

C. Agrawal

(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



[Handwritten Signature]

S.C. AGARWAL
PROPRIETER

Place : Mumbai
Dated : 10.08.2004

CERTIFIED TRUE COPY.

For IB Infotech

[Handwritten Signature]

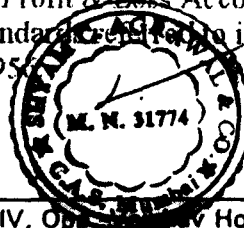
DIRECTOR.

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 : 3/83 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 THE FIRM

[Handwritten 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:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2004 and
- ii) 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
(S.C. AGRAWAL)
PROPRIETOR



**PLACE: Mumbai
DATE : 10-08-2004**

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 section 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 an 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.

FOR S. C. AGRAWAL & CO.
CHARTERED ACCOUNTANTS



S. C. Agrawal
S. C. AGRAWAL
PROPRIETOR

Place : Mumbai
Dated : 10TH August'2004

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.

AUDITORS

M/s. S.C. Agarwal & 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 : [10 AUG 2004]

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

Place : Mumbai

Dated :

11.0 AUG 2004




CHAIRMAN
V. C. KUMARAN

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

2. The Board consists of 6 Directors (Out of 6 Directors one is Promoter Director and Chairman.

BOARD MEETINGS

3. 4 Board Meetings were held on 30.04.03, 31.07.03, 31.10.03, 27.01.04

DIRECTORS	DESIGNATION	ATTENDANCE BOARD MEETING	LAST A.G.M	NUMBER OF DIRECTORSHIPS/ COMMITTEE MEMBERSHIP IN OTHER COMPANIES	DIRECTORSHIP / COMMITTEE MEMBERSHIP
1. Mr. SHENG HAWAI NAK	DIRECTOR	-	NIL	-	-
2. MR. V.C. KUMARAN	PROMOTER DIRECTOR & CHAIRMAN	4	YES	7	NIL
3. MR. LALIT K DOSHI	NONEXECUTIVE INDEPENDENT DIRECTOR	3	YES	1	NIL
4. MR. AJAY K. KUMARAN	NONEXECUTIVE INDEPENDENT DIRECTOR	4	YES	4	NIL
5. MR. R.V. SHETH	NON EXECUTIVE	4	YES	1	NIL
6. MR. AMRIT KUMARAN	NON EXECUTIVE	-	NIL	NIL	NIL

AUDIT COMMITTEE.

During the year under review, the Audit Committee met 3 times on 31.07.03, 31.10.03 and 27.01.04 respectively with all members present.

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 are handled by M/s Intime Spectrum Registry Ltd. 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 form within the prescribed time. The results were also forthwith sent to Stock Exchanges where the shares are listed and the same was published in English and Hindi news papers.

DISCLOSURES.

- (a) The details of transactions with related parties if any are given in the notes forming part of the accounts. There were no transactions, with related parties, which have potential conflict with the interests of the Company at large.



(b) The Company has complied with the requirements of regulatory authorities on capital markets and no penalty or stricture has been imposed by the Stock Exchanges, SEBI or any other statutory authority against the Company.

GENERAL BODY MEETINGS:

FINANCIAL YEAR	AGM/EGM	DATE	PLACE OF MEETINGS	TIME
2000-2001	AGM	28.09.2001	143-A Mittal Tower, Nariman Point, MUMBAI 400 021	2.30 P.M.
2001-2002	AGM	28.09.2002	143-A Mittal Tower, Nariman Point, MUMBAI 400 021	2.30 P.M.
2002-2003	AGM	30.09.2003	143-A Mittal Tower, Nariman Point, MUMBAI 400 021	2.30 P.M.

There was no special resolution passed by the Company through postal ballot at any of the above meetings.

GENERAL SHAREHOLDERS' INFORMATION FOR FINANCIAL CALENDER 2004-2005

Annual General Meeting :

DATE	30.09.2004
TIME	10.00 a.m.
VENUE	143-A ,Mittal Tower, Nariman Point MUMBAI 400 021.

QUARTERLY RESULTS- UNAUDITED

1 st Quarterly Results	July'2003
2 nd Quarterly Results	October'2003
3 rd Quarterly Results	January'2004
4 th Quarterly Results	April'2004

Alternatively Annual Results
For the year ending 31.03.2004 On or before 30th June'2004

Dividend Payment NI

Date of Book Closure 24-09-2004 to 29-09-2004

Stock Code Stock Exchange, Mumbai
400 001

MARKET PRICE DATA:

During the financial year 2003-2004 there were no tradings on the Shares of the Company.

SHARE TRANSFER AGENTS:

The Company has appointed M/s Intime Spectrum Registry Ltd., L.B.S. Marg, Bhandup , Mumbai as share transfer agents.

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'2004

NO. OF EQUITY SHARES HELD	NO. OF SHAREHOLDERS	P.C. OF SHAREHOLDERS	TOTAL NO. OF SHARES HELD	P.C. OF SHARE HELD
1-500	5,341	75.47	18,57,400	30.41
501-1000	1,180	16.85	12,48,030	20.44
1001-2000	383	5.14	5,79,400	9.47
2001-3000	87	0.95	1,72,400	2.82
3001-4000	36	0.50	1,35,100	2.21
4001-5000	32	0.44	1,69,900	2.78
5001-10000	28	0.40	2,27,800	3.73
10001 AND ABOVE	<u>18</u> <u>7,065</u>	<u>0.25</u> <u>100.00</u>	<u>17,18,100</u> <u>81,06,830</u>	<u>28.14</u> <u>100.00</u>

DEMATERIALIZATION OF SHARES

As on 31st March, 2004 the number of Equity Shares held in dematerialised form was 8,13,100 (13.31%) and in physical form 52,93,830 (86.69%)

PLANT LOCATION

Elevencherry,
P.O. Karimkulam, 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 Directors, 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.

Place: MUMBAI
Date :



FOR AND ON BEHALF OF THE BOARD

CHAIRMAN
V.C. KUMARAN

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.

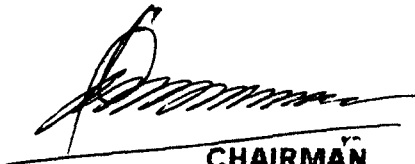
PRECAUTIONERY STATEMENT:

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

Place: MUMBAI
Date :




CHAIRMAN
V.C. KUMARAN

IB INFOTECH ENTERPRISES LIMITED

[Signature]
DIRECTOR.

BALANCE SHEET AS AT 31ST MARCH 2004

AS AT 31.03.2003 Rupees	SCHE- DULE	Rupees	AS AT 31.03.2004 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
18,133,514	Less:Depreciation		19,650,255
<u>14,715,044</u>			<u>13,198,303</u>
<u>14,715,044</u>	0 2. Technical know-how	"E"	13,198,303
3. CURRENT ASSETS, LOANS & ADVANCES			
1,708,833	a. Inventories	"F"	1,708,833
89,740	b. Sundry Debtors	"G"	89,740
20,968	c. Cash and Bank balances	"H"	38,390
8,658,746	d. Loans and Advances	"I"	8,660,896
<u>10,478,287</u>			<u>10,497,859</u>
3,042,818	4. Less:Current Liabilities and Provisions	"J"	3,120,805
7,435,469	Net Current Assets.		7,377,054
1,134,296	5.MISCELLANEOUS EXPENDITURE: (to the extent not written off or adjusted)	"K"	756,198
<u>40,971,865</u>	6.PROFIT AND LOSS ACCOUNT		<u>42,925,119</u>
<u>42,106,161</u>			<u>43,681,317</u>
<u>64,256,674</u>			<u>64,256,674</u>
NOTES FORMING PART OF THE ACCOUNTS			
	"Q"		

As per our report of even date annexed hereto.

For SHYAM C. AGRAWAL & CO.
Chartered Accountants

[Signature]
SHYAM C. AGRAWAL
Proprietor



[Signature]

COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD

[Signature]
MANAGING DIRECTOR

[Signature]

DIRECTOR

PLACE : MUMBAI

DATED: [10 AUG 2004]

CERTIFIED TRUE COPY
 For IB INFOTECH ENTERPRISES LTD
 DIRECTOR.

IB INFOTECH ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31ST MARCH 2004

PREVIOUS YEAR Rupees		SCHEDULE	Rupees	CURRENT YEAR Rupees
INCOME				
27,636	SALES	"L"		0
-	OTHER INCOME	"M"		133,322
<u>27,636</u>				<u>133,322</u>
EXPENDITURE				
69,718	MANUFACTURING EXPENSES	"N"		-
181,901	ADMINISTRATIVE EXPENSES	"O"		190,987
2,085	FINANCIAL CHARGES	"P"		750
1,579,325	TECHNICAL KNOW HOW WRITTEN OFF			-
551	PRELIMINARY EXPENSES WRITTEN OFF			551
377,547	PUBLIC ISSUE EXPENSES WRITTEN OFF			377,547
62,849	SUNDRY DR/CR BALANCE WTTN OFF			-
1,727,045	DEPRECIATION			1,516,741
<u>4,001,021</u>				<u>2,086,576</u>
3,973,385	LOSS FOR THE YEAR			1,953,254
36,998,480	LOSS BROUGHT FORWARD			40,971,865
<u>40,971,865</u>	LOSS TRANSFERRED TO BALANCE SHEET			<u>42,925,119</u>
	NOTES FORMING PART OF THE ACCOUNTS	"Q"		

As per our report of even date annexed hereto.

For SHYAM C. AGRAWAL & CO.
 Chartered Accountants

SHYAM C. AGRAWAL
 Proprietor

FOR AND ON BEHALF OF THE BOARD

MANAGING DIRECTOR

PLACE : MUMBAI

DATED:

10 AUG 2004

COMPANY SECRETARY

DIRECTOR



IB INFOTECH ENTERPRISES LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31.03.2004

AS AT 31.03.2003 Rupees	AS AT 31.03.2004 Rupees
SCHEDULE 'A' SHARE CAPITAL	
AUTHORISED CAPITAL	
100,000,000	100,000,000
<u>Issued, Subscribed and Paid-up</u>	
62,634,000	62,634,000
1,564,700	1,564,700
Less : Call Money-arrears	
<u>61,069,300</u>	<u>61,069,300</u>
SCHEDULE 'B' RESERVES & SURPLUS	
1,742,839	1,742,839
STATE CAPITAL SUBSIDY	
SCHEDULE 'C' DEFERRED TAX LIABILITY	
(To the extent not written off or adjusted)	
1,444,535	1,444,535
Balance brought forward	
SCHEDULE 'E' TECHNICAL KNOW HOW	
(To the extent not written off or adjusted)	
1,579,325	0
BALANCE BROUGHT FORWARD	
1,579,325	0
Less: Written off during the year	
0	0
Balance carried to Balance Sheet	
SCHEDULE "F" INVENTORIES	
(As certified by the Management)	
1,708,833	1,708,833
Packing materials	
SCHEDULE "G" SUNDRY DEBTORS	
(Unsecured considered good)	
89,740	89,740
More than six months	
SCHEDULE "H" CASH AND BANK BALANCES	
11,567	11,567
Cash on Hand	
Balances with Scheduled Banks	
6,284	8,849
on Current Accounts	
3,117	17,974
on Fixed Deposits	
9,401	26,823
<u>20,968</u>	<u>38,390</u>
SCHEDULE "I" LOANS AND ADVANCES	
(Unsecured, considered good unless otherwise stated)	
4,037,220	4,039,370
Advances recoverable in cash or in kind or for value to be received.	
4,250,000	4,250,000
Share Deposit	
371,526	371,526
Deposits - Others	
<u>8,658,746</u>	<u>8,660,896</u>



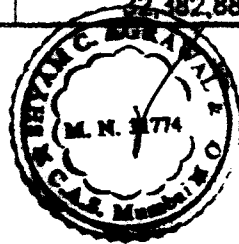
[Handwritten signature]

IB INFOTECH ENTERPRISES LIMITED

SCHEDULE "D"

FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Opening Balance As at 01.04.2003 Rs.	Addition/ Deduction during the Year Rs.	Closing balance as at 31.03.2004 Rs.	Up to 31.03.2003 Rs.	for the Year Rs.	Up to 31.03.2004 Rs.	As at 31.03.2004 Rs.	As at 31.03.2003 Rs.
1	LAND	1,800,000	0	1,800,000	0	0	0	1,800,000	1,800,000
2	BUILDING	15,240,436	0	15,240,436	7,931,009	730,942	8,661,951	6,578,485	7,309,427
3	PLANT & MACHINERY	13,900,326	0	13,900,326	8,757,764	715,330	9,473,094	4,427,232	5,142,562
4	ELECTRICAL INSTALLATION	813,543	0	813,543	514,271	41,629	555,900	257,643	299,272
5	COMPUTER	247,800	0	247,800	244,682	1,248	245,930	1,870	3,118
6	FURNITURE	638,245	0	638,245	536,770	18,367	555,137	83,108	101,475
7	OFFICE EQUIPMENT	54,485	0	54,485	38,419	2,235	40,654	13,831	16,066
8	VEHICLE	50,983	0	50,983	42,711	2,142	44,853	6,130	8,272
9	AIR-CONDITIONERS	102,740	0	102,740	67,888	4,848	72,736	30,004	34,852
TOTAL		32,848,558	0	32,848,558	18,133,514	1,516,741	19,650,255	13,198,303	14,715,044
PREVIOUS YEAR		22,382,883	0	32,848,558	16,406,469	1,727,045	18,133,514	14,715,044	16,442,089



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IB INFOTECH ENTERPRISES LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31.03.2004

AS AT 31.03.2003 Rupees	AS AT 31.03.2004 Rupees
SCHEDULE "J" CURRENT LIABILITIES AND PROVISIONS	
-	-
2,826,535	2,851,149
2,826,535	2,851,149
216,283	269,656
<u>3,042,818</u>	<u>3,120,805</u>

SCHEDULE "K" MISCELLANEOUS EXPENDITURE:

(To the extent not written
off or adjusted)

1,656	1,105
1,132,640	755,093
<u>1,134,296</u>	<u>756,198</u>

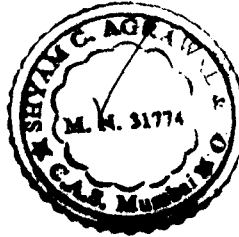


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IB INFOTECH ENTERPRISES LIMITED

SCH.FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2004

AS ON 31.03.2003 Rupees	AS ON 31.03.2004 Rupees
SCHEDULE "L" SALES	
<u>27,636</u> MANUFACTURING SALES	<u>-</u>
SCHEDULE "M" OTHER INCOME	
- Rent received	115,200
- Interest Received	18,122
<u>-</u>	<u>133,322</u>
SCHEDULE "N" MANUFACTURING EXPENSES	
Raw material Consumption	
11,588 Coconuts	-
3,610 Sugar	-
3,510 Chemicals	-
<u>18,708</u>	<u>-</u>
39,895 Stores and Packing Expenses	-
Power & Fuel	
11,115 Electricity Charges	-
<u>69,718</u>	<u>-</u>
SCHEDULE "O" ADMINISTRATIVE EXPENSES	
4,215 Conveyance, Vehicle & Travelling Expenses	-
171,686 Administrative Expenses	190,487
6,000 Audit Fees	500
<u>181,901</u>	<u>190,987</u>
SCHEDULE "P" FINANCIAL CHARGES	
<u>2,085</u> Bank charges	<u>750</u>



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SCHEDULE 'Q'

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2004

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

- 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.
- Depreciation on assets has been provided on W.D.V. basis at the rate specified in Schedule XIV of the Companies Act, 1956.
- Depreciation is provided on pro-rata basis from the date of addition.

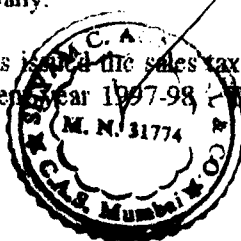
5. INVENTORIES

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:

- Estimated amount of capital commitments not provided for Rs. NIL (net of advance) (Previous year Rs. NIL)
- Contingent Liabilities:
Claims against the Company not acknowledged as debts Rs. 9,33,752.50 (P.Y. Rs. 9,33,752.50)
- 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.
- 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.
- 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.
- 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.
- 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.



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8. The Excise Authorities have issued the order demanding Rs.4,35,766/- 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	500	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 31-03-2004 Rs.10/-	As at 31-03-2003 Rs.10/-
Nominal Value of each Share		
Basic Earnings per Share	Rs.(0.31)	Rs.(0.62)

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 Rs.26,113/-

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[i], 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 : 48 lacs.
- Coconut Spread, Coconut Cocktails

iii) Actual Production:

	Current Year Units	Previous Year Units
Coconut Cream & Spread	Nil	0.01 Lacs



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

[c] Consumption of raw materials, packing materials:

I.

Class of Goods :	Current Year			Previous Year	
	Unit	Quantity	Value [Rs.]	Quantity	Value [Rs.]
[1] Coconut	Nos.	Nil	Nil	2897	11588
[2] Sugar	Kgs	Nil	Nil	266.5	3610
[3] Others					43405
			Nil		58603

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	Nil	Nil	13,965	23.83
Indigenous	Nil	Nil	44,638	76.17
	Nil	Nil	58,603	100

[d] Closing stock of goods produced:

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

[e] Closing stock of Trading Goods:

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

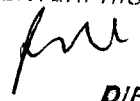


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(f) C.I.F. Value of Imports	Current Year [RS.]	Previous Year [RS.]
Packing Material	<u>NIL</u>	<u>NIL</u>

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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 For IB INFOTECH ENTERPRISES LTD

 DIRECTOR

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, 2004
2. Capital raised during the year	
	[Rs. in Lacs]
Public Issue	: NIL
Rights Issue	: NIL
Bonus Issue	: NIL
Private Placement	: NIL
3. Position of Mobilisation and Deployment of Funds :	
	[Rs. in Lacs]
TOTAL LIABILITIES	642.56
TOTAL ASSETS	642.56
<u>Sources of Funds :</u>	
Paid Up Capital	610.69
Reserves and Surplus	17.43
Deferred Tax Liability	14.44
<u>Application of Funds :</u>	
Net Fixed Assets	131.98
Investment	-
Net Current Assets	73.77
Miscellaneous Expenditure	7.56
Accumulated Losses	429.25
4. Performance of Company	
Turnover	0.00
Total Expenditure	20.86
Loss Before Tax	19.67
Loss After Tax	19.67
Earning Per Share (Rupees)	NIL
Dividend rate %	NIL
5. Generic Names of Principal	
Products/services of the Company	: Coconut cream Coconut
Item Code No.	: Jam & Infotech Services
Product Description	: Not Allotted
	: COCONUT PRODUCTS


For S.C. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD


SHYAM C. AGRAWAL
PROPRIETOR


MANAGING DIRECTOR

PLACE: MUMBAI
DATED: 10 AUG 2004

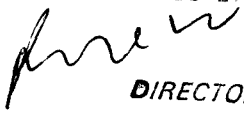

COMPANY SECRETARY


DIRECTOR



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For IB INFOTECH ENTERPRISES LTD


DIRECTOR.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

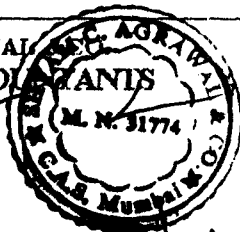
	Current Year	[Rs. in Lacs] Previous Year
	-----	-----
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and extra-ordinary items	(19.53)	(39.73)
ADJUSTMENTS FOR:		
Depreciation	15.17	17.27
Miscellaneous Expenditure written off	3.78	19.57
Deferred Tax adjustment	-	-
Loss of Depreciation on sale of Assets	-	-
Operating profit/[loss] before working capital changes	(0.58)	(2.89)
ADJUSTMENTS FOR:		
Trade and other receivables	(0.03)	0.56
Book Debts	-	-
Inventories	-	0.34
Trade payables	0.78	1.93
Cash generated from operation	0.75	2.83
NET CASH FROM OPERATING ACTIVITIES	0.17	(0.06)
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	-	-
NET CASH FROM FINANCING ACTIVITIES	0.17	(0.06)
NET CHANGES IN CASH AND CASH EQUIVALENTS	0.17	(0.06)
OPENING CASH AND CASH EQUIVALENTS	0.21	0.27
CLOSING CASH AND CASH EQUIVALENTS	0.38	0.21

For SHYAM C. AGARWAL
CHARTERED ACCOUNTANTS

S.C. AGARWAL
PROPRIETER

PLACE: MUMBAI

DATED: 10 AUG 2004



COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD

MANAGING DIRECTOR

DIRECTOR

CERTIFIED TRUE COPY

For IB INFOTECH ENTERPRISES LTD.

DIRECTOR