the year.
13. The Company is maintaining proper records for sale and disposal of scrap. However, there are no by-products.
14. The Company has an internal audit system, which in our opinion is commensurate with the size and nature of its business.
15. The requirement of maintenance of cost records do not apply to the Company for the year.
16. As per explanation and information given to us, the Company has not become liable under Employees State Insurance Act. The Company does not come within the purview of the Provident Fund scheme during the year.
17. No undisputed amounts payable in respect of Income-Tax, Sales Tax, Wealth Tax, Customs Duty or Excise Duty were outstanding as at the last day of the year for more than six months from the date they become payable.
18. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligation or in accordance with generally accepted business practice.
19. In our opinion, Clause 4A (xx) of the Order is not applicable to the Company for the year.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants


C. V. Parameswar
Partner

Place : Mumbai
Dated: 31st July 2003



DIRECTORS' REPORT

To,
The Members,

Your Directors present herewith the Eight Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2003

PERFORMANCE OF THE COMPANY

The Directors wish to state that during the year under review, the Company's activities were subdued and efforts for diversification are yet to materialize.

IT BUSINESS

The Company has entered into an MOU with M/s. MPL Technologies Ltd, Bangalore for setting up a Medical Transcription (MT) project at Elevencherry, Kerala. The Company has also paid an advance of Rs.10.55 lacs to M/s. MPL Technologies Ltd towards Consultancy fee. M/s. MPL Technologies Ltd. has already submitted the Architects' report for certain change/modification in factory building. The Company had to withhold the project due to recession in Medical Transcription. M/s. MPL Technologies Ltd has recently informed that there was revival in Medical Transcription in Southern states especially in Bangalore and Hyderabad. Your Directors, are therefore planning to go ahead with the project in consultation with M/s. MPL Technologies Ltd. In addition to Medical Transcription, the Company also has plans to set up Call Centre and some other IT related business. In this regard negotiation is in progress with some of the parties.

DIVIDEND

In view of the loss incurred during the year, the Directors regret that they could not recommend any dividend.

FIXED DEPOSITS

During the year under report, the Company did not accept any deposit from the public.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr V. C. Kumaran, Mr. R V. Sheth retire by rotation and being eligible offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to 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 annual accounts for the financial year ended 31st March, 2003, the applicable accounting standards have been followed with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true & fair view of the state of accounts of the company as at the end of the financial year and of the profit and loss of the company for the year under review.
- iii) That the Directors have taken proper and sufficient care for 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, 2003 on a 'going concern' basis.

DELISTING OF EQUITY SHARES

Due to adverse marketing condition the company's production was insignificant and the losses have been mounting. In view of that the company had requested Ahmedabad, Vadodara and Cochin Stock Exchanges to waive the outstanding listing fees and to delist the shares. The matter is being followed up with the concerned Stock Exchanges.

PERSONNEL

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the