



## Contents

	<b>Page No.</b>
Chairman's Statement	2
Company Information	3
Financial Highlights	4
Notice	5
Management's Discussion and Analysis Report	10
Report on Corporate Governance	17
Directors Report	28
Auditor's Report on Corporate Governance	31
Auditor's Report	32
Annexure to Auditor's Report	33
Balance Sheet	34
Profit & Loss Account	35
Cash Flow Statement	36
Schedules forming part of the Balance Sheet & Profit and Loss Account	37
Notes to the Accounts	41
Balance Sheet Abstract	45
Statement under Section 212(8) of the Companies Act, 1956 related to Subsidiary Companies	46
Auditor's Report on the Consolidated Financial Statements	47
Consolidated Balance Sheet	48
Consolidated Profit & Loss Account	49
Consolidated Cash Flow Statement	50
Schedules forming part of Consolidated Balance Sheet	51
Notes to Consolidated Financial Statement	54
Attendance Slip and Proxy Form	59

## From the Chairman's Desk

### Dear Shareholders,

I am glad to welcome you to the 10th Annual General Meeting of your company. I thank you for your continued trust, encouragement and support.

Despite economic recession, your Company has resulted in another year of steady performance and there is an increase in the gross turnover and net profit during the year as compared to the figures of the previous year. This is a phase where IKF's research endeavors are beginning to achieve, leading to strategic international partnerships that will help us to access global markets as well as build a global profile as a leading Indian innovator.

We are one of the most rapidly developing software consulting organizations offering a composite portfolio of IT solutions like Project Management, ERP Solutions, e-Governance and also providing Skilled Resources. We have a significant role in providing security solutions for a rapidly increasing customer base in IT segment.

I am pleased to announce that your Board of Directors has recommended the induction of Mr. C S Jalan and Mr. Mukesh Kumar Goyal into the Board. Who have a very good knowledge of corporate sector, both of them have extraordinary capability to lead the Company.

### TELECOM

IKF's Vision is to be a client trusted outsourcing partner on a long term basis and to set the next standard in outsourced contact center tele-services by improving our client experience and exceeding their expectations.

The company has introduced its new products and services in this year and is successfully expanding the business market in more than 10 cities of India IKF Telecom has achieved a level of best standard by providing the best quality with 24X7 support from its world-class corporate NOC located in Noida.

### E GOVERNANCE

As you know our 'Lok – mitra' project under the concept of E-governance, is providing various citizens-centric services of Rajasthan Government departments as also many private sector services in integrated form through service and information delivery points. E-Mitra Project integrated Lok-Mitra and Jan-Mitra initiatives under a single umbrella to bring together the services of all the departments under one single roof and give citizens of the state a multi services single window experience.

### IT/ITES

Under the leadership of our new IT President, Mr. Anirban das, IT division has started moving fast on road to success. IKF Technologies's Integrators are widely recognized for providing unique capabilities to the marketplace, especially in rapid deployment solutions for ERP Solutions, Application Management Services and Hosting Services.

### BIO FUEL

In our Pioneer division, Green Fuel, your company has made plantation of Jatropha in Madhya Pradesh, Maharashtra, Meghalaya, Karnataka, Rajasthan, Jarkhand and many more cities all over India. Our Company's Mission is to promote large-scale production of Jatropha Seeds for captive consumption and to establish strategic alliances and closely work with the farming community and entrepreneurs for the cultivation of Jatropha plantations.

### Financial Performance

Despite the recent downturn of IT Industry your Company continued showing the increasing trend in the figures of the gross turnover and net profit of the Company during the year as compared to the figures of previous year.

With your valued support your Company has invested in the business of the future based on strong capabilities in R& D, innovation and Technology.

### Future Outlook

I am please to inform you that we are going to enter in the most gracious field of bioinformatics. In this field we will develop the next generation biological software solution which eliminates the unproductive time and enhances the quality and shifts the focus of the project to analysis, rather than pre- and post-analysis tasks.

This provides a great potential to exploit the technology in many different ways discussed in the marketing segmentation and strategy section.

As we look to the future, we know that we will be operating in a globally challenging environment. We believe that we are beginning to witness the start of a transformational phase for IKF's various businesses as we strengthen our competitive edge through innovation and differentiation.

On the research front, we will strive to pursue a strategy that will deliver incremental and transformational innovation in an affordable manner.

I would like to express my sincere appreciation to our employees for their sincerity and dedication in serving the interest of our customers and stakeholders each day. I would like to thank our management team and our Board of Directors including our independent directors for their support and inputs, who will continue to play critical roles in executing IKF's comprehensive growth strategy. I am also grateful to all our stakeholders – our customers, suppliers, bankers, employees and shareholders, who have reposed their trust in us and given us their constant support.

We are confident that the year 2009-10 will be another year of growth and a time for IKF to demonstrate its unique advantages and show its potential. We are excited about what lies ahead.

Thank you once again for your time and your continued patronage to IKF Technologies Ltd

I would now like to proceed with the terms on the agenda for this meeting.

Thank you,

With Regards  
**Dr. R. P. Singh**  
Chairman



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## Board of Directors

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**Dr. R. P. Singh**  
Chairman

**Mr. Sunil Kumar Goyal**  
Whole Time Director

**Mr. Pradeep Dutta**  
Executive Director

**Mr. Mukesh Kumar Goyal**  
Whole Time Director

**Mr. Gajanand Gupta**  
Director

**Mr. Pradeep Kumar**  
Director

**Mr. Chandra Shekhar Jalan**  
Director

## Our Management Team

### President IT

Mr. Anirban Das

### CEO R2R Seva

Mr. R.L. Garg

### Chief Financial Officer

Mr. Vijay Agarwal

### Company Secretary

Ms. Sakshi Aggarwal

### Listing

The Bombay Stock Exchange Ltd.  
The Calcutta Stock Exchange Asso. Ltd.  
The Luxembourg Stock Exchange

### Registered Office

Rashmi Building Main Block  
2nd Floor, Plot No. XI-16,  
Block No. EP & GP,  
Salt Lake Electronic Complex,  
Sector-V, Kolkata - 700 091

### Registrar & Share Transfer Agent

Big Shares Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate  
Sakivihar Road, Sakinaka,  
Andheri (East), Mumbai- 400 072

### Bankers

ICICI Bank Limited  
Axis Bank Limited  
Standard Chartered Bank  
Corporation Bank  
ABN Amro Bank

### Auditors

M/s Agarwal Vishwanath & Associates  
Chartered Accountants  
7-B, Dacres Lane,  
Kolkata - 700 069

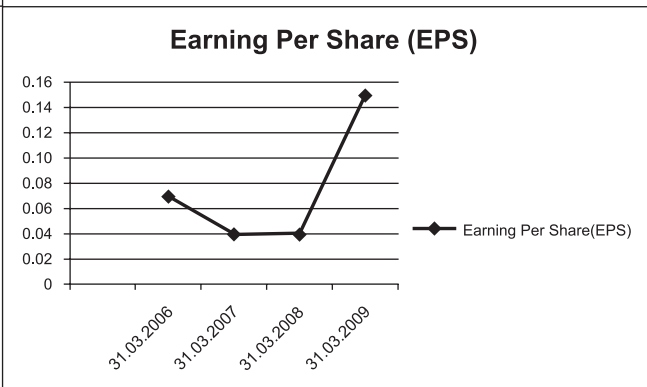
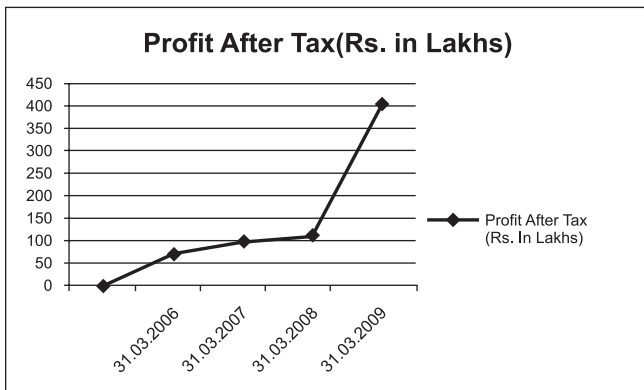
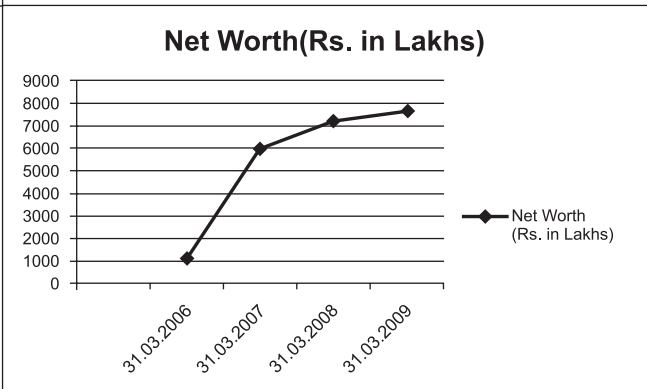
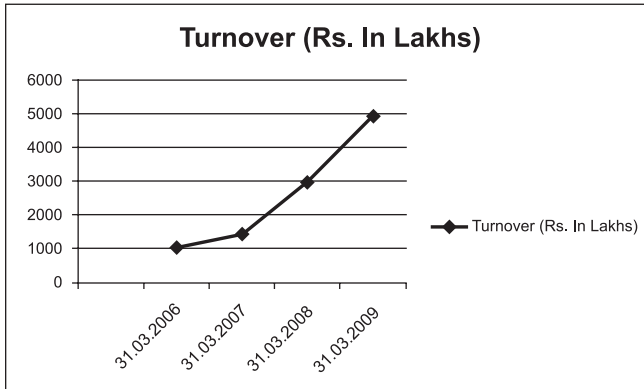
### Annual General Meeting

Date : 28th August, 2009  
Time : 3:00 P.M.  
Day : Friday  
Venue : Royal Bengal Room  
Block DC, Sector-I,  
City Centre, Salt Lake City  
Kolkata - 700 064

### Corporate Office

IKF House,  
A-56, Sector-16  
Noida - 201 301

**FINANCIAL HIGHLIGHTS**





## NOTICE

Notice is hereby given that the 10<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 28<sup>th</sup> day of August 2009 at 3:00 P.M. at Royal Bengal Room, Block DC, Sector-I, City Centre, Salt Lake City, Kolkata-700 064 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2009 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Pradeep Kumar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. R.P. Singh, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

The outgoing Statutory Auditor M/s Agarwal Vishwanath & Associates, Chartered Accountants is eligible and offer themselves for re-appointment.

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"Resolved that** Mr. Mukesh Kumar Goyal who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation."

6. To appoint Mr. Mukesh Kumar Goyal as the Whole Time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"Resolved that** pursuant to the provisions of sections 198, 309, 269 and Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any, consent of the members be and is hereby given for appointment of Mr. Mukesh Kumar Goyal as Whole Time Director of the Company, for a period of 3 years with effect from 4<sup>th</sup> April, 2009 on a monthly remuneration not exceeding Rs.1,00,000 (Rupees One Lakh only) payable by way of salary or perquisites or a combination thereof, excluding

the reimbursement as may be decided by the Board from time to time.

**Resolved further that** in the event of loss or inadequacy of profit in any year during the period of incumbency, the aforesaid remuneration shall be payable as the minimum remuneration.

**"Resolved further that** the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorized to fix the terms and conditions of the appointment of Mr. Mukesh Kumar Goyal as Whole Time Director of the Company and to vary the same from time to time, including those pertaining to the remuneration payable to him, within the aforesaid limit.

**Resolved further that** the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution."

7. To consider and pass a Special Resolution in respect of amendment of Article 100, of the Articles of Association of the Company, in respect of amendment in payment of Director's Sitting fees for each Director, per Meeting of the Board or of the Committee thereof.

The following Resolution may be passed as a Special Resolution with or without modification.

**"Resolved that** the Articles of the Association of the Company be amended by substituting the following new Article 100 in place of the existing Article 100." The new Article 100 will read as follows :

The sitting fee of a Director for his services shall be such as may be prescribed by the Act from time to time for each meeting of the Board of Directors or the committee thereof attended by him. All other remuneration, if any payable by the Company to each Director whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. In addition to above the Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending Board and Committee meetings or otherwise incurred in the execution of their duties as Directors.

8. To Consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special Resolution :

**"Resolved that** pursuant to the provisions of the Memorandum and Articles of Association of the

Company, Section 81 of the Companies Act, 1956, guidelines issued by the Securities & Exchange Board of India (SEBI), the Foreign Exchange Management Act, 1999, and other applicable provisions, if any, and subject to such consents and approvals as may be required and subject further to such conditions and modifications as may be prescribed in granting such consents, approvals and subject to such conditions as may be imposed by the SEBI or any other authority, which may be agreed to by the Board of Directors of the Company at its sole discretion (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, equity shares, debentures, bonds, instrument which are fully or partly convertible into Equity Shares, warrants or any other whether in Indian Rupee or any foreign currency (hereinafter collectively referred to as "Securities"), secured or unsecured, or any other instruments, to any person, whether or not the members of the Company, including the Promoters of the Company, their Friends, Relatives & Associates, Business Associates, Employees (including directors & workers) of the Company and its group companies, Corporate Bodies, Mutual Funds, Financial Institutions, Banks, Foreign Institutional Investors, Non Resident Indians, Foreign Nationals, Insurance Companies, Pension Funds, Portfolio Managers, etc., by way of public issue, right issue, issue of Foreign Currency convertible Bonds (FCCB), Global Depository Receipts (GDR), American Depository Receipts (ADR) reservation on competitive basis, reservation on firm allotment basis, private placement, preferential allotment basis or a combination thereof at such price or prices so however that the total amount raised through the aforesaid Securities should not exceed INR 500 crores (Rupees Five Hundred crores only) including premium when converted into Indian Rupees at the current prevailing market conversion rate of US Dollars or any foreign currency to Indian Rupee and on such terms and conditions or in such manner as the Board may in its absolute discretion think fit, in consultation with the Lead Managers, Advisors and/ or such other persons and on such terms and conditions including the ratio in which such Securities may be offered, issued and allotted to the existing shareholders, the number of Securities to be issued, face value of the Securities, rate of interest, premium, number of equity shares to be allotted on conversion, exercise of rights attached with warrants, ratio of exchange of shares and/ or warrants and/ or any other financial instruments, period of conversion, fixing of record date or book closure and other related or incidental matters.

**Resolved further that** in case of any Equity Linked Securities Issue/ Offer, the Board be authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any such Securities referred to above or as may be in accordance with the terms of the offer, all such shares would rank pari passu inter-se, with the then existing Equity Shares of the Company in all respects.

**Resolved further that** for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the issue(s) including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/ conversion of securities / exercise of warrants/ redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/ or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/ or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

**Resolved further that** the Board of Directors or Committee thereof be and is hereby authorized to fix differential pricing on different mode of issue.

**Resolved further that** for the purpose of giving effect to the above resolution the Board and the committee thereof be and is hereby authorized on behalf of the Company to do all or any of such acts, deeds, matters and things as it may in its discretion deem necessary or desirable for such purpose including but without limitation to enter into under-writing, marketing, depository, custodian and any other arrangements or agreements and to remunerate all other agencies by way of commission, Brokerage, fees or the like and also to seek the listing of such securities in any one or more of the International/ Indian Stock Exchanges including Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with power to act on behalf of the Company and to settle such questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its discretion deem fit.

**Resolved further that** in case of any over subscription of the issue, the Board, be and is hereby authorized to retain such of the amount and issue and allot Securities, as may be permitted in accordance with applicable laws, rules, and provisions in consultation with the Stock Exchanges.

**Resolved further that** the Board be entitled to vary, modify alter any of the foregoing terms and conditions



to conform with those as may be approved by SEBI, RBI or any other appropriate authorities and department.

**Resolved further that** for the purpose of giving effect to the above the Board be and is hereby authorized to do all things necessary for the purpose of giving effects to the issue and allotment of said Securities / Equity Shares and to take such action or give such directions as may be necessary or desirable and to accept any modifications in the proposal and terms of the issue including the price of the Equity Shares to be so issued or to be issued against or conversion of such Securities or the ratio or number in which the New Equity Shares or Securities are to be offered which may result in a change in the total amount of the issue as may be considered necessary by the Board or as may be prescribed in granting approvals to the issue and which may be acceptable to the Board and to decide the Basis of Allotment and to settle any question or difficulty that may arise in regard to the Issue and Allotment of the New Equity Shares or Securities or on

conversion of said Securities into Shares or on issue of Shares against such Securities.

**Resolved further that** the Board be and is hereby authorized to take all necessary actions to give effect to this resolution and to delegate to a Committee of Directors or any one of the Director, all or any of its powers and authorities vested in it in terms of this resolution as may be permitted by Law.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“Resolved that** Mr. Chandra Shekhar Jalan who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation.”

**By Order of the Board  
For IKF Technologies Ltd**

**Date : 27.06.2009  
Place : Kolkata**

**Sd/-  
Sakshi Aggarwal  
Company Secretary**

**NOTES:**

- A. APPOINTMENT OF PROXY:** A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
- B. CORPORATE MEMBERS:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C.** Members/Proxies attending the meeting are requested to bring their copy of AGM Notice to the Meeting.
- D.** In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- E.** The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 26 day of August 2009 to Friday, 28 day of August 2009 (both days inclusive).
- F. QUERIES AT THE AGM:** Queries proposed to be raised at the Annual General meeting may be sent to the company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- G. EXPLANATORY STATEMENT:** The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the businesses under Item Nos. 5 to 9 above, are annexed hereto.
- H. INSPECTION OF DOCUMENTS:** Documents referred to in the notice etc., are open for inspection at the registered office of the Company at all working days except Saturday between 11 A.M. and 2 P. M. up to the 28<sup>th</sup> day of August 2009, day of the Annual General Meeting. Copies of the Memorandum and Articles of Association of the Company and the documents referred to in the Notice etc., shall be open for inspection at the Registered Office of the Company on any working day between 11 A.M. and 2 P.M. up to the date of the AGM and also at the general meeting venue during the meeting.
- I.** The Register of Directors' Shareholdings, maintained under Section 307 of the Companies Act, 1956, shall be available for inspection by the members at the AGM venue during the meeting.
- J.** Members/ proxies are requested to produce the enclosed attendance slips duly filled and signed as per the specimen signature recorded with the company for admission to the Meeting Hall. Members who hold shares in de-materialized form are requested to bring their client ID and DP ID Numbers for easier identification of their attendance at the meeting.
- K. ADDRESS CHANGE INTIMATION:** Members are requested to notify immediately any change in their address to the company or its share transfer agent. In case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants without any delay.
- L.** In all correspondence with the Company, members are requested to quote their Account/folio numbers and in case their shares are held in the dematerialized form, their client ID Numbers and their DP ID Numbers.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956,****ITEM No. 5:**

Pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company the Board of Directors had appointed Mr. Mukesh Kumar Goyal as the Additional Director with effect from 4<sup>th</sup> April 2009 to hold office until the date of the ensuing Annual General Meeting. The board is proposing to appoint him as a director in the ensuing Annual General Meeting. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company. Brief profile and other details of Mr. Mukesh Kumar Goyal as per Clause 49 of the Listing Agreement are provided in the Report on Corporate Governance forming part of the Annual Report.

None of the Directors except Mr. Mukesh Kumar Goyal himself is interested and concerned at Item no. 5 of the notice.

**ITEM No. 6:**

The Board of Directors of the Company had in their meeting held on 4<sup>th</sup> April 2009 subject to the approval of the members appointed Mr. Mukesh Kumar Goyal as the Whole Time Director for a period of three years w.e.f 4<sup>th</sup> April 2009.

The present proposal is to seek members' approval for the appointment of Mr. Mukesh Kumar Goyal on the terms and conditions as set out in the resolution in terms of the applicable provisions of the Companies Act, 1956. The terms as laid down in the resolution may be treated as an abstract of the terms of appointment of Mr. Mukesh Kumar Goyal under Section 302 of the Companies Act, 1956.

A brief profile of Mr. Mukesh Kumar Goyal as stipulated under Clause 49 of the Listing Agreement is provided in the Report of Corporate Governance forming part of the Annual Report. His continuation on the Board will enable the Company to gain from his considerable knowledge and expertise in the field of Finance and Operations in relation to the Company's business.

The Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Mukesh Kumar Goyal for the office of Director of the Company in the ensuing AGM.

None of the Directors except Mukesh Kumar Goyal himself is interested and concerned at Item no. 6 of the notice.

**ITEM No. 7:**

Presently the Articles of Association of the Company provide





for the payment of Directors Sitting Fees not exceeding Rs.1000/- (Rupees One Thousand only) for each Meeting attended. In view of the time devoted by the Directors for the meetings, your Board is of the opinion that the sitting fees needs to be revised for attending meetings of the Board and for attending the meeting of the committee of the Board. Your Directors recommend passing of the resolution and propose to amend the Article No. 100 of Sitting Fees (exclusive of travel, hotel and other expenses) up to Maximum Limit as per the applicable laws from time to time for each Director, per Meeting of the Board or the Committee.

All Directors are interested in passing of the resolution.

#### **ITEM No. 8:**

The Company has envisioned standing out as a leader in the field of Bio Fuel in the Global platform. The Company has in the year 2008-09 made unprecedented growth and further strengthening its position in the segment of Bio Fuel, IT/ITES, E- Governance and Telecom.

Our Company is gaining foot hold by making strategic investments and mergers with Companies in various segments. The Company proposes to make acquisition not only in India but in every corner of the world in lucrative proposition which will in the coming years create value for the stakeholders. The funds are required by the Company for expansion of Bio Fuel, IT/ITES and Telecom divisions. The expansion and diversification of business of the Company project is proposed to be funded through a combination of equity and debt. Funds raised by issue of securities are proposed to be utilized in the expansion and diversification of the business and normal business activities of the Company.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the applicable provisions of law.

The proposed issue of securities as above may be made in one or more tranches, in domestic/ international market in Indian rupee or one or more foreign currency, by way of public issue, right issue, issue of foreign currency convertible bonds, global depository receipts, American depository receipt etc., as may be decided by the Board. The issue price and other terms and conditions of the security to be issued in the

proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions and the applicable regulations.

In terms of the provisions of Section 81 of the Companies Act, 1956 and other applicable provisions approval of members by way of special resolution is required for the proposed resolution. The Board of Directors recommends and places before you the proposed resolutions for your consideration and approval.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of any security (ies) that may be offered and issued to them.

#### **ITEM No. 9:**

Pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company the Board of Directors had appointed Mr. Chandra Shekhar Jalan as the Additional Director with effect from 27<sup>th</sup> June 2009 to hold office until the date of the ensuing annual general meeting. The board is proposing to appoint him as a director in the ensuing Annual General Meeting. Accordingly, the resolution is placed before the members for their consideration and approval. The Board recommends the proposed resolution for adoption in the larger interest of the Company. Brief profile and other details of Mr. Jalan as per clause 49 of the listing agreement are provided in the Report on Corporate Governance forming part of the Annual Report. His continuation on the Board will enable the Company to gain from his considerable experience and expertise in relation to the Company's business.

Company has received a notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Jalan for the office of Director of the Company in the ensuing AGM.

None of the Directors except Mr. Chandra Shekhar Jalan himself is interested and concerned at Item No.9 of the notice.

**By Order of the Board  
For IKF Technologies Ltd**

**Sd/-**

**Sakshi Aggarwal  
Company Secretary**

**Date : 27.06.2009  
Place : Kolkata**

## MANAGEMENT'S DISCUSSION & ANALYSIS REPORT RECENT INDUSTRY TRENDS

### THE PERFORMANCE OF THE INDIAN IT-BPO INDUSTRY IN THE YEAR-2008-09

**REVENUE :** The Indian IT-BPO industry is estimated to achieve revenues with growth of double figure and it is estimated at USD 71.7 billion in FY2009, with the IT software and services industry accounting for USD 60 billion of revenues.

**EMPLOYMENT OPPORTUNITIES :** During this period, direct employment is expected to reach nearly 2.23 million, an addition of 226,000 employees over the FY 2008. While indirect job creation is estimated to touch 8 million.

**CONTRIBUTION IN INDIAN ECONOMY:** As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 5.8 per cent in FY2009. Net value-added by this sector, to the economy, is estimated at 3.5-4.1 per cent for FY2009.

**EXPORTS MARKET :** The IT sector's share in Indian exports (merchandise plus services) has increased from less than 4 per cent in 1998 to almost 16 percent in 2008. The Export revenues are estimated to gross USD 47.3 billion in FY2009, accounting for 66 per cent of the total IT-BPO industry revenues. Cross currency movement during the year, led by the strengthening and high volatility) of the US dollar versus some of the major invoicing currencies (Euro, Pound), suppressed volume growth in the European market by about 2.2 per cent at an industry level. Software and services exports (including BPO) are expected to account for over 99 per cent of total exports, employing over 1.76 million employees.

### INDIA'S IT-BPO VALUE PROPOSITION

Strong fundamentals, a robust enabling environment, and

enhanced value delivery capability are the hallmarks of the Indian IT-BPO industry.

- India enjoys a cost advantage of around 60-70 per cent as compared to source markets. Additional productivity improvements and the development of tier 2/3 cities as future delivery centers, is expected to enhance India's cost competitiveness.
- Timely government policies and increased public-private participation have played a key role in developing an enabling business environment for the Indian IT-BPO industry. The Government's focus on education has helped create the large talent base from where the industry draws its workforce. The Government's proactive approach towards the IT-BPO industry was further highlighted in 2008 through actions such as the IT Act Amendment, extension of tax incentives by a year, removal of the SEZ Act anomalies and the introduction of progressive telecom policies that focus on work from home.
- Indian companies are now trying to adopt a culture that encourages innovation, embrace new trends such as Green IT, and deliver solutions that are focused on re-engineering and transformation. India is emerging as a leading Innovation hub with increasing number of patents being filed and granted from India
- The silver lining of the economic downturn is the opportunity for the industry to enhance its overall efficiency. Companies are increasingly looking inwards and focusing on process benchmarking, enhanced utilization of infrastructure and talent, increasing productivity and greater customer engagement

### Recent comments by BPO industry leaders reflect a growing interest in Domestic BPO

At present 4% of our revenues come from the local market. We expect local BPO revenues to be 10% of our business in the next 12 months. margins are better than or equal to what we get from international business.

Ananda Mukherjee, CEO Firstsource Solutions  
Source: The Economic Times, Jul 2007

Our domestic business will primarily be in the domains that we are already in...BFSI is, however, going to be the predominant area in India. We plan to create separate infrastructure in tier-II and tier-III cities with a separate team. We will be looking at cities like Hyderabad along with other tier-II cities.

Rohit Kapoor, President EXL Service  
Source : Interview with Rediff Money, Nov 2007

We plan to ride this wave of the domestic BPO boom and consolidate our position further by focusing on areas that are traditionally considered weak in the domestic BPO sector such as service quality

Susir Kumar, CEO Internet Global  
Source: Interview with Nasscom, Apr 2006

Our strategic entry into the domestic outsourcing market in India has begun to yield results. This gives us a unique early mover advantage into this growing market. Seven new clients were added this year in the domestic business, including major wins in the Telecommunications, Banking and Insurance domains. Strong Foundations have been laid to grow this business line profitably in the coming years.

Partha De Sarkar, CEO Hinduja TMT  
Source: FY06 Annual Report, Aug 2006

The main reason why we got into domestic market is because it acts as a hedge to our global business.

Alok Mishra, CFO Mphasis  
Source: Mint, Nov 21007



**GLOBAL SOURCING TRENDS IN 2008**

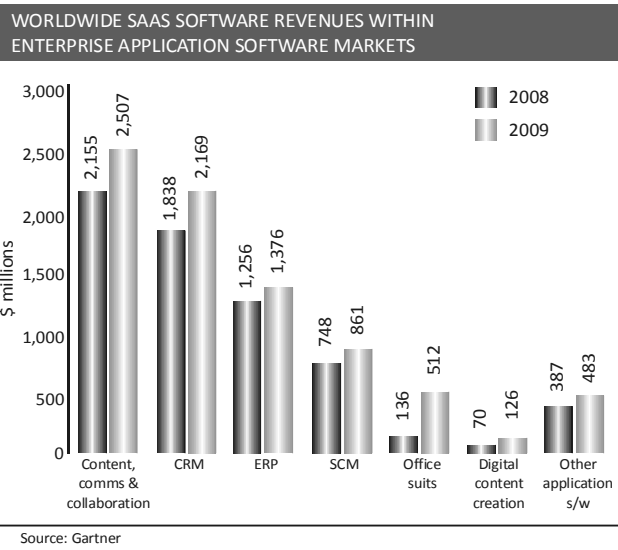
- Worldwide technology products and related services spend is estimated to cross USD 1.6 trillion in 2008, a growth of 5.6 per cent over 2007. IT-BPO services (including software products) touched USD 967 billion, an above average growth of 6.3 per cent in 2008, underscoring its increasing importance.
- Worldwide BPO spending in 2008 grew by 12 per cent, which was the highest among all the segments. BPO today is an integral part of the global delivery chain and is increasingly involved in mission critical applications.
- Within IT-BPO, outsourcing emerged as a key driver, accentuated by shifts in regional spending as emerging markets such as CEMA (Central and Eastern Europe, Middle East and Africa), Latin America, and Asia Pacific (excluding Japan) increased their share.
- Steady growth in outsourcing spend was driven by increased adoption of global sourcing. While the global sourcing market size has increased threefold in the period 2004-2008, the addressable market is more than five times the current market size, signifying the immense opportunity at hand.
- Offshore IT-BPO service providers continued to build their global delivery footprint, expanding service lines and also growing inorganically by acquiring firms in the US and Europe to build skills and “near shore” delivery capabilities. Therefore, though the established players dominated the market, Indian heritage service providers gained ground and market share.

**GLOBAL TRENDS IN SOFTWARE - AS - A - SERVICE (SaaS)**

The implementation of SaaS within Enterprise Resource Planning (ERP) and Supply Chain Management (SCM) depends on the degree of process complexity. Demand for software-as-a-service (SaaS) will hit \$9.6 billion in 2009, a 21.9% increase from 2008 revenue of \$6.6 billion. The market will show consistent growth through 2013 when worldwide SaaS revenue will total \$16 billion for the enterprise application markets.

SaaS is expected to represent only about 1% of the ERP manufacturing and operations revenue, but more than 18% of human capital management and 30% of the procurement segment by 2013.

Office suites and digital content creation (DCC) remain the fastest-growing markets for SaaS, while the content, communications and collaboration (CCC) market continues to show the widest disparity of SaaS revenue across market segments.



Software-as-a-service (SaaS) email solutions will account for 20% of the commercial email market by 2012 compared to a mere 1% in 2007.

Applications likely to be particularly affected include those core to running premises-based email, such as disaster recovery, reporting, backup, spam and virus filtering, as well as mobility, encryption, fax and archiving solutions.

It is also predicted that an impact on the email-related hardware market, with fewer sales opportunities for server vendors. Conversely, there will be opportunities for such third parties to be acquired by SaaS vendors keen to fill in platform gaps, as has already been the case with Google and Postini, Cisco and Ironport, and Microsoft and Frontbridge.

**FUTURE OUTLOOK**

- Despite the unprecedented economic downturn the industry will witness sustainable growth.
- The global technology related spending is expected to grow from 2010 onwards led by growth in outsourcing adoption.
- Greater focus on cost and operational efficiencies in the recessionary environment is expected to enhance global sourcing
- India Inc would remain focused on tactical measures to achieve cost savings and greater productivity
- Services and software segments are estimated to cross USD 1.2 trillion by 2012. This is more than the 5.2 per cent growth expected in the total IT spending.
- The industry will continue to diversify in terms of geographies, verticals and service lines
- SMBs are expected to emerge as a significant opportunity due to lower IT adoption currently
- Lack of working age population in the developed economies and a significant long term cost arbitrage indicates India’s sustained cost competitiveness

- Service providers are expected to enhance focus to domestic market to de-risk business and tap into the local growth opportunities

## OVERVIEW OF THE COMPANY

### IT Division

In pursuit of business excellence, IKF Technologies Limited has continuously adapted to the changing business paradigm. We have constantly identified opportunities for growth while synergizing with its current business practices. We create challenging environment for all our employees through innovation, inspiration, agility and shared beliefs to meet the changing customer values.

We are one of the most rapidly developing software consulting organization offering a composite portfolio of IT solutions like Project Management, ERP Solution and providing Skilled Resources. We have a significant presence in providing security solutions and implementation for a rapidly increasing customer base in this segment of IT. IKF offers a complete package where customers not only receive software applications but also embolden their knowledgebase manifold, wherein they can even redesign their business vision and product offerings to their customers. It is indeed a multifaceted IT organization that has integrated its operation backward, offering total flexible IT solution in India and overseas. IKF has state-of-the-art development facilities in India and world over lending it a global presence. With whopping distinctive projects, IKF has been silently offering client by constant innovation in IT.

We firmly believe that we can provide our clients with a solution which is rich in required business process/ function, is scalable, and most importantly provides effective tools to deliver outstanding enterprise management, production, distribution, and customer-facing services, provide accountability, and manage and monitor future growth of the company.

### Value Proposition

IKF Technologies Integrators is widely recognized as offering unique capabilities to the marketplace, especially in rapid deployment solutions for ERP Solutions, Application Management Services and Hosting Services. We are leveraging these advantages to enable our clients to realize greater business value from a much higher quality at a low overall cost.

### Extensive Software and Industry Expertise

Our software knowledge and experience with multiple installations across all major industry sectors means that IKF has first-hand knowledge of the business and technology innovations that have been applied at similar implementations. An experienced IKF project team will accelerate solution delivery and optimize the often-costly "discovery" process for project teams and business users.

As a software consulting company, our primary motivation is to help our clients maximize the business value through our

technical support. Our consultants focus on how to reduce risks, shorten time to value, and lower your total cost of ownership. Working side-by-side with clients, IKF delivers methods, tools, and expertise that rapidly deliver results.

### Technology Features

- Secure network with access controls in place with 1000 workstations.
- 24 hour Voice / data (call to check voice quality) connectivity.
- Video conferencing facility to discuss crucial project issues.
- Offshore development, maintenance, and technical support capability 24 hours a day, 7 days a week, 365 days a year.

### Infrastructure & Manpower Scalability

- Fully equipped and secure operational development center in Noida, India.
- Flexibility to scale up or down, according to your needs.
- Ready-to-deploy, similar size development facility in Kolkata, India.
- Around 750 seats are in operation that are expected to scale upto 3000 by the next financial year.
- On-the-fly manpower recruitment capabilities to enhance and ramp up existing teams.

### Ability to Serve Globally

- Facility in the US, Germany, Dubai to serve clients.
- Alliance partners to service any onshore requirements.
- Operational contact center available round the clock

### Future outlook :

All IKF consultants can leverage the knowledge and resources within both our own company, and our partner community to deliver an optimum implementation in the shortest time. We have the deep technical insights that allow us to architect solutions that exploit the underlying technology of the system and to avoid all the common pitfalls that jeopardize projects.

The IKF management team takes an active role in each implementation, delivering project level QA, guidance, and additional safeguarding services that simplify system support and will rapidly help lower the cost of ownership.

### Entry into Biotech & Bioinformatics

The bioinformatics market is forecast to grow at a CAGR of 23% to \$ 5.0B by 2012. The Indian Bioinformatics industry comprises of players in areas such as contract research and development (R and D) services, clinical and proof of concept clinical investigation, clinical trials, contract research, bio-engineering, stem cell research, contract manufacturing, bioinformatics and drug development. The Indian software companies have come up with the software tools to capture, manage and analyze the voluminous amount of genetic data. India's skilled but low cost manpower is the reason why MNCs



are sending their genomic and proteomic data to India for analysis. Indian IT companies are also partnering with pharmaceutical firms and research institutes.

Scientific advances in drug discovery research, in related fields like molecular biology, genomics, proteomics, chemistry and pharmacogenomics (The study of how an individual's genetic inheritance affects the body's response to drugs), yield vast amounts of data. It is Bio-IT that enables the researcher to:

- Organise, analyze and interpret the data
- Handle bioprocessing systematically
- Shorten product and process lifecycles
- Make sense of the complex interaction between variables
- Derive logical conclusions and actionable results within shorter time-frames

Our core competency lies in reducing the cost of drug development of Pharma companies by implementing state of the art and innovative as well as systems biology ready on one platform. ASTR is an object oriented Visual biological object based programming environment which uses BioBhasha. BioBhasha and ASTR enable researchers to seamlessly integrate, efficiently extract and effortlessly analyze data through its novel biological programming language paradigm saving huge project costs and time, be it applied research such as drug discovery or basic research. ASTR is designed to readily integrate legacy programs ( standalone , web services and / or native code) in addition to accessing powerful ASTR built-in features.

## **E – GOVERNANCE (ELECTRONIC GOVERNANCE)**

### **Required Strategic Developments:**

Presently, India needs a service oriented approach that is transparent and supportive in terms of Information and Communication Technology (ICT) applications and its outcomes. We need to be at receptive end rather than at resistive note. The Government should lend their ears to the novel ideas and should be pro active in implementing effective e-governance policies rather than just computerizing traditional official functions only. At the International level, India lacks the basic prerequisites of e-governance, i.e. e-readiness, public-governmental interaction, public services, etc and hence mirrors the incompetency of bureaucrat and Government. The grass root level action is missing and hence the benefits of ICT are not reaching to the under privileged and deserving masses due to defective ICT strategies and policies of the Indian Government.

To imply the e-governance initiatives rightfully, India needs a “virtuous circle” rather than “vicious circle” of defective e-governance. The deeper dive in this mess will show some more horrible results. Reports support the facts that the so called “e-governance experts” in the Bureaucratic and Governmental circles of India do not even know when and how to respond back to urgent and pressing public communications (e-mails). India needs a services-based approach that is not only transparent but also backed by a more efficient and willing Government.

At the International level, however, India's ranking is falling when it comes to basic prerequisites of e-governance, i.e. e-readiness, public-governmental interaction, public services, etc.

## **OUR E –GOVERNANCE IMPLEMENTATION IN RAJASTHAN**

Various citizen-centric services of Rajasthan Government departments are being made available in integrated form through service and information delivery points called E-Mitra centers. E-Mitra Project integrated Lok-Mitra and Jan-Mitra initiatives under a single umbrella to bring together the services of all the departments under one single roof and give citizens of the state a multi services single window experience. IKF's services are geared to handle end-to-end implementations to customers across various industry segments. We have expertise in the Solution Manager and follow the strict methodology during implementations. We have a talent pool with good domain background and experience in the entire lifecycle of e- Governance implementations. In addition to the service offerings around e-Governance, IKF is also conversant in the area of Change Management, an often neglected aspect of an IT engagement. Our consultants are honed not only in technical skills but also in communication, client interaction skills, documentation and user training.

## **R2R SEVA Towards Achieving E-Governance**

R2R SEVA has moved a step closer towards achieving e-governance with the launching of a strategic plan that will map the way to realizing the initiative over the next five years.

The plan encompasses strategies such as increasing human capacity in Info-communications Technology (ICT), research and development of optimizing online services tailored specifically for the public and improving connectivity between ministries. Dubbed the E-government Strategic Plan 2009-2014, it addresses the needs of the three main stakeholders, namely the citizen, industry and government. The plan is based on five key strategic priorities, which have been developed based on the progress made through the E-government initiative so far.

### **E-Mitra Service Basket:**

#### **Government Sector Services**

Payment of Electricity bills, Payment of water bills, Online bus ticketing of RSRTC, Payment of various dues/fee of Municipal Corporation, Payment of Rajasthan Housing board/JDA, Payment of land Line & Mobile bills, Application for Ration Card, caste certificate, Bonafide Residence Certificate, Birth & Death certificate, Access to Government information

#### **Private Sector Services**

State Bank Group's 70 ATM are e-Mitra Kiosks in Jaipur city, Western Union Money Transfer, Bill collection of Airtel, Reliance, Tata Teleservices, Idea Mobile, Rainbow, Financial & insurance services of ICICI Bank, Air Tickets.

### **Services in pipe Line.**

Company is also negotiating for the projects like, Railway Tickets, LIC, Passport etc.

## BIO FUEL DIVISION

The depleting sources of fossil fuel, ever increasing crude oil prices, increasing energy demand and global environmental concern are driving the world to look for alternative fuel. Bio-fuels, renewable liquid fuel extracted from biological raw material, have proved to be a good substitute for oil.

India, a fast growing economy is facing the challenge of meeting a rapid increase in its energy demand. Presently, India mainly depends on imports for its petroleum requirement due to stagnating domestic crude production and increase in energy consumptions.

The trend over the last decade shows an increased consumption and significantly increased crude oil import bills. The Government of India is, therefore, very seriously looking for alternate energy sources and bio-fuels happen to be the front runner.

### Potential of Bio-diesel production

The demand of Diesel and bio-diesel (with blending ratios of 5%, 10% and 20%) from 2006-07 to 2011-12 is summarized below.

### Estimated Diesel and Bio-Diesel Demand

Year	Diesel Demand (MMT)	Bio-Diesel Demand (MMT)		
		5%	10%	20%
2006-07	52.33	2.62	5.23	10.47
2011-12	66.90	3.35	6.69	13.38
2012-13	80.00	4.00	8.00	16.00

In conclusion there would be need of bio-ethanol and bio-diesel to the tune of 3.60 MMT and 13.4 MMT respectively in the year of 2011-12.

### 1.3 INTERNATIONAL SCENARIO

While fossil fuels still account for more than 95 percent of the Global transportation fuel market, bio-fuel production is growing at the annual rate of 15 percent, and this rate is over ten times that of fossil oil. Under mounting pressure to improve domestic energy security and combat global climate change, countries are now turning to bio-fuels to meet rising transportation fuel demands. Several countries have active bio-fuels programmes, USA, Brazil and the European Union are leaders in this area.

### 1.4 INDIAN SCENARIO

India is a net importer of edible vegetable oils and it may not be possible to set aside fertile farmlands producing food crops for energy plantations as it may impact the energy security negatively. It is estimated that currently about 63 mn Ha have been designated as wasteland and presently these are unproductive fallow lands. Jatropha

cultivation is very suitable in India's tropical climate. The plantation can thrive on any soil type including degraded alkaline soils. Jatropha plantation needs minimum rainfall (200 mm per annum), limited input and practically no management after the first year. The propagation of Jatropha is much easier and the plants start giving seeds from the third year of plantation.

### 1.6 BIO- DIESEL ACCEPTABLE TO MAJOR CONSUMERS

- Mercedes Benz has approved Bio-diesel- Testing Bio-diesel in its cars in India.
- Haryana State Transport Corporation - Switched to using 5% Bio-diesel from June 2005 after 1 year of trials.
- "BEST" in Mumbai is running a bio-diesel trial on its buses.
- Karnataka State Road Transport Corporation (KSRTC) - Test trials for their buses on 5% bio-diesel blends.
- Andhra Pradesh State Road Transport Corporation (APSRTC) - Test trials for their buses on 5% bio-diesel blends.
- Indian Railways - Tested 5% blend on Shatabadi Express.

### 2.2 OUR COMPANY'S MISSION

- To promote large-scale Jatropha Plantation and production of Jatropha Seeds for captive consumption.
- To establish strategic alliances and closely work with the farming community and entrepreneurs for the cultivation of Jatropha plantations.
- To manufacture high quality bio-diesel and it's marketing to end customers.

### 2.4 OUR APPROACH

The Company believe in collaborative and collective approach under public, private, and people's partnership in order to achieve the Herculean task of mass Jatropha plantation. The company works towards a triple bottom-line approach - People, Planet, and Profit.

The management of IKF Technologies Ltd. realized that considering the vast span and opportunity available in the bio fuels sector it would be prudent to have a company dedicated full time to bio fuels. As a result IKF Green Fuel Ltd was given the mandate of promoting renewable energy and has been engaged in plantation of Jatropha as a viable energy crop since three years. IKF-GFL propose the promotion of Jatropha Plantation by identifying suitable waste lands, encouraging and motivating the farmers with both short term and long term benefits. This would enable the company to set up oil expelling and trans-esterification facilities, thereby



generating more employment and consequently more national wealth.

IKF-GFL proposes to share the wealth and encourage independent entrepreneurship and leadership at all levels. IKF-GFL would guide and work closely with rural farmers at every stage of the Jatropha cultivation by assisting the farmers with the supply of quality sapling and bio-fertilizer, inspection of lands, provision of technical assistance, and finally the buy-back of Jatropha seeds. The business model of IKF-GFL embodies a Win-Win Promise for all the stakeholders – from producer to the end user.

**3.2 KEY ACHIEVEMENTS**

**Strategic Alliance-**

- The company has entered into strategic alliances with Indian Oil Corporation for technical and marketing collaboration.
- The company has signed an MOU with Gujarat Government for making an investment of over 110 crores to setup a 100,000 ton plant in Gujarat.
- The company has signed a tripartite MOU with NICPT (NGO) along with Bank of India in Madhya Pradesh to expand the Jatropha Plantation in that State.

**Jatropha Plantation-**

The company has over the years achieved Jatropha plantations in the state of Meghalaya. The company has entered into an agreement with Forest Development Corporation of Meghalaya for plantation of 1500 ha in East & West Garo Hills, and Ri-Bhoi district. The company has also entered into contract farming agreement with Tribal Farmers Association of Paren District, Nagaland covering 12,000 ha. Besides this the company has signed contract farming agreement in Manipur for 200 ha plantation in Dawltang village.

**Bio-Diesel Production-**

The company is producing bio-diesel in its transesterification plant situated at Udaipur, Rajasthan.

**State wise Area Target for next three years (Area in '000 ha)**

S.No.	State	2009-10	2010-11	2011-12	Total
1	Maharashtra	0	30	40	70
2	MP	20	50	80	150
3	Karnataka	2	10	20	32
4	Chhattisgarh	5	5	5	15
5	Rajasthan	5	10	25	40
6	Gujarat	5	10	15	30
7	Jharkhand	18	30	40	88
8	Orissa	4	10	25	39
	Total	59	155	250	464

**TELECOM DIVISION**

**GLOBAL SCENARIO**

**Key highlights:**

In early 2008 there were over 350 million broadband subscribers worldwide.

**Worldwide broadband subscribers – 2004 - 2008**

Year	Approximate broadband subscribers (million)	Percentage change
2004	162	53%
2005	221	36%
2006	286	29%
2007	344	20%
2008	410	19%

- During 2008 to 2013, worldwide fixed broadband services revenues are expected to grow by between 8-13%.
- Worldwide satellite broadband service revenues are also expected to grow on average around 8% in the coming years.
- DSL subscribers are expected to grow at a CAGR of approximately 13% through to 2011.
- Broadband is seen as being vital to both the economy and the community. Budde Comm estimates that it will add over \$100 billion to the Australian economy.
- In New Zealand Telecom’s cabinetisation plan will see the incumbent replace 2,000 local exchanges when they roll out their FttN network. This could potentially make ULL investments in DSLAMs obsolete.
- As with the past decade, the coming decade will witness the Internet, underpinned by broadband, having dramatic impacts on the lives of North Americans.
- Eight new international submarine fiber projects are planned around Africa and expected to go online in 2008 and 2009.
- 3G mobile networks in South Africa are being upgraded to 7.2Mb/s and surpassing ADSL subscriber numbers.
- The broadband market in Latin America has been growing steadily in most countries, and there is considerable room for expansion. Although the situation varies considerably from country to country, the region as a whole is a fertile ground for broadband investment.

**POSITION IN INDIA**

Annual Publication, India - Telecoms, Mobile, Broadband and Forecasts, provides a comprehensive overview of the trends and developments in the telecommunications and converging media markets in India. Despite the obvious enthusiasm for Internet access to be found across the country, India’s move

into high-speed broadband has been noticeably sluggish. The total Internet subscriber base increased fourfold over that five year period.

By early 2009 there were only around 6 million broadband subscribers in India out of a total of around 18 million Internet subscribers. In the meantime, somewhat paradoxically the overall level of Internet usage seems to be growing strongly, perhaps boosted by the widespread use of Internet cafes and other points of public online access. There were an estimated 90 million Internet users throughout the country by January 2009, representing a penetration rate of almost 9%.

**Key highlight:**

-The number of broadband Internet subscribers in India is starting to become more significant, having increased by more than 70% in 2008, yet broadband subscribers still only comprised 0.5% of the population at the start of 2009.

**India – key broadband parameters–2008–2009 Broadband Internet:**

Category	2008	2009 (e)
<b>Broadband Internet:</b>		
• Total subscribers	5.4 million	7.5 million
• Annual growth	74%	40%
• Broadband penetration (population)	0.5%	0.6%
• Broadband penetration (household)	3%	4%

**Executive Summary**

Broadband and high-speed wireless penetrations will continue to increase, as will the growth of new applications that could exploit these higher speeds. Internet access is just one of many services that will be delivered over broadband infrastructure. Far more importantly, other services that depend on high quality broadband infrastructure include e-health, e-education, e-business, digital media, e-government, smart utility meter reading, etc. In countries where the national telco is lagging behind, local governments have no other choice than to take a leadership role - just as they have done with similar infrastructure over the last 100 years.

Satellite broadband first turned a corner around 2005 and today there is further evidence of growing success in this sector. Services from WildBlue and Hughes now reach thousands of customers in North America. ViaSat and Eutelsat are also expected to launch Ka-band satellite services across Europe and North America; significantly increasing the potential of satellite broadband in these markets.

**OVERVIEW**

IKF Telecom initiated the operations in 2008 with focusing into most competitive market of VOIP & Internet services in India. For VoIP Services IKF's NexTone-Soft Switch is located in New

York- USA. Multiple tier 1 carriers are connected to it allowing redundant routes and very high "Answer Seizure Ratio" (ASR) or Call Connectivity Ratio to its clients. After successful implementing VOIP platform, the company entered into providing Internet Services in India.

IKF is holding an "A" category ISP No.820-980/07-LR dated 11th January, 2008 and permission to provide internet telephony and other relevant services under the above licence.

IKF Technologies Ltd has set up its centralised NOC at Noida and is now setting up 20 POPs across the country including all metros and other A-class cities to sell bandwidth to ISPs/SMEs/ corporate.

IKF is entering into tie ups with major bandwidth carriers and infrastructure providers like Bharti Airtel, Railtel, Tata communications, and Reliance etc.

IKF Telecom's product range is targeted to address large corporates. International call Centers, small & medium enterprise clients, other ISPs/ strategic Alliance Partners, Retail SOHO and residential clients.

**Various products and services include:**

- Internet lease line products for Enterprise clients
- Wireless WI-FI Broadband products for corporates, SOHO & residential clients
- VoIP services for large international call centers, corporate & Residential clients to make economical international calls from home
- End to end managed services for domestic and international call centers

**In 2008-2009 IKF Telecom has initiated the following products & service in India.**

- Wholesale VOIP minutes traffic termination for International Call Centre
- Unlimited Retail VOIP plans for SMEs/Solo/Export House segments
- PCO solution for VOIP call Points
- Internet Lease Line Bandwidth for corporate clients
- Internet Broadband plans on WI-FI network

**Expansion & Achievements**

The company has introduced all its product & services in this year and successfully expanding the business in more than 10 cities of India considering the wide geographical area. IKF Telecom has achieved a level of best standard by providing the best quality with 24X7 support from its world-class corporate NOC located in Noida. The company not only stands out in tough competition from the existing large players like Bharti, Reliance, TATA etc., but also managed to create a brand image and business share for itself.





**REPORT ON CORPORATE GOVERNANCE**

**MANDATORY REQUIREMENTS:**

**Company’s Philosophy on Corporate Governance**

The fundamental principle of corporate governance is to ensure the conditions whereby a company’s directors and managers act in the interest of the company and its various stakeholders. Good Governance practice create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

IKF has always been guided by a strong conviction of adhering to transparency, accountability and integrity. The company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs, shareholders interests are utmost and the management is only a trustee of the shareholders capital to carry out the activities in a truthful manner.

The Company continues to focus on achieving a balance between individual interests and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations in a manner that is guided by transparency, accountability and integrity. Accountability improves decision-making and transparency helps to explain the rationale behind decisions and to build stakeholder confidence.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India, the details of governance systems and processes including compliance by the Company with the provisions of Clause 49 are as under:

**1. Company’s philosophy on Code of Governance**

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems

and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized. The Company is a high believer of Moral Values, ethics, and transparency in its operations and our workforce is committed towards the protection of the interest of the stakeholders, viz., shareholders, creditors, investors, customers, employees, etc.

The Company has implemented the principles of Corporate Governance in all its dealings and activities and it is fully supported and endorsed by all the Directors and senior management personnel so as to sustain a cooperative, competent, positive, harmonious and productive work atmosphere and business organization.

**2. Board Composition and Particulars of Directors.**

**i) Board Composition**

The Board of Directors of the Company has an optimum combination of Executive and Non Executive Directors. Presently the Company has Three Executive Directors and Four Non Executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Non-Executive Directors bring independent judgment in the Board’s deliberations and decisions. Mr. Pradeep Dutta, Mr. Sunil Kumar Goyal and Mr. Mukesh Kumar Goyal are Executive Directors. The others are Non-executive Directors.

The following functions come under the purview of the board of directors and its committees.

- review of financial plans and budgets
- formulating strategic business plans
- monitoring high end projects
- keeping shareholders informed regarding plans, strategies and performance

Category	Name of the Director	No. of Board Meeting attended during the Year	Attendance at Last AGM (11.09.2008)	No. of Other Directorships	Shareholding of the Non- Executive Director as on March 31, 2009
Promoter Director	Sunil Kumar Goyal	6	No	2	
Executive Director	Pradeep Dutta	7	Yes	1	
	Mukesh Kumar Goyal®	Nil	No	3	
Non- Executive Director	R. P. Singh	5	Yes	1	
	Pradeep Kumar	4	No	Nil	85000
	Gajanand Gupta	7	Yes	2	
	Chandra Shekhar Jalan©	Nil	No	Nil	

®Inducted into the Board on 4th April 2009

© Inducted into the Board on 27.06.2009

No Director is related to any other Director on the Board in terms of the definition 'relative' given under the Companies Act, 1956.

## **Directors Profile**

Brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships/chairmanships of Board Committees and their shareholding in the Company are provided below:

- a) **Dr. R.P. Singh** obtained his Ph.D. degree in Agricultural Extension from Indian Agricultural Research Institute, Pusa Road, New Delhi in 1966 and immediately thereafter joined the faculty of Bihar Agricultural College Sabour (Bhagalpur) in 1966 and Haryana Agricultural University, Hissar in 1971. He joined the Indian Council of Agricultural Research, New Delhi in 1976 and was placed on the teaching faculty of the Division of Agricultural Extension, Indian Agricultural Research Institute (IARI), Pusa Road, New Delhi. He retired from I.A.R.I. in 1996 as Principal Scientist/ Sr. Training Specialist.

Dr. Singh has to his credit over 105 scientific research publications in recognized scientific and professional journals. He has authored/edited 6 books, and 115 technical papers. He has participated in many national and international conferences and presented several papers. Over 23 M.Sc. and 17 Ph.D. students received degrees under his Chairmanship.

Dr. Singh has more than 20 years of experience of agricultural extension, development and advisory work. His main concern over these years has been on effective and speedy transfer of proven agricultural technology to the target clientele by persuasive means following appropriate extension methods and approaches so as to narrow the gap between the available technology and its adoption by the farmers. His concern all these years has been not only with providing technical know-how to the users but also feed-back to the source.

Dr. Singh served the Indian Agricultural Research Institute, the foremost Institute in India in the fields of research, higher education, training and extension as Senior Extension Officer and In charge of Field Advisory Unit looking after field extension activities of the institute, rendering technical advice and guidance to farmers, extension workers, subject matter specialists and others in matters concerning agricultural/rural development. He remained actively involved in planning, organising, execution, supervision, coordination, monitoring, evaluation and reporting in respect of agricultural extension programmes like Operational Research Projects and Lab to Land Programme undertaken by the Institute. These programmes aimed at promoting large-scale adoption of the new technology generated by the Institute, particularly with respect to high-yielding

varieties of different crops and their recommended package of practices and multiple cropping under assured and limited input conditions with added emphasis on oilseeds, pulses and vegetables.

Among other extension activities Dr. Singh remained actively involved in the organization of Agricultural Science Fairs and production of extension literature for the use of mainly extension workers and farmers.

Besides teaching, research and extension work, Dr. Singh's major responsibility had been on planning, organizing, coordinating and conducting training programmes for senior level officers, subject matter specialists, extension workers, farmers and others directly or indirectly concerned with agricultural/rural development. He has directed/ coordinated more than 50 training courses including some international courses.

Dr. R.P Singh has been associated with the Company since August 2005 and is the Chairman of IKF Technologies Limited and also Director in a Public Limited Company. He is a member of the Remuneration Committee and Audit Committee. Dr. R.P Singh is the Non Executive Director and holds no shares in the Company.

- b) **Mr. Pradeep Dutta**, holds a Masters of Economics degree with specialization in Industrial Economics. Upon completion of his studies, Mr. Dutta had started his career in the year 1972 as a Research Assistant with Monopoly Restrictive Trade Practices under Department of Company Law, Govt. of India. In 1974, he joined the Indian Tourism Development Corporation as Asst. Manager Planning and Development and subsequently became General Manager (Corporate Planning, Development & Consultancy Service).

In 1992, he took Voluntary retirement from ITDC and started independent consultancy service in Hospitality and Financial Management. During this period apart from rendering consultancy services to independent Hotels, Mr. Dutta was the advisor to the following groups like Mahindra & Mahindra, Quality Inns India Pvt. Ltd., a joint venture company of Choice Hotels Inc. USA- Advisor Project Development and Franchise Management. In 1993, Mr. Dutta coupled as Director- Planning, Development and Operations of Hotels as well as IT industries.

He has prepared more than 100 Techno-Economic feasibility Reports for hotel Projects in India and Abroad, perspective plans for Tourism Development for most of the states of India, arranged loan funding for more than 25 Hotels in the country and also advised them for Financial Packaging. He has finalized 15 Joint Ventures of Hotel and Restaurant projects, planned architecture brief and requirement for more than 15 Hotels in India. He has implemented nearly about 10 Hotel Projects in India. He has managed and operated more than 15 projects in India.



Mr. Dutta has been associated with IKF Technologies as an Executive Director since January 25, 2005. Since 2005 till date, Mr. Dutta, with his deep insight and varied experience provides guidance in the overall activities of the company. He plays a major role in formulating the business policies and decision making of the company. Mr. Dutta is a man of perfection and his vision is well defined towards the growth and success of the company. His incalculable career achievements can not be limited in few lines. He is a member of the Shareholder's Grievance Committee. He is a Director in Public Limited Company. He does not hold any shares in the Company.

- c) **Mr. Sunil Kumar Goyal** is a commerce graduate. He possesses much knowledge and expertise in the field of finance and has been looking after business relating to finance, E- Governance project and portfolio management.

Mr. Goyal is the Promoter Director and holds 54,00,000 shares in his name as on 31 March 2009 and is holding directorship as a Whole Time Director in the Company since May 30, 2005.

- d) **Mr. Pradeep Kumar** is a B.Tech from IIT Kanpur and an MBA from IIM Ahmedabad. He has rich knowledge and vast experience in the field of Strategic Planning and Management. He is practicing as an Independent Management Consultant in the area of Strategy and Structure.

Mr. Kumar has been associated with the Company as a Non Executive Director since May 2005. He is the Member of the Audit Committee and Remuneration Committee. He is also the Chairman of the Shareholders/Investors Committee. He holds 85000 shares in the Company in his name as on 31 March 2009.

- e) **Mr. Gajanand Gupta** is a Chartered Accountant and completed the same in the year 1992. He possesses much knowledge and expertise in the field of finance, taxation and law related matters. He is well versed with the various industries scenario.

He is holding a directorship in the Company since October 31st, 2006 as a Non Executive Director. He is the Director in a Public Limited Company. He is the Chairman of the Audit Committee and member of the Remuneration Committee.

- f) **Mr. Chandra Shekhar Jalan** has been appointed as an Independent Director of the Company w.e.f. 27.06.2009 to share his experiences and ideas in the growth and interest of the Company.

He has completed his graduation with Commerce Stream in 1967 and he has completed his Masters degree in Finance and Control Management from IIM Kolkata in 1969.

He has a vast knowledge base and experience in the corporate sector of over three decades making a contribution in the fields of Financial Management, General Management, Strategic Management and Business Leadership. His working area is not bound of any limit and he has worked with the world's best corporate groups and companies holding senior management positions in major groups like, Union Carbide, Citibank, Bangur Group, Poddar Group, Usha Martin, PSJ Group and also worked as MD & CEO with Teijin Group, a Japanese Conglomerate and Fortune 500 Company in Thailand for their Textile Ventures.

Now he is practicing as a Consultant to Many Groups like Adhunik, RL Steels, Electrotherm and many steel & textile companies and also advising to government agencies in CIS countries.

Mr. Jalan has a very good experience of management and corporate teaching and he is also a visiting professor in IIM and his articles and reports have been published in many leading Journals and Magazines.

Mr. Jalan is a non-executive director of the Company and does not hold any shares in the Company.

- g) **Mr. Mukesh Kumar Goyal** is a commerce graduate and has completed his graduation from Delhi University in the year 1999. He is also a Chartered Accountant and completed the same in the year 2003. He possesses much knowledge and expertise in the field of finance, taxation and law related matters. He joined as Director on the board of IKF Technologies Limited since 4th April 2009. He is a member of the investor grievance handling committee. He has also been appointed as the Whole Time Director of the Company. He holds no shares in the Company.

### 3. Board meetings, its committee meetings and procedures

#### A. Procedure of Board Meetings

- i) Minimum Four meetings are held every year. In case of business exigencies or urgency of matters resolutions are passed by circulation. The meetings are usually held in the Corporate Office of the Company at IKF House, A-56, Sector-16, Noida -201301.
- ii) All divisions are advised to schedule their work plan particularly with regard to approval/ decision of the Board. The information is forwarded to the Company Secretary so that the same can be included in the agenda of the Meeting. The agenda papers are finalized in consultation with the Executive Director. Agenda and Notes to the Agenda are circulated to the Directors in advance. All the material information is included in the Agenda papers

for facilitating the focused discussion in the meeting. Respective Divisions give the report about their divisions in the form of presentations.

- iii) The Company Secretary records the Minutes of the Meeting. Draft minutes are circulated to all the members of the Board for their perusal and approval. The final minutes are entered in the Minutes Book within 30 days from the conclusion of the Meeting.

- iv) The important decisions taken at the meeting are communicated to the Departments/ Divisions. Action taken report is placed at the immediate succeeding meeting of the Board for their noting.

#### 4. Number of Board Meetings held and dates on which held

Seven Board meetings were held during the year. The Company has atleast one Board Meeting in every three months and the maximum gap between two Board Meetings is less than four months. The details of Board Meetings are as under:

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	30.04.2008	6	5
2.	30.06.2008	7	5
3.	15.07.2008	7	7
4.	31.10.2008	6	3
5.	23.12.2008	6	5
6.	05.01.2009	5	5
7.	31.01.2009	5	5

#### 5. Attendance Of Directors at Board Meetings, last Annual General Meeting and no. of other Directorship of each Director in various Companies.

Name of Director	Attendance of meetings during 2008-09		No. of other Directorship	No. of membership/ chairmanship Board Committees of other Companies
	Board Meetings	Last AGM		
Dr. R.P Singh	5	Yes	1	Nil
Mr. Sunil Kumar Goyal	6	No	2	Nil
Mr. Pradeep Dutta	7	Yes	1	Nil
Dr. A.P Saxena <sup>®</sup>	3	No	Nil	Nil
Mr. G.N Gupta	7	Yes	2	Nil
Mr. Pankaj Garg <sup>*</sup>	3	No.	1	Nil
Mr. Pradeep Kumar	4	No	Nil	Nil
Mr. Mukesh Kumar Goyal <sup>@</sup>	Nil	No	3	Nil
Mr. Chandra Shekhar Jalan <sup>€</sup>	Nil	No	Nil	Nil

<sup>®</sup> Retire on rotational basis in AGM held on 11th September 2008.

<sup>\*</sup> Resigned from the office of Directorship on 23rd December 2008

<sup>@</sup> Inducted on Board on 4th April 2009.

<sup>€</sup> Inducted on Board on 27th June, 2009.



**6. Board Committees:**

Details of the Committees and other related information are provided hereunder:

**Audit Committee:** Composition, Chairman and the Name of Members

The terms of reference, role and scope are in line with

those prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 pertaining to Audit Committee and its functioning.

Presently the Audit Committee comprises three independent directors and the details of which are as follows:

Name of Director	Position	Nature of Directorship
Mr. G.N. Gupta	Chairman	Independent and Non-Executive Director
Dr. R.P. Singh	Member	Independent and Non-Executive Director
Mr. Pradeep Kumar	Member	Independent and Non-Executive Director

**Powers of the Audit Committee:**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting. The Audit Committee has powers to:

- Investigate any activity within its terms of reference
- Seek information from any employee
- Obtain outside legal or other professional advice, and
- Secure attendance of outsiders with relevant expertise wherever it considers necessary

**Brief description of terms of reference:**

- 1) It shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if any.
- 2) To seek information from any employee and obtain outside legal or professional advice.
- 3) Recommend to the Board the appointment and removal of the Statutory Auditors, fixation of Audit fee and also approve payment for any other services.
- 4) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- 5) Reviewing with the management the annual financial statements before submission to the Board, and external auditors and the adequacy of the internal control systems.
- 6) Reviewing the Company's financial and risk management policies and compliance with internal control systems.

**Meeting and attendance during the year**

There were 5 meetings of the Audit Committee during the financial year 2008-09 and the attendance of each member of the Committee is given below.

Name of the Director	No. of Meeting attended
Pradeep Kumar	5
G.N Gupta	5
R.P.Singh	5

**Remuneration to the Directors**

Details of remuneration paid to Pradeep Dutta, Executive Director during the financial year 2008-09 was Rs. 797500/- and other out of pocket expenses.

Details of remuneration paid to Sunil Kumar Goyal, Whole Time Director during the financial year 2008-09 was Rs. 797500/- and other out of pocket expenses. Dr. A.P Saxena has been paid Rs. 1,25,000 towards consultancy fees and other out of pocket expenses.

The Company does not pay any remuneration to the Non-Executive Directors.

**Investors/Shareholders Grievance Committee**

Presently the Investors/Shareholders Grievance Committee comprises three directors and the details of which are as follows:

Name of Director	Position	Nature of Directorship
Mr. Pradeep Kumar	Chairman	Independent and Non-Executive Director
Mr. Pradeep Dutta	Member	Executive Director
Mr. Mukesh Kumar Goyal	Member	Whole Time Director

**Terms of Reference**

The committee deals with various matters relating to –

- Transfer / transmission of shares.
- Issue of share certificate in lieu of lost, sub-divided,

consolidated, rematerialized or defaced Certificates.

- Review of shares dematerialized and all other related matters.
- Investors' grievance and redressal mechanism.

The Secretarial department of the company and registrar and transfer agents attends expeditiously to all grievances / correspondences of the shareholders and investors. All the complaints received from the shareholders have been resolved.

### Meetings And Attendance During The Year

There were 4 meetings of the Investors/Shareholders Grievance Committee during the financial year 2008-09 and the attendance of each member of the Committee is given below.

Name of the Director	No. of Meeting Held	No. of Meeting attended
Mr. Pradeep Kumar	4	4
Mr. A.P. Saxena*	4	1
Mr. Pradeep Dutta©	4	3
Mr. Sunil Kumar Goyal	4	4
Mr. Mukesh Kumar Goyal#	4	Nil

\* Dr. A.P. Saxena was retired in Annual General Meeting held on 11.09.08.

© Mr. Pradeep Dutta has been appointed as member of Investors/Shareholders Grievance Committee in place of Dr. A.P.Saxena.

# Mr. Mukesh Kumar Goyal has been appointed in place of Mr. Sunil Kumar Goyal on reconstitution of committee.

### Remuneration Committee

The Company has set up a Remuneration Committee in the financial year 2008-09 which comprises of Dr. R.P. Singh, Mr. Pradeep Kumar and Mr. Gajanand Gupta.

recommend/review remuneration of the Whole Time Director /Executive Director based on their performance.

The details of remuneration paid to Executive Director and the Whole Time Director during 2008-09 are given below:

### Terms of Reference

The remuneration committee has been constituted to

Name of Director	Salary	Designation
Mr. Pradeep Dutta	797500	Executive Director
Mr. Sunil Kumar Goyal	797500	Whole Time Director

The Non Executive Directors are paid sitting fees in the Financial Year 2008-09 amounting to Rs.1000/- per meeting attended.

### 7. Code of Business Conduct and Ethics for Directors and Management Personnel

The Code of Business Conduct and Ethics for Directors as adopted by the Board is a comprehensive Code applicable to all Directors and Management Personnel.

The code of conduct for all Board Members and Senior Management Personnel of the company is available on the website of the company.

#### To the Shareholders of IKF Technologies Limited

##### Sub: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Date : 30.07.2009

Place : Kolkata

Sd/-  
Pradeep Dutta  
Executive Director

### 8. General Body Meetings

Details of the location of the past three AGM's and the details of resolutions passed or to be passed by Postal Ballot.

#### (A) Annual General Meetings

Day	Date	Time	Venue
Thursday	28th September 2006	11.00 A.M.	Rang Durbar Hall, 89C Moulana Abdul Kalam, Sarani, Kolkata-700054
Thursday	20th September 2007	11.00 A.M.	City Centre, Royal Bengal Room, Block DC, Sector-I, Salt Lake City, Kolkata-700064
Thursday	11th September 2008	3:00 P.M.	City Centre, Royal Bengal Room, Block DC, Sector-I, Salt Lake City, Kolkata-700064



**B) Special Resolution passed through postal ballot**

Special Resolution relating to change of object Clause in the Memorandum of Association was passed through postal ballot during the year 2008-09 and the result of Voting by Postal ballot was announced on 15.09.2008 by Mr. Dinesh Agarwal practicing Company Secretary acting as a Scrutinizer.

**The Resolution was as follows:**

1. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**

**“Resolved that** pursuant to the provisions of section 17 of the Companies Act, 1956 and other applicable provisions, if any, and subject to the approval of the Registrar of Companies and other competent government authorities, if required, clause III of the Memorandum of Association of the Company be and is hereby altered in the following manner:

- a. Part A of Clause III containing the “Main Objects” be and is hereby altered by inserting clause 7 & 8
  7. To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of hydraulic power plants, thermal power plants, atomic power plants, wind power plants, solar power plants and other power plants based on any source of energy or any alternative sources of energy as may be developed or invented in future and to construct, laydown, establish, promote, erect, build, install, commission, carry out and run all necessary power substations, work shops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution, and supply of electricity to participating industries.
  8. To carry out Telecommunication activities in India or aboard either on its own or in collaboration with or technical know-how from any organization or person in India or abroad and provide Basic, Cellular and / or Unified telecom services in India and abroad and to provide services for collection, carriage, transmission and delivery of voice and / or non-voice message including all types of access services and to provide access service of wireline

and / or wireless services including full mobility, limited mobility and fixed wireless access and to enter into agreements with other service provider(s) in India and abroad for providing roaming and interconnection facility to its subscribers and also NLD, ILD, IPI and all other allied telecommunication products and services.

Shareholders gave their assent for the resolution by 93.33%.

**9. Disclosure**

- a) Disclosures on materially significant related transactions i.e., transactions of the company of a material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with interests of the company at large. The detail of transactions with related parties has been set out in Notes to Accounts which is forming part of the Annual Report.

All transactions with companies in which the Promoters are deemed to be interested were duly authorised by the Board and were in line with approvals received from the Central Government wherever applicable.

- b) Details of non-compliance by the Company, penalty structures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years

There have been no instances of non – compliance by the Company on any matter related to capital market during the last three years and hence no penalty structures imposed on the Company by Stock Exchanges or SEBI or any statutory authority.

**10. Means of Communication**

- a) **Quarterly results:** Quarterly Results are published in “Financial Express” and Pratinidin

The audited as well as the unaudited results are displayed on the website of the Company at [www.ikf-technologies.com](http://www.ikf-technologies.com) .

- b) **Presentations:** Various presentation have been made to the Institutional Investors in conferences and business meetings. The Company has not displayed official news releases.

- c) **Annual Report:** Annual Report containing, inter alia Audited Annual Accounts, Audited Annual Accounts of the Subsidiaries, Directors Report, Auditors Report and other important information is circulated to members and other entitled thereto. Management Discussion and Analysis Report forms part of the Annual Report .

d) **SEBI EDIFAR:** The statutory reports have been posted on SEBI EDIFAR till the quarter ended 31st March 2009.

e) **Email Id for Investor Grievance:** The email id designated exclusively for investor servicing is cs@ikf-technologies.com

## 11. General Shareholder Information

### a) Company Registration Details

The Company is registered in the State of West Bengal. The CIN allotted to the Company by the Ministry of Corporate Affairs is L72200WB2000PLC111253.

### b) Annual General Meeting:

Date : 28th August 2009  
 Time : 3:00 P.M.  
 Day : Friday  
 Venue : Royal Bengal Room,  
 Block DC, Sector-I,  
 City Centre, Salt Lake City  
 Kolkata - 700 064

### c) Financial calendar

Results for the First quarter (April-June) last week of July  
 Results for the Second quarter (July-September) last week of October  
 Results for the Third Quarter (October-December) last week of January  
 Annual Results (April-March) last week of June

d) **Book Closure Date:** Wednesday, 26th August, 2009 to Friday, 28th August, 2009 (both days inclusive)

### e) Listing of Equity Shares, GDR's on Stock Exchanges:

Exchange	Code /Trading Symbol	ISIN/CUSIP
1) Equity Shares <b>Bombay Stock Exchange Limited (BSE)</b> Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 <b>Calcutta Stock Exchange Association Limited</b> 7, Lyons Range, Kolkata 700 064	532414 IKF Tech	
2) GDRs <b>Stock Exchange</b> <b>Luxembourg Stock Exchange,</b> 11, Avenue de la Porte- Neuve, L-2227, Luxembourg  <b>Overseas Depository</b> <b>The Bank of New York Mellon</b> 101 Barclay Street, 22nd Floor, New York NY 10286 USA  <b>Domestic Custodian</b> <b>ICICI Bank Limited</b> Empire Complex 414, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, India		44963E102

**Payment of Listing Fees:** Annual Listing Fees for the year has been paid by the Company to BSE and CSE. Annual Maintenance and listing agency fee for the calendar year 2009-10 has been paid by the Company to Luxembourg Stock Exchange.

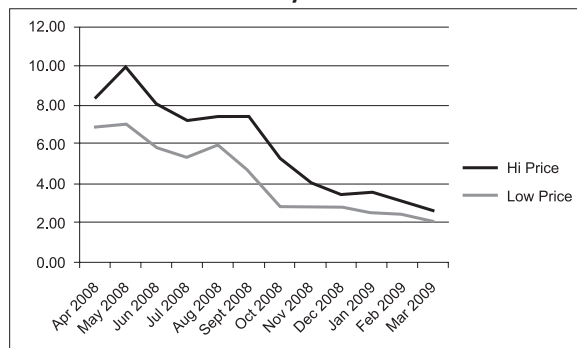




**f) Stock Market Data**

Month	(In Rs. per share) BSE	
	Months High Price	Month's Low Price
April 2008	8.37	6.91
May 2008	9.98	7.00
June 2008	8.05	5.89
July 2008	7.25	5.33
August 2008	7.43	6.00
September 2008	7.45	4.61
October 2008	5.27	2.85
November 2008	4.06	2.79
December 2008	3.45	2.80
January 2009	3.55	2.56
February 2009	3.11	2.42
March 2009	2.62	2.02

**Share Price on BSE for the year 2008-09**



**g) Registrar & Share Transfer Agent**

**Bigshare Services Pvt. Limited**  
 E-2/3, Ansa Industrial Estate,  
 Sakivihar Road, Sakinaka,  
 Andheri (East), MUMBAI – 400 072

**h) Share Transfer System**

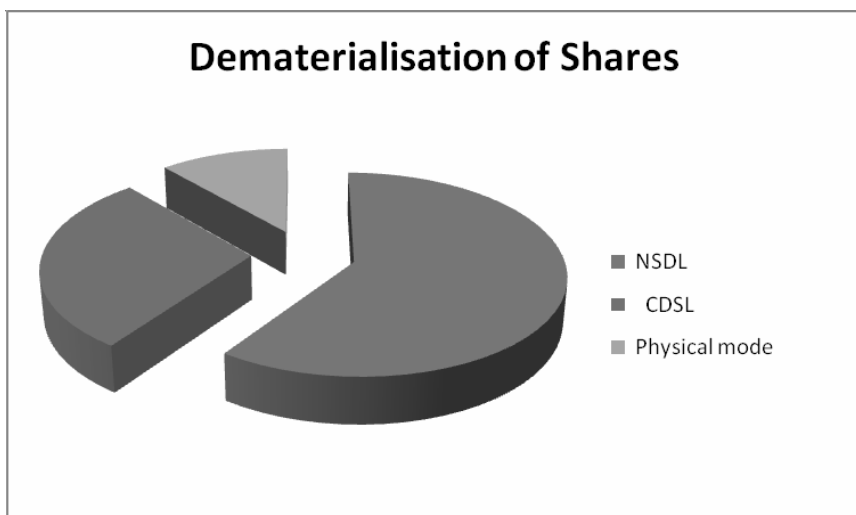
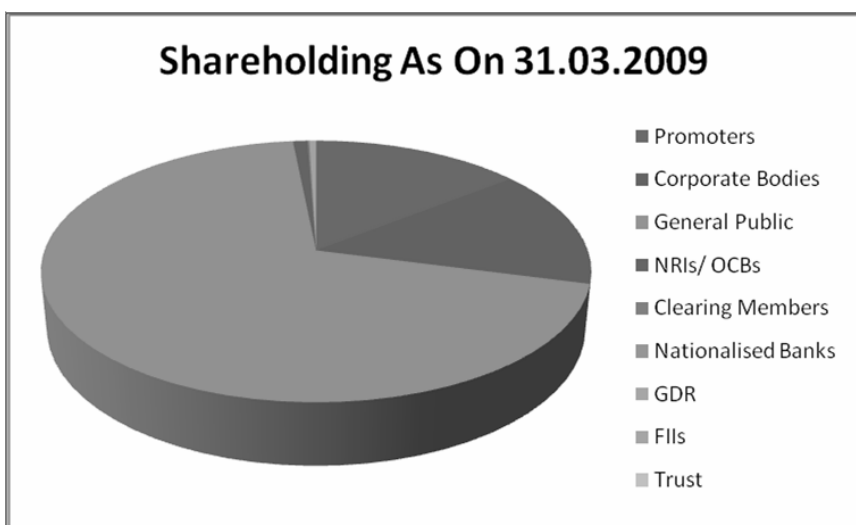
All the transfers received are processed and approved by the share transfer committee which normally meets once in every month or more depending on the volume of transfers. The Board has delegated the authority for approving the transfer to the Executive Director and/or Company Secretary. The Company obtains from the Company Secretary in practice half yearly certificates of compliance with the share transfer formalities as required under clause 47(c) of the Listing Agreement with the Stock Exchange and files a copy of the same with the Stock Exchange.

**i) Distribution of shareholding as on 31st March, 2009**

Range of Shares	No. of Shareholders	Shareholding Percentage	No. of shares	% of Total Capital
1 - 5000	100810	94.77	97707363	36.43
5001 - 10000	3263	3.07	25604001	9.55
10001 - 20000	1214	1.14	17983413	6.70
20001 - 30000	403	0.38	10141447	3.78
30001 - 40000	174	0.16	6174172	2.30
40001 - 50000	155	0.15	7349160	2.74
50001 - 100000	197	0.18	14626367	5.45
100001 - 999999999	156	0.15	88604077	33.04
<b>Total</b>	<b>1,06,372</b>		<b>268190000</b>	

**Categories of shareholding as on March 31, 2009**

Sl.No.	Category	No. of Shares	% of Paid Up Capital
1.	Promoters	38698114	14.43
2.	Corporate Bodies	39244746	14.63
3.	General Public	185995882	69.35
4.	NRIs/OCBs	2665140	1
5.	Clearing Members	339018	0.13
6.	Nationalised Bank	17000	0.01
7.	GDR	—	—
8.	FII's	1226800	0.0464
9.	Trust	3300	0.00123
	<b>Total</b>	<b>268190000</b>	<b>100.00</b>





**Liquidity**

The Company's Equity Shares are actively traded on BSE. The turnover during the year 2008-09 is Rs.96.88 Cr and Number of shares that have been traded is 15.79 Crores.

**Outstanding GDRs**

There are no outstanding GDRs as on 31st March 2009.

**Address for Correspondence**

**A) Investor Correspondence**

- a) For transfer / dematerialization of shares and any other query relating to the shares of the company

Big share Services Pvt. Limited  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri (East), Mumbai – 400 072

- b) For shares held in Demat form:  
Depository Participant
- c) Any query on the Annual Report and for other correspondence

M/s. IKF Technologies Limited  
Rashmi Building 2nd Floor  
Plot No. XI-16 Block EP & GP  
Salt Lake Electronic Complex,  
Sector-V, Kolkata-700091  
Email Id: cs@ikf-technologies.com

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**CEO /CFO CERTIFICATION**

To  
The Board of Directors  
**IKF Technologies Limited**

Dear Sirs,

We, have reviewed the financial statements read with the cash flow statement of IKF Technologies Limited for the year ended 31st March 2009 and that to the best of our knowledge and belief we state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulation
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operating of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee.
- (i) Significant changes in the internal control over financial reporting during the year.
- (ii) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Your's Sincerely**

**Sd/-  
Pradeep Dutta  
Executive Director**

**Sd/-  
Vijay Agarwal  
Chief Finance Officer**

## DIRECTORS REPORT

Dear Members,

Your Directors are pleased to present the Tenth Annual Report on the business and operations of your Company together with the Audited Financial Accounts and Auditors Report thereon for the year ended 31st March, 2009.

## FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2009 is summarized below: *(Rs. in Crores)*

Sl. No.	Particulars	2008-09	2007-08
1.	Sales	48.32	28.74
2.	Other Income	1.14	1.20
3.	Total Expenditure	40.45	23.98
4.	Profit/Loss before Interest, Dep & Taxes	9.01	5.96
5.	Interest	0.00	0.00
6.	Depreciation	4.00	3.37
7.	Provision for Taxation	0.97	1.49
8.	Net Profit/(Loss)	4.04	1.10
9.	Equity Share Capital	26.82	26.82

### Results of Operation

Turnover for the year increased by 70% per cent from Rs.28.74 Crores to Rs.48.32 Crores during the period under review. Your Directors are putting their best efforts to further improve the performance of the Company.

### Management Discussion & Analysis Report

Management Discussion & Analysis Report for the year under review, stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India, is presented in a separate section forming part of the Annual Report.

### Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

### Increase in Paid Up Capital

The Paid up Capital of the Company has increased from Rs. 268190000 to Rs.430581440 on issuing Equity Shares representing 5413048 GDRs.

### Listing

During the year under review, the Company continued to remain listed on The Bombay Stock Exchange, Calcutta Stock Exchange Association and Luxembourg Stock Exchange.

### Subsidiary Companies

The Statements as required under Section 212 of the Companies Act, 1956 in respect of Company's wholly owned subsidiaries IKF Technologies PTY(Ltd.), IKF Green Fuels Ltd, Netwatch Digital Solutions, Adhunik Technology Private Limited are attached with the balance sheet in accordance with the Accounting Standard AS-21 prescribed by 'The Institute of Chartered Accountants of India', the consolidated

accounts of the Company and its subsidiary are also annexed. Since, IKF Telecom Inc.'s operations are at initial stage therefore we are not attaching any balance sheet of the same.

### Directors

In accordance with the provisions of Companies Act, 1956 and Articles of Association of the Company, Dr. R.P. Singh, and Mr. Pradeep Kumar, Directors, who retires by rotation offer themselves for re-appointment.

Pursuant to the Section 260 of the Companies Act, 1956 and Article 96 of the Articles of Association of the Company, Mr. Mukesh Kumar Goyal was appointed as an Additional Director with effect from 4th April 2009. Mr. Mukesh Kumar Goyal would hold office upto the date of the ensuing Annual General Meeting. The Company has received the notice in writing from a member proposing the candidature of Mr. Mukesh Kumar Goyal for the office of Director not liable to retire by rotation. He has also been appointed as the Whole Time Director designated as COO of the Company for a term of three years.

Pursuant to the Section 260 of the Companies Act, 1956 and Article 96 of the Articles of Association of the Company, Mr. Chandra Shekar Jalan was appointed as an Additional Director with effect from 27th June 2009. Mr. Chandra Shekar Jalan would hold office upto the date of the ensuing Annual General Meeting. The Company has received the notice in writing from a member proposing the candidature of Mr. Chandra Shekar Jalan for the office of Director not liable to retire by rotation.

The details of terms of the fresh terms of appointment of Mr. Mukesh Kumar Goyal, Whole Time Director of the Company and of Mr. Chandra Shekar Jalan is enumerated in the Notice of the Annual General Meeting.

Mr. Pankaj Garg has resigned from the directorship on 23rd December 2008. The Board placed on record their appreciation



for the services rendered by the outgoing director during his tenure.

Brief resume of the Directors proposed to appointed/reappointed as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India are provided in the Report on Corporate Governance forming part of the Annual Report.

#### **Company raised \$ 11 million through GDR issue**

IKF Technologies Limited has allotted 5413048 Global Depository Receipts (GDR) representing underlying 162391440 Equity Shares. Each GDR represents 30 equity share(s). GDRs are listed on the Luxembourg Stock Exchange and traded on the Euro MTF market.

The funds raised through GDR will be utilized for expansion of current business and setting up of new projects and idea to make a exceptional growth in the most significant ITES and BPO sector. Company also intends to expand its Telecom operation by setting up of POPs Pan India and its BPO Operation by increasing number of seats. Company intends to make an investment in acquisition of Plant & Machinery of Bio- Diesel.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the Annual Accounts, the applicable Accounting Standards has been followed and there have been no material departures from the same.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2009 and of the profit of the Company for the year ended on that date.
- iii. 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. The Directors have prepared the annual accounts of the Company on going concern basis.

#### **Auditors:**

The Auditors, M/s Agarwal Vishwanath & Associates, Chartered Accountants, hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for reappointment. Letter from the auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of section 226 of the said Act.

#### **Auditors' Report:**

The Notes on Accounts and the comments of the Statutory Auditors in the Auditors Report are self-explanatory and do not call for any further comments.

#### **Particulars of Employees**

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Your directors also place on record their deep sense of appreciation of the services of the staff and workers of the company, who have contributed for the administration for the company's affairs.

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

##### **a. Conservation of Energy**

Energy being an important element of the infrastructure sector has to be ensured its availability on sustainable basis. On the other hand, the demand for energy is growing manifold and the energy sources are becoming scarce and costlier. Among the various strategies to be evolved for meeting energy demand, efficient use of energy and its conservation emerges out to be the least cost option in any given strategies, apart from being environmentally benign.

The steps to create sustainable energy system begin with the wise use of resources, energy efficiency is the mantra that leads to sustainable energy management.

On the energy demand and supply side, India is facing severe shortages. 70% of the total petroleum product demand is being met by imports, imposing a heavy burden on foreign exchange. Country is also facing Peak power and average energy shortages of 12% and 7% respectively.

IKF has set up a refinery in Udaipur which is yet to commence production on commercial scale, therefore the information required to be given under section 217(1)(e) of the companies Act, 1956, read with the companies (disclosure of particulars in the report of board of directors) rules, 1988 will be NIL for this financial year. The company is making efforts to conserve the energy by best possible means.

##### **b. Research and development (R&D)**

R&D has a special economic significance apart from its conventional association with scientific and technological development. R&D investment generally reflects a government's or organization's willingness to forgo current operations or profit to improve future performance or returns, and its abilities to conduct research and development.

On a technical level, high tech organisations explore ways

to re-purpose and repackage advanced technologies as a way of amortizing the high overhead. They often reuse advanced manufacturing processes, expensive safety certifications, specialized embedded software, computer-aided design software, electronic designs and mechanical subsystems.

Research has shown that firms with a persistent R&D strategy outperform those with an irregular or no R&D investment programme

IKF is making concerted efforts to multiply jatropha plant through tissue culture and development of new heterogeneous catalysts and state of art 2tpd biodiesel production unit using second generation biodiesel technology capable of producing biodiesel from multi feed stocks which are easily available in India at much lower rates.

**c. Technology Absorption**

Most technology in 'latecomers' comes from abroad, in mixture of two forms:

Embodied: in capital goods, patents, blueprints, designs, models and so on

Tacit: knowledge that can be 'transferred' only by close interaction and learning by new user

Using technology efficiently thus needs conscious effort by the enterprise & also the 'system' in which it works (suppliers, customers, technology support, training institutions and so on)

**e. Foreign Exchange Earnings and Outgo:**

(Amount in Rs.)

Particulars	2008-09	2007-08
Foreign Currency Earning :	2187338.00	4,42,506.00
Foreign Currency Expenditure :		
Capital Expenditure	5394009.00	—
Revenue	8723982.55	15,02,828.00

**CORPORATE GOVERNANCE-**

An important theme of corporate governance is to ensure the accountability of certain individuals in an organization through mechanisms that try to reduce or eliminate the principal-agent problem. A related but separate thread of discussions focuses on the impact of a corporate governance system in economic efficiency, with a strong emphasis shareholders' welfare. There are yet other aspects to the corporate governance subject, such as the stakeholder view and the corporate governance models around the world

Your company has complied with the provision of clause 49 of the listing agreement with relating to corporate governance and believes the initiatives on Corporate Governance will assist

The company has entered into 5 year technology transfer agreement with Indian oil corporation (R&D) for offering technology transfer for production of bio-diesel from jatropha. Indian Oil Corporation has announced a purchase policy according to which it will purchase bio-diesel from 20 centers all over the country. The purchase price will vary keeping in view the global fuel price. Since there is no high-end technology involve in operations till date, hence the particulars of Technology Absorption are NIL.

**d. Exports Activities**

In view of Globalisation, the company has established outstanding Export activities to go GLOBAL. Excellent support has come to the door of IKF in their continuing performance. Presently the company is engaged in IT/ITES business, which forms part of its earnings. The company is making all possible efforts and taking initiatives to increase its earnings by making its entry in telecom sector by launch of its calling cards for the international market. And continuously in successful efforts to broadening international market for it's products.

The IKF Technologies management team takes an active role in each implementation, delivering project level QA, guidance, and additional Safeguarding services that simplify system support and will rapidly help lower the cost of ownership.

the management in the efficient conduct of the business and in meeting its obligation to all its stakeholders.

**ACKNOWLEDGEMENT:**

Your directors express sincere thanks to ICICI Bank Limited, Axis Bank Limited, Standard Chartered Bank, ABN Amro Bank, Corporation Bank and Stock Exchanges for their support and encouragement.

Your Directors wish to place on record their gratitude towards the esteemed Shareholders for reposing faith in the management of the Company.

The Board also wishes to place on record its appreciation thank to all the employees for their unstinted Co-operation for smooth functioning of your Company.

**For & on behalf of the Board**

Sd/-

**Dr. R.P. Singh**  
Chairman

Date : 27.06.2009

Place : Kolkata

**COMPLIANCE CERTIFICATE  
ON CORPORATE GOVERNANCE**

To  
The Board of Directors of  
**M/s. IKF Technologies Limited**

We have examined the compliance of conditions of Corporate governance by IKF Technologies Limited ("the Company") for the period ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India. Our Examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the condition of Corporate Governance.

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 under Clause 49 of the Listing Agreement with stock Exchanges.

**For Agarwal Vishwanath & Associates  
Chartered Accountants**

**Place : Kolkata  
Date : 27.06.2009**

**Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806**

## AUDITORS' REPORT TO THE MEMBERS OF IKF TECHNOLOGIES LIMITED

We have audited the attached Balance Sheet of **M/s. IKF Technologies Limited** as at 31st March 2009 and the Profit and Loss Account of the Company for the year ended on that date, annexed hereto and report that: -

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 and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amount and disclosures on the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's 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 enclosure in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order

Further to our comments in the Annexure referred to 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 purposes of our audit:

- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from an examination of those books;
- (iii) The said Balance Sheet, Profit and Loss Account and Cash Flow Statement are in agreement with the books of account;
- (iv) In our opinion the Profit & Loss Account and the Balance Sheet of the Company Comply with the Accounting Standards referred to in the sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representation received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) Subject to our comments given in paragraph (vii) below, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read the notes thereon give the information required by the Company Act, 1956, in the manner so required give a true and fair view, in conformity with accounting principles generally accepted in India
- a) in the case of Balance Sheet of the state of affairs of the company as at 31st March , 2009
- b) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date and
- c) in the case of the cash flow statement , of the cash flows for the year ended on that date.

**For Agarwal Vishwanath & Associates**  
**Chartered Accountants**

Place : Kolkata  
Date : 27.06.2009

Sd/-  
**Vishwanath Agarwal**  
Partner  
Membership No. 54806





**ANNEXURE TO THE AUDITORS' REPORT**

- (i) (a) The Company has maintained proper records of Fixed Assets showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The physical verification of the Fixed Assets was conducted by the management at the year end which is in our opinion is reasonable having regard to the size of the Company and nature of its Fixed assets. The company is in process of reconciliation of physically verified fixed assets with the fixed assets register and management represents based on their judgment that there will not be any material discrepancies.
- (c) There was no disposal of Fixed Assets during the year.
- (ii) The company is a service company, primarily rendering information technology enabled service and business process outsourcing (BPO) service. Accordingly it does not hold any physical inventory. Thus paragraph (ii) of the order is not applicable.
- (iii) As informed to us, the company has not granted / taken unsecured loans to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of fixed assets and sale of services.
- v) Based on the audit procedure applied by us and according to the information and explanations given to us by the management, we are of the opinion that there was no transaction need to be entered in the register maintained under Section 301 of the Companies Act 1956.
- vi) The Company has not accepted deposits from public with in the meaning of Section 58A and 58AA of the Companies Act, 1956.
- vii) In our opinion, the company has an internal audit system, which is required to be further strengthen.
- viii) The Central Government has not prescribed for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for service rendered by the company.
- ix) According to the information and explanations given to us by the Company, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities. According to the information and explanations given to us there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Excise Duty and Customs Duty were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
- x) The Company does not have any accumulated loss and it has not incurred any cash losses during the current financial year and in the immediate preceding financial year.
- xi) In our opinion and according to the information and explanation given to us by the management we are of the opinion that the Company has not defaulted in repayment of dues to financial institution or bank.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- xiv) As informed and explained to us, the Company has not dealt / traded in securities or debentures during the year.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by its associates or subsidiaries from bank or financial institutions.
- xvi) According to the information and explanations given to us, the Company did not have any term loan outstanding during the year.
- xvii) On the basis of information received from the management and based on our examination of the Balance Sheet of the Company as at 31st March 2009 we find that the funds raised on a short-term basis have not been used for long-term investments and vice-versa.
- xviii) On the basis of information received from the management during the year no allotment has been made by the company.
- xix) The Company did not have any outstanding debentures during the year.
- xx) The Company has not raised monies by way of public issue during the year.
- xxi) According to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the year.

**For Agarwal Vishwanath & Associates  
Chartered Accountants**

**Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806**

**Place : Kolkata  
Date : 27.06.2009**

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	1	268,190,000	268,190,000
Reserve & Surplus	2	495,793,983	455,436,361
Deferred Tax Liability		12,350,894	12,762,917
<b>TOTAL</b>		<b>776,334,877</b>	<b>736,389,278</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	201,298,379	164,060,389
Less : Depreciation		110,965,274	70,961,152
Net Block		90,333,105	93,099,237
<b>INVESTMENTS</b>			
Investments	4	187,503,570	190,185,385
<b>Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balances	5	54,709,890	154,832,247
Sundry Debtors	6	860,314,609	455,951,701
Loans & Advances	7	187,609,388	142,238,832
<b>TOTAL</b>		<b>1,102,633,887</b>	<b>753,022,779</b>
<b>Less : Current Liabilities &amp; Provisions</b>	8		
Current Liabilities & Provisions		639,542,058	315,657,363
<b>TOTAL</b>		<b>639,542,058</b>	<b>315,657,363</b>
<b>Net Current Assets</b>		<b>463,091,829</b>	<b>437,365,416</b>
<b>Miscellaneous Expenditure</b>			
(To the Extent Not W/off or adjusted)	9	35,406,373	15,739,241
		776,334,877	736,389,278
<b>NOTES FORMING PART OF ACCOUNTS</b>	14		

THE SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

AS PER OUR REPORT OF EVEN DATE

For Agarwal Vishwanath & Associates  
Chartered Accountants

For & on behalf of the Board

Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806

Sd/-  
Sunil Kumar Goyal  
Whole Time Director

Sd/-  
Pradeep Dutta  
Executive Director

Place : Kolkata  
Dated : 27.06.2009

Sd/-  
Sakshi Aggarwal  
Company Secretary

Sd/-  
Vijay Agarwal  
Chief Financial Officer



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	SCHEDULE	Year Ended 31.03.2009 (Rs.)	Year Ended 31.03.2008 (Rs.)
<b>INCOME</b>			
Income From Operations	10	483,155,248	287,362,486
Other Income	11	11,417,056	12,015,149
<b>TOTAL</b>		<b>494,572,304</b>	<b>299,377,635</b>
<b>EXPENDITURE</b>			
Software, BPO Calling Charges, Telecom Expenses		324,935,753	161,748,460
Other Operating & Establishment Exp.	12	45,448,743	17,964,014
Administrative Expenses	13	31,183,348	40,789,611
Depreciation	3	40,004,122	33,658,577
Miscellaneous Expenditure W/off	9	2,933,355	5,338,391
<b>TOTAL</b>		<b>444,505,321</b>	<b>259,499,053</b>
<b>Profit/(Loss) Before Tax</b>		<b>50,066,983</b>	<b>39,878,582</b>
Provision for Current Tax		9,839,673	6,637,350
Provision for Deferred Tax		(412,023)	8,057,050
Provision for Fringe Benefit Tax		281,711	242,598
<b>TOTAL</b>		<b>9,709,361</b>	<b>14,936,998</b>
<b>Profit/(Loss) After Tax</b>		<b>40,357,622</b>	<b>24,941,584</b>
<b>Profit/(Loss) brought forward</b>		<b>15,046,660</b>	<b>4,067,845</b>
<b>Amount available for appropriations</b>		<b>55,404,282</b>	<b>29,009,429</b>
<b>Appropriations</b>			
Dividend (Financial Year 2006-07)		—	11,934,500
Tax on Dividend (Financial Year 2006-07)		—	2,028,269
		—	13,962,769
Surplus/(Deficit) carried to Balance Sheet		<b>55,404,282</b>	<b>15,046,660</b>
Earning Per Share (Basic & Diluted)		<b>0.15</b>	<b>0.10</b>
<b>NOTES FORMING PART OF ACCOUNTS</b>	14		

THE SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

**AS PER OUR REPORT OF EVEN DATE**

For Agarwal Vishwanath & Associates  
Chartered Accountants

For & on behalf of the Board

Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806

Sd/-  
Sunil Kumar Goyal  
Whole Time Director

Sd/-  
Pradeep Dutta  
Executive Director

Place : Kolkata  
Dated : 27.06.2009

Sd/-  
Sakshi Aggarwal  
Company Secretary

Sd/-  
Vijay Agarwal  
Chief Financial Officer

**CASH FLOW STATEMENT AS AT 31ST MARCH 2009**

	Amount (Rs.)	Amount (Rs.)
<b><u>Cash Flows From Operating Activities</u></b>		
Net Profit before Taxation		50,066,983
Adjustment for :		
Depreciation (+)	40,004,122	
Miscellaneous Expenses w/off (+)	2,933,355	
Interest (-)	(9,682,563)	33,254,914
<b>Operating Profit before Working Capital Changes</b>		<b>83,321,897</b>
<b>Add:</b>		
Increase in Current Liabilities (+)	313,763,310	
Increase in Sundry Debtors (-)	(404,362,908)	
Increase in Loans & Advances (-)	(45,370,557)	(135,970,155)
<b>Cash Generated from operations</b>		<b>(52,648,258)</b>
<b><u>Cash Flow from Investing Activities</u></b>		
Purchase of Fixed Assets (-)	(37,237,990)	
Decrease in investment (+)	2,681,815	
Pre-Operative Expenditure (Bio Diesel) (-)	(22,600,487)	(57,156,662)
<b>Net cash used in Investing Activities</b>		
<b><u>Cash Flow from Financing Activities</u></b>		
Interest (+)	9,682,563	
<b>Net Cash generated in Financing Activities</b>		<b>9,682,563</b>
<b>Net increase in cash/ cash equivalent during the year</b>		<b>(100,122,357)</b>
<b>Cash and Cash Equivalent at the Beginning</b> (+)		<b>154,832,247</b>
<b>Cash and Cash Equivalent at the End of the Year</b>		<b>54,709,890</b>
<b><u>Breakup of Cash &amp; Cash Equivalent as at 31st March 2009</u></b>		
Cash in Hand		10,984.57
Cash at Bank		53,611,433
		<b>54,709,890</b>

**Notes :** The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standards - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of **M/s. IKF Technologies Limited** for the year ended 31st March 2009. The statement has been prepared by the Company in accordance with the requirements of Accounting Standards - 3 "Cash Flow Statements" and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report dated 27th June 2009.

**For Agarwal Vishwanath & Associates**  
Chartered Accountants

Place : Kolkata  
Date : 27.06.2009

Sd/-  
**Vishwanath Agarwal**  
Partner  
Membership No. 54806



**SCHEDULES FORMING PART OF BALANCE SHEET**

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
1,00,00,00,000 Equity Share of Re. 1/- each	1,000,000,000	620,000,000
	<b>1,000,000,000</b>	<b>620,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
26,81,90,000 Equity Shares of Re.1/- each	268,190,000	238,690,000
Add: 2,95,00,000 Shares issued of Re.1/- each	—	29,500,000
<b>TOTAL</b>	<b>268,190,000</b>	<b>268,190,000</b>
<b>SCHEDULE - 2 : RESERVE AND SURPLUS</b>		
<b>Capital Reserve</b>		
Opening Balance	8,856,750	4,536,750
Add : Exchange Fluctuation Difference	—	4,320,000
	<b>8,856,750</b>	<b>8,856,750</b>
<b>Security Premium</b>		
Opening Balance	431,532,951	351,009,200
Add : Premium on issue of shares/GDR	—	118,000,000
	<b>431,532,951</b>	<b>469,009,200</b>
Less : Exchange Fluctuation Difference	—	37,476,249
	<b>431,532,951</b>	<b>431,532,951</b>
Profit & Loss Account	55,404,282	15,046,660
<b>TOTAL</b>	<b>495,793,983</b>	<b>455,436,361</b>

**SCHEDULE - 3 : DEPRECIATION AND FIXED ASSETS**

Particulars	Gross Block			Depreciation			Net Block		
	As on 01.04.2008	Additions during the year	Deductions during the year	As on 31.03.2009	Up to 31.03.2008	During the period	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
Air Conditioners	742,096.00	1,674,720.00	—	2,416,816.00	169,248.00	211,052.00	380,300.00	2,036,516.00	572,848.00
Computer Hardware & Software	140,513,827.00	24,556,870.19	—	165,070,697.19	66,661,179.00	36,534,518.00	103,195,697.00	61,875,000.19	73,852,648.00
Electrical Equipment & Fittings	2,268,068.00	3,692,689.00	—	5,960,757.00	653,386.00	553,955.00	1,207,341.00	4,753,416.00	1,614,682.00
Generator	—	1,120,000.00	—	1,120,000.00	—	125,487.00	125,487.00	994,513.00	—
Furniture & Fixtures	5,756,107.00	5,430,448.00	—	11,186,555.00	2,098,507.00	1,252,849.00	3,351,356.00	7,835,199.00	3,657,600.00
Office Equipments	2,137,415.00	251,484.00	—	2,388,899.00	345,212.00	270,511.00	615,723.00	1,773,176.00	1,792,203.00
Motor Car	1,815,876.00	511,779.00	—	2,327,655.00	252,818.00	519,388.00	772,206.00	1,555,449.00	1,563,058.00
UPS	815,000.00	—	—	815,000.00	555,969.00	103,612.00	659,581.00	155,419.00	259,031.00
Lease Hold Land	1,132,170.00	—	—	1,132,170.00	—	—	—	1,132,170.00	1,132,170.00
Building **	8,879,830.00	—	—	8,879,830.00	224,833.00	432,750.00	657,583.00	8,222,247.00	8,654,997.00
<b>Total</b>	<b>164,060,389.00</b>	<b>37,237,990.19</b>	<b>—</b>	<b>201,298,379.19</b>	<b>70,961,152.00</b>	<b>40,004,122.00</b>	<b>110,965,274.00</b>	<b>90,333,105.19</b>	<b>93,099,237.00</b>
Previous Year	95,508,645.00	68,551,744.00	—	164,060,389.00	37,302,575.00	33,658,577.00	70,961,152.00	93,099,237.00	58,206,070.00

\*\* Note : Building represents cost of construction carried on a structures taken on rent.

## SCHEDULES FORMING PART OF BALANCE SHEET

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
<b>SCHEDULE - 4 : INVESTMENT</b>		
<b><u>Long Term (Unquoted)</u></b>		
25,000 shares(P.Y-Nil) of IKF Salampuria Agrotech Limited	250,000	250,000
<b><u>In Subsidiaries</u></b>		
100 Shares (P.Y-100 shares) IKF Technologies (PTY) Ltd	43,450,000	43,450,000
1500 Shares (P.Y-1500 shares) IKF Telecom Inc.	65,385	65,385
99,77,000 Shares (P.Y-59,77,000 shares) IKF Greenfuel Limited	99,770,000	59,770,000
90,000 shares (P.Y-Nil) Netwatch Digital Solutions Pvt Ltd	3,000,000	—
250 Shares(P.Y-Nil) of IKF Europe GmbH	1,722,500	—
9,000 Shares (P.Y-Nil) of Adhunik Technology (P) Ltd	90,000	—
<b><u>Investment in Joint Venture Company</u></b>		
120 Shares (P.Y Nil) of Falcon Search.Com LLC, Dubai	1,705,685	—
<b><u>Investment in Partnership Firm</u></b>		
R 2 R Seva	37,450,000	36,650,000
Investment in Mutual Funds	—	50,000,000
<b>TOTAL</b>	<b>187,503,570</b>	<b>190,185,385</b>
<b>SCHEDULE - 5 : CASH AND BANK BALANCES</b>		
<b>Cash in hand</b> (As certified by the management)	<b>1,098,457</b>	451,005
<b>Balances with Scheduled Bank:</b>		
— In Current Accounts	<b>5,182,959</b>	35,951,059
— In Fixed Deposit Accounts	<b>48,428,474</b>	118,430,183
<b>TOTAL</b>	<b>54,709,890</b>	154,832,247
<b>SCHEDULE - 6 : SUNDRY DEBTORS</b>		
<b>SUNDRY DEBTORS</b> (Unsecured & Considered Good)		
Debtors outstanding for a period :		
more than six months	<b>720,025,932</b>	332,692,916
less than six months	<b>140,288,677</b>	123,258,785
<b>TOTAL</b>	<b>860,314,609</b>	455,951,701
<b>SCHEDULE - 7 : LOANS &amp; ADVANCES</b>		
Advances (Recoverable in cash or in kind or value to be received)	<b>157,897,123</b>	125,639,054
<b>Deposits</b>		
Inter Corporate Deposits	<b>1,500,000</b>	1,500,000
Security deposit for Rent & Telephone	<b>11,700,000</b>	6,405,653
Advance Income Tax & TDS Receivable	<b>16,512,266</b>	8,694,125
<b>TOTAL</b>	<b>187,609,389</b>	142,238,832



**SCHEDULES FORMING PART OF BALANCE SHEET**

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
<b>SCHEDULE - 8 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	560,605,048	262,717,931
Advance against share warrants	39,455,000	39,455,000
Other Liabilities	5,327,743	1,734,762
Statutory Liabilities	5,482,205	1,491,213
Balances with Scheduled Commercial banks	8,292,220	—
	<b>619,162,216</b>	<b>305,398,905</b>
<b>PROVISIONS</b>		
Provision for Income Tax	19,855,533	10,015,860
Provision for Fringe Benefit Tax	524,309	242,598
	<b>20,379,842</b>	<b>10,258,458</b>
<b>TOTAL</b>	<b>639,542,058</b>	<b>315,657,363</b>
<b>SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE</b>		
(To the Extent not W/off/adjusted)		
Public Issue and R & D Expenditure	—	10,497,797
Less: Transfer to R & D Cost	—	10,497,797
	—	—
Capital Issue Expenses	1,056,640	1,584,960
Less: W/off during the year	528,320	528,320
	<b>528,320</b>	<b>1,056,640</b>
GDR issue Expenses	7,215,106	10,407,536
Add : Transferred	—	1,617,640
	<b>7,215,106</b>	<b>12,025,176</b>
Less: W/off during the year	2,405,035	4,810,071
	<b>4,810,071</b>	<b>7,215,106</b>
<b>Pre-operative Expenditure (Bio-Disel)</b>	<b>7,467,495</b>	<b>7,467,495</b>
Addition during the year	22,600,487	—
	<b>30,067,982</b>	<b>7,467,495</b>
<b>TOTAL</b>	<b>35,406,373</b>	<b>15,739,241</b>
<b>SCHEDULE - 10 : INCOME FROM OPERATIONS</b>		
IT/ITES & Others	483,129,735	287,341,225
Income from Partnership Firm R2R Seva	25,513	21,261
<b>TOTAL</b>	<b>483,155,248</b>	<b>287,362,486</b>

**SCHEDULES FORMING PART OF BALANCE SHEET**

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
<b>SCHEDULE - 11 : OTHER INCOME</b>		
Interest Received	7,725,161	6,756,998
Income From Debt Funds	1,957,402	3,506,289
Dividend Income	—	133,320
Income from ID Project	1,278,484	—
Miscellaneous Income	456,009	1,618,543
<b>TOTAL</b>	<b>11,417,056</b>	<b>12,015,149</b>
<b>SCHEDULE - 12 : OTHER OPERATING &amp; ESTABLISHMENT EXP.</b>		
Directors Remuneration	1,595,000	600,000
Salary and Allowances	39,691,754	16,482,696
Staff Welfare Expenses	1,013,206	754,316
Bandwith Expenses	2,863,944	—
Broadband,Internet & Connectivity charges	284,839	127,002
<b>TOTAL</b>	<b>45,448,743</b>	<b>17,964,014</b>
<b>SCHEDULE - 13 : ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement	548,725	14,391,229
Audit Expenses	185,900	194,950
Bank Charges	313,044	438,345
Commission & Brokerage	—	174,606
Electricity Expenses	2,505,132	1,122,172
Freight & Transport	852,773	511,857
Hotel , Lodging & Marketing Expenses	—	36,586
Legal & Professional charges	2,898,852	3,332,443
Listing Fees	100,586	359,863
Local Conveyance	904,392	444,434
General Office Maintenance Expenses	1,025,131	1,554,445
Rent	10,755,690	8,961,402
Rates & Taxes	270,047	—
Postage & Courier	1,567,818	755,922
Printing & Stationary	1,729,774	941,073
Repairs & Maintenance	2,088,852	1,109,578
Licenses & Fees	2,056,052	2,327,662
Telephone & Telegram	1,172,475	1,321,124
Balances W/off	69,844	240,627
Travelling Expenses	2,138,261	2,571,294
<b>TOTAL</b>	<b>31,183,348</b>	<b>40,789,611</b>





**SCHEDULE - 14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE FINANCIAL STATEMENTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation**

The financial statements of IKF Technologies Limited (the company) have been prepared under the historical cost convention on the accrual basis of accounting and comply with the mandatory Accounting Standards (AS) issued by the Institute of Chartered Accountants of India.

**2. Use of estimates**

The preparation of financial statements requires management to make assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in current and future periods.

**3. Revenue Recognition**

The company derives its revenues primarily from IT Enabled services, Telecom & Project Business process outsourcing operations (BPO) and Bio Fuel division.

Revenue from IT enabled services and project comprises income from time and material and fixed contracts. Revenue from time and material contracts is recognized on the basis of software development and billable in accordance with the terms of contracts with clients.

Maintenance revenue is recognized rateably over the period of the underlying maintenance agreement.

Revenue from business process outsourcing operations arises from both time based and unit priced client contracts. Such revenue is recognized on completion of the related services and is billable in accordance with the specific terms of the contracts with the clients.

Rates & Taxes are accounted for Cash Basis

**4. Fixed Assets**

Fixed Assets are stated at cost of acquisition less accumulated depreciation thereon. Direct costs are capitalized until assets are ready to be put to use. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

Building represents cost of construction carried on a structures taken on rent.

Lease under which the company assumes substantially all the risks and rewards of ownership are classified as "Finance Lease ". Lease Assets are capitalized at the fair value of the assets or the present value of the minimum lease payments at the inception of the lease, which is lower.

**5. Depreciation**

Depreciation on Fixed Assets are provided under Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

**6. Investments**

Investments in Indian / Foreign Subsidiary Company are stated at cost.

**7. Foreign currency Transaction**

Foreign currency transactions are recorded at rates of exchange prevailing on the dates of the respective transaction.

(Amount in Rs.)

Particulars	Year ended 31.03.09	Year ended 31.03.08
Foreign Currency Earning:	21,87,338.00	4,42,506.00
Foreign Currency Expenditure:		
Capital Expenditure	53,94,009.00	0.00
Revenue	87,23,982.55	15,02,828.00

Transaction in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Foreign Currency monetary assets and liabilities outstanding at the year end are translated at the exchange rate prevailing as on Balance Sheet Date. Exchange rate difference arising on account of conversion / transaction of such assets / liabilities are recognized in the accounts.

**8. Provisions & Contingencies**

The company recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

**9. Impairment of assets**

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is treated as an impairment loss.

**10. Earning per share**

The earning per share (basic & diluted) is computed by dividing the net profit attributable to the Equity share

holders for the period by the weighted average number of equity shares outstanding during the period.

## 11. Retirement Benefits & Other Employee Benefits

### Defined Contribution Plans

Company's Contribution to Provident Fund & Employees State Insurance Corporation are recognized as expenses of the year.

### Defined Benefit Plans

No provision has been made for Gratuity Liability & Leave Encashment is provided as none of the employees of the company has served for a period more than 5 years.

## 12. Miscellaneous Expenditure

Capital Issue Expenditure & GDR Issue Expenditure are written off over a period of 5 years.

The development cost for set up of unit for production of Bio-Diesel at Udaipur and the expenses incurred in Jatropha plantation in different states have been shown under pre-operative expenditure as the Bio-fuel division is still in its gestation period as at the Balance sheet date.

## 13. Fringe Benefit Tax

The company provides for disclosure of the FBT as a part of taxes in accordance with the provisions of Section 115WC of the Income Tax Act 1961 and the guidance note of FBT issued by the Institute of Chartered Accountants of India.

## 14. Income Tax

Taxation is accounted on the basis of the "Liability Method" which is generally followed in India. Provision is made for income tax based on computation after considering rebates, relief and exemption under the Income Tax Act, 1961.

In accordance with the Accounting Standards 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred tax liability has been calculated on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates enacted or substantively enacted as on the Balance Sheet date.

## 15. Cash Flow Statement

The Company adopts the Indirect Method in the preparation of Cash Flow Statement. For the purpose of Cash Flow Statement Cash & Cash equivalent consist of Cash in hand, Bank Balances.

## 16. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present

obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

## B. NOTES ON ACCOUNTS

- In the opinion of the Board and to the best of their knowledge and belief, the value on realization of Current Assets, Loans & Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The provision of all known liabilities is adequate and is neither excess nor short of the amount reasonable necessary.
- Net Deferred Tax Assets for the year of Rs.4,12,013/- as per Accounting Standards 22 on Accounting for Taxes on Income pertaining to the timing differences between the accounting income and the taxable income has been recognized by the management in the Profit & Loss Account. Component of Net Deferred Tax Liability as on 31.03.2009 is as under :

	As on 01.04.08	For the Year	As on 31.03.09
Difference between Book Value and Tax Written Down Value	1,27,62,917/-	(4,12,013/-)	1,23,50,894/-

- The company's software development centers in India are Software Technology Park (STP) units under the Software Technology Park guidelines issued by the Government of India. They are exempted from customs and central excise duties and levies on imported and indigenous capital goods. The company has executed legal undertakings to pay customs duty in respect of imported capital goods in the event of certain terms and conditions are not fulfilled.
- Estimated amount of contracts remaining to be executed on Capital account (net of advances) and not provided for as at 31st March 2009 Rs.NIL
- As per Accounting Standard 15 "Employees Benefit", the disclosures of Employees benefits as defined in the Accounting Standard are given below:

Contribution to defined Contribution Plan, recognized as expense for the year are as under:

### 2008-09

Employer's contribution to Provident Fund & Pension Fund	3,06,003
Employer's contribution to ESI	3,70,275

- The Company has made an investment of Rs. 3,74,50,000/- in a Firm in which the Company is a partner. The particulars of the Firm is as follows :



a) Name : M/s. R 2 R Seva

b) Details of Capital Account :	Capital as on 31.03.2009	Profit sharing ratio
<b>Name of the Partners</b>		
M/s. IKF Technologies Ltd	3,74,50,000	99%
Mr. Sunil Kumar Goyal	—	1%

7. Related Party Disclosure in accordance with Accounting Standards 18 issued by the Institute of Chartered Accountants of India:

(a) Subsidiaries and entities where control exists :

IKF Technologies PTY Ltd.  
IKF Telecom Inc.  
IKF Europe GmbH  
Falcon Search.Com L.L.C  
IKF Green Fuels Ltd.  
Adhunik Technology (P) Ltd.  
Netwatch Digital Solutions (P) Limited  
R2R Seva

(b) Key management personnel:

Key executive management personal of the company represented on the Board:  
Mr. Sunil Kumar Goyal Whole Time Director  
Mr. Mukesh Kumar Goyal Whole Time Director  
Mr. Pradeep Dutta Executive Director

Non executive / independent director on the board  
Dr. R.P.Singh Chairman  
Mr. Pradeep Kumar Director  
Mr. Gajanand Gupta Director  
Mr. Chandra Shekhar Jalan Director

(c) Significant transaction with related party:

Particulars	Year ended 31.03.09 (Rs)	Year ended 31.03.08 (Rs)
Investment in Subsidiaries	148097885	103285385
Salary to Whole Time Director	797500	300000
Salary to Executive Director	797500	300000
Consultancy fees to Director	125000	250000

8. The disclosure requirement of Accounting Standards 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India:

The disclosure requirement of Accounting Standards 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the company is not required to report primary segments information on consolidation basis including the business conducted through its

subsidiary as the Group’s operation predominantly relates to provide information technology and business process outsourcing (BPO) service delivered to clients.

9. Calculation of earning per share in accordance with the Accounting Standards 20 “Earning Per Share” issued by the Institute of Chartered Accountants of India, considering the weighted number of Equity shares outstanding during the year:

Particulars	Year ended 31.03.09 (Rs)	Year ended 31.03.08 (Rs)
Net Profit /(Loss) for the year (Rs)	40357622	24941584
Weighted number of Equity Shares	268190000	250981667
Earning Per Share (Basic)	0.15	0.10
Nominal Value per share	Re.1	Re. 1

10. The Company is mainly engaged in the business of IT enabled services & project and business process outsourcing operations (BPO). Such services are not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details required under paragraph 3, 4C and 4D of Part II of Schedule VI to

the Companies Act 1956.

11. The management has carried out an impairment test in accordance with the Accounting Standard 28 issued by the Institute of Chartered Accountants of India on all its cash generating units (CGU). As there was no impairment, no provision has been made in the books.

**12. Auditors Remuneration includes:**

Particulars	Year ended 31.03.09 (Rs)	Year ended 31.03.08 (Rs)
As Statutory Audit Fees	137875	140450
As Tax Audit Fees	27575	28090
Certifications and Others	20450	26410
<b>Total</b>	<b>185900</b>	<b>194950</b>

13. The Balances of Debtors, Creditors & Advances are subject to confirmation.

14. The Company does not possess information as to which of its suppliers are ancillary industrial undertakings / small scale industrial undertaking holding permanent registration certificate issued by the Directorate of Industries of a State or Union territory. The interest on delayed payment to Small scale and ancillary industrial undertaking Ordinance 1992, cannot be ascertained. However the company has not received any claim in respect of interest.

**15. Contingent Liabilities :**

i) The company has furnished a Performance Bank

Guarantee of Rs.2,00,00,000 and a Financial Bank Guarantee of Rs.10,00,000 to ICICI Bank Limited in respect of the ISP License.

ii) Contingent Liability in respect of purchase of Fixed Assets Rs.20,00,000/- given to HDFC Bank Ltd on behalf of M/s. Vanguard Info Solutions (P) Ltd.

16. Previous year's figures have been regrouped / rearranged wherever necessary, to confirm to the current period presentation.

17. Figures in brackets shows negative balances

18. Schedule '1 to '14' form an integral part of accounts and have been duly authenticate

**AS PER OUR REPORT OF EVEN DATE**

For Agarwal Vishwanath & Associates  
Chartered Accountants

Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806

Place : Kolkata  
Dated : 27.06.2009

For & on behalf of the Board

Sd/-  
Sunil Kumar Goyal  
Whole Time Director

Sd/-  
Sakshi Aggarwal  
Company Secretary

Sd/-  
Pradeep Dutta  
Executive Director

Sd/-  
Vijay Agarwal  
Chief Financial Officer



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**1. Registration details**

Registration No.			1	1	1	2	5	3
State Code						2	1	
Balance Sheet Date	3	1	0	3	2	0	0	9

**2. Capital Raised during the year**

Public Issue					N	I	L	Right Issue					N	I	L
Bonus Issue					N	I	L	Private Placement					N	I	L

**3. Position of Mobilisation & Development of Funds (Rs. in '000)**

Total Liabilities			7	7	6	3	3	5	Total Assets			7	7	6	3	3	5	
<b>Sources of Funds :</b>									Reserve & Surplus			4	9	5	7	9	4	
Paid-up Capital			2	6	8	1	9	0	Un-secured Loan							N	I	L
Secured Loan								N	I	L	Deferred Tax Liability			1	2	3	5	1
<b>Application of Funds :</b>									Investments			1	8	7	5	0	4	
Net Fixed assets			9	0	3	3	3	Miscellaneous Expenditure				3	5	4	0	6		
Net Current Assets			4	6	3	0	9	2	Accumulated Losses							N	I	L

**4. Performance of Company**

Turnover			4	9	4	5	7	2	Total Expenditure			4	4	4	5	0	5
Profit / (Losses) Before Tax			5	0	0	6	7	Profit / (Losses) After Tax			4	0	3	5	8		
Earning per Share					0	.	1	5	Dividend Rate								

**5. Generic Name of three Principal Products / Services of Company :**

Item Code No (I.T.C. Code)	N	.	A	.					
Product Description	B	I	O	D	I	E	S	E	L
IT ENABLED SERVICE	I	T	E	N	A	B	L	E	D
	B	P	O						

**Statement Regarding Subsidiary Companies Pursuant to section 212 of the Companies Act, 1956**

Name of the Subsidiary	IKF Technologies (Pty) Ltd	IKF Telecom Inc.	IKF Europe GmbH	IKF Greenfuel Limited	Netwatch Digital Solutions Private Limited	Adhunik Technology Private Limited
Financial Year / Period of the subsidiary ended on	31st March 2009	31st March 2009	31st March 2009	31st March 2009	31st March 2009	31st March 2009
Holding Company's Interest Equity Share Capital	100%	100%	100%	100%	100%	90%
Net aggregate amounts of the profits/losses of the subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of the holding company	NIL	NIL	NIL	NIL	NIL	NIL
<ul style="list-style-type: none"> <li>- For the financial year of subsidiary</li> <li>- For the previous financial year of subsidiary since it became its subsidiary</li> </ul>						
Net aggregate amounts of the profits/losses of the subsidiary so far as it concerns the members of the holding company and is dealt with accounts of the holding company	NIL	NIL	NIL	NIL	NIL	NIL
<ul style="list-style-type: none"> <li>- For the financial year of subsidiary</li> <li>- For the previous financial year of subsidiary since it became its subsidiary</li> </ul>						
Capital	18012207	0	1722500	100000000	900000	100000
Reserves	576898106	100865	649445	906934	7344562	(5099670)
Total Assets	622446501	100865	7096245	86986567	18096383	22481460
Total Liabilities	27536188	0	4724300	2104633	9851821	27481131
Details of Investment	0	0	0	16025000	0	0
Turnover	1265418171	235336	13638369	11460502	35516319	44923937
Profit Before Tax	241876105	19109	649445	1042817	8916917	-4806250
Provision for Tax	1209381	0	0	154256	2934596	224651
Profit After Tax	240666725	19109	649445	888561	5982321	-5030901
Proposed Dividend	0	0	0	0	0	0



## **AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

**To The Board of Directors  
IKF Technologies Limited**

We have audited the attached consolidated Balance Sheet of M/s. IKF Technologies Limited as at 31st March 2009 (the Company) and its subsidiaries (collectively referred to as the IKF Group) as at 31st March 2009 and also the consolidated Profit and Loss Account of the Company for the year ended on that date, annexed hereto and the consolidated cash flow statement for the year ended on that date.

These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other information regarding components. 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 and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amount and disclosures on the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

Financial Statements of subsidiaries, which reflect total assets of Rs. 716630178 as at 31st March 2009, total revenue of Rs. 1290752378 for the year ended which have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on their reports.

We report that the consolidated financial statements have been prepared by the managements of Accounting Standard 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of the other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In case of consolidated Balance Sheet of the consolidated state of affairs of the Company and its subsidiaries as at 31st March 2009.
- b. In the case of consolidated Profit & Loss Account, of the consolidated Profit of the Company and its subsidiaries for the year ended on that date and
- c. In the case of the consolidated cash flow statement, of the consolidated cash flows of the company and its subsidiaries for the year ended on that date

**For Agarwal Vishwanath & Associates  
Chartered Accountants**

**Place : Kolkata  
Date : 27.06.2009**

**Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009**

	SCHEDULE	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	1	268,190,000	268,190,000
Reserve & Surplus	2	1,051,117,935	766,292,179
Secured Loan		1,430,264	—
Unsecured Loan		12,390,757	9,089,834
Deferred Tax Liability		12,926,728	12,762,917
<b>TOTAL</b>		<b>1,346,055,684</b>	<b>1,056,334,930</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	332,414,360	298,364,976
Less : Depreciation		138,221,729	85,635,724
Net Block		194,192,631	212,729,252
<b>INVESTMENTS</b>			
	4	56,807,564	87,394,852
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Cash & Bank Balances	5	79,197,182	169,491,706
W.I.P.		194,576,841	243,214,560
Sundry Debtors	6	1,213,736,552	476,167,345
Loans & Advances	7	237,337,381	183,606,813
		1,724,847,956	1,072,480,424
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities & Provisions	8	680,165,557	336,801,947
		680,165,557	336,801,947
<b>NET CURRENT ASSETS</b>			
		1,044,682,399	735,678,476
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the Extent Not W/off or adjusted)	9	50,373,091	20,532,352
<b>TOTAL</b>		<b>1,346,055,684</b>	<b>1,056,334,930</b>
NOTES FORMING PART OF ACCOUNTS	14		

THE SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET

AS PER OUR REPORT OF EVEN DATE

For Agarwal Vishwanath & Associates  
Chartered Accountants

For & on behalf of the Board

Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806

Sd/-  
Sunil Kumar Goyal  
Whole Time Director

Sd/-  
Pradeep Dutta  
Executive Director

Place : Kolkata  
Dated : 27.06.2009

Sd/-  
Sakshi Aggarwal  
Company Secretary

Sd/-  
Vijay Agarwal  
Chief Financial Officer





**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

	SCHEDULE	YEAR ENDED 31.03.2009 (Rs.)	YEAR ENDED 31.03.2008 (Rs.)
<b>INCOME</b>			
Income From Operations	10	1,852,347,997	1,791,906,845
Other Income	11	15,318,099	12,396,841
<b>Total</b>		<b>1,867,666,096</b>	<b>1,804,303,686</b>
<b>EXPENDITURE</b>			
Software, Research & Development Cost, BPO Calling		1,359,092,600	1,456,726,288
Other Operating & Establishment Exp.	12	77,547,858	20,685,248
Administrative Expenses	13	77,741,327	73,321,810
Depreciation	3	52,586,005	48,333,149
Miscellaneous Expenditure W/off	9	2,933,779	5,338,391
<b>Total</b>		<b>1,569,901,569</b>	<b>1,604,404,886</b>
<b>Profit/(Loss) Before Tax</b>		<b>297,764,526</b>	<b>199,898,800</b>
Provision for Current Tax		13,725,028	7,448,899
Provision for Deferred Tax		(232,662)	8,057,050
Provision for Fringe Benefit Tax		739,876	251,583
<b>Total</b>		<b>14,232,242</b>	<b>15,757,532</b>
<b>Profit/(Loss) After Tax</b>		<b>283,532,284</b>	<b>184,141,268</b>
<b>Profit/(Loss) brought forward</b>		<b>325,902,478</b>	<b>155,723,979</b>
<b>Balance B/F of Netwatch Digital Soutions Pvt Ltd</b>		<b>1,362,240</b>	<b>—</b>
<b>Balance B/F of Adhunik Technology Pvt Ltd</b>		<b>(68,769)</b>	<b>—</b>
<b>Amount available for appropriations</b>		<b>610,728,234</b>	<b>339,865,247</b>
<b>Appropriations</b>			
Dividend (F Y 2006-07)		—	11,934,500
Tax on Dividend (F Y 2006-07)		—	2,028,269
		—	13,962,769
<b>Surplus/(Deficit) carried to Balance Sheet</b>		<b>610,728,234</b>	<b>325,902,478</b>
NOTES FORMING PART OF ACCOUNTS	14		

THE SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT

AS PER OUR REPORT OF EVEN DATE

For Agarwal Vishwanath & Associates  
Chartered Accountants

For & on behalf of the Board

Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806

Sd/-  
Sunil Kumar Goyal  
Whole Time Director

Sd/-  
Pradeep Dutta  
Executive Director

Place : Kolkata  
Dated : 27.06.2009

Sd/-  
Sakshi Aggarwal  
Company Secretary

Sd/-  
Vijay Agarwal  
Chief Financial Officer

**CASH FLOW STATEMENT AS AT 31ST MARCH 2009**

	Amount (Rs.)	Amount (Rs.)
<b><u>Cash Flows from operating activities</u></b>		
Net Profit before Taxation		297,764,526
Adjustment for :		
Depreciation (+)	52,586,005	
Miscellaneous Expenses w/off (+)	2,933,779	
Interest (-)	(9,729,113)	45,790,671
<b>Operating profit before working capital changes</b>		<b>343,555,198</b>
<b><u>Add:</u></b>		
Increase in Current Liabilities (+)	327,472,438	
Increase in Secured Loan (+)	1,430,264	
Increase in Unsecured Loan (+)	3,300,923	
Increase in Sundry Debtors (-)	(734,453,419)	
Increase in Loans & Advances (-)	(53,730,568)	
Decrease in Investments (+)	30,587,288	
Decrease in WIP (+)	48,637,719	(376,755,355)
<b>Cash Generated from operations</b>		<b>(33,200,158)</b>
<b><u>Cash Flow from Investing Activities</u></b>		
Purchase of Fixed Assets (-)	(34,049,384)	
Pre-operative Expenditure (Bio-Diesel) (-)	(32,774,095)	
<b>Net cash used in Investing Activities</b>		<b>(66,823,479)</b>
<b><u>Cash Flow from Financing Activities</u></b>		
Interest (+)	9,729,113	
<b>Net cash generated in Financing Activities</b>		<b>9,729,113</b>
<b>Net increase in cash/ cash equivalent during the year</b>		<b>(90,294,524)</b>
<b>Cash and Cash equivalent at beginning (+)</b>		<b>169,491,706</b>
<b>Cash and Cash equivalent at the end</b>		<b>79,197,182</b>
<b><u>Breakup of Cash &amp; Cash Equivalent as at 31st March 2009</u></b>		
Cash in Hand		1,995,591
Cash at Bank		77,201,591
		<b>79,197,182</b>

**Notes :** The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standards - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of M/s.IKF Technologies Limited for the year ended 31st March 2009.The statement has been prepared by the Company in accordance with the requirements of Accounting Standards - 3 "Cash Flow Statements" and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report dated 27th June 2009.

**For Agarwal Vishwanath & Associates  
Chartered Accountants**

Sd/-  
Vishwanath Agarwal  
Partner  
Membership No. 54806

Place : Kolkata  
Date : 27.06.2009



**SCHEDULES FORMING PART OF BALANCE SHEET**

	<b>31.03.2009 (Rs.)</b>	<b>31.03.2008 (Rs.)</b>
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
1,00,00,00,000 Equity Share of Re. 1/- each	<b>1,000,000,000</b>	620,000,000
	<b>1,000,000,000</b>	620,000,000
<b>Issued, Subscribed and Paid-up Capital</b>		
23,86,90,000 Equity Shares of Re.1/- each	<b>268,190,000</b>	238,690,000
Add: 2,95,00,000 Equity Shares of Rs.1/- each	—	29,500,000
<b>TOTAL</b>	<b>268,190,000</b>	268,190,000
<b>SCHEDULE - 2 : RESERVE AND SURPLUS</b>		
<b>Capital Reserve</b>		
Opening Balance	<b>8,856,750</b>	4,536,750
Add : Exchange Fluctuation Difference	—	4,320,000
	<b>8,856,750</b>	8,856,750
<b>Security Premium</b>		
Opening Balance	<b>431,532,951</b>	351,009,200
Add : Premium on issue of shares/GDR	—	118,000,000
	<b>431,532,951</b>	469,009,200
Less : Exchange Fluctuation Difference	—	37,476,249
	<b>431,532,951</b>	431,532,951
<b>Profit &amp; Loss Account</b>		
<b>TOTAL</b>	<b>1,051,117,935</b>	766,292,179

**SCHEDULE - 3 : DEPRECIATION ON FIXED ASSETS**

Particulars	Gross Block				Depreciation			Net Block	
	As on 01.04.2008	Additions during the year	Deductions during the year	As on 31.03.2009	Up to 31.03.2008	During the period	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
Goodwill	46,503,683	15,429,928	—	61,933,611	—	—	—	61,933,611	46,503,683
Air Conditioners	742,096	2,330,354	—	3,072,450	169,248	302,139	471,387	2,601,063	572,848
Computer Hardware & Software	198,305,721	36,536,567	18,037,485	216,804,802	78,906,861	46,263,982	125,170,843	91,633,959	119,398,860
Electrical Equipment & Fittings	2,268,068	4,461,199	—	6,729,267	653,386	660,641	1,314,027	5,415,240	1,614,682
Generator	—	1,120,000	—	1,120,000	—	125,487	125,487	994,513	—
Furniture & Fixtures	21,300,959	8,009,572	8,685,883	20,624,648	3,387,149	2,735,618	6,122,767	14,501,881	17,913,810
Office Equipments	16,601,573	299,884	9,099,278	7,802,179	1,485,460	1,354,861	2,840,321	4,961,858	15,116,113
Plant & Machinery	—	320,675	—	320,675	—	44,606	44,606	276,069	—
Motor Car	1,815,876	511,779	—	2,327,655	252,818	519,388	772,206	1,555,449	1,563,058
Motor Cycle	—	123,852	—	123,852	—	25,411	25,411	98,441	—
UPS	815,000	677,000	—	1,492,000	555,969	114,964	670,933	821,067	259,031
Telephone	—	51,220	—	51,220	—	6,158	6,158	45,062	—
Lease Hold Land	1,132,170	—	—	1,132,170	—	—	—	1,132,170	1,132,170
Building	8,879,830	—	—	8,879,830	224,833	432,750	657,583	8,222,247	8,654,997
<b>Total</b>	<b>298,364,976</b>	<b>69,872,031</b>	<b>35,822,647</b>	<b>332,414,360</b>	<b>85,635,724</b>	<b>52,586,005</b>	<b>138,221,729</b>	<b>194,192,631</b>	<b>212,729,252</b>
Previous Year	135,366,471	162,998,505	—	298,364,976	37,302,575	48,333,149	85,635,724	212,729,252	98,063,896

**SCHEDULES FORMING PART OF BALANCE SHEET CONT.....**

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
<b>SCHEDULE - 4 : INVESTMENT</b>		
<b><u>Long Term(Unquoted)</u></b>		
25,000 shares(P.Y-25,000 Shares) of IKF Salampuria Agrotech Limited	250,000	250,000
<b><u>Investment in Joint Venture Company</u></b>		
120 Shares (P.Y Nil) of Falcon Search.Com LLC, Dubai	1,705,685	—
<b><u>Investment in Partnership Firm</u></b>		
R 2 R Seva	37,450,000	36,650,000
Others	12,876,879	494,852
Investment in Mutual Funds	4,525,000	50,000,000
<b>TOTAL</b>	<b>56,807,564</b>	<b>87,394,852</b>
<b>SCHEDULE - 5 : CASH AND BANK BALANCES</b>		
<b>Cash in hand</b>	1,995,591	1,132,265
(As certified by the management)		
<b>Balances with Scheduled Bank:</b>		
In Current Accounts	8,373,117	49,929,258
In Fixed Deposits Accounts	68,828,474	118,430,183
<b>TOTAL</b>	<b>79,197,182</b>	<b>169,491,706</b>
<b>SCHEDULE - 6 : SUNDRY DEBTORS</b>		
<b>(Unsecured &amp; Considered Good)</b>		
Debtors outstanding for a period :		
more than six months	720,149,900	332,692,916
less than six months	493,586,652	143,474,429
<b>TOTAL</b>	<b>1,213,736,552</b>	<b>476,167,345</b>
<b>SCHEDULE - 7 : LOANS &amp; ADVANCES</b>		
<b>Advances</b>	188,613,464	166,987,012
(Recoverable in cash or in kind or value to be received)		
<b><u>Deposits</u></b>		
Inter Corporate Deposits	1,500,000	1,500,000
Other Deposits	1,006,174	—
Security deposit for Rent & Telephone	18,206,714	6,405,653
Advance Income Tax & TDS Receivable	28,011,029	8,714,148
<b>TOTAL</b>	<b>237,337,381</b>	<b>183,606,813</b>
<b>SCHEDULE - 8 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	585,158,753	282,811,981
Amount payable for acquisition of subsidiary	—	230,000
Advance against share warrants	39,455,000	39,455,000
Other Liabilities	8,967,082	1,734,762
Statutory Liabilities	11,322,338	1,491,213
Balances with Scheduled Commercial banks	8,292,220	—
	<b>653,195,393</b>	<b>325,722,955</b>
<b><u>PROVISIONS</u></b>		
Provision for Income Tax	23,996,631	10,827,409
Provision for Fringe Benefit Tax	2,973,533	251,583
	<b>26,970,164</b>	<b>11,078,992</b>
<b>TOTAL</b>	<b>680,165,557</b>	<b>336,801,947</b>



SCHEDULES FORMING PART OF BALANCE SHEET CONT.....

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
<b>SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE</b>		
<b>(To the Extent not W/off/adjusted)</b>		
Public Issue and R & D Expenditure	—	10,497,797
Less: Transfer to R & D Cost	—	10,497,797
	—	—
<b>Capital Issue Expenses</b>		
Opening Balance	3,652,640	1,584,960
Addition during the year	—	2,596,000
	3,652,640	4,180,960
Less: W/off during the year	528,320	528,320
	3,124,320	3,652,640
<b>GDR issue Expenses</b>		
Opening Balance	7,215,106	10,407,536
Add : Transferred	—	1,617,640
	7,215,106	12,025,176
Less: W/off during the year	2,405,035	4,810,071
	4,810,071	7,215,106
<b>Pre-operative Expenditure (Bio-Diesel)</b>		
Opening Balance	9,633,356	9,633,356
Addition during the year	32,774,095	—
	42,407,451	9,633,356
Preliminary Expenses	31,250	31,250
<b>TOTAL</b>	<b>50,373,091</b>	<b>20,532,352</b>
<b>SCHEDULE - 10 : INCOME FROM OPERATIONS</b>		
IT/ITES & Others	1,852,322,484	1,791,885,584
Income from Partnership Firm R2R Seva	25,513	21,261
<b>TOTAL</b>	<b>1,852,347,997</b>	<b>1,791,906,845</b>
<b>SCHEDULE - 11 : OTHER INCOME</b>		
Interest Received	7,771,711	6,854,197
Income from Debt Fund	1,957,402	3,506,289
Dividend income	—	133,320
Income from ID Project	1,278,484	—
Miscellaneous Income	4,310,502	1,903,035
<b>TOTAL</b>	<b>15,318,099</b>	<b>12,396,841</b>

**SCHEDULES FORMING PART OF BALANCE SHEET CONT.....**

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
<b>SCHEDULE - 12 : OTHER OPERATING &amp; ESTABLISHMENT EXP.</b>		
Directors Remuneration	1,966,666	600,000
Salary and Allowances	65,880,823	18,529,568
Staff Welfare Expenses	2,448,788	754,316
Bandwith Expenses	2,863,944	—
Broadband,Internet & Connectivity charges	284,839	127,002
Seeds & Pesticides	4,102,798	674,362
<b>TOTAL</b>	<b>77,547,858</b>	<b>20,685,248</b>
<b>SCHEDULE - 13 : ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement	556,575	24,233,789
Audit Expenses	231,331	198,321
Business Development Expenses	307,700	—
Bank Charges	920,849	5,929,366
Commission & Brokerage	188,722	174,606
Electricity Expenses	5,684,155	1,122,172
Freight & Transport	9,640,757	511,857
Hotel , Lodging & Marketing Expenses	143,104	36,586
Legal & Professional charges	5,935,817	3,332,443
Listing Fees	100,586	359,863
Local Conveyance	914,140	444,434
General Office Maintenance Expenses	8,293,735	2,568,416
Rent	22,980,258	9,021,402
Rates & Taxes	270,047	—
Postage & Courier	2,361,200	2,620,442
Printing & Stationary	3,576,170	941,073
Repairs & Maintenance	2,633,925	1,109,578
Seminar Expenses	367,038	—
Taxes, Licenses & Fees	3,234,905	6,041,434
Telephone & Telegram	3,803,919	5,019,586
Balances W/off	297,019	240,627
Travelling Expenses	5,299,376	9,415,816
<b>TOTAL</b>	<b>77,741,327</b>	<b>73,321,810</b>

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation**

The consolidated financial statements of IKF Technologies Limited (the company) and its subsidiaries collectively referred to as the “IKF Group” or “the Group” has been prepared under the historical cost convention on the accrual basis of accounting and comply with the mandatory Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI).

**2. Basis of Consolidation**

The consolidated financial statement includes the financial statements of IKF Technologies Limited and all its subsidiaries, which are more than 50% owned or controlled. Please refer to Note B1 for the description of the Group. The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under AS 21 prescribed by the ICAI.



The financial statements of the parent company and the subsidiaries have been combined on a line-by-line business by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting unrealized profits or losses.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the rate prevailing at the year end. All the assets and liabilities are converted at the rates prevailing at the end of the year.

The financial statements of the subsidiary companies have been prepared in accordance with International Financial Reporting Standard. The difference in accounting policies between the company and its subsidiary is not material and there are no significant inter company transactions till 31st March 2009.

**3. Use of estimates**

The preparation of consolidated financial statements requires management to make assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in current and future periods.

**4. Revenue Recognition**

The Group derives its revenues primarily from IT Enabled services & projects & Business process outsourcing operations (BPO). Revenue from IT enabled services and project comprises income from time and material and fixed contracts. Revenue from time and material contracts is recognized on the basis of software development and billable in accordance with the terms of contracts with clients.

Maintenance revenue is recognized rate-ably over the period of the underlying maintenance agreement.

Revenue from business process outsourcing operations arises from both time based and unit priced client contracts. Such revenue is recognized on completion of the related services and is billable in accordance with the specific terms of the contracts with the clients.

**5. Fixed Assets**

Fixed Assets are stated at cost of acquisition less accumulated depreciation thereon. Direct costs are capitalized until assets are ready to be put to use. Fixed assets purchased in foreign currency are recorded at the actual rupee cost incurred.

Building represents cost of construction carried on a structures taken on rent.

Lease under which the Group assumes substantially all the risks and rewards of ownership are classified as "Finance Lease ". Lease Assets are capitalized at the fair value of the assets or the present value of the minimum lease payments at the inception of the lease, which is lower.

Advances paid towards acquisition of fixed assets as at the Balance Sheet date are disclosed under loans & advances.

**6. Depreciation**

Depreciation on Fixed Assets has been provided under Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

**7. Goodwill**

The excess of cost to the Parent of its investments in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries was made is recognized in the consolidated financial statement.

**8. Foreign currency Transaction**

Foreign currency transactions are recorded at rates of exchange prevailing on the dates of the respective transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date.

The financial statements of the foreign subsidiaries being non-integral operations in terms of para 24 of AS-11 are translated into Indian rupees as follows:

- a) Income and Expenses items are translated at the closing rate.
- b) Assets and Liabilities, both monetary and non-monetary are translated at the closing rate.

**9. Provisions & Contingencies**

The group recognizes a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

## 10. Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is treated as an impairment loss.

## 11. Earning per share

The earning per share (basic & diluted) is computed by dividing the net profit attributable to the Equity share holders for the period by the weighted average number of equity shares outstanding during the period.

## 12. Retirement Benefits

### Defined Contribution Plans

Company's Contribution to Provident Fund & Employees State Insurance Corporation are recognized as expenses of the year.

### Defined Benefit Plans

No provision has been made for Gratuity Liability & Leave Encashment is provided as none of the employees of the company has served for a period more than 5 years.

## 13. Miscellaneous Expenditure

Capital Issue Expenditure is written off over a period of 5 years.

The development cost for set up of new unit for production of Bio-Diesel at Udaipur and the expenses incurred in Jatropha plantation in several states have been shown under Pre-operative expenditure as the Bio-fuel division is still in its gestation period as at the Balance Sheet date.

## 14. Fringe Benefit Tax

The company provides for disclosure the FBT as a part of taxes in accordance with the provisions of Section 115WC of the Income Tax Act 1961 and the guidance note of FBT issued by the Institute of Chartered Accountants of India.

## 15. Income Taxes

Taxation is accounted on the basis of the "Liability Method" which is generally followed in India. Provision is made for income tax based on computation after considering rebates, relief and exemption under the Income Tax Act, 1961.

In accordance with the Accounting Standards 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred tax liability has been calculated on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates enacted or substantively enacted as on the Balance Sheet date, the same has been recognized by the management.

## 15. Cash Flow Statement

The group adopts the Indirect Method in the preparation of Cash Flow Statement. For the purpose of Cash Flow Statement Cash & Cash equivalent consist of Cash in hand, Bank Balances.

## 16. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

## B. NOTES ON ACCOUNTS

### 1. DESCRIPTION OF THE GROUP

IKF Technologies Limited is registered under the Indian Companies Act, 1956 with its Registered Office in Kolkata. This is the flagship company of the group and is listed on the principal stock exchanges of India.

#### List of the subsidiaries with present holding

Subsidiaries	Country of incorporation	% of holding
IKF Technologies Pty. Ltd.	a company organized under the laws of South Africa	100%
IKF Green Fuel Ltd.	a company incorporated under the Companies Act.1956	100%
IKF Telecom Inc.	a Company organized under the laws of Delaware, U.S.A	100%





Netwatch Digital Solutions Private Limited	a company incorporated under the Companies Act.1956	100%
Adhunik Technology Private Limited	a company incorporated under the Companies Act.1956	90%
IKF Europe GmbH	a company incorporated under the laws of Germany	100%

- In the opinion of the Board and to the best of their knowledge and belief, the value on realization of Current Assets, Loans & Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The provision of all known liabilities is adequate and is neither excess nor short of the amount reasonable necessary.
- The Group's software development centers in India are Software Technology Park (STP) units under the Software Technology Park guidelines issued by the Government of India. They are exempted from customs and central excise duties and levies on imported and indigenous capital goods. The company has executed legal undertakings to pay customs duty in respect of imported capital goods in the event of certain terms and conditions are not fulfilled.
- Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for as at 31st March 2009 is NIL.
- Related Party Disclosure in accordance with Accounting Standards 18 issued by the Institute of Chartered Accountants of India:

**(a) Subsidiaries and entities where control exists:**

IKF Technologies PTY Ltd.  
 IKF Green Fuel Ltd.  
 IKF Telecom Inc.  
 Netwatch Digital Solutions Private Limited  
 Adhunik Technology Private Limited  
 IKF Europe GmbH

**(b) Key management Personnel:**

**Key executive management personnel of the company represented on the Board:**

Mr. Sunil Kumar Goyal	Whole Time Director
Mr. Mukesh Kumar Goyal	Whole Time Director
Mr. Pradeep Dutta	Executive Director

**Non executive / independent director on the board**

Mr. R.P Singh	Chairman
Mr. Pradeep Kumar	Director
Mr. Gajanand Gupta	Director
Mr. Chandra Shekhar Jalan	Director

**(c) Significant transaction with related party:**

Particulars	Year Ended 31.03.09	Year Ended 31.03.08
Investment in subsidiaries	148347885	103535385
Salary to Whole Time Director	797500	300000
Salary to Executive Director	797500	300000

- The disclosure requirement of Accounting Standards 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India:  
 There the Accounting Standards 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company is not required to report primary segments information on consolidation basis including the business conducted through its subsidiary as the Group's operation predominantly relates to provide information technology and business process outsourcing (BPO) service delivered to clients operating globally.
- Calculation of earning per share in accordance with the Accounting Standards 20 "Earning Per Share" issued by the Institute of Chartered Accountants of India, considering the weighted number of Equity shares outstanding during the year:

Particulars	Year Ended 31.03.09	Year Ended 31.03.08
Net Profit as reported (Rs)	<b>283532284</b>	184141268
Weighted number of Equity Shares	<b>268190000</b>	250981667
Earning Per Share (Basis & Diluted)	<b>1.06</b>	0.73
Nominal Value per share	<b>Re1</b>	Re.1

8. The Group is engaged in the business of IT enabled services & project and business process outsourcing operations (BPO). Such services are not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details required under paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act 1956.
9. The management has carried out an impairment test in accordance with the Accounting Standard 28 issued by the Institute of Chartered Accountants of India on all its cash generating units (CGU). As there was no impairment, no provision has been made in the books.
10. Auditors Remuneration includes:

Particulars	Year Ended 31.03.09	Year Ended 31.03.08
As Statutory Audit Fees	<b>137875</b>	140450
As Tax Audit Fees	<b>27575</b>	28090
Certifications and Others	<b>20450</b>	26410
<b>Total</b>	<b>185900</b>	194950

11. The Balances of Debtors, Creditors & Advances are subject to confirmation.
12. The Provision for Tax of the subsidiary of Rs.45,22,881 has been shown net of advances. hence the provision for tax of the Group shown in the consolidated financial statement represents the figure of the company only.
13. The consolidated financial results for the year ended 31st March 2009 represents the results of the subsidiary acquired by the Group during the year and hence are not comparable with the previous year.
14. Contingent Liabilities:
  - i) The company has furnished a Performance Bank Guarantee of Rs.2,00,00,000 and a Financial Bank Guarantee of Rs.10,00,000 to ICICI Bank Limited in respect of the ISP License
  - ii) Contingent Liability in respect of purchase of Fixed Assets Rs.20,00,000/- given to HDFC Bank Ltd on behalf of M/s. Vanguard Info Solutions (P) Ltd.
15. Figures are rounded off to the nearest rupees.
16. Schedule '1 to '14' form an integral part of accounts and have been duly authenticated.

## AS PER OUR REPORT OF EVEN DATE

**For Agarwal Vishwanath & Associates**  
Chartered Accountants

Sd/-  
**Vishwanath Agarwal**  
Partner  
Membership No. 54806

Place : Kolkata  
Dated : 27.06.2009

**For & on behalf of the Board**

Sd/-  
**Sunil Kumar Goyal**  
Whole Time Director

Sd/-  
**Sakshi Aggarwal**  
Company Secretary

Sd/-  
**Pradeep Dutta**  
Executive Director

Sd/-  
**Vijay Agarwal**  
Chief Financial Officer



**ATTENDANCE SLIP**

**IKF TECHNOLOGIES LIMITED**

**Regd. Office:** 2nd Floor,Rashmi Building, Plot XI-16, Block EP & GP,  
Salt Lake Electronic Complex Sector V, Kolkata – 700091

Please complete this attendance slip and hand it over at the entrance of the hall.

\* Only members or their proxies are entitled to be present at the meeting.

NAME & ADDRESS	FOLIO/DPIDNO:
	NO. OF SHARES

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at the Royal Bengal Room, Block DC, Sector-I, City Centre, Salt Lake City, Kolkata-700 064

Signature of the Shareholder/Proxy.....

**NOTE :**

- Members are requested to carry the copy of Notice.

**PROXY**

**IKF TECHNOLOGIES LIMITED**

**Regd. Office:** 2nd Floor,Rashmi Building, Plot XI-16, Block EP & GP,  
Salt Lake Electronic Complex Sector V, Kolkata – 700091

FOLIO/DPID NO:

I/We..... being a Member/ Members  
of **IKF Technologies Limited** hereby appoint .....of.....or  
failing him.....of.....or failing him  
.....of.....as my/our proxy to attend and vote  
for me/us and my/our behalf at the AGM of the Company to be held on Friday, August 28th, 2009 at 3.00 P.M. and any  
adjourment hereof at the Royal Bengal Room, Block DC, Sector-I, City Centre, Salt Lake City, Kolkata-700 064.

<p>Affix Re 1/- Revenue Stamp</p>
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Dated this.....day of .....2009

Signed by the said.....

**NOTE:**

The proxy form duly signed by the member(s) across Re.1/- revenue stamp should reach the Company's share department at Registered office of the Company at least 48 hours before the time fixed for the meeting.