

C. Agrawal

Chartered Accountant, (Hons.) L.L.B., F.C.A.

Shyam C. Agrawal & Co.

Chartered Accountants

3/910-L, Navjivan Society,
Lamington Road, Mumbai-400 008.

Phone : (O) 307 35 38 (R) 836 59 31 Fax : 307 27 60

AUDITORS' CERTIFICATE

The Board of Directors,
IB Infotech Enterprises Limited.

We have examined the attached Cash Flow Statement of IB Infotech Enterprises Limited for the year ended 31st March'2004. The statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with Stock Exchange and is based on and in agreement with Balance Sheet and Profit and Loss Account of the Company covered by our report of 10th August'2004 IB Infotech Enterprises Limited to the members of the Company.

FOR SHYAM C. AGARWAL & CO.
CHARTERED ACCOUNTANTS



[Signature]
S.C. AGARWAL
PROPRIETER

Place : Mumbai
Dated : 10.08.2004



CERTIFIED TRUE COPY.

For IB Infotech

[Signature]
DIRECTOR.

S. C. Agrawal
B.Com., (Hons.) L.L.B., F.C.A.

Shyam C. Agrawal & Co.

Chartered Accountants

3/910-L, Navjivan Society,

Lamington Road, Mumbai-400 008.

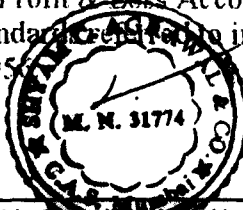
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AUDITORS' REPORT

TO
THE MEMBERS OF
IB INFOTECH ENTERPRISES LIMITED

We have audited the attached Balance Sheet of the **IB INFOTECH ENTERPRISES LIMITED** as at 31st March 2004 and the Profit & Loss Account for the year ended on that date annexed thereto. 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.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and 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.
2. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclosed in the annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments in the annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, Proper Books of Accounts as required by the Law, have been kept by the Company so far as it appears from our examination of such Books;
 - c) The said Balance Sheet and the Profit and Loss Account dealt with by this report are in accordance with the Books of Accounts;
 - d) In our opinion, the Balance Sheet and Profit & Loss Account referred to this report, comply with the accounting standards prescribed in sub section 3(c) of Section 211 of the Companies Act, 1956.



Andheri Office : 3/63 Nityanand Nagar, Vibhag IV, Opp. Shiv Hotel & Andheri Station (E) Sahar Road, Andheri (E), Mumbai - 400 069. • Tel. : 836 09 16

CERTIFIED TRUE COPY:

For IB INFOTECH

[Signature]
DIRECTOR

- e) Based on the representations made by all the Directors of the Company and the information and explanations as made available to us by the Company, None of the Directors of the Company has prima facie any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Act.
- f) In our opinion and to the best of our information and accordance to the explanations given to us, the said accounts read with the subject to the notes to the accounts relating to Balance Sheet and Profit and Loss account give the information required and give a true and fair view:
- In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2004 and
 - In the case of Profit and loss account. Of the profit for the Company for the year ended on that date.

FOR S. C. AGRAWAL & CO.
CHARTERED ACCOUNTANTS


(S.C. AGRAWAL)
PROPRIETOR



PLACE: Mumbai
DATE : 10-08-2004

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ANNEXTURE TO AUDITORS REPORT

1. In Respect of its Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. Fixed Assets have been physically verified by the Management during the year. We were informed that no material discrepancies were noticed by the management on such verification. In our opinion, the frequency of verification is reasonable having regards to the size of the Company and the nature of its assets.
 - b) None of the fixed assets have been revalued during the year.
2. In Respect of Inventories:
 - a) As explainer to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has neither granted loan to any person nor taken any loan from any person.
4. In our opinion and according to the information and explanation 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 inventory fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
5. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under 301 of the Companies Act, 1956, have been so entered.
6. In our opinion and according to the information and explanations given to us, there is no transaction in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year to Rs.5,00,000/- or more in respect of any party.
7. The company has not accepted any deposits from the public.




8. In our opinion, the internal audit system of the company is commensurate with the size and Nature of its business.
9. The company has not issued any debenture during the year.
10. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at 30th June' 2004 for a period or more than six months from the date they becoming payable.
11. The company has accumulated losses and has incurred cash losses during the year covered by our audit or in the immediately preceding year.
12. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
13. In our opinion, the company is not in chit fund or a nidhi /mutual benefit fund society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. The company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purpose for which they were raised.
15. In our opinion, and according to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of share, debenture and other securities.
16. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
17. The Company has not raised any money by way of public issue during the year.
18. The Company has not accepted any deposits from the public during the year within the meaning of section 58 A of the Companies Act, 1956 and the companies (Acceptance of Deposits) rule 1975.

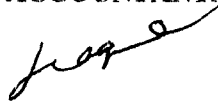


19. During the course of our examination of the books and records of the Company, carried in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Mumbai
Dated : 10TH August '2004

FOR S. C. AGRAWAL & CO.
CHARTERED ACCOUNTANTS




S. C. AGRAWAL
PROPRIETOR

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DIRECTORS' REPORT**CERTIFIED TRUE COPY****For IB INFOTECH ENTERPRISES LTD**

To,
The Members,

Your Directors present herewith the Tenth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March' 2004

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 changes/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 Ajay Kumaran, Mr.Lalit Doshi 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, 2004, 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, 2004 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

Particulars of Employees as per Section 217 (2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not furnished as there was no employee in receipt of remuneration exceeding the limits fixed under the said provisions of the act.