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From the Chairman's Desk

Dear Shareholders

Fiscal 2009-10 witnessed a period of exceptionally less challenging circumstances than its preceding year. It started off as turmoil in the financial sectors as well as IT Sector of advanced economies snowballed into a global financial and economic crisis.

The impact of global and local factors slowed the growth momentum in the economies where your Company operates. Amidst such challenges, your Company concentrated its efforts on maintaining its growth in revenue and profitability. I am pleased to share here your company's response to these global challenges and company's efforts to continue delivering value to its shareholders and public at large.

I am glad to inform you all about the financial performance of your Company in the Financial Year 2009-10, that the net revenue increased to 559 million Rupees as compared with 495 million Rupees in FY 2008-09. IKF's EBITDA was 92 million Rupees, compared to an EBITDA of 90 million Rupees in the last fiscal.

You can analyze your Company's growth through the development in various segments of your Company which is enumerated below :

IT&BPO

IT&BPO segment has a very good presence and a foremost Segment of your company's business. Availability of quality talent at cost effective rates, rapidly developing infrastructure, an enabling innovation environment, supportive regulatory policies, and a positive overall business environment these are all central pillars of your company's value proposition for IT & BPO business.

We have increased focus on global delivery which has required for your company to enhance its global footprint. Your company has planned for new customer segments and offer new services to enhancing its industry reach out. Over the last two years there has been significant increase in your company's Global delivery Center service.

E-Governance :

In our E-Governance segment, we have done a remarkable growth and I am feeling very proud to state that we have reached in more than 20 Districts of Rajasthan and now we are moving towards to expand our business in other States of India along with the diversification in services. Through the services of E-Governance your company reached to the zone of common man under the name of R2R Seva through its Kiosks and this name become very popular for every person in the state of Rajasthan. R2R Seva runs under the Scheme of E- Mitra concept.

During the next few years, the government is aiming to set up more than 6,700 centres in rural areas under the Centre's Common Service Centres scheme and another 1,000 in association with NABARD and for the rural areas, the Government plans to develop the kiosks as data collection centres and as a retail outlet where financial products like Kisan Credit cards, collection of money for savings accounts in banks, etc would be offered. For the cities, the kiosks will provide services like air ticketing, bill collection for private mobile operators and insurance companies, collection of traffic police fines, passport services and submission of forms for tenant registration on behalf of police department. At the end we can conclude that working under e-mitra society your Company is having an intense future and it also steps forward towards its Social responsibility.

Telecom :

It has been our endeavor to consistently customize our service offerings to suit the changing needs of our customer.

With holding "A" category ISP license from Department of Telecommunication, Government of India your company's Internet service presence has now reached in more than 10 states of India including West Bengal, Jharkhand , Madhya Pradesh, Uttarpradesh, Delhi, etc.

IKF's broadband Internet Service has now a large participation in International Call Centers Corporate small & medium enterprise clients, strategic alliance partner, retail SOHO, and residential clients.

We have entered into tie-ups with major bandwidth carriers and infrastructure providers for providing the internet service to our valuable customers.

Bio-Fuel :

Our Bio diesel is manufactured in stringent production processes and passed through rigorous quality checks to ensure that the final product meets all prescribed quality standards. For making our products cost effective and to satisfy bulk requirements we have adopted a streamline production process.

We are planning to spread our horizons all over the globe. In this short span of time, we have set various benchmarks for our competitors in providing best quality Biodiesel Fuels. Apart from this, our endeavor has been to build and maintain ever lasting healthy relationship with our honored clients.

Future Out Look :

In the Financial 2009-10, your Company made many new beginnings; we have created substantial new revenue opportunities by leveraging existing investments. These initiatives will provide a sustained, positive contribution to our business operations, financial performance and organizational strength over several years.

Your Company 's management planned to diversify their fields and intend to entered into new projects.

- By entered into a strategic Partnership with WAPMERR- INDIA aimed to explore new horizons in the field of GIS/MIS/ Survey related services to ultimately beneficial to public at large by using the knowledge and experience of both the parties.

- Further planned to enter into the Field of E- Learning, to provide e- education to the children of rural areas below the age of 6 years under the name of E- Shiksha. IKF will fulfill its purpose to provide education to the children of rural areas up to the age of 6 years to enable the child to compete with the level of children of urban or semi urban areas to brighten the future of India. IKF intend to collaborate for providing various avenues in e- Shiksha in order to make an effort with a social initiative as a part of their social responsibility.

We stay committed to deliver value to our partners by leveraging upon innovation at every step. We would like to thank our independent directors for their valuable contribution and our valued customers, vendors, bankers and shareholders for their continuous support.

I take this opportunity to thank the members for the abiding trust in IKF and look forward to continued support in the coming years.

Warm regards,
Dr. R. P. Singh
Chairman

Board of Directors

Dr. R. P. Singh	Chairman
Mr. Pradeep Dutta	Executive Director
Mr. Mukesh Goyal	Executive Director
Mr. Gajanand Gupta	Director
Mr. Pradeep Kumar	Director
Dr. B. B. L. Madhukar	Director

Incharge Eastern Zone

Mr. Manoj Rungta

National Head - BPO

Mr. Debarat Biswas

CEO R2R Seva

Mr. R. L. Garg

Chief Financial Officer

Mr. Vijay Agarwal

Company Secretary

Mrs. Sakshi Aggarwal

Listing

The Bombay Stock Exchange
The Calcutta Stock Exchange
The Luxembourg Stock Exchange

Registered Office

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

Registrar & Share Transfer Agent

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

Bankers

HSEC Limited
ICICI Bank Limited
Axis Bank Limited
Corporation Bank Limited

Auditors

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

Annual General Meeting

Date : 11th June, 2010
Time : 3.00 p.m.
Day : Friday
Venue : Ecospace (IT Park)
Ambuja Realty - Hospitality Division
Plot No. 2F/11, New Town Rajarhat,
North, 24 Parganas, Kolkata 700 156

Corporate Office

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



NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of the Company will be held on *Friday, the 11th day of June 2010 at 3:00 P.M. at Eco Space (IT Park), Ambuja Realty - Hospitality Division Plot No. 2F/11, New Town Rajarhat, North 24 Parganas, Kolkata - 700 156 to transact the following businesses :*

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 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. Gajanand Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pradeep Kumar, 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, (Firm Reg. No. 323024E) 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 Pursuant to Section 260 of the Companies Act, 1956, Articles of Association of the Company and other applicable provisions if any, Mr. B.B.L. Madhukar who has consented for the same, be and is hereby appointed as an Additional Director with effect from 30th March 2010 to hold office until the date of the ensuing Annual General Meeting. “

“Resolved further that Ms. Sakshi Agarwal, Company Secretary of the Company be and is hereby authorized to sign and submit necessary form (s) with the Registrar of Companies and to take such other steps as may be necessary in this regard.”

6. 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(1A) 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 aboard 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 underwriting, 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) 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.”

For and on Behalf of the Board
For IKF Technologies Ltd

Sd/-
Sakshi Aggarwal
Company Secretary

Date: 10th day of May '2010
Place: Kolkata



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, 9th day of June 2010 to Friday, 11th day of June 2010 (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 business under Item Nos. 5 and 6 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 11th June 2010, 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 has appointed Dr. B.B.L. Madhukar as the Additional Director with effect from 30th March 2010 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 Dr. B.B.L. Madhukar 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 Dr. B.B.L. Madhukar himself is interested and concerned at Item no. 5 of the notice.

ITEM-NO.6 :

The Company has decided to enter into the new Field of E- Learning and to provide the GIS/MIS services and to compete with others at national as well as International level. The Company has in the year 2009-10 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 entered into joint ventures or partnerships with other Companies or institutions 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 business in IT/ ITES, Telecom and its new project of E-Learning and project of providing GIS/MIS services. For the expansion 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(1A) of the Companies Act, 1956 and other applicable provisions if any, approval of members by way of special resolution is required for the proposed (said) 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.

For and on Behalf of the Board
For IKF Technologies Ltd

Sd/-
Sakshi Aggarwal
Company Secretary

Date: 10th day of May '2010
Place: Kolkata



MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

OVERVIEW

We provide a broad and expanding range of knowledge process outsourcing services as well as publishing and related information technology services that help companies create and manage information more effectively and economically. Our solutions enable organizations to find new ways to transform inefficient business process, improve operations and reduce costs.

INDUSTRY STRUCTURE AND DEVELOPMENT

Changing economic and business conditions, rapid technological innovation, proliferation of the internet and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate.

Consumers of products and services are increasingly demanding accelerated delivery times and lower prices. To adequately address these needs, companies are focusing on their core competencies and are using outsourced technology service providers to help improve productivity, develop new products, conduct research and development activities, reduce business risk and manage operations more effectively.

The ability to design, develop, implement and maintain advanced technology platforms and solutions to address business and client needs has become a competitive advantage and a priority for corporation worldwide. Concurrently, the prevalence of multiple technology platforms and a greater emphasis on network security and redundancy have increased the complexity and cost of IT systems, and have resulted in greater technology-related risks. The need for more dynamic technology solutions and the increased complexity, cost and risk associated with these technology platforms has created a growing need for specialist with experience in leveraging technology to help improve efficiency and security.

BUSINESS OUTLOOK

Companies are increasingly turning to offshore technology service providers to meet their need for high quality, cost competitive technology solutions. As a result, offshore technology providers have become critical in the industry and continue to grow in recognition and sophistication. The effective use of offshore technology services offers a variety of benefits, including lower cost of ownership of IT infrastructure, lower labor costs, improved quality and innovation, faster delivery of technology solutions and more flexibility in scheduling.

India is recognized as the prominent destination for offshore for offshore technology services. According the Nasscom, the fiscal will be better for the domestic market, which is at an inflection point. The public spending on IT, e-governance projects and increased automation by local companies, particularly healthcare, retails and BFSI would speed up the growth rate to 15-17 per cent and revenue to Rs. 76100-77500 crore. After bouncing back

from the global slump, Indian IT and BPO exports are projected to grow 13-15 per cent in FY11 to 56-57 billion, the growth rate three times that of the current financial year.

This financial year, IT and BPO export revenues are expected to grow 5.5 per cent to \$49.7 billion, placing it almost at the \$50 billion milestone that the industry has been aspiring for since 2000. In FY10, the domestic market is expected to clock Rs. 66,200 crore in revenue, 12 per cent higher than proceeding year.

The growth is back and so are the IT spends. We see a positive outlook. In fact, the current financial year has been a defining year, and the industry did not waste the crisis but used it to its advantage in terms of increasing its cost efficiencies, utilization rates, diversification into new verticals (like healthcare, utilities), new services lines (Remote Infrastructure Management), newer markets and pricing models.

According to the Nasscom, the industry now accounts for 25 per cent of India's export; 10.5 per cent of services revenues. Where domestic market is concerned, BPO continues to be the fastest growing segment, while IT services is likely to grow by 12 per cent in FY10.

THE IKF OF TODAY

IKF's strong foundation is in its ability to understand technology and its investment of quality time in building customer and partner relationships over the period. IKF is today an organization that offers the full spectrum of information, office automation, technology products and services to its customers. IKF has been consistently ranked as market leader in India for various product categories both its own and those of its partner.

GLOBAL TRENDS

The nature of technology outsourcing is changing. Historically, corporations either outsourced their technology requirements entirely or on a standalone project-by-project basis. In an environment of rapid technological change, globalization and regulatory changes, the complete outsourcing model is often perceived to limit a company's operational flexibility and not fully deliver potential cost savings and efficiency benefits.

The market for IT outsourcing is expected to rebound a bit in 2010, as per market watcher. Global trends point towards a greater IT adoption in retail, healthcare, telecom and BFSI (the banking, financial services and insurance vertical) and 80 per cent of growth to come from new areas. With BPOs moving up the value chain to provide such high-end services as business analytics and knowledge-based services through a mix of re-engineering skills, technology-enabled platforms, new operating models, and increased depth of services, BPO exports are estimated to grow 6 percent to \$12.4 billion (over Rs. 57,000 crore)

Asia is witnessing a marked rise in IT spend. While Asia-Pacific constitutes about 10 percent share of the total global IT services market, IT spending is a precursor to IT and BPO outsourcing and Asia-pacific will attract increased competition, being the fastest growing geography with an estimated growth of 10 percent, as per Nasscom report.

OPPORTUNITIES & THREATS

We bring together our expertise in consulting, IT services and BPO to create solutions that allow our clients to increase their customer loyalty through faster innovation and delivery, to restructure their cost base, and help them achieve greater success through shifting business cycles. Our expertise helps our clients improve their own efficiencies; create better value for their end customers and to become more competitive. Our suite of comprehensive, end-to-end technology – based solutions enables us to offer services through our broad network of relationships, increase our dialog with key decision makers within each client, and increase the points of sale for new clients. As a result, we believe we are able to capture a greater share of our client’s technology budgets. Through our consulting agencies, we have enhanced our ability to provide strategic and competitive analysis and complex operational consulting services.

Our Strategy

We seek to further strengthen our position as a leading global technology service company by successfully differentiating our service offering and increasing the scale of our operations. To achieve these goals, we seek to :

Increase business from existing and new clients

Our goal is to build enduring relationship with both existing and new clients. With existing clients, we aim to expand the nature and scope of our engagements by increasing the size and number of projects and extending the breadth of our service offerings. For new clients, we seek to provide value-added solutions by leveraging our in-depth industry expertise and expanding the breadth of services offered to them beyond those in the initial engagement. In order to further improve our business generation capabilities, we have established a Strategic Group comprising senior professionals and seek to identify, source and manage new, large and long-term client engagements.

Expand our Global presence

We plan to accomplish this by establishing new sales and marketing offices, representative’s offices and global development centers to expand our geographical reach.

Continue to invest in infrastructure and employees

We intend to continue to invest in physical and technological infrastructure to support our growing worldwide development and sales operations and to increase our productivity. To enhance our ability to hire and successfully deploy increasingly greater numbers of technology professionals.

Continue to enhance our solution set

We seek to continually enhance our portfolio of solutions as a means of developing and growing our business. To differentiate our services, we focus on emerging trends, new technologies, specific industries, etc. that confront our clients. In recent years, we have added new service offerings such as made JV with Wappmerr for disaster management, e-Shiksha, consulting, business process management.

Competition

We operate in a highly competitive and rapidly changing market and compete with :

- x IT outsourcing firms such as AEGIS, HCL, Genpact, etc.
- x e-Learning services such as Educomp, Glixer, etc.
- x Business process outsourcing firms such as Genpact Limited and WNS Global Services ;

Outlook, risks and concerns

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors.

The following lists our outlook, risk and concern:

- Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline.
- The economic environment, pricing pressure and decreased utilization rates could negatively impact our revenues and operating results.
- Any inability to manage our growth could disrupt our business and reduce our profitability.
- We may face difficulties in providing end-to-end business solutions for our clients, which could lead to clients discontinuing their work with us, which in turn could harm our business.
- Intense competition in the market for technology services could affect our cost advantages, which could reduce our share of business from clients could decrease our revenues.
- Our success depends largely upon our highly skilled technology professionals and our ability to hire, attract and retain these personnel.
- Disruptions in telecommunication, system failures, or virus attacks could harm our ability to execute our project, which could result in client dissatisfaction and a reduction of our revenues.
- We may engage in acquisitions, strategic investments, strategic alliances or partnerships or other ventures that may or may not be successful.



Internal control systems and their adequacy

The CEO and CFO certification provided in the CEO and CFO certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

Material developments in human resources/ industries relations front, including number of people employed

Our culture and reputation as a leader in the technology services industry enables us to recruit and retain some of the best available talent in India.

Human Capital

Our professionals are our most important assets. We believe that the quality and level of service that our professionals deliver are among the highest in the global technology services industry. The key elements that define our culture include :

Recruitment

We have built our global talent pool by recruiting new students from premier universities, colleges and institutes in India and through need based hiring of project leaders and middle managers. We typically recruit only students in India who have consistently shown high levels of achievement.

Training and development

Our training, continuing education and career development programs are designed to ensure our technology professionals enhance their skill-sets in alignment with their respective roles. We continually provide our technology professionals with challenging assignments and exposure to new skills, technologies and global opportunities.

Remuneration

Our technology professional receive competitive salaries and benefits. We have also adopted a performance-linked compensation program that links incentive program that links compensation to individual performance, as well as our performance.

SEGMENTWISE PERFORMANCE

A. Telecom Division

International Scenario

The number of fixed broadband subscribers will rise to 501 million at the end of 2014, off those, about 106 million will subscribe to services delivered via fiber. Fiber broadband subscribers totaled 44 million at the end of 2009.

The number of fixed broadband subscribers totaled more than 422 million at the end of 2009, a 9% increase from 2008. As per industry analyst Serene Fong notes that, "Broadband penetration continues to increase since more service providers are

offering triple-play services and driving down access prices."

Among the three broadband technologies, 65% of worldwide fixed broadband consumers subscribe to DSL, 25% to cable and 11% to fiber broadband services. The number of fiber broadband subscribers is increasing fastest, showing a compound annual growth rate of 20% from 2008 to 2014.

"File sharing, music downloads, IPTV, online gaming and video conferencing are all acting to increase the user demand for high speed Internet. The number of fiber broadband subscribers is increasing with growing popularity of these services.

The Asia-Pacific region has the highest fiber broadband penetration, followed by North America. Asia-Pacific represents nearly 84% of worldwide fiber broadband subscribers. South Korea and Japan have the highest fiber broadband penetration.

Indian Scenario

Despite positive trend in India for Internet Access, India's move has not been praise worthy. High speed broadband penetration has been noticeably low in comparison to other major countries in Asia and rest of the world.

According to India's telecoms regulator, the Telecom Regulatory Authority of India (TRAI), the country had 12.85mn internet subscribers at the end of 2008. Although this is equivalent to just 1.1% of the country's population, TRAI reported that the number of subscribers grew by 24% during the year. Although the number of Broadband subscribers grew by 76.5% in 2008, they still only accounted for 0.5% of the country's population at the end of the year.

TRAI look forward to an annual average growth rate of 66% will help raise the penetration rate to 5.5% by 2013.

Alternative broadband infrastructures such as WiMAX will play a key role in driving the growth of the market. It is predicted that WiMAX will become the main platform for delivering internet connectivity in rural India, especially given the inadequate state of the country's fixed-line infrastructure.

Overview

IKF with its foray into Broadband Internet services from the year 2008 focusing into most competitive market of Internet services in India. IKF is holding class "A" ISP license from Department of Telecommunication, Government of India, which enables the company to spread its operation on PAN INDIA basis. Currently, IKF technologies Ltd has

Internet service presence in West Bengal, Sikkim, Bihar, Jharkand, Madhya Pradesh, Uttar Pradesh, Haryana, Himachal Pradesh, Delhi, Mumbai and other parts of Maharashtra. In the year 2010 IKF will penetrate to major towns and cities of India with its Internet Services. Telecom division of IKF Technologies Ltd is envisaging a growth rate of about 30-35% in the year 2010-2011.

Expansion & Achievements

IKF has entered into tie ups with major bandwidth carriers and infrastructure providers like Tata communications, Reliance Broadband, Bharti Airtel. IKF's broadband Internet Service has a large participation in International call centers, Corporate, small & medium Enterprise clients, strategic Alliance partners, retail SOHO, and residential clients. Telecom Division has achieved best level of standard by providing 24x7 support from its world class NOC situated at Noida. Negotiations are underway with Indian Navy, Railtel & other defense establishments for major project deals.

B. e-Learning

E-learning for kids is a unique one of its kind project being planned by IKF Technologies Limited, it becomes more unique as the company is willing to take up it for rural kids. At the same time it offers an opportunity to something big and unique which can give the company brand value which may be acclaimed internationally.

The Context

- The education system in India is highly skewed
- It favours urban children, literacy rates among urban children are higher
- If favours males, percentage of males enrolled in primary and secondary school are consistently higher than females
- There is clear evidence that education has an impact on lives and livelihoods
- Literacy and mainutrition are inversely related, literacy and incomes are positively related
- In India, about million children are out of school, mainly in rural areas
- It's time to take education to rural areas, at scale and with impact

Why Pre-School

- Pre-school centres target children in two groups i.e. upto 3 years and 3-5 years
- Major growth of children is in first 6 years
- Child moving to pre-school centres would leave spare time for parents to do other activities
- A step towards bridging the gap between rural and urban children
- May provide an improved platform to rural children

The Offer

- Connectivity and customised content for rural children, that is the essence of what IKF offers
- Connectivity, most panchayats are now connected, mainly SWAN also LAN, WAN
- But connectivity is being used mainly for book keeping, land and revenue data
- Huge windows of opportunity, use connectivity to deliver education to rural areas
- Focus on under's supplement formal education system by preparing children and stimulating brain development
- Customise content, edutainment, format following documented success of approaches such as "Sesame Street"

C. e-Governance

"Successful e-governance can improve the effectiveness of the government and its public services,"

E-Governance is creating a comfortable, transparent, and cheap interaction between government and citizens (G2C – government to citizens), government and business enterprises (G2B –government to business enterprises) and relationship between governments (G2G – inter-agency relationship).

As citizen's expectations from government have increased the pressure on government to improve public services has also increased. With access to more information than ever before, people are becoming more knowledgeable, more vocal about their needs and more sophisticated in their expectations of how government should meet those needs. Budgets are either static or shrinking citizen expectations and demands for services continue to grow.

Over the last decade, public service organizations around the world have invested heavily in technologies to improve service delivery and realize cost efficiencies. Collectively known as "e-governance," these initiatives were designed to meet a range of organizational challenges – such as improving public access to information and service through online channels; sharing data within and across organizations; improving the efficiency of business processes; and managing organizational performance.

The new e-governance strategies enable government and citizens to engage and partner with each other and other stakeholders. In doing so, they are leveraging new technologies and modifying conventional service provision in innovative ways to create public value. It is a development that is gaining momentum as citizens respond positively to the new information.



e-Governance Examples World Wide	
<i>Dubai</i>	<i>E-Complain System</i>
<i>Singapur</i>	<i>Reaching Everyone for active citizenry@ Home (Reach)</i>
<i>Australia</i>	<i>Austrlian Tax office change Program</i>
<i>Canada</i>	<i>GCPedia</i>
<i>Finland</i>	<i>Finnish Immigration Service</i>
<i>Italy</i>	<i>Linea Amica & Magellno</i>
<i>U.S.</i>	<i>Govloop & FEMA Risk Map</i>
<i>Malashiya</i>	<i>MySmS</i>
<i>Norvey</i>	<i>NAV Elearning</i>

Origins in India

e-Governance originated in India during the seventies with a focus on in- house government applications in the areas of defence, economic monitoring, planning and the deployment of ICT (Information & Communication Technology) to manage data intensive functions related to elections, census, tax administration etc. From the early nineties, e-governance has seen the use of IT for wider sectoral applications with policy emphasis on reaching out to rural areas and taking in greater inputs from NGOs and private sector as well. There has been an increasing involvement of international donor agencies such as DfID, G-8, UNDP, WB under the framework of e-governance for development.

While the emphasis has been primarily on automation and computerization, state endeavours to use IT include forays into connectivity, networking, setting up systems for processing information and delivering services. At a micro level, this has ranged from IT automation in individual departments, electronic file handling, access to entitlements, public grievance systems, service delivery for high volume routine transactions such as payment of bills, tax dues to meeting poverty alleviation goals through the promotion of entrepreneurial models and provision of market information.

The e-Governance market: The Economic Times recently reported that the government in India is emerging as the fourth largest vertical spender on information technology after the telecom, manufacturing and banking and finance industries. According to Gartner India's ICT market is estimated to grow at a five-year compound annual growth rate (CAGR) of 20.3% to reach \$24.3 billion, or nearly 2% of the country's gross domestic product (GDP), by 2011.

Though e-governance is still in its infancy, over 20 states/ union territories already have an IT policy in place. In terms of basic computerization, police departments, treasury, land records, irrigation and justice are seen as having the maximum potential.

Nasscom estimates that in the next five years, state governments in India will spend close to Rs. 15,000 crores on computerising their operations. The pressure to be IT-savvy is not only to keep with times, but comes from more pragmatic dimensions.

For governments, the more overt motivation to shift from manual processes to IT-enabled processes may be increased efficiency in administration and service delivery, but this shift can be conceived as a worthwhile investment with potential for returns.

Some e-Governance Initiatives in India

State/Union Territory	<i>Initiatives covering departmental automation, user charge collection, delivery of policy/programme information and delivery of entitlements</i>
Andhra Pradesh	<i>e-Seva, CARD, VOICE, MPHS, FAST, e-Cops, AP online—One-stop-shop on the Internet, Saukaryam, Online Transaction processing</i>
Bihar	<i>Sales Tax Administration Management Information</i>
Chhattisgarh	<i>Chhattisgarh Infotech Promotion Society, Treasury office, e-linking project</i>
Delhi	<i>Automatic Vehicle Tracking System, Computerisation of website of RCS office, Electronic Clearance System, Management Information System for Education etc</i>
Goa	<i>Dharani Project</i>
Gujarat	<i>Mahiti Shakti, request for Government documents online, Form book online, G R book online, census online, tender notice.</i>
Haryana	<i>Nai Disha</i>
Himachal Pradesh	<i>Lok Mitra</i>
Karnataka	<i>Bhoomi, Khajane, Kaveri</i>
Kerala	<i>e-Srinkhala, RDNet, Fast, Reliable, Instant, Efficient Network for the Disbursement of Services (FRIENDS)</i>
Madhya Pradesh	<i>Gyandoot, Gram Sampark, Smart Card in Transport Department, Computerization MP State Agricultural Marketing Board (Mandi Board) etc</i>
Maharashtra	<i>SETU, Online Complaint Management System—Mumbai</i>
Rajasthan	Jan Mitra, RajSWIFT, Lokmitra, RajNIDHI
Tamil Nadu	<i>Rasi Maiyams—Kanchipuram; Application forms related to public utility, tender notices and display</i>
North-Eastern States	
Arunachal Pradesh,	<i>Community Information Center. Forms available on</i>
Manipur, Meghalaya,	<i>the Meghalaya website under schemes related to</i>
Mizoram & Nagaland	<i>social welfare, food civil supplies and consumer affairs, housing transport etc.</i>

Our Company Services

R2R Seva is one of the few organizations in India with exclusive focus on E-governance since 2005. Within five years of its foray into the E-governance space, IKF has reached in 15 district of Rajasthan with the Brand Name of R2R Seva.

What makes IKF stand out is its exceptional track record of successful project implementation, sustenance over extended duration and delivering Return-on-Investment for all the Stakeholders.

In fact, IKF is one of the few companies in India who are providing service basket through more departmental and private sector services through its various proven and

sustained E-gov solutions. This journey of IKF is populated by several Milestones signifying growth of IKF in this very challenging and tough market segment.

Equipped with necessary quality certifications and a large team of competent e-Gov. professionals, IKF has devised several “Outcome” based E-governance solutions / strategies. These are useful for customers in India and even Commonwealth countries. Providing tangible improvements in service to our stakeholders of E-governance viz. Citizens/Consumers and the Government employees has been the core of our solution strategies. IKF solutions for G2C/G2B/G2G services have been adopted by progressive states and large



organisations in India in domains like Citizen Services Delivery, Municipal Corporations, Water and Electricity Distribution companies.

Some of our strengths that make a distinction between us and many big or small IT companies operating in Indian market can be summarized as:

- k Use real time, internet & batch processing models
- k Provide hassle free one stop solution to the citizens.
- k Deep understanding of the focus Domains and functioning of Govt in general
- k Proven strategies/solutions for ensuring sustenance after E-Mitra And Jan Mitra E-Gov project.
- k Public private partnership model for front offices
- k To provide employment to educated youth

Our recent business focus is on niche domains like providing e-Governance solutions to Municipal Bodies (G2B & G2C); CRM solution for Electricity Distribution Companies (G2C) and Automation of Billing, Accounting and Collection for Water Distribution Authorities (G2B,G2C). We have developed the exclusive skill required for providing Subject Matter Expertise required for SAP implementation in large Govt. organisations. This practice also includes services for enabling 'Change Management' during and after "Lok Mitra" of the SAP implementation. This skill is found to be critical for e-Gov clients for sustaining the investment in e-Gov projects. This skill coupled with IKF's overall E-gov expertise is unique in the industry.

We are providing e-Mitra services in 15 districts of Rajasthan through web based latest technology. We have appointed more than 150 kiosks in different districts that provide single window services to citizens under one roof. All kiosks are connects via broadband with districts.

We have Head office in Jaipur to monitor all districts services. We are on the verge of covering all the 33 districts of Rajasthan very soon.

Various citizens-centric services of Rajasthan Government departments are being made available in integrated form through service and information delivery points called e-Mitra centers.

Our consultants are honed not only in technical skills but also in communication, client interaction skills, documentation and user training.

Future Outlook

Countries recognize that e-governance has become a unique and powerful tool for governments. It has contributed to making public administration significantly more efficient and effective. It has, in its own right, forced governments into rethinking organisations, responsibilities, business processes, and collaborative and co-operative arrangements within and across levels of government – and also forced governments to take a whole-of-public-sector view of their service provision to

citizens and businesses. IKF has achieved credible success in its niche domains and focus states in India. Encouraged by the increasing focus of Indian states on achieving E-governance and by the positive response to our solutions and strategies, we have now plans in place to explore the ever increasing market for E-governance in many other Indian States and commonwealth countries.

BPO-DIVISION

As per estimate Indian IT/ITES sector will go beyond \$110 billion by 2013 – interestingly enough this figure is higher than the one for exports. Adding to that, the domestic BPO business is growing at double digit rates, vendors in India have observed the tremendous opportunity and adjusted their business models to fit the current market scenario.

According to Nasscom study, the Indian BPO sector's growth and heightened maturity is revealed across several dimensions. In just ten years, the sector has capped almost \$11 billion in export revenue, accounting for more than 35% of total business, and provides jobs for more than 700,000 workers.

However, there is a slight decrease in the cost advantage of conducting business in India. This is defrayed by a reliable business environment, and a better talent pool. Apart from that, India maintains a high level of vendor maturity and infrastructure. This might not be easily available in emerging markets. In addition, technical support, strong process engineering, and back-office outsourcing capacity are strengths for India that may be missing in other geographies.

The business process outsourcing (BPO) market in India is estimated to grow 25% in 2010 and a bit lower at 19% in 2013, according to the Research firm Gartner.

The research further provides insight that the domestic BPO services market grew by 7.3% in 2009 on the back of global economic crisis, especially, the developed markets of U.S. and other western economies which largely outsource its business related operations from low-cost Indian BPO industry.

Though the margins have relatively dropped from the pre-crisis period, the recent revival in the world outsourcing market is a sign that the Indian BPO industry is poised for broad based growth across industry and service lines.

The global outsourcing industry, on the back of global recovery since last one year, will move on to reaffirm India's leadership position as the primary outsourcing location for business process related services. The global technology spending forecasts remain strong, supported by a spurt in recovery in emerging markets including the Asia Pacific countries.

Indian ITES-BPO Industry : Background

Offshoring to India has three advantages - significant cost savings, major productivity gains and dramatic improvements in quality

The primary driver of cost savings is labour cost arbitrage. The differential in wages between the parent location in the US or UK and India is more than 70- 80 percent for offshorable processes. However, interaction costs increase by 10-20 percent because India is a remote location, resulting in net savings of 40- 60 percent for the offshored processes

- Significant potential exists for cost savings through offshoring across industry verticals. Hence, customer interest in offshoring will not be limited to just a few verticals, but be much more widespread. Insurance and retail banking generate the bulk of savings because of the high proportion of processes that they can offshore. As a result, companies in these two verticals are taking the lead in sourcing ITES from India and rapidly growing in scale.
- Offshoring opportunities vary from standardized corporate center activities such as accounting, payroll, etc. to more niche and vertical specific opportunities such as clinical trials support for pharmaceutical companies, claims processing for the insurance sector, account opening support for the banking sector, etc
- The ITES industry in India attracts people who are more skilled and qualified than those who work for BUs or shared services centres in the parent location. Further, the

GLOBAL SOURCING TRENDS IN 2010-11 :

Worldwide technology products and related services sector spending are estimated to have grown at 8.2 per cent to nearly reach USD 1.9 trillion in 2010-11. IT-BPO services, growing at an above-sector-average rate of nearly 8 per cent, remain the largest category, accounting for an increasing share of the worldwide technology sector revenue aggregate. Outsourcing continues to be the primary growth driver, sustained by gradual shifts in regional spending patterns – with increasing traction in Europe and Asia Pacific, offsetting a marginal decline in share of the America. Underlying this steady growth in service spending is the increasing adoption and continued evolution of the global sourcing supply-chain. Global sourcing of technology related services is estimated to have grown by about 30 per cent to reach USD 70-76 billion in 2007-08. Increasing emphasis on innovation-led growth added to the secular trend in technology related spending, with IT enablement. Global delivery now being recognized as complementary means of effectively increasing productivity, reducing time-to-market and thereby increasing the returns on innovation investment.

Critical Success Factors in the ITES-BPO Business are :

The key sub-segments in the Indian ITES-BPO industry are :

- **Customer care** : including database marketing, customer analytics, telesales/telemarketing, inbound call center, web sales and marketing, sales and marketing administration
- **Finance** : including billing services, accounting transactions, tax consulting and compliance, risk management, financial reporting, financial analysis
- **Human Resources** : including benefits administration, education and training, recruiting and staffing, payroll services, hiring administration, records management
- **Payment services** : credit/debit card services, cheque processing, transaction processing
- **Administration** : including tax processing, claims processing, asset management, document management, transcription and translation
- **Content development** : including engineering, design, animation, network consultancy and management, biotech research.

Gartner estimates the Indian BPO industry to grow into a \$1.2 billion market by 2011 and \$1.8 billion by 2013. The research firm says that there is a growing demand for multi-country shared services and BPO services within Asia Pacific.

More so, after witnessing the sharp recession in the Banking, Financial Services and Insurance (BFSI) space, the BPO industry have diversified their operation to other emerging sectors like Retail, Telecom, Healthcare, and Media among other fields to ensure continuity of operations without any recessionary hiccups.

E. BIO-FUEL DIVISION

Bio fuels are going to play an extremely important role in meeting India's energy needs. The country's energy demand is expected to grow at an annual rate of 4.8 per cent over the next couple of decades. Most of the energy requirements are currently satisfied by fossil fuels – coal, petroleum-based products and natural gas. Domestic production of crude oil can only fulfill 25-30 per cent of national consumption.

Biodiesel which can be manufactured by the transesterification of vegetable oil can be blended with diesel to reduce the consumption of diesel from petroleum. Ethanol and biodiesel are gaining acceptance worldwide as good substitutes for oil in the transportation sector.

Biodiesel production is rapidly growing in Europe and the United States. Current estimates show production of 2.2 Mt/year in Europe, with Germany (1.1Mt/year), France (0.5Mt/year) and Italy (0.4Mt/year) being the leading producers. The European Union mandated that its members derive at least 2 per cent of their fuel consumption from biofuels by 2005 and 5.75 per cent by 2010. Biodiesel production is about 245,000 t/year in the United States.

The Government of India has developed an ambitious National Biodiesel Mission to meet 20 per cent of the country's diesel requirements by 2009-2017. Since the demand for edible vegetable oil exceeds supply, the Government decided to use non-edible oil like *Jatropha Curcas* oilseeds, karanja seeds, etc as biodiesel feedstock. Extensive research has shown that *Jatropha Curcas* offers the following advantages: it requires low water and fertilizer for cultivation, not browsed by cattle or sheep, pest resistant, easy propagation, high seed yield and ability to produce high protein manure. The National Biodiesel Mission will be implemented in two stages : 1) a demonstration project carried out between 2003-2007, which will cultivate 400,000 hectares of land and yield about 3.75 tons oilseed per hectare annually. The expected annual biodiesel production from the project is 1.2 t/ha/year for a total of 480,000 tons per annum. The Government will build a transesterification

plant with a biodiesel production capacity of 80,000 t/year as part of the demonstration project; and 2) a commercialization period from 2007-2012 will continue *Jatropha* cultivation and install more transesterification plants which will position India to meet 20 per cent of its diesel needs through biodiesel.

An economic analysis indicates that ethanol from sugarcane and biodiesel from *Jatropha Curcas* can be manufactured at under Rs. 25/litre (\$0.47/litre at an exchange rate of Rs 45/\$). Current production cost of petrol and diesel from crude is \$0.46/litre, and with crude oil prices on an upward swing, the production costs of ethanol and biodiesel compare favourably with those of petrol and diesel.

The following table shows the projected demand for petrol and diesel and the amount of ethanol and biodiesel required for 5, 10, and 20 per cent blending.

Year	Petrol demand Mt	Ethanol blending requirement (in metric tons)			Diesel demand Mt	Biodiesel blending requirement (in metric tons)		
		@ 5 percent	@ 10 percent	@ 20 percent		@ 5 percent	@ 10 percent	@ 20 percent
2006-2007	10.07	0.50	1.01	2.01	52.32	2.62	5.23	10.46
2011-2010	12.85	0.64	1.29	2.57	66.91	3.35	6.69	13.38
2016-2017	16.40	0.82	1.64	3.28	83.58	4.18	8.36	16.72

The above demands are based on estimated growth rates of 7.3 and 5.6 per cent for petrol and diesel, respectively, in the 10th plan (2001-2002 to 2006-2007), 5.0 and 5.0 per cent in the 11th plan (2006-2007 to 2011-2012) and 5.0 and 4.5 per cent in the 12th plan (2011-2012 to 2016-2017).

Biofuels offer a number of environmental, social, and economic advantages, including lower emissions of harmful pollutants; decreased greenhouse gas emissions; increased employment; increased energy security, especially in rural areas; decreased dependence on oil imports; and good fuel properties for vehicles.

In the biodiesel sector, India has taken the initial steps toward commercial production. The work accomplished so far includes developing high-yielding varieties of *Jatropha*, initiating *Jatropha* nurseries, setting up pilot-plants for biodiesel manufacture and testing biodiesel in public transport locomotives and buses. Phase I of the National Biodiesel Mission seeks to demonstrate the viability of all aspects of successful biodiesel manufacturing enterprise. The amount of land available for *Jatropha* cultivation is estimated at 13.4 million hectares, which could potentially yield 15 Mt/year of *Jatropha* oil. New infrastructure for seed collection, oil extraction, transesterification, biodiesel storage, blending with diesel and marketing is needed. But more importantly, large-scale cultivation of *Jatropha* must be established before biodiesel production can meet even a 5 per cent blending requirement nationally.

The lack of assured supplies of vegetable oil feedstock has stymied efforts by the private sector to set up biodiesel plants in India. So far only two firms, Naturol Bioenergy Limited (NBL) and Southern Online Biotechnologies, have embarked on biodiesel projects, both in the southern state of Andhra Pradesh. Naturol Bioenergy, a partnership between the Austrian biodiesel firm Energea Gmbh and the investment firm Fe Clean Energy, plans to install a 300 ton/day (90,000 t/year) biodiesel plant. The State Government allocated 120,000 hectares of land for *Jatropha* cultivation to the firm but cultivation has not yet begun. The farmers are demanding that the market set the oilseed price, but Naturol wants the government to fix a price to reduce its risks in production. Southern Online Biotechnologies has a 30 ton/day (9,000 t/year) project, which would require about 9,500 t/year of oil. It expects to get about 6,000 t/year through cultivation of *Jatropha* and *Pongamia Pinnata* oilseeds on wastelands, and plans to make up the balance through animal fats.

Because difficulties procuring oilseeds and lack of developed infrastructure may obstruct substantial biodiesel production by 2011-2012, importing biodiesel may become necessary, especially if the price of crude oil continues to rise. Europe and the United States are rapidly increasing production, but their biodiesel is mainly earmarked for domestic consumption. India's biodiesel imports would probably come from developing countries.

The biodiesel industry in India

The centrepiece of India's plans for biodiesel development and commercialization is the National Biodiesel Mission, formulated by the Planning Commission of the Government of India. The implementation of the project consists of two phases. In Phase I a demonstration project that will be carried out between 2003-2007. The project involves the development of Jatropha oilseed nurseries, the cultivation of 400,000 hectares with Jatropha, the setting up of seed collection and Jatropha oil expression centres, and the installation of a 80,000 Mt/year transesterification to produce biodiesel from Jatropha oil. Phase II will consist of a self sustaining expansion of the programme leading to the production of biodiesel to meet 20 per cent of the country's diesel requirements by 2011-12.

Advantages of using Jatropha Curcas

- The oil yield per hectare for Jatropha is among the highest for tree-borne oil seeds. The seed production ranges from about 0.4 tons per hectare per year to over 12 t/ha. There are reports of oil yields as high as 50 per cent from the seed. Typically, the seed production would be 3.75 t/ha, with an oil yield of 30-35 per cent, giving a net oil yield of about 1.2 t/ha.
- It can be grown in areas of low rainfall (200 mm per year), on low fertility, marginal, degraded, fallow and waste lands. Canals, roads railway tracks, borders of farmers' fields as a boundary fence/hedge in arid areas and even alkaline soils are appropriate for the crop.
- Jatropha is easily established in nurseries, grows relatively quickly and is hardy.
- Jatropha seeds are easy to collect as they are ready to be plucked before the rainy season and as the plants are not very tall.
- Jatropha is not browsed by animals.
- Being rich in nitrogen, the seed cake is an excellent source of plant nutrients.

National biodiesel mission – Phase 2 (2007-2012)

Phase II of the National Mission will aim to produce sufficient vegetable oil-based biodiesel to achieve 20 per cent blending. It plans to accomplish this through accelerating the momentum achieved in the demonstration project, converting plantation into a mass

movement all over the country. It will begin in 2007 and completed during the XI Plan (2007-2012). The success of the demonstration project is expected to galvanize all the stakeholders and participants to mobilize resources with the government as facilitator.

Biodiesel development in India

The following is an overview of the work being carried out on biodiesel development in India : 26

- Development of high oil-yielding varieties of Jatropha by the Department of Biotechnology, the Aditya Biotech Research Centre (Raipur), the Indira Gandhi Agriculture University (Raipur) and the Bhabha Atomic Research Centre (Trombay).
 - Plantation of Jatropha and Pongamia Pinnata (Karanja) by :
 - The National Afforestation and Eco-development Board (NAEB) under the guidance of the Ministry of Environment and Forests;
 - The National Oilseed and Vegetable Oil Development (NOVOD) Board under the guidance of the Ministry of Agriculture;
 - The Central Salt and Marine Chemicals Research Institute (Bhavnagar);
- 26 Mandal, R. (2004).
- A number of NGOs such as Uthan (Allahabad), Sutra (Karnataka); the Institute of Agriculture and Environment (Jind, Haryana); the Bharatiya Agro Industries Foundation (BAIF) Development (Pune, Maharashtra); Pan Horti Consultants (Coimbatore); Classic Jatropha Oil (Coimbatore); and Renulakshmi Agro Industries (Coimbatore), etc.
 - Pilot plants on transesterification set up by Indian Oil Corporation (R&D), Faridabad; the Indian Institute of Technology (IIT), Delhi; the Punjab Agricultural University (PAU), Ludhiana; the Indian Institute of Chemicals Technology (IICT), Hyderabad; the Indian Institute of Petroleum (IIP), Dehradun; the Indian Institute of Science (IIS), Bangalore; and Southern Railways, Chennai.
 - Trial runs on variety of transport modes using 5 per cent biodiesel blends, including:
 - Railways (a locomotive used biodiesel on a regularly scheduled train ride – the Shatabdi Express – from Amritsar to Delhi on 31 December 2002);
 - Tractors tested by Mahindra & Mahindra Co.;
 - Mercedes cars tested on Daimler Chrysler;
 - Public transport buses tested by Haryana Roadways and Bombay Electric Supply and Transport (BEST); and
 - In addition, trial marketing of 5 per cent diesel blends through some retail outlets is being conducted by the oil company Bharat Petroleum Corporation Limited (BPCL).
 - Draft biodiesel policies are already being framed by the State Governments of Andhra Pradesh, Tamil Nadu, Chattisgarh and Uttar Pradesh.
 - Awareness-raising seminars/conferences organized by NGOs and business groups such as Winrock International India; the Confederation of Indian Industries (CII); Uthan, Centre for Bharatiya Marketing Development (CBMD); and the Panchatva Garima Foundation.



Year	2005	2006	2007	2008	2009	2010	2011
Emission Reduction, (ton CO _{2eq})	20 842	26 792	26 792	26 792	26 792	26 792	26 792

Biodiesel will play an extremely important role in meeting India's energy needs. The current manufacturing cost of ethanol and biodiesel in India is about Rs. 21/litre (\$0.46/litre), about the same as petrol and diesel. This puts biofuels in a favourable position, especially as the cost of petroleum is expected to continue its upward trend. Biofuels offer several significant benefits including:

- H Reduced emission of pollutants such as carbon monoxide, unburnt hydrocarbons, particulate matter, polycyclic aromatic hydrocarbons (PAH) and nitrated PAH. Biofuels contain virtually no sulphur.
- H Reduced emission of the greenhouse gas carbon dioxide, which contributes to global warming. For every ton of petrol or diesel substituted by ethanol or biodiesel, the net emitted carbon dioxide is reduced by about 3 tons.
- H Increased employment \$11,000 invested in the ethanol industry produces a job, as compared to \$220,000 in the petroleum industry. By 2007, the first phase of the National Biodiesel Mission will generate an estimated 127.6 million person days to plant, 36.8 million person days to collect seeds and 3,680 person years for running the seed collection and oil-extraction centres.
- H Energy security and decreased dependence on oil imports by diversifying energy supply.
- H Improved social well-being. A large part of India's population, mostly in rural areas, does not have access to energy services. The enhanced use of biofuels in rural areas is closely linked to poverty reduction as greater access to energy services can:
 - J improve access to pumped drinking water;
 - J reduce the time spent by women and children on basic survival activities (gathering firewood, fetching water, cooking, etc);
 - J allow lighting for increased security and the night time use of educational media in school and home study; and
 - J reduce indoor pollution caused by firewood use, together with a reduction in deforestation.
- H Increased nutrients to the soil and decreased soil erosion and land degradation resulting from the cultivation of biofuel feedstock crops.
- H Good fuel properties. The octane number of ethanol is 120, much higher than that of petrol, which is between 87 and 98. The cetane number of biodiesel is at least 51.

Ethanol is produced in India by the fermentation of molasses, which is a by-product of sugar manufacturing. Currently, India and Brazil are the world's largest sugar producers, each at about 21 million tons a year. India has 4.36 million hectares of land under sugarcane cultivation, with a cane output of about 310 million tons per year. The normal annual ethanol output is 1,900 million litres and the distillation capacity is 2,900 million litres per year. India is the fourth largest ethanol producer after Brazil, the United States and China. India's petrol demand is expected to be 10.07 million tons in 2006-2007, rising to 12.85 million tons in 2011-2012. At 5 per cent ethanol in petrol, the demand for ethanol blending would be 640 million litres in 2006-2007 and 810 million litres in 2011-2012. This demand may potentially be satisfied with current capacity after meeting the requirements for potable alcohol and ethanol needed in chemicals manufacture. The Government of India made 5 per cent ethanol blending in petrol mandatory in nine sugarcane growing states, effective 1 January 2003.

India is not as efficient an ethanol producer compared to Brazil and the United States. For instance, the cost of ethanol production in Brazil is \$0.20-\$0.30/litre, substantially less than the \$0.40/litre in India. Sugarcane yield can be improved by incorporating more efficient agricultural practices like inter-cropping with other crops, biopest control, use of biofertilizer, integrated weed management and the deployment of mechanized farming. The use of energy-efficient ethanol dehydration methods like pressure-swing adsorption and membrane separation can also reduce production costs.

The work done up to now in biodiesel development includes:

development of high oil- yielding varieties of Jatropha; plantation of Jatropha by government-sponsored agencies; setting up of pilot plants on transesterification; successful trial runs on locomotives and road vehicles using 5 per cent biodiesel blend; and organizing seminars to expand awareness of the biodiesel programme.

So far no commercial transesterification plants have been installed. However two plant projects have secured financial backing and are on their way to implementation. Naturo Bioenergy Limited, a joint venture between Energea GmbH and Fe Clean Energy, plans to set up a 300 t/day (90,000 t/year) biodiesel plant near Kakinada, Andhra Pradesh. Southern Online Biotechnologies is setting up a 30 t/day plant also in Andhra Pradesh. Both plants are expected to come onstream in 2006.

Biodiesel Industry Growth Rate**PRODUCTION**

Diesel consumption in India is estimated at 66.91 million tons in 2011-2012. Given this figure, the biodiesel required for 20 per cent blending would be 13.38 million tons. Obtaining biodiesel in this amount is quite a daunting task and involves about 14 million hectares of land under Jatropha cultivation. To put it in perspective, the land currently under sugarcane cultivation is 4.36 million hectares. India may have to import biodiesel or vegetable oil feedstock or even oilseeds.

In conclusion, the biofuels industry is poised to make important contributions to meeting India's energy needs by supplying clean domestic fuel. The ethanol industry is mature, but with efficiency improvements, the use of alternate crops and the deployment of new technologies like enzymatic fermentation of cellulosic material, it can easily supply the ethanol requirements for 5 per cent or even 10 per cent ethanol blending. As for biodiesel, R&D work on high oil-yielding Jatropha seeds is complete and pilot projects for plantations and transesterification plants are under way. The industry is in the incubation stage, but large-scale Jatropha cultivation and the infrastructure for oilseed collection and oil extraction must be established before the industry can be placed on a rapid-growth track. In the meantime imports could help, as could income generated from the sale of certified emission reductions from biodiesel projects approved by the CDM executive board.

Our Company

We have been growing with a rapid pace to accomplish our mission of becoming a leading biodiesel company in the country. We have invented our own production processes through which we are manufacturing world class **Biodiesel Fuels, and Essential Fatty Acids**. Our

production processes are economically cheap and environment friendly.

Our **Biodiesel Fuels, and Essential Fatty Acids** are manufactured in stringent production processes and passed through rigorous quality checks to ensure that the final product meets all prescribed quality standards. For making our products cost effective and to satisfy bulk requirements we have adopted a streamline production process.

The exceedingly fascinating range of our value intensified products includes:

x **Biodiesel Fuels**

x **Fatty Acids**

We are planning to spread our horizons all over the globe, for that we are going to establish an advanced quality control laboratory. This laboratory will help us maintain quality of our value added **Biodiesel Fuels, and Essential Fatty Acids**. In this short span of time, we have set various benchmarks for our competitors in providing best quality Biodiesel Fuels, and Essential Fatty Acids. Apart from this, our endeavor has been to build and maintain ever lasting healthy relationship with our honored clients.

We are also taking initiative for using alternative raw materials for the production of bio diesel, Due to scarcity of jatropha seeds, we are opened various collection centre in different part of India for getting various seeds for the purpose of Production of Bio diesel. We are also in process for expanding the plant in various part of India.

As far as the plantation of Jatropha is concerned, our Madhya Pradesh project has completed the plantation in more than 5000 Ha. We are also expanding our foot in the Himachal Pradesh , Gujarat, Orissa for jatropha plantation.

Code of business Conduct and Ethics for directors and management Personnel

In compliance with Clause 49 of the Listing Agreement, the Company has adopted a Code of Ethics for Principal Executives and Senior Financial Officers. This Code is applicable to all the members of the Board, the executive council and senior financial officers. This Code is in addition to the Company's Code of Business conduct, applicable to all the employees of the Company.

A copy of the said Code of Ethics for Principal Executives and Senior officials and the Code of Business Conduct is available on our website www.ikf-technologies.com

All the members of the Board and the executive council and senior financial officers have affirmed compliance to the Code of Ethics for Principal Executives and Senior financial Officers and the Code of Business Conduct, as at March, 31, 2010. A declaration to this effect signed by the Executive Director and the CFO is provided in the CEO/CFO certification section of the Annual Report.

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 : 10th day of May '2010

Place : Kolkata

Director



REPORT ON CORPORATE GOVERNANCE

MANDATORY REQUIREMENTS :

Corporate Governance is about commitment to values and ethical business conduct. It is a set of laws, rules, regulations, processes and customs affecting the way a company is directed, administered, controlled or managed. This includes its corporate and other structures, culture, policies and the manner in which it deals with various stakeholders. Some of the important best practices of corporate governance framework are timely and accurate disclosures of information regarding the financial situation, performance, ownership and governance of the Company.

We believe that sound corporate governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performances rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decision.

Our Corporate governance philosophy is based on the following principles :

1. Satisfy the spirit of the law and not just the letter of law. Corporate governance standards should go beyond the law;
2. Be transparent and maintain a high degree of disclosure levels;
3. Make a clear distinction between personal conveniences and corporate resources;
4. Communicate externally, in a truthful manner, about how the company is run internally;
5. Comply with the laws in all the countries in which we operate;
6. Have a simple and transparent corporate structure driven solely by business needs;
7. Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

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 in 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

As per the requirements of Listing Agreement, your Company's Board is a balanced Board, comprising Executive and Non-Executive directors. The Non- Executive Directors include independent and experienced qualified professionals. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors.

The Government policy requires that the Non-Executive Directors be drawn from amongst eminent professionals with experience in business/finance / law/public enterprises. Directors are appointed /re-appointed with the approval of the shareholders for a period of three to five years or a shorter duration in accordance with retirement guidelines as determined by the Board from time to time. All Directors are liable to retire by rotation unless otherwise approved by the shareholders. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election. In terms of the Articles of Association of the Company, the strength of the Board shall not be less than three not more than Twelve. The present strength of the Board is six, of which two are Executives and four are Non-executives. The Board believes that the current size is appropriate, based on our present circumstances. The Board periodically evaluates the need for change in composition of its size.

Presently the Company has Two Executive Directors and Four Non Executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The presence of Non-Executive Directors ensures of independent judgment in the Board's deliberations and decisions. Detailed composition of Board is as follows:

S.NO.	NAME OF DIRECTOR	DESIGNATION
1.	Dr. R.P. Singh	Non-Executive Director
2.	Mr. Gajanand Gupta	Non-Executive Director
3.	Mr. Pradeep Kumar	Non-Executive Director
4.	Dr. B.B.L. Madhukar	Non-Executive Director
5.	Mr. Pradeep Dutta	Executive Director
6.	Mr. Mukesh Goyal	Executive Director

The following functions came 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

3. Board meetings, its committee meetings and procedures

A. Procedure of Board Meetings

Dates of Board meetings in the ensuing year are decided in advance and accordingly intimated to BSE for further disclosure and published as part of the Annual Report. All the Board meetings conducted during the Financial year 2009-10 were held at our Corporate office at A-56, IKF House, Sector-16, Noida- 201301, U.P., India. The Company Secretary draft the agenda for each meeting under the guidance of the Chairman of the Board, along with explanatory notes in consultation with the independent directors, and distribute these well in advance to the directors. Every Board member is free to suggest items for inclusion in the agenda. As per the provisions of Companies Act, 1956 and clauses under Listing Agreement ,the Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the annual shareholders' meeting. Additional meetings are held, when necessary. Independent directors are expected to attend at least four Board meetings in a year.

- i) Minimum Four meetings are held every year. In case of business exigencies or urgency of

matters resolution 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 at 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 Meeting are as under :

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	04.04.2009	5	5
2.	15.05.2009	6	4
3.	27.06.2009	6	6
4.	30.07.2009	7	4
5.	20.10.2009	7	7
6.	25.01.2010	7	6
7.	30.03.2010	7	4



5. Attendance of Directors at Board Meetings, last Annual General Meeting No. of other Directorship along with Shareholding in the Company of each Director.

Category	Name of the Director	No. of Board Meeting attended during the Year	Attendance at Last AGM (28.08.2009)	No. of other Director Ships	Shareholding of the Non-Executive Director as on March 31, 2010	No. of membership / chairmanship in Board Committees of other Companies
Promoter Director	Sunil Kumar Goyal *	4	No	3	NA	NIL
Executive Director	Pradeep Dutta	6	Yes	1	NA	NIL
	Mukesh Goyal	6	Yes	3	NA	NIL
Non-Executive Director	R. P. Singh	6	No	1	NIL	NIL
	Pradeep Kumar	5	No	1	85000	
	Gajanand Gupta	6	No	2	NIL	
	Chander Shekhar Jalan**	3	Yes	1	NIL	
	B.B.L. Madhukar***	NIL	N A		NIL	

* Resigned from the Board w.e.f. 30.03.2010

** Resigned from the Board w.e.f. 30.03.2010

*** Inducted into the Board on 30.03.2010

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, 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, 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, organization, 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 course 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 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**, age 58 years, holds a Masters of Economics 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 Indian Tourism Development Corporation as Asst. Manager Planning and Development and 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 of 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, planed 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 Shareholder's Grievance Committee. He is a Director in Tech DNA Solutions. He does not hold any shares in the Company.

- c) **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. Mr. Gajanand Gupta is a qualified Chartered Accountant with 16 years experience. 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 also Director in Public Limited Company and he is the member of Audit Committee and Remuneration Committee.

- d) **Mr. Pradeep Kumar** is a B.Tech from IIT Kanpur and an MBA from IIM Ahmedabad. He has a 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 holds a Directorship in a Public Limited Company He is the Chairman of Audit Committee and Shareholders/Investors Committee besides being a member of Remuneration Committee. He holds 85000 shares in the Company in his name as on 31 March 2009.

- e) **Mr. Mukesh 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 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 investor grievance handling committee. He has also been appointed as the Whole Time Director of Company. He holds no shares in the Company.



f) **Dr. B.B.L.Madhukar** aged 67 years has been appointed as an Independent Director of the company w.e.f. 30.03.2010 to share his experience and ideas in the growth and interest of the Company.

Dr. Madhukar is a Law graduate (Gold Medalist) and having a Master degree in Economics (Gold Medalist) and History in First class. He has done his Ph. D. in the area of Economic Development and he got his management degree from Henly Management College (London).

His professional attainments include life time Membership of Indian Council of Arbitration, bar council of Delhi, Indian law institute, and Indian Institute of Bankers (CAIIB). He is also a Fellow member of the Institution of Engineers (FIE), Indian institute of security and safety management, Indian Institute of Ecology & Environment. He is also a Chief Advisor to Multi Commodity Exchange, Mumbai.

He has been awarded by Udyog Ratan award and Best Chief Executive of the year for his contribution towards the growth of Indian Industry.

He has a vast knowledge and experience in corporate sector over four decades as making a contribution in fields of Treasury, Investment, risk management function, International Business and business Leadership.

Dr. Madhukar is widely consulted by the Government on a wide range of issues of national importance and has been a member of various Government appointed committees and advisory panels, like CIS Chamber of Commerce, International Centre of Alternative Dispute Resolution, Association of British Scholars, Council of Asia Pacific Institute of Management, etc., which includes financial services, capital markets and International Business, Corporate re-engineering and HR.

He has worked with the world's best corporate groups and companies and also holding a senior management positions with many Government Companies like MMTC Ltd. Neelanchal Ispat Nigam Limited, Mica Trading corporation of India, MMTC Transnational Pte limited, Singapur, HMT Ltd., Eagle Flask Industries limited (BIFR Appointee). He also worked as a member of CIS Chamber.

He does not hold any shares in the Company.

6. Board Committees:

Currently, the Board has three committees: Audit Committee, Remuneration committee and Investor Grievance committee. All committees consist entirely of independent directors.

The Chairperson of the Board, in consultation with the Company secretary and the committee chairperson, determine the frequency and duration

of the committee meetings. All the committees meet four times a year. Recommendations of the committees are submitted to the entire Board for approval.

As per our Articles of Association the Quorum for meetings is either two members or one third of the members of the committee, whichever is higher.

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

(i) Audit Committee: Composition, Chairman and the Name of Members

The primary objective of the Audit Committee (the committee) of IKF Technologies Limited (the Company) 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 committee oversees the work carried out in the financial reporting process by the management, the internal auditor and the independent auditors, and notes the process and safeguards employed by each.

Responsibilities :

- ✓ Provide an open avenue of communication between the independent auditor, internal auditor and the Board.
- ✓ Meet at least four times every year, or more frequently based on requirement. The audit committee may ask members of the Management or others to attend meetings and provide pertinent information as necessary.
- ✓ Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- ✓ Confirm and assure the independence of the independent auditor and objectivity of the internal auditor.
- ✓ Review with the independent auditor on the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of audit resources.
- ✓ Consider and review the following with the Management, internal auditors and the independent auditor :
 - Significant findings during the year, including the status of previous audit recommendations
 - Any difficulties encountered during audit work including any restriction on the scope of activities or access to required information, and
 - Any changes required in the planned scope of the internal audit plan.

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 Directors and the details of which are as follows:

<u>Name of Director</u>	<u>Position</u>	<u>Category</u>
Mr. Gajanand 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 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:

- F Investigate any activity within its terms of reference.
- F Seek information from any employee
- F Obtain outside legal or other professional advice, and
- F 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 reports:

- F The committees shall meet at least four times a year.
- F The committee will meet separately with the CEO and the CFO of the company at such times as are appropriate to review the financial affairs of the company. The audit committee will meet separately with the independent auditors and internal auditors of the Company, at such times as it deems appropriate (but not less than quarterly) to fulfill the responsibilities of the audit committee under this charter.

Meeting and attendance during the year

There were 4 meetings of the Audit Committee during the financial year 2009-10 and the attendance of each member of the Committee is given below.

Name & Category	Number of Meetings during the year 2009-10	
	Held	Attended
Mr. Gajanand Gupta Independent, Non-executive	4	4
Dr. R.P.Singh Independent, Non-executive	4	4
Mr. Pradeep Kumar Independent, Non-executive	4	4
Mr. Chandra Shekhar Jalan© Managing Director	4	NIL

© Appointed as member w.e.f. 25.01.10 and resigned w.e.f. 30.03.2010



AUDIT COMMITTEE REPORT FOR THE YEAR ENDED MARCH 31, 2010

Committee comprises three independent director and one Executive Director, according to the definition laid down in the audit committee charter, and clause 49 of the Listing Agreements with the relevant Indian Stock Exchanges.

The management of Committee is responsible for performing an independent audit of the Company's financial statement in accordance with the generally accepted auditing standards, and for issuing a report thereon. The committee is also responsible for overseeing the process related to the financial reporting and information dissemination. This is to ensure that the financial statements are true, fair, sufficient and credible. In addition, to this the committee also recommends to the Board the appointment of the Company's internal and independent auditors.

In this context, the committee discussed with the Company's auditors, the overall scope and plans for the independent audit. The Management represented to the committee that the Company's financial statements were prepared in accordance with GAAP. The committee also had discussion with the auditors. In the absence of the management (whenever necessary), the Company's audited financial statements including the auditors' judgments about the quality, not just the applicability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

REMUNERATION COMMITTEE

The purpose of the remuneration committee shall be to discharge the Board's responsibilities relating to compensation of the Company's executive directors and senior management personnel. The committee has the overall responsibility of approving and evaluating the remuneration plans, policies and programs for executive directors and senior management.

Our remuneration committee comprises 3 members which include 3 Independent Directors as follows :

1. Mr. Gajanand Gupta
2. Mr. Pradeep Kumar
3. Dr. R. P. Singh

Remuneration committee charter

The purpose of the remuneration committee of the Board of Directors shall be to discharge the board's responsibilities relating to compensation of the Company's executive directors and senior management personnel. The committee has the overall responsibility of approving and evaluating the compensation plans, policies and programs for executive directors and senior management.

Membership and organization

The remuneration committee will be appointed by the Board and serve at its discretion. The remuneration committee shall consist of no fewer than three members. The members of the remuneration committee shall meet as per the listing standards of BSE.

RESPONSIBILITIES AND AUTHORITY

Specific responsibilities of the committee include:

- x The committee in consultation with the CEO shall review the performance of all the executive directors each quarter, on the basis of detailed performance parameters set for each of the executive directors at the beginning of the year. The remuneration committee may, from time to time, also evaluate the usefulness of such performance parameters, and make necessary amendments.
- x The committee may also make recommendations to the Board with respect to incentive plans.
- x The committee may form sub-committees and delegate authority to them when appropriate.
- x The committee shall make regular reports to the Board.

REMUNERATION COMMITTEE ATTENDANCE DURING THE YEAR

Name & Category	Number of Meetings held during the year 2009-10	
	Held	Attended
Mr. Gajanand Gupta Independent, Non-executive	4	4
Mr. Pradeep Kumar Independent, Non-executive	4	4
Mr. R.P.Singh Independent, Non-executive	4	4
Mr. Chandra Shekhar Jalan© Managing Director	4	1

© Appointed as member w.e.f. 25.01.10 and resigned w.e.f. 30.03.2010

Remuneration to the Directors

Remuneration paid to Pradeep Dutta, Executive Director during the financial year 2009-10 was Rs. 12 Lacs and other out of pocket expenses.

Remuneration paid to Sunil Kumar Goel, Whole Time Director during the financial year 2009-10 was Rs. 12 Lacs and other out of pocket expenses.

Remuneration paid to Mukesh Goyal, Whole Time Director during the financial year 2009-10 was Rs. 12 Lacs and other out of pocket expenses.

Remuneration paid to C.S. Jalan, Managing Director during the financial year 2009-10 was Rs. 5.35 Lacs 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 :

<u>Name of Director</u>	<u>Position</u>	<u>Category</u>
Dr. R.P. Singh	Member	Independent and Non-Executive Director
Mr. Gajanand Gupta	Chairman	Independent and Non-Executive Director
Mr. Mukesh Goyal	Member	Executive 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 2009-10 and the attendance of each member of the Committee is given below.

Name & Category	Number of Meetings held during the year 2009-10	
	Held	Attended
Mr. R.P.Singh Independent, Non-executive	4	4
Mr. Gajanand Gupta Independent, Non-executive	4	4
Mr. Mukesh Goyal Executive Director	4	4

General Body Meeting

Details of the last three Annual General Meetings and that of the extraordinary general meeting are given as follows :

Financial Year Ended	Date	Time	Venue	Special Resolution passed
March, 31, 2007	Sept. 20 ,2007	11.00 AM	City Centre, Royal Bengal Room, Block DC, Sector-I, Salt Lake City, Kolkata- 700064	Special resolution has been passed relating to took approval from shareholders u/s 81(1A) and u/s 372A
March, 31, 2008	Sept. 11, 2008	3.00 PM	City Centre, Royal Bengal Room, Block DC, Sector-I, Salt Lake City, Kolkata- 700064	Special resolution has been passed relating to took approval from shareholders u/s 81(1A)
March, 31, 2009	Aug. 28, 2009	3.00 PM	City Centre, Royal Bengal Room, Block DC, Sector-I, Salt Lake City, Kolkata- 700064	Special resolution has been passed relating to took approval from shareholders u/s 81(1A)

Note : No Resolution was passed through Postal ballot in Last Annual General Meeting.

Disclosure :

- a) Disclosures on materially significant related transaction 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.

- c) All transactions with companies in which the promoters are deemed to be interested were duly authorized by the Board of Directors 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 other 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 other statutory authority.

Means of Communication

- a) Quarterly results : Quarterly results are published in “Financial Express”, “Business standard” and “Pratidin”

The Audited as well as the unaudited results are displayed on the website of the Company at www.ikf-technologies.com

- b) **Presentations** : various presentation have been to the institutional investors in conference 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 forms part of the Annual Report.

- d) **SEBI EDIFAR** : The statutory reports have been posted on SEBI EDIFAR till the quarter ended 31st March, 2010.

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

General Shareholder Information

Annual General Meeting :

Date : 11th day of June, 2010
 Time : 3:00 P.M.
 Day : Friday
 Venue : Eco Space (IT Park),
 Ambuja Realty - Hospitality Division
 Plot No. 2F/11, New Town Rajarhat,
 North 24 Parganas, Kolkata - 700 156

- a) **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) second week of May

- b) **Book Closure Date** : Wednesday,9th June, 2010 to Friday,11th June, 2010 (both days inclusive)

- c) **Listing of Equity Shares, GDR’s on Stock Exchanges :**

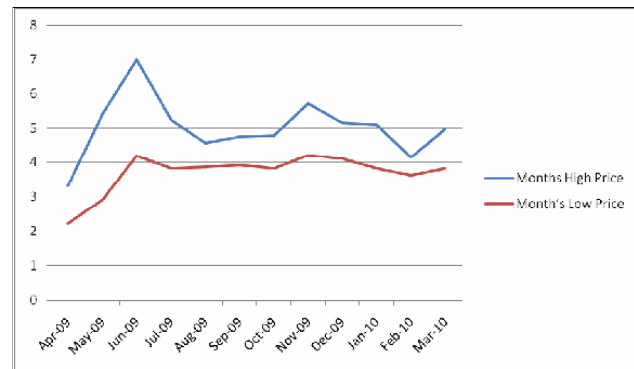
Exchange	Code /Trading Symbol	ISIN/CUSIP
1) Equity Shares - Bombay Stock Exchange Limited (BSE) Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata 700 064	532414 IKF Tech	INE052C01027
2) GDRs Stock Exchange Luxembourg Stock Exchange, 11 Avenue de la Porte- Neuve, L-2227 Luxembourg Overseas Depository The Bank of New York Mellon 101 Barclay Street, 22nd Floor, New York NY 10286 USA Domestic Custodian ICICI Bank Limited 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	Months Low Price
April 2009	3.31	2.22
May 2009	5.41	2.92
June 2009	7.00	4.19
July 2009	5.24	3.82
August 2009	4.57	3.86
September 2009	4.74	3.92
October 2009	4.78	3.81
November 2009	5.72	4.20
December 2009	5.15	4.11
January 2010	5.09	3.82
February 2010	4.14	3.61
March 2010	4.97	3.81

Share Price on BSE for the year 2009-10



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

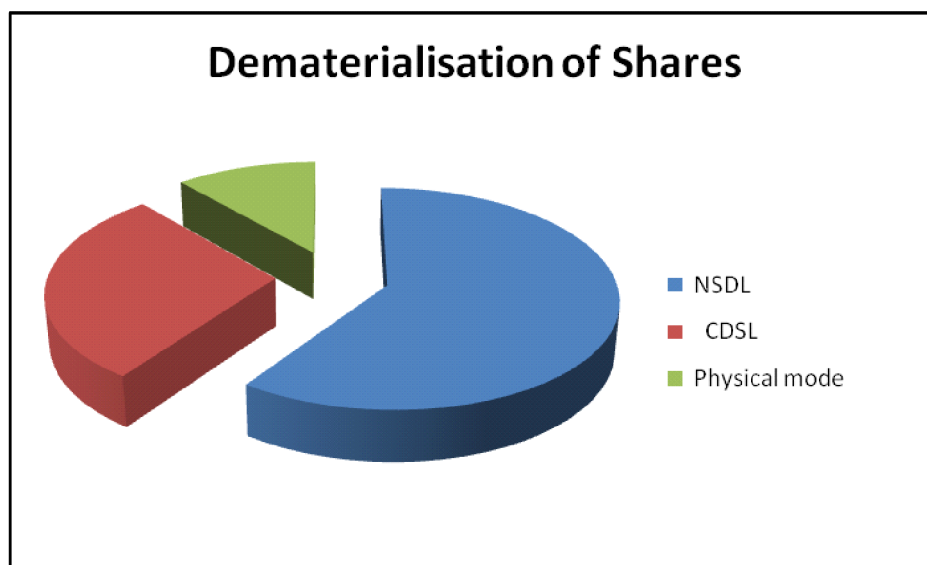
All the transfers received are processed and approved by the share transfer committee which normally meets once in every quarter or more depending on the volume of transfers. The Board has delegated the authority for approving the transfer to the Executive Director and/or Company Secretary. The Company obtains from the Company Secretary in practice half yearly certificates of compliance with the share transfer formalities as required under cause 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, 2010

Range of Shares	No. of Shareholders	Shareholding Percentage	No. of Shares	% of Total Capital
1 - 5000	92,331	93.96	92375006	21.45
5001 - 10000	3,380	3.44	26513147	6.16
10001 - 20000	1,341	1.36	19752241	4.59
20001 - 30000	468	0.47	11804363	2.74
30001 - 40000	193	0.19	6871363	1.60
40001 - 50000	158	0.16	7465412	1.73
50001 - 100000	223	0.22	16213375	3.77
100001 - 99999999	177	0.18	249586533	57.96
TOTAL	98,271		43,05,81,440	100

Categories of shareholding as on March 31, 2010

Category	No. of Shares	% of Paid Up Capital
Promoters	38417480	8.92
Corporate Bodies	48844112	11.34
General Public	189738541	44.06
NRIs/OCBs	2998754	0.70
Clearing Members	7778769	1.81
Nationalised Bank	8000	0.002
Custodians against which DR have been issued	131371440	30.51
FII's	11412544	2.65
Trust	3300	0.0007
Total	430581440	100


Liquidity

The Company's Equity Shares are actively traded on BSE. The turnover during the year 2009-10 is Rs.119.96 Crores and Number of shares that have been traded is 26.70 Crores.

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

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 2010 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 polices 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/-
Chief Executive Officer

Sd/-
Chief Finance Officer

**DIRECTORS REPORT**

Dear Members,

Your Directors are pleased to present the Eleventh 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, 2010.

1. Financial Results

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities & exchange Board of India (SEBI) and Generally Accepted Accounting principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profit and cash flows for the year.

The performance of the Company for the financial year ended 31st March 2010 is summarized below :

Sl. No.	Particulars	2009-10 Rs. (Cr.)	2008-09 Rs. (Cr.)
1.	Sales	53.92	48.32
2.	Other Income	2.00	1.14
3.	Total Expenditure	46.72	40.45
4.	PBIDT	9.20	9.01
5.	Interest	0.00	0.00
6.	Depreciation	2.84	4.00
7.	Provision for Taxation	1.14	0.97
8.	Net Profit/(Loss)	5.22	4.04
9.	Equity Share Capital	43.06	26.82

1. Results of Operation

Turnover for the year increased by 12% per cent from Rs. 48.32 Crores to Rs. 53.92 Crores during the period under review. Your Directors are putting their best efforts to improve the performance of the Company.

2. 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.

3. 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.

4. Listing

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

5. Subsidiary Companies

The Company has four subsidiaries as on 31st March, 2010, The statements as required under section 212 of the Companies Act, 1956 in respect of Company's wholly owned subsidiaries has been attached with the balance sheet in accordance with the Accounting standard AS-21 prescribed by "ICAI" and brief financial details of the Company's subsidiaries for the year ended 31st March, 2010 is included in the Annual Report.

As required under the Listing Agreements with the Stock Exchanges, consolidated financial statements of the Company and its subsidiaries are attached.

6. Directors

In accordance with the provisions of Companies Act, 1956 and as per the Articles of Association of the Company, Mr. Gajanand Gupta, and Mr. Pradeep Kumar, Directors, who retires by rotation and 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, Dr. B. B. L. Madhukar was appointed as an Additional Director with effect from 30th March 2010. Dr. B. B. L. Madhukar will 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 Dr. B. B. L. Madhukar for the post of Director.

Mr. Mukesh Goyal had been designated as CEO of the Company and took over the Charge of all operations and activities of the Company.

Mr. Chandra Shekhar Jalan had been resigned from Directorship w.e.f. 30th March 2010.

Mr. Sunil Kumar Goyal has been resigned from the Directorship of the Company w.e.f. 30th March 2010.

Brief resume of the Directors proposed to be 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.

7. 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 2010 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.

8. 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.

9. 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.

10. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Particulars required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure I to this Report.

11. CORPORATE GOVERNANCE

The Company firmly believes that corporate governance and compliance practices are of vital importance to maintain the trust and confidence of its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organization's function the Company has proactively adopted best practices as regards corporate governance and compliance.

The Report on Corporate Governance along with the Certificate from the Auditors of the Company M/s Agarwal Vishwanath & Associates, Chartered Accountants conforming compliance with conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is included in the Annual Report. Your Company is also following the Secretarial Standard norms issued by the Institute of Company Secretaries of India.

12. ACKNOWLEDGEMENT :

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

Your Directors take this opportunity to thank all investors, clients, vendors, regulatory and



government authorities and stock exchanges, for their continued support. Your Directors also wish to place on record their appreciation of the contribution made by the business partners/associates at all levels.

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

ANNEXURE-1

1. CONSERVATION OF ENERGY

As the Company is engaged in IT related Services and has no activity pertaining to manufacturing, furnishing of details on conservation of energy is not applicable and the Company is also taking every necessary step to reduce the consumption of energy.

Adequate measures have been taken to conserve energy by using energy-efficient computers and equipments with the latest technologies, which would help in conservation of energy.

As the cost of energy consumed by the Company forms a very small portion of the total costs, the financial impact of these measures is not material. Your Company is not an industry as listed in Schedule to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

2. RESEARCH & DEVELOPMENT

Product obsolescence risks are inherent in the technology sector businesses. The management has accorded high priority to in-house Research and Development in order to ensure new product development as per the evolving needs of the industry for technical enhancements. IKF has a state-of-the-art Research and Development wing carrying on Research and Development activities. This is in line with the Company's philosophy of maintaining and sustaining leadership status, and the management team of your Company recognizes the fact that in the long run, R & D will be a crucial differentiator between companies.

A. Specific Areas in which Research and Development (R&D) is being carried out by the Company

I) e-Learning

IKF is going to make a big quantum Leap in the field of **e-Learning** by developing a really good and advance system in which **IT & education** will merged. IKF will use basic concept of OLPC to provide education to create educational opportunities for the India's rural children.

II) End to End e- Governance implementations

IKF's services are geared to handle end-to-end implementations to customers across various Industry segments. We have a talent pool with good domain background and experience in the entire lifecycle of e-Governance implementations. Our consultants are honed not only in technical skills but also in communication, client interaction skills, documentation and user training

III) Bio-Fuel

IKF has now developing refineries by which Bio-Diesel can be made from waste vegetable oil and full use of waste vegetable oil can be made possible. IKF Green fuel Ltd., is planning to use of some alternative raw materials like Karanja, Waste vegetable oil for using as raw materials for the production of bio-diesel. We are trying to use some alternative fuel by which we can continue our production of bio-diesel without much dependability on Jatropha oil. At the same time we are continuing our plantation activities on different states, so that at the end of 2-3 years we can kept in our hand various alternatives for using as raw materials for production of bio-diesel.

IV) Disaster Management

IKF is keen to execute projects GIS / MIS/ Survey related service and will initially concentrate within India. In this direction Company had a tie up with major companies already engaged in the business of providing supporting software development services and solutions in the field of 3D / 2D GIS (Geographic Information system), Simulation projects, Security and Survey.

1. **Corporate Social Responsibility (IKF)**

Corporate Social Responsibility is a sustained series of work / events / initiatives wherein an organization and its employees take up social causes with a view to serve the society. Your Company has regular programmes and initiatives and also one time events / support to needy citizens during unforeseen and unfortunate calamities.

Understanding its duty towards the society IKF is also making a very good contribution towards its social responsibility.

2. **Technology Absorption**

Using technology efficiently thus needs conscious effort by the enterprise & also the 'system' in which it works.

As your Company progresses, necessary R & D activities will be initiated to meet the technology

requirements for the future. Now, the Company is planning to enter new agreements for the purpose of Technology Transfer to expand the new projects for future growth of the Company in the field such as, Disaster management and E- Learning etc.

As a part of its core strategy, the Company is focusing on increasing exports of its services by leveraging wide marketing reach, The Company has established itself as a major supplier of outsourcing Services and software solution in key industry verticals and e-Governance space.

3. Export Activities and Foreign Exchange Earnings and Outgo :

1. Activities Relating to Exports, Initiatives to increase exports, Development of new export markets for products and services & export plan

2. Total Foreign Exchange Earnings & Outgoings

The foreign exchange earnings of the Company during the year were given in the following table.

(Amount in '000)

Particulars	2009-10	2008-09
Foreign Currency Earning :	17708	2187
Foreign Currency Expenditure :		
Capital Expenditure	—	5394
Revenue	17562	8724

**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, 2010, 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

Sd/-
Partner

Place : Kolkata
Date : 10th day of May '2010



**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 2010 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, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2010 from being appointed as a Director in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read 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, 2010
 - 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

Sd/-
Partner

Place : Kolkata

Date : 10th day of May 2010

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 major 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, 2010 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 2010 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 raised 11 million USD by GDR issues 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/-
Partner

Place : Kolkata
Date : 10th day of May 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

(Rs. in '000)

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	430,581	268,190
Reserve & Surplus	2	985,426	495,794
Deferred Tax Liability		8,831	12,351
TOTAL		1,424,838	776,335
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	206,153	201,298
Less : Depreciation		138,816	110,965
Net Block		67,336	90,333
INVESTMENTS			
Investments	4	185,550	187,504
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	5	472,859	54,710
Sundry Debtors	6	1,212,740	860,315
Loans & Advances	7	330,596	187,609
TOTAL		2,016,195	1,102,634
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities & Provisions	8	862,047	639,542
TOTAL		862,047	639,542
NET CURRENT ASSETS		1,154,148	463,092
MISCELLANEOUS EXPENDITURE			
(To the Extent Not W/off or adjusted)	9	17,802	35,406
TOTAL		1,424,837	776,335
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 DATEFor Agarwal Vishwanath & Associates
Chartered AccountantsSd/-
Partner

For & on behalf of the Board

Sd/-
Whole Time DirectorSd/-
Executive DirectorPlace : Kolkata
Date :10th day of May 2010Sd/-
Company SecretarySd/-
Chief Financial Officer

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in '000)

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
INCOME			
Income From Operations	10	539,158	483,155
Other Income	11	19,975	11,417
TOTAL		559,133	494,572
EXPENDITURE			
Software, BPO Calling Charges, Telecom Expenses		379,328	328,085
Other Operating & Establishment Exp.	12	43,829	42,300
Administrative Expenses	13	37,174	31,183
Depreciation	3	28,441	40,004
Miscellaneous Expenditure W/off	9	6,783	2,933
TOTAL		495,554	444,505
Profit/(Loss) Before Tax		63,578	50,067
Provision for Current Tax		14,941	9,840
Provision for Deferred Tax		(3,520)	(412)
Provision for Fringe Benefit Tax		—	282
TOTAL		11,421	9,709
Profit/(Loss) After Tax		52,157	40,358
Less : Provision of Tax for earlier Years		(1,985)	—
Profit/(Loss) brought forward		55,404	15,047
Surplus/(Deficit) carried to Balance Sheet		105,577	55,404
Earning Per Share (Basic & Diluted)		0.13	0.15
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

 Sd/-
Partner

For & on behalf of the Board

 Sd/-
Whole Time Director

 Sd/-
Executive Director

 Place : Kolkata
Date : 10th day of May 2010

 Sd/-
Company Secretary

 Sd/-
Chief Financial Officer



SCHEDULES FORMING PART OF BALANCE SHEET

(Rs. in '000)

	31.03.2010	31.03.2009
SCHEDULE - 1 : SHARE CAPITAL		
Authorised		
1,00,00,00,000 Equity Share of Re. 1/- each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, Subscribed and Paid-up Capital		
26,81,90,000 Equity Shares of Re.1/- each	268,190	268,190
Add: 16,23,91,440 Shares issued of Re.1/- each	162,391	—
TOTAL	430,581	268,190
SCHEDULE - 2 : RESERVE AND SURPLUS		
Capital Reserve		
Opening Balance	8,857	8,857
Add : Shares Forfeited	39,455	—
	48,312	8,857
Less : Exchange Fluctuation Difference	5,976	—
	42,336	8,857
Security Premium		
Opening Balance	431,533	431,533
Add : Premium on issue of shares/GDR	405,979	—
	837,512	431,533
Profit & Loss Account	105,577	55,404
TOTAL	985,424	495,794

SCHEDULE - 3 : DEPRECIATION AND FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2009	Additions during the year	Deductions during the year	As on 31.03.2010	Up to 31.03.2009	During the period	Adjustment	Up to 31.03.2010	As on 31.03.2010	As on 31.03.2009
Air Conditioners	2,417	358	55	2,720	380	276	—	656	2,064	2,037
Computer Hardware & Software	165,071	2,050	418	166,703	103,196	24,805	49	127,952	38,751	61,875
Electrical Equipment & Fittings	5,961	131	—	6,092	1,207	677	—	1,884	4,208	4,753
Generator	1,120	—	—	1,120	125	138	—	264	856	995
Furniture & Fixtures	11,187	1,900	15	13,072	3,351	1,419	6	4,765	8,307	7,835
Office Equipments	2,389	1,794	1,465	2,718	616	249	535	330	2,388	1,773
Motor Car	2,328	—	—	2,328	772	403	—	1,175	1,153	1,555
UPS	815	573	—	1,388	660	62	—	722	666	155
Lease Hold Land	1,132	—	—	1,132	—	—	—	—	1,132	1,132
Building **	8,880	—	—	8,880	658	411	—	—	7,811	8,222
Total	201,298	6,808	1,953	206,153	110,965	28,441	590	138,816	67,336	90,333
Previous Year	164,060	37,238	—	201,298	70,961	40,004	—	110,965	90,333	58,206,070

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

SCHEDULES FORMING PART OF BALANCE SHEET

(Rs. in '000)

	31.03.2010	31.03.2009
SCHEDULE - 4 : INVESTMENT		
Long Term (Unquoted)		
25,000 shares of IKF Salampuria Agrotech Limited	250	250
In Subsidiaries		
100 shares (P.Y-100 shares) of IKF Technologies (PTY) Ltd	43,450	43,450
1500 shares (P.Y-1500 shares) of IKF Telecom Inc.	65	65
99,77,000 shares (P.Y-16,000 shares) of IKF Greenfuel Limited	99,770	99,770
90,000 shares (P.Y-90,000 shares) of Netwatch Digital Solutions Pvt Ltd	3,000	3,000
250 Shares (P.Y-250 shares) of IKF Europe GmbH	—	1,723
90,000 Shares (P.Y-90,000 shares) of Adhunik Technology Pvt Ltd	—	90
Investment in Joint Venture Company		
120 Shares (P.Y Nil) of Falcon Search.Com LLC, Dubai	1,706	1,706
Investment in Partnership Firm		
R 2 R Seva	37,309	37,450
TOTAL	185,550	187,504
SCHEDULE - 5 : CASH AND BANK BALANCES		
Cash in hand	46	1,098
(As certified by the management)		
Balances with Scheduled Bank :		
— In Current Accounts	2,143	5,183
— In Fixed Deposit Accounts	24,542	48,428
Balance with Non-Scheduled Bank	446,128	—
TOTAL	472,859	54,710
SCHEDULE - 6 : SUNDRY DEBTORS		
SUNDRY DEBTORS		
(Unsecured & Considered Good)		
Debtors outstanding for a period :		
more than six months	940,669	720,026
less than six months	272,071	140,289
TOTAL	1,212,740	860,315
SCHEDULE - 7 : LOANS & ADVANCES		
Advances	289,567	157,897
(Recoverable in cash or in kind or value to be received)		
Deposits		
Inter Corporate Deposits	1,500	1,500
Security deposit for Rent & Telephone	19,579	11,700
Advance Income Tax & TDS Receivable	19,951	16,512
TOTAL	330,596	187,609

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Rs. in '000)

	31.03.2010	31.03.2009
SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	810,120	560,605
Advance against share warrants	—	39,455
Other Liabilities	3,518	5,328
Statutory Liabilities	16,467	5,482
Balances of Scheduled Commercial banks	—	8,292
	830,105	619,162
PROVISIONS		
Provision for Income Tax	31,418	19,856
Provision for Fringe Benefit Tax	524	524
	31,943	20,380
TOTAL	862,047	639,542
SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE		
Capital Issue Expenses	528	1,057
Less : W/off during the year	528	528
	—	528
GDR issue Expenses	4,810	7,215
Add : During the year	19,246	—
	24,056	7,215
Less: W/off during the year	6,254	2,405
	17,802	4,810
Pre-operative Expenditure (Bio-Diesel)	30,068	7,467
Addition during the year	—	22,600
	30,068	30,068
Less: Transferred to subsidiary	30,068	—
	—	30,068
TOTAL	17,802	35,406
SCHEDULE - 10 : INCOME FROM OPERATIONS		
IT/ITES & Others	539,107	483,130
Income from Partnership Firm R2R Seva	50	26
TOTAL	539,158	483,155

SCHEDULES FORMING PART OF BALANCE SHEET

(Rs. in '000)

	31.03.2010	31.03.2009
SCHEDULE - 11 : OTHER INCOME		
Interest Received	19,953	7,725
Income From Debt Funds	—	1,957
Income from ID Project	—	1,278
Miscellaneous Income	21	456
TOTAL	19,975	11,417
SCHEDULE - 12 : OTHER OPERATING & ESTABLISHMENT EXP.		
Directors Remuneration	4,135	1,595
Salary and Allowances	38,756	39,692
Staff Welfare Expenses	938	1,013
TOTAL	43,829	42,300
SCHEDULE - 13 : ADMINISTRATIVE & OTHER EXPENSES		
Advertisement	5,906	549
Audit Expenses	301	186
Bank Charges	699	313
Electricity Expenses	3,253	2,505
Freight & Transport	271	853
Hotel, Lodging & Marketing Expenses	72	—
Legal & Professional charges	1,629	2,899
Listing Fees	931	101
Local Conveyance	464	904
General Office Maintenance Expenses	2,839	1,025
Rent	14,794	10,756
Rates & Taxes	64	270
Postage & Courier	505	1,568
Printing & Stationary	912	1,730
Repairs & Maintenance	1,118	2,089
Licenses & Fees	457	2,056
Telephone & Telegram	834	1,172
Balances W/off	384	70
Travelling Expenses	1,742	2,138
TOTAL	37,174	31,183

**CASH FLOW STATEMENT AS AT 31ST MARCH, 2010**

	Amount (Rs.)	Amount (Rs.)
Cash Flows From Operation Activities		
Net Profit before Taxation		63,578
Adjustment for :		
Depreciation (+)	27,851	
Miscellaneous Expenses w/off (+)	6,783	
Interest (-)	(19,953)	14,680
Operating Profit before Working Capital Changes		78,258
Add:		
Increase in Current Liabilities (+)	239,058	
Increase in Sundry Debtors (-)	(352,424)	
Increase in Loans & Advances (-)	(142,987)	(256,353)
Cash Generated from operations		(178,095)
Cash Flow from Investing Activities		
Purchase of Fixed Assets (-)	(6,808)	
Sale of Fixed Assets (+)	1,953	
Investment in Indian / Foreign Subsidiary (+)	1,953	
GDR Issue Expenses (-)	(19,246)	
Pre-Operative Expenditure (Bio Diesel) (+)	30,068	7,921
Net cash used in Investing Activities		
Cash Flow from Financing Activities		
Recd against issue of shares including Premium (+)	568,370	
Interest (+)	19,953	
Net Cash generated in Financing Activities		588,324
Net increase in cash/ cash equivalent during the year		418,149
Cash and Cash Equivalent at the Beginning (+)		54,710
Cash and Cash Equivalent at the End of the Year		472,859
Breakup of Cash & Cash Equivalent as at 31st March 2010		
Cash in Hand		46
Cash at Bank		472,813
		472,859

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 2010. 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 10th May 2010

For Agarwal Vishwanath & Associates
Chartered Accountants

Place : Kolkata
Dated : 10th day of May '2010

Sd/-
Partner

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.

Particulars	(Amt in '000)	(Amt in '000)
	Year ended 31.03.10	Year ended 31.03.09
Foreign Currency Earning #	17708	2187
Foreign Currency Expenditure #		
Capital Expenditure	—	5394
Revenue*	17562	8724

On Receipt & Payment Basis

* Includes GDR Issue Expenses 10571

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.

13. 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.

14. 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.35,20,430/- 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 01.04.09	For the Year	As on 31.03.10
Difference between Book Value and Tax Written Down Value (Rs'in '000)	12,351	(3,520)	8,831

3. 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.
4. Estimated amount of contracts remaining to be executed on Capital account (net of advances) and not provided for as at 31st March 2010 Rs.NIL
5. 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 :

2009-10
(Rs. in '000)

Employer's contribution to Provident Fund & pension Fund	329
Employer's contribution to ESI	667

6. The Company has made an investment of Rs.3,73,09,307/- 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 31.03.2010 | Profit sharing ratio |
|---------------------------|--------------------------|----------------------|
| Name of the Partners | | |
| M/s. IKF Technologies Ltd | 3,73,09,307 | 99% |
| Mr. Sunil Kumar Goel | — | 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.
Falcon Search.Com L.L.C
IKF Green Fuels Ltd.
Netwatch Digital Solutions Private Limited
R2R Seva

- (b) Key management personnel :

Key executive management personal of the company represented on the Board :

Mr. Mukesh 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
Dr. B B L Madhukar	Director

- (c) Significant transaction with related party :

	31.03.10	31.03.09
Particulars		(Rs. in '000)
Investment in Subsidiaries	146285	148098
Salary to Executive Directors	4135	1595



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	(Rs. in '000)	
	Year ended 31.03.10	Year ended 31.03.09
Net Profit /(Loss) for the year (Rs)	52157	40358
Weighted number of Equity Shares	410560578	268190000
Earning Per Share (Basic)	0.13	0.15
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	(Rs. in '000)	
	31.03.10	31.03.09
As Statutory Audit Fees	245	138
As Tax Audit Fees	25	28
Certifications and Others	31	20
Total	301	186

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. The Management has decided to transfer its Bio-Diesel activities to its subsidiary M/s. IKF Greenfuel Ltd. Consequently pre operative expenditure related with Bio-Diesel till 31.03.09 of Rs. 3,00,67,981.75 has been transferred.
16. During the year the company has forfeited the advance against share warrants of Rs. 3,94,55,000/- as the balance amount was not received from the party within the statutory time period for converting the share warrants into the share capital. The same has been shown as Capital Reserve in schedule to under Capital Reserve.
17. During the year company has entered into an understanding with an entity to run a Telecom BPO process wherein the company will re-imburse all the operating cost and retain 95% of the bill amount raised to the principal.
18. Contingent Liabilities :
- The company has furnished a Performance Bank Guarantee of Rs.2,00,00,000 to ICICI Bank Ltd. and a Financial Bank Guarantee of Rs.10,00,000 to Corporation Bank in respect of the ISP License.
 - 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 this date annexed

For Agarwal Vishwanath & Associates
Chartered Accountants

Sd/-
Partner

Place : Kolkata
Date :10th day of May 2010

For & on behalf of the Board

Sd/-
Whole Time Director

Sd/-
Company Secretary

Sd/-
Executive Director

Sd/-
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	1	0

2. Capital Raised during the year

Public Issue			1	6	2	3	9	1	Right Issue						N	I	L		
Bonus Issue								N	I	L	Private Placement						N	I	L

3. Position of Mobilisation & Development of Funds

Total Liabilities			1	4	2	4	8	3	7	Total Assets			1	4	2	4	8	3	7
-------------------	--	--	---	---	---	---	---	---	---	--------------	--	--	---	---	---	---	---	---	---

Sources of Funds :

Paid-up Capital			4	3	0	5	8	1	Reserve & Surplus			9	8	5	4	2	5			
Secured Loan								N	I	L	Un-secured Loan							N	I	L
Deferred Tax Liability						8	8	3	1											

Application of Funds :

Net Fixed assets				6	7	3	3	6	Investments			1	8	5	5	5	0		
Net Current Assets			1	1	5	4	1	4	9	Miscellaneous Expenditure				1	7	8	0	2	
Accumulated Losses								N	I	L									

4. Performance of Company

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

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	B	P	O						



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

(Rs. in '000)

Name of the Subsidiary	IKF Technologies (Pty) Ltd	IKF Telecom Inc.	IKF Greenfuel Limited	Netwatch Digital Solutions Pvt Ltd
Financial Year / Period of the subsidiary ended on	31st March 2010	31st March 2010	31st March 2010	31st March 2010
Holding Company's Interest Equity Share Capital	100%	100%	100%	100%
Net aggregate amounts of the profits/losses of the subsidiary so far as it concerns the members of the holding company and is not delat with in accounts of the holding company	NIL	NIL	NIL	NIL
<ul style="list-style-type: none"> - For the financial year of subsidiary - For the previous financial year of subsidiary since it became its subsidiary 				
Net aggregate amounts of the profits/losses of the subsidiary so far as it concerns the members of the holding company and is delat with accounts of the holding company	NIL	NIL	NIL	NIL
<ul style="list-style-type: none"> - For the financial year of subsidiary - For the previous financial year of subsidiary since it became its subsidiary 				
Capital	18012	68	100000	900
Reserves	890526	54	3642	7789
Total Assets	935548	122	160992	14551
Total Liabilities	27010	0	68875	5862
Details of Investment	0	0	11525	0
Turnover	1524496	259	37951	6895
Profit Before Tax	310177	238	2735	558
Provision for Tax	1551	0	0	188
Profit After Tax	308626	238	2735	369
Proposed Dividend	Nil	Nil	Nil	Nil



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 2010 (the Company) and its subsidiaries (collectively referred to as the IKF Group) as at 31st March 2010 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.1,111,212,562 as at 31st March 2010, total revenue of Rs.1,569,600,271 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 2010.
- 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

Vishwanath Agarwal
Partner

Place : Kolkata
Date : 10th day of May '2010

Membership No. 54806

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in '000)

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	430,581	268,190
Reserve & Surplus	2	1,843,204	1,051,118
Secured Loan		505	1,430
Unsecured Loan		9,090	12,391
Deferred Tax Liability		9,148	12,927
TOTAL		2,292,530	1,346,055
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	322,044	332,414
Less : Depreciation		186,252	138,222
Net Block		135,792	194,193
INVESTMENTS			
	4	142,178	56,808
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	5	504,987	79,197
W.I.P. / Closing Stock		134,684	194,577
Sundry Debtors	6	1,815,840	1,213,737
Loan & Advance	7	340,211	237,337
TOTAL		2,795,722	1,724,848
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities & Provisions	8	884,233	680,166
TOTAL		884,233	680,166
NET CURRENT ASSETS		1,911,489	1,044,682
MISCELLANEOUS EXPENDITURE			
(To the Extent Not W/off or adjusted)	9	103,071	50,373
TOTAL		2,292,530	1,346,055
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/-
 Partner

 Sd/-
 Whole Time Director

 Sd/-
 Executive Director

 Place : Kolkata
 Date :10th day of May 2010

 Sd/-
 Company Secretary

 Sd/-
 Chief Financial Officer

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Rs. in '000)

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
INCOME			
Income from Operations	10	2,101,123	1,852,348
Other Income	11	27,610	15,318
Total		2,128,733	1,867,666
EXPENDITURE			
Software, Research & Development Cost, BPO Calling		1,461,919	1,366,344
Operating & Establishment Exp.	12	131,913	70,296
Administrative Expenses	13	110,568	77,741
Depreciation	3	48,620	52,586
Miscellaneous Expenditure W/off	9	8,371	2,934
Total		1,761,442	1,569,902
Profit/(Loss) Before Tax		367,291	297,765
Provision for Current Tax		16,926	13,725
Provision for Deferred Tax		(3,779)	(233)
Provision for Fringe Benefit Tax		—	740
Total		13,147	14,232
Profit/(Loss) After Tax		354,144	283,532
Profit/(Loss) brought forward		610,728	325,902
Balance B/F of Netwatch Digital Soutions Pvt Ltd		—	1,362
Balance B/F of Adhunik Technology Pvt Ltd		—	(69)
Provision for Tax for earlier years		(1,514)	—
Surplus/(Deficit) carried to Balance Sheet		963,358	610,728
Earning Per Share (Basic & Diluted)		0.86	1.06
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 DATEFor Agarwal Vishwanath & Associates
Chartered Accountants

For & on behalf of the Board

Sd/-
PartnerSd/-
Whole Time DirectorSd/-
Executive DirectorPlace : Kolkata
Date :10th day of May 2010Sd/-
Company SecretarySd/-
Chief Financial Officer

SCHEDULES FORMING PART OF BALANCE SHEET

(Rs. in '000)

	31.03.2010	31.03.2009
SCHEDULE - 1 SHARE CAPITAL		
Authorised		
1,00,00,00,000 Equity Share of Re. 1/- each	1,000,000	1,000,000
	1,000,000	1,000,000
Issued, Subscribed and Paid-up Capital		
26,81,90,000 Equity Shares of Re.1/- each	268,190	268,190
Add: 16,23,91,440 Shares issued @ Re.1/- each	162,391	—
TOTAL	430,581	268,190
SCHEDULE - 2 RESERVE AND SURPLUS		
Capital Reserve		
Opening Balance	8,857	8,857
Add : Shares Forfeited	39,455	—
	48,312	8,857
Less : Exchange Fluctuation Difference	5,976	—
	42,336	8,857
Security Premium		
Opening Balance	431,533	431,533
Add : Premium on issue of shares/GDR	405,979	—
	837,512	431,533
Profit & Loss Account	963,358	610,728
TOTAL	1,843,206	1,051,118

SCHEDULE - 3 : DEPRECIATION AND FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2009	Additions during the year	Deductions during the year	As on 31.03.2010	Up to 31.03.2009	During the period	Adjustment	Up to 31.03.2010	As on 31.03.2010	As on 31.03.2009
Goodwill	61,934	—	15,477	46,456	—	—	—	—	46,456	61,934
Air Conditioners	3,072	358	55	3,376	471	354	—	826	2,550	2,601
Computer Hardware & Software	216,805	2,067	828	218,044	125,171	39,316	49	164,438	53,606	91,634
Electrical Equipment & Fittings	6,729	131	—	6,861	1,314	769	—	2,083	4,777	5,415
Generator	1,120	—	—	1,120	125	138	—	264	856	995
Furniture & Fixtures	20,625	1,900	15	22,510	6,123	4,188	6	10,306	12,204	14,502
Office Equipments	7,802	2,440	1,465	8,777	2,840	2,909	535	5,214	3,563	4,962
Plant & Machinery	321	—	—	321	45	38	—	83	238	276
Motor Car	2,328	—	—	2,328	772	403	—	1,175	1,153	1,555
Motor Cycle	124	—	—	124	25	25	—	51	73	98
UPS	1,492	573	—	2,065	671	62	—	733	1,332	821
Telephone	51	—	—	51	6	5	—	11	40	45
Lease Hold Land	1,132	—	—	1,132	—	—	—	—	1,132	1,132
Building	8,880	—	—	8,880	658	411	—	1,069	7,811	8,222
Total	332,414	7,470	17,840	322,044	138,222	48,620	5,90	186,252	135,792	194,193
Previous Year	298,365	69,872	35,823	332,414	85,636	52,586	—	138,222	194,193	212,729

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Rs. in '000)

	31.03.2010	31.03.2009
SCHEDULE - 4 : INVESTMENT		
Long Term(Unquoted)		
25,000 shares (P.Y-25,000 shares) of IKF Salampurua Agrotech Ltd	250	250
Investment in Joint Venture Company		
120 Shares (P.Y 120 shares) of Falcon Search.Com LLC, Dubai	1,706	1,706
Investment in Partnership Firm		
R 2 R Seva	37,309	37,450
Others	102,888	12,877
Investment made with Mutual Fund	25	4,525
TOTAL	142,178	56,808
SCHEDULE - 5 : CASH AND BANK BALANCES		
Cash in hand	372	1,996
(As certified by the management)		
Balances with Scheduled Bank :		
– In Current Accounts	33,512	8,373
– In Fixed Deposit Accounts	24,975	68,828
Balance with Non-Scheduled Bank	446,128	–
TOTAL	504,987	79,197
SCHEDULE - 6 : SUNDRY DEBTORS		
(Unsecured Considered Good)		
Debtors outstanding for a period :		
more than six months	940,890	720,150
less than six months	874,949	493,587
TOTAL	1,815,840	1,213,737
SCHEDULE - 7 : LOANS & ADVANCES		
Advances	294,155	188,613
(Recoverable in cash or in kind or value to be received)		
Deposits		
Inter Corporate Deposits	1,500	1,500
Other Deposits	—	1,006
Security deposit for Rent, Telephone & Others	20,065	18,207
Advance Income Tax & TDS Receivable	24,491	28,011
TOTAL	340,211	237,337

SCHEDULES FORMING PART OF BALANCE SHEET

(Rs. in '000)

	31.03.2010	31.03.2009
SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	826,951	585,159
Advance against share warrants	—	39,455
Other Liabilities	4,120	8,967
Statutory Liabilities	16,467	11,322
Balances with Scheduled Commercial banks	—	8,292
	847,538	653,195
PROVISIONS		
Provision for Income Tax	36,079	23,997
Provision for Fringe benefit Tax	617	2,974
	36,696	26,970
TOTAL	884,233	680,166
SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE		
Capital Issue Expenses		
Opening	3,124	3,653
Less: W/off during the year	2,086	528
	1,038	3,124
GDR issue Expenses		
Opening	4,810	7,215
Add : During the year	19,246	—
	24,056	7,215
Less: W/off during the year	6,254	2,405
	17,802	4,810
Pre-operative Expenditure (Bio-Disel)		
Opening	42,407	9,633
Addition during the year	84,230	32,774
	126,638	42,407
Less : Transferred / W/off during the year	42,407	—
	84,230	42,407
Preliminary Expenses		
Opening	31	31
Less: W/off during the year	31	—
	—	31
TOTAL	103,071	50,373
SCHEDULE - 10 : INCOME FROM OPERATIONS		
IT/ITES & Others	2,101,072	1,852,322
Income from Partnership Firm R2R Seva	50	26
TOTAL	2,101,123	1,852,348

SCHEDULES FORMING PART OF BALANCE SHEET

(Rs. in '000)

	31.03.2010	31.03.2009
SCHEDULE - 11 : OTHER INCOME		
Interest Received	20,938	7,772
Income from Debt Fund	75	1,957
Income from ID Project	—	1,278
Miscellaneous Income	6,597	4,311
TOTAL	27,610	15,318
SCHEDULE - 12 : OTHER OPERATING & ESTABLISHMENT EXP.		
Directors Remuneration	4,135	1,967
Salary and Allowances	126,474	65,881
Staff Welfare Expenses	1,304	2,449
TOTAL	131,913	70,296
SCHEDULE - 13 : ADMINISTRATIVE & OTHER EXPENSES		
Advertisement	8,645	557
Audit Expenses	346	231
Business Development Expenses	393	308
Bank Charges	832	921
Commission & Brokerage	455	189
Electricity Expenses	7,289	5,684
Freight & Transport	1,869	9,641
Hotel , Lodging & Marketing Expenses	72	143
Interest	1,215	—
Loss on Sale of mutual fund	87	—
Legal & Professional charges	2,732	5,936
Listing Fees	931	101
Local Conveyance	470	914
General Office Maintenance Expenses	7,793	8,294
Rent	58,338	22,980
Rates & Taxes	1,283	270
Postage & Courier	1,261	2,361
Printing & Stationary	2,964	3,576
Repairs & Maintenance	3,997	2,634
Seminar Expenses	25	367
Taxes, Licenses & Fees	469	3,235
Telephone & Telegram	3,334	3,804
Balances W/off	414	297
Travelling Expenses	5,354	5,299
TOTAL	110,568	77,741

CASH FLOW STATEMENT AS AT 31ST MARCH, 2010

(Rs. in '000)

	Amount	Amount
Cash Flows from operation activities		
Net Profit before Taxation		367,291
Adjustment for :		
Depreciation (+)	48,030	
Miscellaneous Expenses w/off (+)	8,371	
Interest (-)	(20,938)	
		35,463
Operating profit before working capital changes		402,754
Add :		
Increase in Current Liabilities (+)	219,107	
Decrease in Secured Loan (-)	(925)	
Decrease in Unsecured Loan (-)	(3,301)	
Increase in Sundry Debtors (-)	(602,103)	
Increase in Loans & Advances (-)	(102,874)	
Decrease in WIP (+)	59,893	(430,203)
Cash Generated from operations		(27,449)
Cash Flow from Investing Activities		
Purchase of Fixed Assets (-)	(7,470)	
Sale of Fixed Assets (+)	17,840	
Investment in Indian / Foreign Subsidiary (-)	(85,371)	
GDR Issue Expenses (-)	(19,246)	
Pre-Operative Expenditure (Bio-Diesel) (-)	(41,823)	
		(136,069)
Net cash used in Investing Activities		
Cash Flow from Financing Activities		
Recd against issue of shares including Premium (+)	568,370	
Interest (+)	20,938	589,308
Net cash generated in Financing Activities		
Net increase in cash/ cash equivalent during the year		425,790
Cash and Cash equivalent at beginning (+)		79,197
Cash and Cash equivalent at the end		504,987
Breakup of Cash & Cash Equivalent as at 31st March 2010		
Cash in Hand		372
Cash at Bank		504,615
		504,987

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 2010. 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 10th May 2010

For Agarwal Vishwanath & Associates
Chartered Accountants

Place : Kolkata
Dated : 10th day of May '2010

Sd/-
Partner



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 2010.

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. 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 Fuels 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%

2. 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.
3. 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.
4. Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for as at 31st March 2010 is NIL.
5. 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 Fuels Ltd.
- IKF Telecom Inc.
- Netwatch Digital Solutions Private Limited

(b) **Key management Personnel :**

Key executive management personal of the company represented on the Board :

- 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
- Dr. B. B. L. Madhukar Director

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

Particulars	(Rs. in '000)	
	31.03.10	31.03.09
Investment in Subsidiaries	146285	148098
Salary to Executive Directors	4135	1595
6. 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.		
7. 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	(Rs. in '000)	
	Year ended 31.03.10	Year ended 31.03.09
Net Profit /(Loss) for the year (Rs)	354144	283532
Weighted number of Equity Shares	410560578	268190000
Earning Per Share (Basic)	0.86	1.06
Nominal Value per share	Re.1	Re. 1
8. 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.		
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	(Rs. in '000)	
	31.03.10	31.03.09
As Statutory Audit Fees	290	183
As Tax Audit Fees	25	28
Certifications and Others	31	20
Total	346	231
11. The Balances of Debtors, Creditors & Advances are subject to confirmation.		
12. The Management has decided to transfer its Bio-Diesel activities to its subsidiary M/s. IKF Greenfuel Ltd. Consequently pre operative expenditure related with Bio-Diesel till 31.03.09 of Rs. 3,00,67,981.75 has been transferred.		
13. During the year the company has forfeited the advance against share warrants of Rs. 3,94,55,000/- as the balance amount was not received from the party within the statutory time period for converting the share warrants into the share capital. The same has been shown as Capital Reserve in schedule to under Capital Reserve.		
14. During the year company has entered into an understanding with an entity to run a Telecom BPO process wherein the company will re-imburse all the operating cost and retain 95% of the bill amount raised to the principal.		
15. The provision for tax of the subsidiary of Rs. 17,39,333/- 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.		
16. The consolidated financial results for the year ended 31.03.2010 represents the results of the subsidiary acquired by the group during the year and hence are not comparable with the previous year.		



17. Contingent Liabilities :
 - i) The company has furnished a Performance Bank Guarantee of Rs.2,00,00,000 to ICICI Bank Ltd. and a Financial Bank Guarantee of Rs.10,00,000 to Corporation Bank 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.
18. Previous year's figures have been regrouped / rearranged wherever necessary, to confirm to the current period presentation.
19. Figures in brackets shows negative balances
20. Schedule '1 to '14' form an integral part of accounts and have been duly authenticate

As per our report of this date annexed

For Agarwal Vishwanath & Associates
Chartered Accountants

Sd/-
Partner

Place : Kolkata
Date :10th day of May 2010

For & on behalf of the Board

Sd/-
Whole Time Director

Sd/-
Company Secretary

Sd/-
Executive Director

Sd/-
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/DPID NO :
	NO. OF SHARES

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at the at Eco Space (IT Park), Ambuja Realty - Hospitality Division ,Plot No. 2F/11,New Town Rajarhat , North 24 Parganas, Kolkata - 700 156

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 ofor
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 at and any adjournment
thereof.

Affix Re.1 Revenue Stamp

Dated this day of 2010 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.