

IB INFOTECH ENTERPRISS LIMITED

143-A, Mittal Tower, Nariman Point, Mumbai – 400 021.

CORPORATE GOVERNANCE:

Annexure - A

COMPANY'S PHILSOPHY ON CODE OF GOVERNANCE:

IB Infotech Enterprises Limited aims at ensuring high ethical standards in all areas of its business operations to enhance its stake holder's value

In accordance with Clause 49 of the Listing agreement with the Stock Exchanges, the details of governance including compliances by the IB Infotech Enterprises Limited with the provisions of Clause 49 are as under:

1. BOARD OF DIRECTORS :

As on 31st March 2009 the Company's Board consisted of Six Directors out of which Three are non-executive/independent directors, who have rich experience in their fields.

The Board of the Company met 6 times during the last financial year on the following dates: 30th April 2008, 31st July 2008, 10th August 2008, 31st October 2008, 25th January 2009, 31st January 2009.

Code of conduct :

The Company has already implemented a Code of Conduct for all Board Members and Senior Managements of the company in compliance with Clause 49 (1) of the Listing Agreement. But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent

The constitution of the Board (as on 31st March 2009 and the attendance of the Directors are given below:

Name of the Director	Category of the Director	No. of other Directorship (*)	No. of Board meetings Attended	Attendance at Last AGM
Ajay Kumar Kumaran	Promoter Director	4	6	Yes
Amrit Kumaran	Promoter Director	1	5	Yes
Santosh Kamankar	Independent Director	2	4	Yes
Vikas Malekar	Independent Director	1	4	Yes
Vaibhav Malsane	Independent Director	1	5	Yes
Vasantha Kumaran	Promoter Director	-	6	Yes

- Excludes Directorship in Indian Private Limited Companies, Foreign Companies, Companies u/s 25 of the Companies act, 1956
- Leave of absence was given to the Directors which they could not attend.

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Detailed Agenda is circulated/ sent to the members of the Board in advance The Board discuss/ deliberate and decides on all the topics/ matters including those suggested in the Listing Agreement, as and when the requirement arises.

Risk Mitigation Plan: The Company has already adopted a risk mitigation plan, suitable to the Company. During the year there were no activities that required the assessment of risk.

2. AUDIT COMMITTEE:

The total strength of the Audit Committee is three. The said committee was constituted to exercise powers and discharge function as stipulated in Clause 49 of the Listing Agreement, and other relevant statutory and regulatory provisions. The Chairman of the audit committee is an independent/non executive director, and of the other two members one is executive director and the other is non-executive / independent director.

During the relevant financial year, five Audit Committee Meetings were held on 30th April 2008, 31st July 2008, 31st October 2008, and 31st January 2009,

The constitution of the Committee (as on 31st March 2009) and the attendance of each member of the Committee is given below

Name of the Member	Category	No. of Meetings	Attendance (No)
Mr. Santosh Kamankar	Independent Director- chairman of Committee	4	4
Mr. Amrit Kumaran	Promoter Director- Member of Committee	4	4
Mr. Vaibhav Malsane	Independent Director- Member of Committee	4	4

3. SHARE HOLDERS GRIEVANCE/ SHARE TRANSFER COMMITTEE:

Share Holder's Grievance Committee

The board has constituted shareholders/ investors grievance committee consisting of Mr. Santosh Kamankar, Mr. Vaibhav Malsane and Mr. Ajay Kumaran. The transfers and dematerialization are handled by Intime Spectrum Registry Ltd. The share transfers and dematerialization are proceeded and confirmations thereof are communicated to the investors within the prescribed time. The committee also monitors redressal of investors' grievance. The Board has authorized Mr. Ajay Kumaran, director to approve the transfers of shares and attend to other related matters and also designated him as the Compliance Officer.

During the year there were no transfer of shares.

The constitution of the Committee as on today is as under:

4. REMUNERATION COMMITTEE

The Directors have decided that till the financial crisis is sorted / solved, they will not draw any remuneration from the Company. So remuneration committee was not set up during the year under review.

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5. OTHER DETAILS/INFORMATIONS

The details of Annual General Meeting held in last 3 years are as under:

Year Ended	AGM/EGM	Date	Place of meeting	Time
2003-04	AGM	30.9.2004	143- A, Mittal Tower, Nariman Point, Mumbai-21	2.30 PM
2004-05	AGM	30.9.2005		
2005-06	AGM	30.9.2006		
2006-07	AGM	30.9.2007		
2007-08	AGM	30.9.2008		
2008-09	AGM	30.9.2009		

In the extra ordinary General Meeting held on 30.09.2009, the shareholders approved the disposal of the factory building, guest house and other immovable and moveable assets of the company situated at Elevencherry, Palakkad Dt. Kerala by way of ordinary resolution.

The Company has neither used Postal Ballot nor passed any special resolutions during these years.

- **Means of communication:**

The Company has started filings the entire quarterly / half yearly / annual results of the company with the Stock Exchanges and press release are made in English newspapers as stipulated in the Listing Agreement. The company does not have a web site. It also has not displayed in official news release and no presentations were made to institutional investors or to the analysts. We do not send half yearly financial reports to the share holders. The management Discussion and Analysis is a part of the Annual Report

- **Compliance of Insider Trading Norms:**

Company has adopted the code of internal procedures and thus complies with the insider trading norms.

- **General Shareholder's information**

a) AGM, date, time, and venue

Venue	Date	Time
143- A, Mittal Tower, Nariman Point, Mumbai-21	30.09.2009	2.30 PM

b) Financial year ending 31st March 2009

c) Book closure date 20th September 2009 to 25th September 2009, (both the days inclusive)

d) Listing on stock exchanges- the Stock Exchange, Mumbai.

e) Stock Code:

f) The company has complied with statutory compliances except payment of listing fees to the stock exchanges due to financial problems.

g) Distribution schedule as on 31st March 2009.

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Category	Number of Shareholders	% (percentage)	Number of Shares Held	% (Percentage)
Upto – 500	5341	75.47	18,57,400	30.41
501 – 1000	1180	16.85	12,48,030	20.44
1001 – 2000	363	5.14	5,78,400	9.47
2001 – 3000	67	0.95	1,72,400	2.82
3001 – 4000	36	0.50	1,35,100	2.21
4001 – 5000	32	0.44	1,35,100	2.78
5001 – 10000	28	0.40	2,,27,600	3.37
10001 and above	18	0.25	17,18,100	28.14
Total	7065	100.00	61,06,930	100.00

h) Share price movements:

There was no trading of the scripts at the Stock Exchange(s) during the year. The data regarding the price movements are not available, and the management is unable to provide the statement showing the monthly high and low price of the script of the Company as required in the Listing Agreement.

Share holdings of Independent Directors (name)	No. of Shares
Santosh Kamankar	NIL
Vaibhav Malsane	NIL
Vikas Malekar	NIL

i) Additional information

- The ISIN for the dematerialized share of the company is **INE678B01013** (ISIN No).
- Share transfer system:** The company's shares are listed on stock exchange, Mumbai. The shares are also transferred through dematerialization on NSDL and CDSL. Transfer of shares in the physical form is processed and approved fortnightly and certificates are returned to the 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 Kumaran as compliance officer.
- The Company has not proposed / declared any dividend during the year.
- Financial Year: 1st April 2009 to 31st March 2010

For the current financial year, following is the calendar (tentative and subject to change)

- 1st Quarter Last week of July 2009
- 2nd Quarter – Last week of October 2009
- 3rd Quarter – Last week of January 2010
- Financial year closing: 31st March 2010
- 4th Quarter – Last Week of April 2010

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e) Directors retiring by rotation: Santosh Kamankar, Vasantha Kumaran

f) Address for correspondence: Regd Office at 143- A, Mittal Tower, Nariman Point, Mumbai-21

g) Share transfer agents:

The company has appointed M/s Intime Sectrum Registry Ltd., 13-E, Pannalal Silk mills Compound, LBS Road, Bhandup, Mumbai as the share transfer agents.

h) Dematerialization of shares & liquidity:

AS on 31st March 2009, the number of equity shares held in dematerialised form was 8,13,100 (13.31%) and in physical form 52,93,830 (86.69%).

i) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity **NIL**

j) Conversion date and likely impact on Equity Shares: **N.A.**

k) The details of related parties' viz.; Promoters. Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest: **N.A.**

l) Penalties or structures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review: **-NIL**

m) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.---**N.A.**

n) Whistle Blower Policy: **Yes Implemented**

o) Training of Board Members: Yes

p) Mechanism for evaluating non-executive Board Members: **50% of the Board of Directors of the company is independent and non-executive.**

For the Board of Directors,

Director.

Place : Mumbai.

Dated: 10th August, 2009.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
IB Infotech Enterprises Limited
143- A, Mittal Tower,
Nariman Point, Mumbai-21

We have examined the compliance of the conditions of Corporate Governance by IB Infotech Enterprises Limited for the year 31st March 2009 as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression 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 partly complied with the conditions of the Corporate Governance as stipulated in the above mentioned listing agreement.

We state that majority of the investor grievances were attended within one month as per 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.

Place: -Mumbai
Date: 10th August 2009

For C D JHAMB & CO`
(Chartered Accountants)
Membership No. -----

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Management Discussion And Analysis

Overall review, industry Structure and Developments:

Economic overview:

India, an emerging economy, after global meltdown experienced two years back, has witnessed comfortable levels of economic expansion along with countries like China, Russia, Mexico and Brazil. India, being a cost effective and labour intensive economy, has benefited immensely from outsourcing of work from developed countries and a strong manufacturing and export oriented industrial framework. With the economic pace picking up, global commodity prices have staged a comeback from their lows and global trade has also seen healthy growth over the last two years. India witnessed early revival of economic growth.

The year 2008 was marked by extraordinary policy response to unprecedented global economic crisis.

With the help of the policy support, the Global economy is now emerging from the crisis and GDP growth rates are starting to improve. The Indian economy after slowing down in 2007-08 is estimated to grow at 7.2 per cent in 2008-09 as compared to 6.7 per cent in 2007-08

Industry Overview:

For the Indian IT- BPO industry, the downturn in 2007-08 signalled the beginning of a new world order and a paradigm shift in the way IT-BPO industry operates. The industry viewed this crisis as an opportunity, by not only exhibiting resilience but also sustaining its growth.

Performance

The company is Information Technology Company having its main object of providing information technology enabled services. The year under review, proved to be better for the company as compared to previous years. The company has written off its obsolete assets and also paid off all its liabilities and now the company is debt free company. This will enable the company now to focus on the operations of the company and revive the company at the earliest.

The Management has found lucrative business opportunities which are in the process of implementation. The company, while going through this critical situation, is taking strategic decisions in regards with the projects which will offer good returns and will enhance the shareholder's value down the line.

The Strong management team of the company is always in search of the various opportunities for the company and very hopeful of venturing into viable project soon. Volatility in the World Markets may pose threats to the future plans of the company.

Internal control systems

The internal control system is looked after by the executive directors themselves, who also look after the day to day affairs of the company to ensure compliance of guidelines and policies, adhere to the management instructions and policies to ensure improvements in the system. The internal audit reports are regularly reviewed by the management.

Financial management and financial performance

The company has plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind of borrowing wherever possible.

Environmental issues:

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As the company is not carrying on any manufacturing activity, the matter relating to produce of harmful gases and the liquid effluents are not applicable.

Statutory Compliance

The company has complied with statutory compliances except payment of listing fees to the stock exchanges due to financial problems.

Caution:

Statements which are based on and describe about management's expectations, estimates, projections, objectives, intentions and assumptions are forward looking statements. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, earnings, segment performance, cash flows. Forward-looking statements are made pursuant to the Companies Act, 1956, securities laws and all other applicable acts, statues, rules and regulations as amended from time to time. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what was forecasted in forward-looking statements, expressed or implied.

The Company does not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.

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CEO & CFO CERTIFICATION

**The Board of Directors
IB Infotech Enterprises Limited
Mumbai – 400 021.**

Re : Financial Statements for the year 31st March 2009 Certification

We, Vasantha Kumaran, Chairman & Executive director and Ajay Kumaran, executive Director, on the basis of the review of the financial statements and the cash flow statements for the

Financial year ending 31st March 2009 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31st March 2009 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

**(Vasantha Kumaran)
Chairman & Executive Director.**

**(Ajay Kumaran)
Executive Director.**

**Place: Mumbai
Date: 10th August 2009.**

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DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, Chairman & Executive Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 31st March 2009.

For IB Infotech Enterprises Limited,

Chairman & executive Director

Place: Mumbai.

Dated: 10th August, 2009.