

**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 Accountants



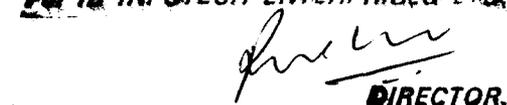
C. V. Parameswar
Partner

Place : 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,
Chennai, Chandigarh and Secunderabad**

Phone : 2284 25 02, 2287 00 67.

Fax No. 2204 63 86

11 - B, Vatsa House,

Janmabhoomi Marg, Fort,

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.



- 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:
- In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2003;
 - In the case of Profit and Loss Account, of the Loss for the year ended on that date; and
 - 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



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

Companies (Particulars of Employees) Rules 1975, the Directors report that there was no employee in receipt of remuneration in aggregate of Rs.12,00,000/- or more per annum or Rs.1,00,000/- or more per month for part of the year.

AUDITORS

M/s. Thakur Vaidyanath Aiyar & Co., the Auditors of the Company hold office until the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

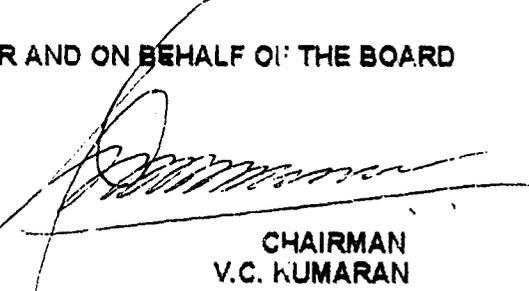
DISCLOSURE OF PARTICULARS:

Information as per Section 217(1)(e) of the Companies Act, 1956, read with the rules made there under relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexures which forms part of this report.

ACKNOWLEDGEMENT:

The Directors express their sincere appreciation for the assistance and co-operation received during the year from the Bankers to the Company, Government Authorities and Shareholders.

FOR AND ON BEHALF OF THE BOARD



CHAIRMAN
V.C. KUMARAN

Place : Mumbai

Dated :

31 JUL 2003

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. RESEARCH AND DEVELOPMENT:

During the year under review, the Company did not incur any expenses on research and development, hence no information on research and development is given.

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

During the year under review, the Company has not adopted any technology.

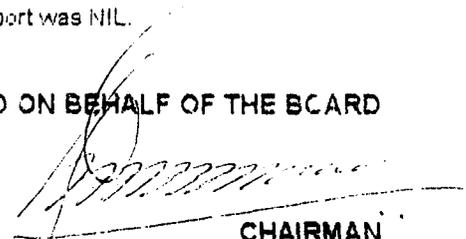
3. CONSERVATION OF ENERGY

During the year under report since there were no activities the question did not arise.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the year under report was NIL.

FOR AND ON BEHALF OF THE BOARD



**CHAIRMAN
V.C. KUMARAN**

Place : Mumbai

Dated :

31 JUL 2003

CORPORATE GOVERNANCE

COMPANYS' PHILOSOPY ON CODE OF GOVERNANCE

The corporate vision of the Company is to deliver a world class Customer experience. To achieve this, the company practices the best Corporate Governance envisaging the attainment of the highest level of transparency and accountability in dealing with Shareholders, Employees, Government and other Stakeholders.

BOARD OF DIRECTORS

- The Board consists of 5 Directors (Out of 5 Directors one is Promoter Director and Chairman).

BOARD MEETINGS

- 4 Board Meetings are held on 30.04.02, 31.07.02, 31.10.02, 27.01.03

DIRECTORS	DESIGNATION	ATTENDANCE BOARD MEETING	LAST A.G.M	NUMBER OF DIRECTORSHIPS/ COMMITTEE MEMBERSHIP IN OTHER COMPANIES	
				DIRECTORSHIP	COMMITTEE MEMBERSHIP
1 MR.V.C. KUMARAN	PROMOTER DIRECTOR & CHAIRMAN	4	YES	7	NIL
2 MR. LALIT K DOSHI	NONEXECUTIVE INDEPENDENT DIRECTOR	2	NO	1	NIL
3 MR. AJAY K KUMARAN	NONEXECUTIVE INDEPENDENT DIRECTOR	4	YES	4	NIL
4 MR R.V. SHETH	EXECUTIVE	4	YES	1	NIL
5 MR. AMRIT KUMARAN	NONEXECUTIVE	1	NO	NIL	NIL

AUDIT COMMITTEE.

The Audit Committee was formed in January 2003 consisting of 3 Independent, Non-Executive Directors with Mr. Lalit K Doshi as Chairman of the Committee. The terms of reference to the Audit Committee are in line with the powers, duties and responsibilities read with sec.292 A of the Company's Act 1956. All the 3 members of the Audit Committee have sufficient knowledge of corporate affairs, accounts and finance. Company Secretary is the Secretary of the Audit Committee.

REMUNERATION COMMITTEE

Since the Company is not paying remuneration to any of the directors including Managing Director the Company has not formed the Remuneration Committee. However, the Company will form the Remuneration Committee as and when needed.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE.

The Board of Directors of the Company has constituted Shareholders/Investors grievance Committee consisting of 3 Directors. The transfers and dematerialisation is handled by the Company in house. The Share transfers and dematerialisation are processed and confirmations thereof are communicated to the investors within the prescribed time. The Committee also monitors redressal of investors grievance. The Board has authorised Mr. Ajay Kumaran, Director to approve the transfer of Shares and attend to other related matters and also has designated him as the compliance officer.

MEANS OF COMMUNICATION:

The Company publishes its quarterly and half yearly results in the prescribed

SHARE TRANSFER AGENTS:

The Company has not appointed any transfer agents. The transfers are done in-house.

SHARE TRANSFER SYSTEM

The Company's shares are listed on Stock Exchange, Mumbai. The Shares are also transferred through dematerialisation on NDSL and CDSL. Transfer of shares in the physical form is processed and approved fortnightly and the certificates are returned to shareholders within 30 days from the date of receipt subject to documents being complete and valid in all respects. The Board has designated Mr Ajay K Kumaran as Compliance Officer.

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH 2003

NO. OF EQUITY SHARES HELD	NO. OF SHAREHOLDERS	P.C. OF SHAREHOLDERS	TOTAL NO. OF SHARES HELD	P.C. OF SHARE HELD
1-500	5,332	75.47	18,57,400	30.41
501-1000	1,189	16.85	12,49,030	20.44
1001-2000	363	5.14	5,78,100	9.47
2001-3000	67	0.93	1,72,100	2.82
3001-4000	36	0.50	1,35,100	2.21
4001-5000	32	0.44	1,69,900	2.76
5001-10000	28	0.40	2,27,600	3.73
10001 AND ABOVE	<u>18</u>	<u>0.25</u>	<u>17,12,100</u>	<u>28.14</u>
	<u>7,085</u>	<u>100.00</u>	<u>61,06,930</u>	<u>100.00</u>

DEMATERIALISATION OF SHARES

As on 31st March, 2003 the number of Equity Shares held in dematerialised form was 6,85,900 (11.23%) and in physical form 54,21,030 (88.77%)

PLANT LOCATION

Elevencherry,
P.O. Karinkulam, Palghat Dist.
PIN- 678 508 KERALA STATE

REGISTERED OFFICE AND ADDRESS FOR CORRESPONDENCE:

143-A MITTAL TOWER,
NARIMAN POINT, MUMBAI 400 021.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Auditors' certificate on compliance of clause 49 of the listing agreement relating to corporate governance is annexed to Directors' Report.

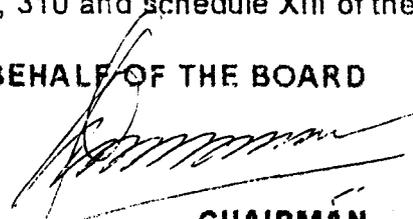
NON-MANDATORY REQUIREMENTS

Chairman : The Company has a non-executive chairman and therefore entitled to maintaining of an office at the Company's expenses. He is also entitled to the reimbursement of expenses incurred in the performance of his duties.

REMUNERATION COMMITTEE:

The Company has not set up remuneration committee : Remuneration to the Executive Director, if any as and when payable will be decided by the Board in accordance with the provisions of sections 198, 309, 310 and schedule XIII of the Companies act, 1956.

FOR AND ON BEHALF OF THE BOARD



CHAIRMAN
V.C. KUMARAN

Place: MUMBAI

Date : 31 JUL 2003

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INTRODUCTION

The Company was incorporated in the year 1987 as 100% Export Oriented Company. The main object of the company was to manufacture various items based on coconut. In view of this the Company entered into an agreement with M/s "Harlen" of Singapore to manufacture coconut based items and other items like mineral water etc. under their brand name 'Harlen'. The cost of production in India was very high when compared to other countries like Singapore, Malaysia etc. Therefore, there was no export market for Company's products.

Due to competition by multinational companies the company could not sustain in the local market and there was no demand in overseas market also. Therefore to minimise the loss the company had to discontinue these items. The directors therefore decided to embark on Information Technology Enabled services, and entered into a Memorandum of Understanding with a Bangalore based Company. The project is delayed because of liquidity problem. The directors are optimistic that the company will overcome the problem soon.

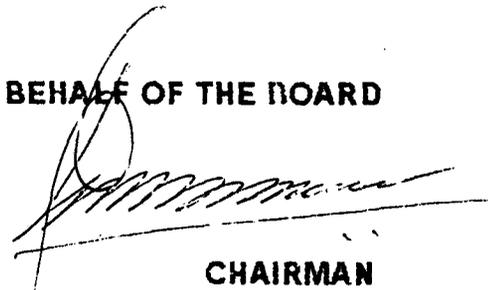
The Company cannot give any details on the following unless it restarts manufacturing activities.

- 1) Performance
- 2) Opportunities and threats
- 3) Outlook
- 4) Internal Control Systems
- 5) Financial Management and Financial performance
- 6) Project Management
- 7) Statutory Compliance – Company has complied with statutory compliance except payment of listing fees to the Stock Exchanges due to financial problems.
- 8) Industrial Relations and Human Resources Management.

CAUTIONERY STATEMENT:

The Company's future when it restarts depends on economic conditions, demand for Company's products and capacity to supply, price conditions in the domestic and overseas markets in which the company operates, changes in Government regulations, tax laws etc.

FOR AND ON BEHALF OF THE BOARD



**CHAIRMAN
V.C. KUMARAN**

Place: MUMBAI

Date : 31 JUL 2003

IB INFOTECH ENTERPRISES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2003

AS AT 31.03.2002 Rupees		SCH- DULE	Rupees	AS AT 30.03-2003 Rupees
I.SOURCES OF FUNDS:				
1 SHARE HOLDERS' FUNDS				
61,069,300	a) Share Capital	"A"		61,069,300
1,742,839	2 RESERVES AND SURPLUS	"B"		1,742,839
1,444,535	3 DEFERRED TAX LIABILITY	"C"		1,444,535
<u>64,256,674</u>				<u>64,256,674</u>
II.APPLICATION OF FUNDS:				
1.FIXED ASSETS				
32,848,558	Gross Block	"D"	32,848,558	
16,406,469	Less:Depreciation		<u>18,133,514</u>	
16,442,089			14,715,044	
1,579,325	2. Technical know-how	"E"	-	
<u>18,021,414</u>				14,715,044
3. CURRENT ASSETS, LOANS & ADVANCES				
1,743,091	a. Inventories	"F"	1,708,833	
89,740	b. Sundry Debtors	"G"	89,740	
26,839	c. Cash and Bank balances	"H"	20,968	
8,714,519	d. Loans and Advances	"I"	<u>8,658,746</u>	
<u>10,574,189</u>			10,478,287	
2,849,803	4. Less:Current Liabilities and Provisions	"J"	<u>3,042,818</u>	
7,724,386	Net Current Assets.			7,435,469
1,512,394	5.MISCELLANEOUS EXPENDITURE: (to the extent not written off or adjusted)	"K"	1,134,296	
36,998,480	6.PROFIT AND LOSS ACCOUNT		<u>40,971,865</u>	
<u>38,510,874</u>				42,106,161
<u>64,256,674</u>				<u>64,256,674</u>

NOTES FORMING PART OF THE ACCOUNTS

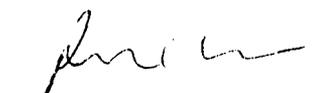
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As per our report of even date annexed hereto.

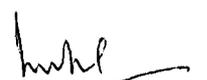
For THAKUR VAIDYANATH AIYAR & CO.
Chartered Accountants

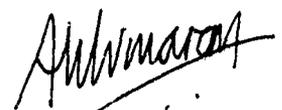

C.V. PARAMEGWAR
Partner.

FOR AND ON BEHALF OF THE BOARD


MANAGING DIRECTOR

PLACE : MUMBAI
DATED: 31 JUL 2003


COMPANY SECRETARY


DIRECTOR



IB INFOTECH ENTERPRISES LIMITED

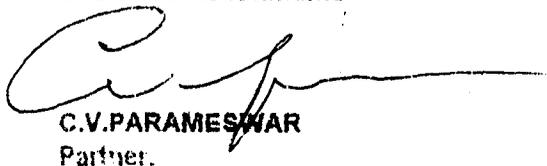
PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST MARCH 2003

PREVIOUS YEAR Rupees		SCHEDULE	Rupees	CURRENT YEAR Rupees
INCOME				
39,104	SALES	"L"		27,636
-	PROFESSIONAL CHARGES RECEIVED			-
57,068	OTHER INCOME	"M"		-
(2,550,411)	INCREASE/(DECREASE) IN STOCK	"N"		-
<u>(2,454,239)</u>				<u>27,636</u>
EXPENDITURE				
94,417	MANUFACTURING EXPENSES	"O"		69,718
199,288	ADMINISTRATIVE EXPENSES	"P"		181,901
1,235	FINANCIAL CHARGES	"Q"		2,085
1,579,335	TECHNICAL KNOW HOW WRITTEN OFF			1,579,325
551	PRELIMINARY EXPENSES WRITTEN OFF			551
377,547	PUBLIC ISSUE EXPENSES WRITTEN OFF			377,547
-	SUNDRY DR/CR BALANCE WTTN OFF			62,849
1,968,033	DEPRECIATION			1,727,045
13,875	PRIOR PERIOD EXPENSES			-
<u>4,234,281</u>				<u>4,001,021</u>
6,688,520	LOSS FOR THE YEAR			3,973,385
1,444,535	DEFERRED TAX LIABILITY			-
28,865,425	LOSS BROUGHT FORWARD			36,998,480
<u>36,998,480</u>	LOSS TRANSFERRED TO BALANCE SHEET			<u>40,971,865</u>
	NOTES FORMING PART OF THE ACCOUNTS	"R"		

As per our report of even date annexed hereto.

For THAKUR VAIDYANATH AIYAR & CO.
Chartered Accountants

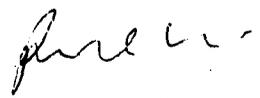

C.V. PARAMESWAR
Partner.

PLACE : MUMBAI
DATED:

31 JUL 2003


COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD


MANAGING DIRECTOR


DIRECTOR



SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31.03.2003

AS AT 31.03.2002 Rupees		AS AT 31.03.2003 Rupees
SCHEDULE 'A' SHARE CAPITAL		
AUTHORISED CAPITAL		
100,000,000	10,000,000 Equity Shares of Rs. 10/- each	100,000,000
	Issued, Subscribed and Paid-up	
62,634,000	6263400 Equity Shares of Rs. 10/- each	62,634,000
1,564,700	Less: Call Money-arrears	1,564,700
<u>61,069,300</u>		<u>61,069,300</u>
SCHEDULE 'B' RESERVES & SURPLUS		
1,742,839	STATE CAPITAL SUBSIDY	1,742,839
<u>1,742,839</u>		<u>1,742,839</u>
SCHEDULE 'C' DEFERRED TAX LIABILITY		
	(To the extent not written off or adjusted)	
-	Balance brought forward	1,444,535
1,444,535	Add/(-Loss) adjustment	-
<u>1,444,535</u>		<u>1,444,535</u>
SCHEDULE 'E' TECHNICAL KNOW HOW		
	(To the extent not written off or adjusted)	
9,158,660	BALANCE BROUGHT FORWARD	1,579,325
1,579,325	Less: Written off during the year	1,579,325
<u>1,579,325</u>	Balance carried to Balance Sheet	
SCHEDULE 'F' INVENTORIES		
	(As certified by the Management)	
1,743,091	Packing materials	1,708,833
SCHEDULE 'G' SUNDRY DEBTORS		
	(Unsecured considered good)	
89,740	More than six months	89,741
<u>89,740</u>		<u>89,740</u>
SCHEDULE 'H' CASH AND BANK BALANCES		
8,277	Cash on Hand	11,567
	Balances with Scheduled Banks	
15,445	on Current Accounts	6,284
3,117	on Fixed Deposits	3,117
<u>18,562</u>		<u>9,401</u>
<u>26,839</u>		<u>20,968</u>
SCHEDULE 'I' LOANS AND ADVANCES		
	(Unsecured, considered good unless otherwise stated)	
4,092,993	Advances recoverable in cash or in kind or for value to be received	4,037,220
4,250,000	Share Deposit	4,250,000
371,526	Deposits - Others	371,526
<u>8,714,519</u>		<u>8,658,746</u>
SCHEDULE 'J' CURRENT LIABILITIES AND PROVISIONS		
	Dues to S.S.T. UNITS	
2,699,025	Other Creditors	2,826,535
<u>2,699,025</u>		<u>2,026,535</u>
150,778	Other Liabilities	210,283
<u>2,849,803</u>		<u>3,042,818</u>
SCHEDULE 'K' MISCELLANEOUS EXPENDITURE:		
	(To the extent not written off or adjusted)	
2,207	Preliminary expenses	1,656
1,510,137	Share issue expenses	1,132,640
<u>1,512,344</u>		<u>1,134,296</u>



K

IB INFOTECH ENTERPRISES LIMITED

SCHEDULE D

FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		Opening Balance As at 01.04.2002 Rs.	Addition/ Deduction during the Year Rs.	Closing balance as at 31.03.2003 Rs.	Up to 31.03.2002 Rs.	On Sales/ Adjustment	for the Year Rs.	Up to 31.03.2003 Rs.	As at 31.03.2003 Rs.	As at 31.03.2002 Rs.
1	LAND	1,800,000	-	1,800,000	-	-	-	-	1,800,000	1,800,000
2	BUILDING	15,240,436	-	15,240,436	7,118,850	-	812,159	7,931,009	7,309,427	8,121,586
3	PLANT & MACHINERY	13,900,328	-	13,900,326	7,928,855	-	830,909	8,757,764	5,142,562	5,973,471
4	ELECTRICAL INSTALLATION	813,543	-	813,543	465,916	-	48,355	514,271	299,272	347,627
5	COMPUTER	247,800	-	247,800	242,603	-	2,079	244,682	3,118	5,197
6	FURNITURE	638,245	-	638,245	514,344	-	22,426	536,770	101,475	123,901
7	OFFICE EQUIPMENT	54,485	-	54,485	35,823	-	2,596	38,419	16,066	18,662
8	VEHICLE	50,983	-	50,983	39,821	-	2,890	42,711	8,272	11,162
9	AIR-CONDITIONERS	102,740	-	102,740	62,257	-	5,631	67,888	34,852	40,483
	TOTAL	32,848,558	-	32,848,558	16,406,469	-	1,727,045	18,133,514	14,715,044	16,442,089
	PREVIOUS YEAR	32,382,883	-	32,848,558	14,438,436	-	1,968,033	16,406,469	16,442,089	18,410,122

K. P.



IB INFOTECH ENTERPRISES LIMITED

SCH.FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 30ST MARCH 2003

AS ON 31.03.2002 Rupees		AS ON 31.03.2003 Rupees	
SCHEDULE "L" SALES			
39,104	MANUFACTURING SALES		27,636
<u>39,104</u>			<u>27,636</u>
SCHEDULE "M" OTHER INCOME			
19,282	Excess Provision for expenses written back		-
37,786	Sale of scrap		-
<u>57,068</u>			<u>-</u>
SCHEDULE "N" INCREASE/(DECREASE)IN STOCK			
2,550,411	Opening Stock		-
-	Closing Stock		-
<u>(2,550,411)</u>			<u>-</u>
SCHEDULE "O" MANUFACTURING EXPENSES			
Raw material Consumption			
26,103	Coconuts	11,588	
1,750	Sugar	3,610	
3,300	Chemicals	3,510	
<u>31,150</u>			18,708
39,123	Stores and Packing Expenses		39,895
Power & Fuel			
24,144	Electricity Charges		11,115
<u>94,417</u>			<u>69,718</u>
SCHEDULE "P" ADMINISTRATIVE EXPENSES			
10,866	Conveyance, Vehicle and Travelling Expenses		4,215
182,422	Administrative Expenses		171,886
6,000	Audit Fees		6,000
<u>199,288</u>			<u>181,901</u>
SCHEDULE "Q" FINANCIAL CHARGES			
<u>1,235</u>	Bank charges		<u>2,085</u>

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SCHEDULE 'R'

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2003

I. NOTES:

SIGNIFICANT ACCOUNTING POLICIES:

1. REVENUE RECOGNITION

Accrual basis of accounting has been adopted in preparation of the accounts.

2. PRELIMINARY EXPENSES/PUBLIC ISSUE EXPENSES

Preliminary expenses/Public Issue expenses are being written off over a period of 10 years.

3. TECHNICAL KNOW HOW

Expenses incurred on Technical know how is being written off over a period of 6 years.

4. FIXED ASSETS/DEPRECIATION

- a) The gross block of Fixed Assets is stated at cost of acquisition or construction including any cost attributed in bringing the assets to their working condition for their intended use.
- b) Depreciation on assets has been provided on W.D.V. basis at the rate specified in Schedule XIV of the Companies Act, 1956.
- c) Depreciation is provided on pro-rata basis from the date of addition.

5. INVENTORIES

The basis of valuation of inventories is as under:-

Raw Material/Stores & Spares/	- Cost or net realizable value
Packing Material & finished goods	whichever is lower.

II. NOTES:

1. Estimated amount of capital commitments not provided for Rs. NIL (net of advance) (Previous year Rs. NIL)
2. Contingent Liabilities:
Claims against the Company not acknowledged as debts Rs. 9,33,752.50 (P.Y. Rs. 9,33,752.50)
3. The Company had in contemplation of addition to Fixed Assets for widening the area of operations given advances to the Machinery suppliers. However the suppliers have neither been able to fulfill the commitment towards the schedule of supplies, nor return the advance fully. To resolve the issue the supplier has agreed to transfer shares of a company towards settlement of the advance. To secure its outstandings the Company has agreed to the arrangement and the sum of Rs. 42,50,000/- is shown as Share Deposit.
4. Against the Income Tax demand of Rs 26,88,349/- for the Assessment year 1993-94, 1994-95, 1995-96 and 1996-97, the Company has preferred appeals against the said orders and therefore the payment of Rs. 22,02,677/- against the demand is considered as advance payment of tax.



5. The Commissioner of Income Tax have issued the order demanding Rs. 8,92,350/- for the Assessment year 1993-94, 1994-95, & 1995-96 u/s 271(1) (c) of the Income Tax act 1961. The Company has contested before the tribunal of Income Tax against the said orders.
6. The Sales Tax Authority at Palakkad- Kerala have issued the sales tax assessment order for the year 1998-99 demanding Sales -Tax for Rs.1,74,766-00 from the company. The said order is being contested by the Company.
7. The Sales-Tax Authority at Agra has issued the sales tax assessment order demanding Sales-Tax of Rs.44,261/- for the assessment year 1997-98 . The said order is being contested by the Company.
8. The Excise Authorities have issued the order demanding Rs.4,35,756/- for the period 1996-97 and 1998-99 excise violations by the Company. The said demand is being contested.

9. MANAGING DIRECTOR'S EMOLUMENTS :

	Current Year [Rs.]	Previous Year [Rs.]
Remuneration	NIL	NIL

10. AUDITORS' REMUNERATION :

	Current Year [Rs.]	Previous Year [Rs.]
Statutory Audit	6,000	6,000

11. SEGMENT REPORTING

The Company has only one business viz, manufacturing of Coconut based products. The Company is operating in one Geographical segment. Therefore, there is no need to give separate segment results.

12. EARNING PER SHARE

	As at <u>31-03-2003</u>	As at <u>31-03-2002</u>
Nominal Value of each Share	Rs.10/-	Rs.10/-
Basic Earnings per Share	Rs.(0.62)	Rs.(1.33)

13. RELATED PARTY DISCLOSURES

	Nature of Relationship
1) Harlen Fine Foods	: SHARE HOLDER
2) Double Cola Beverages Limited	: BUSINESS ASSOCIATE
3) Worldwide Management Consultants Private Limited	: BUSINESS ASSOCIATE
KEY MANAGEMENT PERSONNEL	
4) Mr. V. C. Kumaran	: DIRECTOR
b) Transaction with Related Parties	: With Worldwide Management Consultants Private Limited Reimbursement of Expenses Rs7,50,997/-

14. DEFERRED TAX

The Company provides for Deferred Tax using Liability method based on the tax effect of timing difference resulting from the recognition of items in the financial statements. Deferred Tax Assets are recognized only if reasonable possibility of adjustment is there.

a) EARNINGS IN FOREIGN CURRENCY : NIL (Previous Year Rs. Nil)



b) EXPENDITURE IN FOREIGN CURRENCY : NIL (Previous Year Rs. Nil)

15. Some of the Debit / Credit balances are subject to confirmations.

16. Information under Clause 3 [i][a], 3[ii], 4-C, 4-D of Part-II of Schedule VI of the Companies Act, 1956.

[a]

i) Licensed Capacity : Not Applicable

ii) Installed Capacity Packs

Coconut Water, Coconut Cream
Coconut Spread, Coconut Cocktails 48 lacs.

iii) Actual Production :

-----	Current Year Units	Previous Year Units
Coconut Cream & Spread	0.01Lacs	0.02 Lacs

[b]

-----	Current Year		Previous Year	
	Unit	Quantity Value [Rs.]	Quantity	Value [Rs.]
Turnover				
Class of Goods :				
<u>Manufactured Products:</u>				
[1] Coconut Cream	Nos.	1470 27,636	2080	39,104

[c] Consumption of raw materials, packing materials:

I.

-----	Current Year		Previous Year	
	Unit	Quantity Value [Rs.]	Quantity	Value [Rs.]
Class of Goods :				
[1] Coconut	Nos.	2897 11588	4350	26100
[2] Sugar	Kgs	266.5 3610	125	1750
[3] Others		43405		42423
		58603		70273

I. Value of imported and indigenous Raw Materials, Packing Material consumed during the year.

-----	Current Year		Previous Year	
	Value [Rs.]	% of total consumption	Value [Rs.]	% of total consumption
Imported	13,965	23.83	13,965	19.87
Indigenous	44,638	76.17	56,308.23	80.13
	58,603	100	70,273.23	100

[d] Closing stock of goods produced:

-----	Units	Current Year		Previous Year	
		Quantity	Value [Rs.]	Quantity	Value [Rs.]
Closing Stock :					
[1] Coconut Spread	Nos.				
[2] Coconut Cream	lacs.				



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[e] Closing stock of Trading Goods:

	Units	Current Year		Previous Year	
		Quantity	Value [Rs.]	Quantity	Value [Rs.]
Closing Stock :					
[1] Mineral Water	Cartons	-	-	-	-
[2] Tea	Kgs.	-	-	-	-
[3] Coconut Oil	Lts.				

(f) C.I.F. Value of Imports	Current Year [RS.]	Previous Year [RS.]
Packing Material	NIL	NIL

17. Figures have been rounded off to the nearest rupees and the figures of the previous year have been re-grouped wherever necessary.

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Additional information as required under Part IV of Schedule VI of the Companies Act, 1956.

1. Balance Sheet abstract and Company's general profile.	
Registration Details :	
Registration No.	: 11-45529
State Code	: 11
Balance Sheet Date	: 31st March, 2003
2. Capital raised during the year (Rs. in Laacs)	
Public Issue	: NIL
Rights Issue	: NIL
Bonus Issue	: NIL
Private Placement	: NIL
3. Position of Mobilisation and Deployment of Funds : (Rs. in Laacs)	
TOTAL LIABILITIES	642.56
TOTAL ASSETS	642.56
Sources of Funds :	
Paid Up Capital	610.69
Reserve and Surplus	17.43
Deferred Tax Liability	14.44
<u>Application of Funds :</u>	
Net Fixed Assets	147.15
Investment	-
Net Current Assets	74.35
Miscellaneous Expenditure	11.34
Accumulated Losses	409.72
4. Performance of Company	
Turnover	0.28
Total Expenditure	40.61
Loss Before Tax	39.73
Loss After Tax	39.73
Earning Per Share (Rupees)	NIL
Dividend rate %	NIL
5. Generic Names of Principal Products/services of the Company :	
Item Code No.	: Not Allotted
Product Description	: Coconut cream Coconut Jam & Infotech Services COCONUT PRODUCTS

For THAKUR VAIDYANATH AIYAR & CO.
CHARTERED ACCOUNTANTS

C.V. PARAMESWAR
PARTNER.

PLACE: MUMBAI
DATED:

31.03.2003

COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD

MANAGING DIRECTOR

DIRECTOR

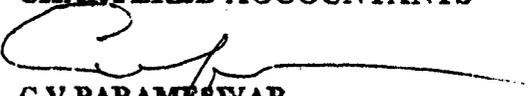


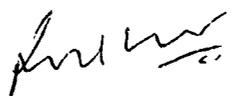
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003

	[Rs. in Lacs]	
	Current Year	Previous Year
	-----	--- ----
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and extra-ordinary items	(39.73)	(66.88)
ADJUSTMENTS FOR:		
Depreciation	17.27	19.68
Miscellaneous Expenditure written off	19.57	19.57
Deferred Tax adjustment	-	-
Loss of Depreciation on sale of Assets	-	-
 Operating profit/[loss] before working capital changes	 (2.89)	 (27.63)
ADJUSTMENTS FOR:		
Trade and other receivables	0.56	(0.02)
Book Debts	-	-
Inventories	0.34	25.90
Trade payables	1.93	1.01
 Cash generated from operations	 2.83	 26.89
NET CASH FROM OPERATING ACTIVITIES	(0.06)	(0.74)
 B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Miscellaneous Expenditure	-	-
 NET CASH USED IN INVESTING ACTIVITIES	 -	 -
 C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Proceeds from borrowings	-	-
State Subsidy	-	0.83
NET CASH FROM FINANCING ACTIVITIES	-	0.83
NET CHANGES IN CASH AND CASH EQUIVALENTS	(0.06)	0.09
OPENING CASH AND CASH EQUIVALENTS	0.27	0.18
CLOSING CASH AND CASH EQUIVALENTS	0.21	0.27

For THAKUR VAIDYANATH AIYAR & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD


C.V. PARAMESWAR
PARTNER.


MANAGING DIRECTOR

PLACE : MUMBAI
DATED :


COMPANY SECRETARY


DIRECTOR

31 JUL 2003

