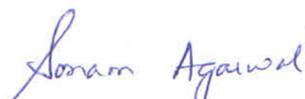


FORM B

1.	Name of the Company	IKF Technologies Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Employee State Insurance is repetitive since 31 st March, 2012. Provident Fund and Income Tax are repetitive since 31 st March, 2013.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><i>Our Auditor Qualify its report for statutory dues of Rs. 3.67 Crores as on 31st March, 2014 for a period of more than six months from the date they become payable.</i></p> <p><i>They also qualify Income Tax of Rs. 3.28 Crores for the Assessment Year 2010-11 and 2011-12 as same was not deposited due to an appeal filed by the Company before the Commissioner of Income Tax (Appeal) – I/Kolkata as required by the Companies (Auditor's Report) Order 2003(as amended) (the order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956.</i></p> <p>(Refer Para 9(a) & 9(b) of Annexure to Auditors' Report in the Annual Report) and</p> <p>Management's response: The observations made in Auditors' Report read with Notes to Accounts are self-explanatory and therefore, do not call for any further elucidation.</p> <p>(Refer Management Discussion and Analysis Report which is Annexure to Directors' Report in the Annual Report)</p>
6.	Additional comments from the board/audit committee chair:	<p>The Board's clarifications to certain observations made in the Auditors Report for the year under review are as mentioned below:</p> <p>The Company is generally regular in depositing undisputed statutory dues except for delay in certain cases as qualified by Statutory Auditor.</p> <p>The Management has taken due measures to avoid such delay in future. However, Due to some temporary cash flow mismatch there has been delay in payment of statutory dues.</p> <p>(Refer Directors' Report in the Annual Report)</p>


For Mandawewala & Co.
 Chartered Accountants
 Firm Reg. No.: 322130E
CA Sonam Agarwal
 Partner
 Membership No.: 302599


Sunil Kumar Goyal
 WTD & CEO
 DIN No: 00550933


Kamal Kishor Poddar
 CFO


Nandipati Venkata Simhadri
 Audit Committee Chairman
 DIN No:00231683

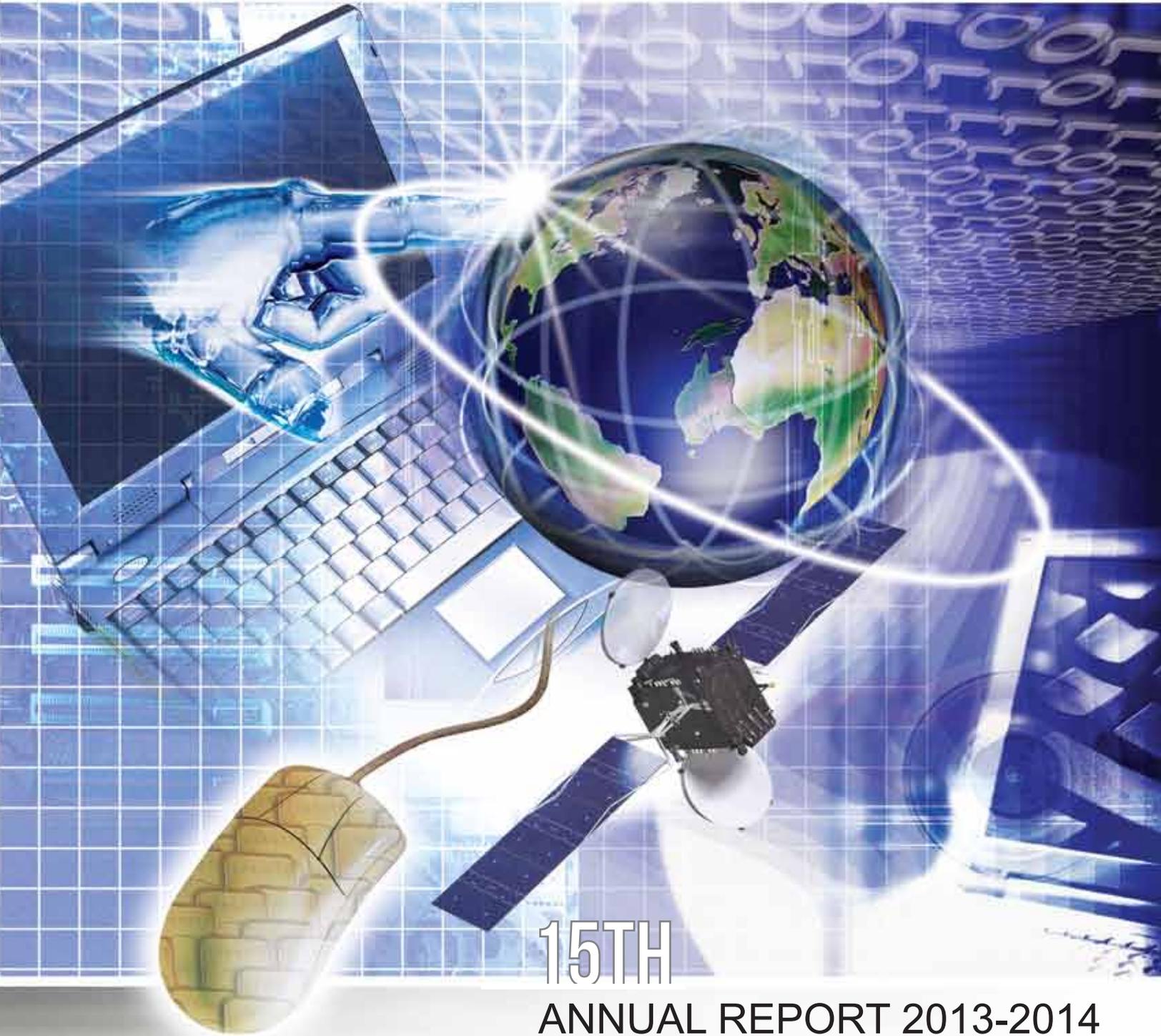
Date: 07/08/2014
Place: Kolkata

IKF Technologies Limited

2nd Floor, Plot No. J - 1/12, Block-EP & GP, Sector - V, Salt Lake, Kolkata - 700 091
 Tel : +91 33 2357 2610 / 11, Fax : +91 33 2357 2612, E-mail : info@ikftech.in, Website : www.ikftech.in
 CIN-L72200WB2000PLC111253



IKF Technologies Limited



15TH

ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS



N.V. Simhadri, *Chairman*

Mr. Simhadri, is an LL.B. and M.Com from Nagpur University. He is an expert in various fields like legal, financial and taxation.

Mr. Simhadri has held senior positions for over 26 years in the Companies like SAIL, Ballarpur, Karvy, TCS, Aditya Birla group. He is also associated with Institute of Company Secretaries of India, Institute of Cost and Work Accountants of India and Institute of Bankers.

Sunil Kumar Goyal, *WTD & CEO*

Mr. Sunil Kumar Goyal is a Commerce Graduate. He possesses much knowledge and expertise in field of finance.

Mr. Sunil has vast experience in E-Governance project and portfolio Management. His experience compasses areas of creation of strategic alliance, business development and strategic planning. His incalculable career achievements cannot be limited in few lines.



Pradeep Dutta, *Director*

Mr. Pradeep Dutta, age 64 years, holds a Masters of Economics with specialization in Industrial Economics. 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.

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.

Umesh Govind Bhat, *Director*

Mr. Bhat is a Commerce Graduate and holds Diploma in Business Management. He has 20 years working experience with reputed Companies of India and Abroad.

Mr. Bhat, today is having excellent experience in Sales promotion activities, Launching of new products, Management and networking related with distribution etc. Mr. Bhat is a man of perfection and his vision is well defined towards the growth and success of the Company.



Nidhi Sharma, *Director*

Ms. Nidhi Sharma is M.C.A., has vast exposure in Telecom, IT/Software Industry. Ms. Nidhi has expertise and huge knowledge in developing training and education programme.

Ms. Nidhi has worked with various National & International clients like India, UK, USA, Netherlands, Germany and Finland. She is also associated with 'BLOSSOM', a Corporate Social Responsibility wing, which works towards the objective of 'Championing Child Education and Healthcare'.

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospect and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried where ever possible to identify such statements by using words such as 'anticipates, estimates, expects, projects, intends, plans, believes' and words of similar substance in connection with any discussion or future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe that we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even in an inaccurate assumption. Should known or unknown risks or uncertainties materialise or should underline assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future event or otherwise.

IKF TECHNOLOGIES LIMITED



From 2000 to 2014

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Intro of Global Economy

“The going got tough but we continued with our steady and consistent growth in the light of challenges”

The Global economic uncertainty continued to translate into slowdown in Indian markets.

It may compel our clients to postpone their decisions to acquire newer technology and reduce their IT & BPO operations cost. In turn such scenario may affect our revenue and profitability. The Indian IT market has become a focused market for several large Indian IT & BPO firms & various global IT giants. But highly competitive scenario creates pricing pressure in the market, which may affect gross margin of the Company in long run. The sector is facing several challenges, including low visibility, delayed decisions, different growth rates among various verticals.

The going got tough but we continued with our steady and consistent growth in the light of challenges.

Despite the challenges, we continued to look inwards and utilized the adversities to further strengthen and expand our operations, crystallized our growth plans and pursued excellence in terms of training & development, quality of services and customer satisfaction.





Our Vision

We at IKF Technologies Limited understand the value of customer service in the competitive contemporary world and the zeal to flourish as the best in the business by offering the best of services to the privileged customers of our esteemed clients.

We help our clients effectively serve their customers through our range of services from Customer Acquisition, Maintenance, Hand Holding, Complaint Management, Enabling Services and Retention.



KEY CLIENTS

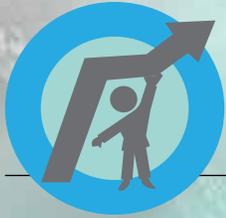


QUALITY CERTIFICATIONS

ISO 27001:2005 Certificate for ensuring Information Security Management System.

ISO 9001:2008 Certificate for ensuring Quality Management Standard System.





Growth & Challenges

The domestic IT-BPO market has been experiencing a gradual upswing since 2003, and now occupies an important place on the radars of both large and smaller IT-BPO organizations. While initially, it was small and Medium-sized Businesses (SMBs) that focused on the domestic sector, over the last few years, especially during the phase of the global slowdown, the larger players have also begun addressing the untapped opportunity being presented by the domestic IT-BPOs. The domestic market is getting catalyzed by factors such as a spurt in e-Governance projects by both the central and state governments, and greater use of IT by corporate and public sector agencies. The result is that large and SME IT-BPOs are engaging actively with Indian market customers and bagging prestigious and large deals in this sector.

1. Improving Training Strategy:

By creating and conducting interactive, enjoyable and educational training experiences our Company improve the effectiveness of training program. Company's success is based on the improvement of job behavior, job performance, service quality, lower absenteeism, customer satisfaction. Employee development is one of the most important investment.

2. Improving Quality of Services:

The right time to build the roof is while the sun shines. At IKF, we have always believed that improvement in quality of services has to be continuous and persistent, not momentary or occasionally. Our zeal to improve and lead the change enabled us in betterment of the quality of services we offer, in line with the best standards.

3. Facing Future Challenges:

In the year ahead, the IT-BPO industry will have to address a host of concerns that can impede its journey towards its vision. The sector will have to focus on issues related to security – both physical and data related in service delivery, to ensure that India continues to maintain its status as a secure sourcing destination.

4. Currency Fluctuation:

As the rupee remains volatile; it will impact the operating margins of IT-BPO organizations as well as their net profit. The industry may need support if the currency fluctuations are too volatile. Since currency fluctuations have somewhat dented India's competitiveness, steps will need to be taken to address this situation.

5. Expanding our Presence:

Change is inevitable and is constant. To partner change is nonetheless demanding but far more rewarding in the long-run. The need to change with the times was evident for us and we prepare well. In the last 5 years, we have consciously focused on expanding our presence – both in terms of domestic as well as international geographies.

The Company is operating in various parts of the country such as Kolkata, Shillong, Jaipur & Udaipur and has International subsidiaries in South Africa, USA, UAE, India.

6. Workforce Development:

Enhancing employability and access to a skilled talent pool is a critical enabler for India's competitiveness. The Company is engaged across a broad spectrum of academia, industry and governments to devise policies, curriculum and assessments to achieve the above objective.

Use of technology and business services is gaining increased adoption across governments, corporate and small and medium businesses (SMBs). The focus is to engage with these stakeholders and build initiatives that promote public private partnerships and standards and recognize excellence in IT adoption.

7. Fortifying Service Portfolio:

It is harder to stay at the top than to reach at the top. For the process demanding continuous excellence, which in turn involves learning, unlearning and relearning. At IKF, we believe that the secret to sustainable leadership is to constantly achieve new standards – be it in offering new services, improving quality and covering new sectors.



Human Resources Management

“Human Resources have always been the most valuable assets of our organisation”

For an Organisation of over 6500 employees, opportunity is diverse. In order to give better results, we have adopted a differentiated approach to growth.

Our Human Resources is the single largest factor that has contributed to our growth since inception. At IKF, Human Resources have always been the most valuable assets of our organisation.

Our Company nurtures our talent with confidence and we focus on competency development, role and career progression and benchmarked benefits to attract and retain the best talent of the Industry as well as build a pipeline of leaders to meet the future requirements. Our Organisation provide our people transparent and level-playing working environment that improves the culture of team working. We have taken pro-active measures to employ, guide and train local talent, thereby contributing to the economy of our nation. Training and development are the most vital factors of our Company's growth. The Company offers the right ingredients to encourage individual as well as team level achievement.

A well defined process to review the HR policies & processes ensures that the Company has complied with the regulatory requirements.



Corporate Social Responsibility

Being a responsible Organisation, it is our integral targets to take part in sustainable development in whatever we do. Our commitment to sustainable development is reflected with our ambitious targets to reduce consumption footprints in energy, water and waste.

At IKF, we believe that the Education System in India must improve to deliver high quality equitable education to all. As a responsible organisation, we have resolved to make our contribution by initiating Educational Programs & improving the quality of education.

1. R2R Seva:

IKF, in collaboration with M/s. R2R Seva is engaged in business of providing services relating to collection of utility bills (electricity/water/telephone) and government levies, citizen information services & other related activities and has mainly been providing Government to Citizen (G2C) and Business to Citizen (B2C) services.

2. Vocational Education & Training:

Our Company, in order to encourage Vocational Education & Training, we got associated with Government of Madhya Pradesh with proposed investment of Rs.100 Crores and to impart training to 25000 students per year with reference to setting up of Industrial Training Institute and Skill Development Councils Projects.

3. Skill Development Programme:

- MOU entered into with the Virtual Global Education Limited for providing the on-site and off-site training through virtual platform and training centres. The main motto of this programme is to train, develop and create the employment opportunities for the unemployed youth in the rural areas of Rajasthan.
- MOU entered into with the Government of Chhattisgarh, with proposed investment of Rs. 150 Crores intended to promote the employment opportunities in accordance with the rules and regulations of the State Govt. of Chhattisgarh.

4. E – Siksha:

In India about millions of children are out of school, mainly in rural areas. IKF, in partnership with Kommunity Futures, has taken an initiative to promote education to rural areas, at scale with main essence of supplementing formal education system and stimulating brain development. Here we target children in two groups i.e., upto 3years and 3-5 years.

5. E-Governance & Software:

The Company, in association with the Government of Chhattisgarh, with proposed investment of Rs. 300 Crores intended to promote education and develop and create opportunities (Direct: 500 & Indirect: 700) for training the youth in the rural areas of Chhattisgarh.





Go Green

Go Green Initiative

“As a responsible corporate citizen, your Company welcomes and supports the Green Initiative”

Dear Members,

The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 permitting service of notice/ documents by Companies to its members through electronic mode in compliance of Section 53 of the Companies Act, 1956.

As a responsible corporate citizen, your Company welcomes and supports the Green Initiative taken by the MCA, as this will reduce paper consumption to a great extent and allow the members to contribute towards a greener environment. This will also ensure prompt receipt of communication and avoid loss in postal transit.

In view of above, we are proposing to provide an option to our members for receiving all documents and communications including notices, abstract, Annual Report, documents etc., via e-mail.

1. For Members holding shares in electronic form, the e-mail address provided by them by writing at Company’s registered office address or by sending an e-mail at info@ikftech.in mentioning their Name, DP Id & Client id No. and e-mail made available to us by the depositories will be used for sending such documents. Members are thus requested to register / update their email address with their depositories.
2. Members holding shares in physical form are requested to register their valid email address with the Company by writing at Company’s registered office address or by sending an e-mail at info@ikftech.in mentioning their name & folio no. Alternatively, a ‘IKF Technologies Limited - Go Green Form’ is also available at the bottom of this page to enable the Members holding shares in physical form to register their e-mail address.

However, even if you opt for electronic mode, as a member of the Company, you will be entitled to be furnished, free of cost, with a physical copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto and all other communication that may be sent to you, upon receipt of requisition from your side to this effect.

We seek your co-operation in helping the Company to implement the ‘Green initiative’ of the Government as your support will go a long way in saving trees and also result in substantial cost savings.



Corporate Information

Annual General Meeting

Date : 19th September, 2014
Time : 3:00 p.m.
Day : Friday
Venue : The Convergence Centre
DPSC, Plot No. X - 1, 2 & 3
Block EP, Sector - V
Salt lake, Kolkata – 700 091.

Chairman

Mr. Nandipati Venkata Simhadri

Board of Directors

Mr. Sunil Kumar Goyal, WTD & CEO
Mr. Umesh Bhat
Mr. Pradeep Dutta
Ms. Nidhi Sharma

Company Secretary

Mr. Mohit Srivastava

Chief Financial Officer

Mr. Kamal Kishor Poddar

Internal Auditor

Ms. Lina Agarwal

Statutory Auditors

M/s. Mandawewala & Co.
Chartered Accountants
1, British Indian Street, 1st Floor,
Suite No. 110D, Kolkata-700 069

Registered Office

2nd Floor, Plot No. J-1/12, Block-EP & GP,
Sector-V, Salt Lake, Kolkata-700 091
Tel: +91 33 2357 2610/11
Fax: +91 33 2357 2612
E-mail: info@ikftech.in, cs@ikftech.in
Website: www.ikf-technologies.com

Registrar & Share Transfer Agent

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka, Andheri (East)
Mumbai-400 072
Tel : +91 22 2847 0652, 4043 0200
Fax : + 91 22 2847 5207
Email : info@bigshareonline.com

Listing

The Bombay Stock Exchange (BSE)
The Calcutta Stock Exchange (CSE)
The Luxembourg Stock Exchange (LuxSE)

Bankers

Axis Bank Limited
UCO Bank Limited
ICICI Bank Limited
Corporation Bank Limited
SBI Limited



History

2000

Incorporated on 22nd February, 2000 as a Public Limited Company, under the provisions of the Companies Act, 1956.

2001

The Company went for an Initial Public Offer (IPO) of Rs.40,000,000 divided into 4,000,000 equity Shares of Rs.10 each and the issue was fully subscribed.

2005

- (i) The main objective of the Company was promoting Information Technology (IT), Information Technology Enabled Services (ITES), Internet Service Provider (ISP) Services, Education and Alternative Energy Resources across the Globe. It's a fastest growing IT Company has maintained its leadership status in catalyzing renaissance in Indian IT arena.
- (ii) The face value of the Equity Shares of the Company sub-divided from Rs. 10/- per share to Re. 1/- per share.

2006

The Company has entered into strategic alliance with Indian Oil Corporation for technical and marketing collaboration. The Company has signed an MOU with Gujarat Govt. for making an investment of over 110 crores to set up a 1,00,000 ton plant in Gujarat.

2007

- (i) The Company has over the years achieved Jatropa Plantations in the state of Meghalaya.
- (ii) The Company has won the "Excellence Award" and "Udyog and Ratan Award" by IES/ICSME in 2007 for its commendable efforts in the field of bio fuels.

2008

The Company has entered into Agreement with Tata Teleservices Limited (TTSL) for handling all the calls related to the Post-paid connections.

2009

Company's Internet Service Provider (ISP) Department has initiated the following products & service in India.

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

2010

- (i) The Company has entered into Master Services Agreement with following Companies for providing the Call Centre Services (Inbound & Outbound) and selling the product and services.
 1. Bharti Airtel Limited,
 2. Integrated Subscriber Management Services Limited (Dish TV),
 3. Metlife India Insurance Company Limited &
 4. Kotak Mahindra Old Mutual Life Insurance Limited,
 5. Aircel Limited.
- (ii) The Company has entered into the Memorandum of Understanding with Telecommunication Consultants India Limited (TCIL) to collaborate for providing various avenues in E-Shiksha & E-Swasthya in order to make a combined effort with a social initiative.

2011

The Company has entered into Agreement with Integrated Subscriber Management Services Limited (Dish TV) to provide Outbound Call Centre Services to ISML from its operating centre at Kolkata.

2012

- (i) The Company has entered into Master Services Agreement with IDEA Cellular Limited for managing the Contact Centre Services for Tele-verification from Kolkata-WB based Call Centers.
- (ii) The Company has entered into Master Services Agreement with Sistema Shyam Teleservices Limited (MTS) to manage and handle the outbound calls for its centre at Kolkata.
- (iii) The Company has entered into the Memorandum of Understanding with Virtual Global Education Limited (VGEL) to provide the Onsite Training through technical staff so as to enhance the productivity and employment capability of the trained youth in the state of Rajasthan.

2013

- (i) The Company has entered into a Rate Contract, Tele Verification Agreement with Dishnet Wireless Limited to provide the Internet Services to DWL.
- (ii) TTSL extended the term of the Principal Agreement for a further period of 1 year retrospectively with effect from 01st October, 2012.
- (iii) The Company has won the prestigious Fourth Inc. India 500 Business Excellence Award as one of India's fastest growing Mid-Size Enterprises.
- (iv) The Company has entered into Agreement with BSNL for providing the Call Centre Services.

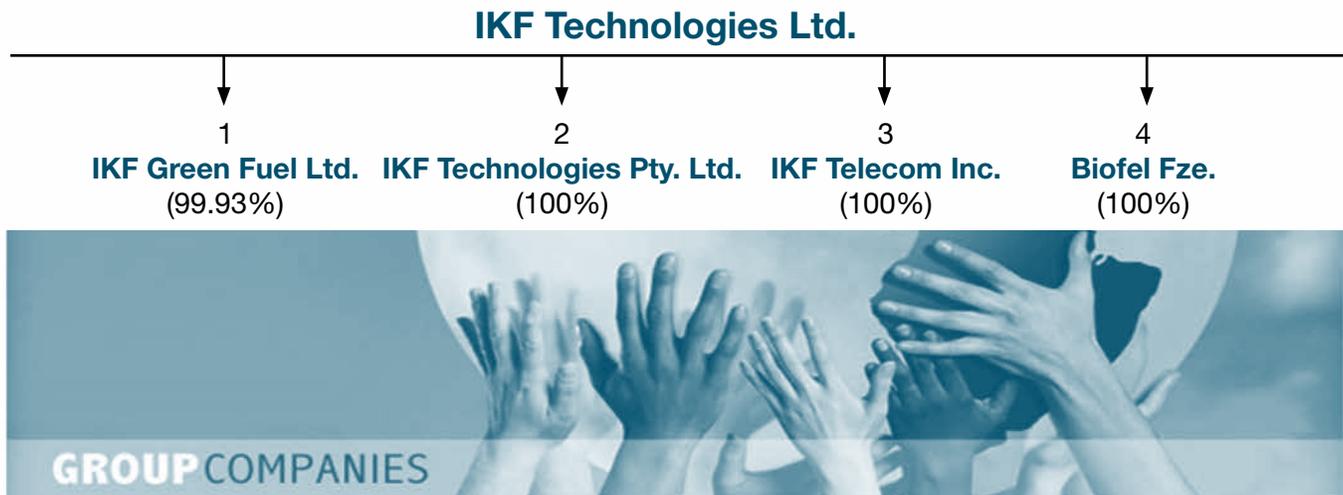
2014

- (i) LOI received from E-Mitra (Rajasthan).
- (iii) Telecom ISP has grown substantially in a short span of time with wider national presence.

Key Facts

- Incorporated on 22nd February, 2000.
- Promoting IT, ITES, ISP Services, Education and Alternative Energy Resources across the Globe.
- Using the latest methodologies and offer a wide spectrum of services from market research to financial research and web research.
- 6500+ workforce.
- Total Revenue is Rs. 102.74 Crores.
- Listed on Bombay Stock Exchange, Calcutta Stock Exchange and Luxembourg Stock Exchange.
- Strengthening our ISP, BPO and Software Development Division by hiring highly skilled resources.

Group Structure



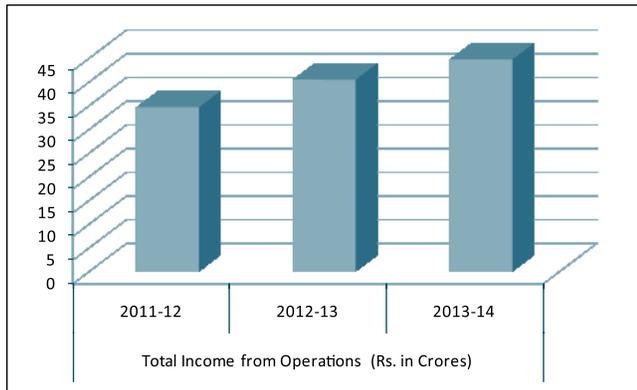
Global Map

- The Company is rendering services across the globe through its own Offices & its Associates.
- The Company has foreign subsidiaries in South Africa, USA, UAE.

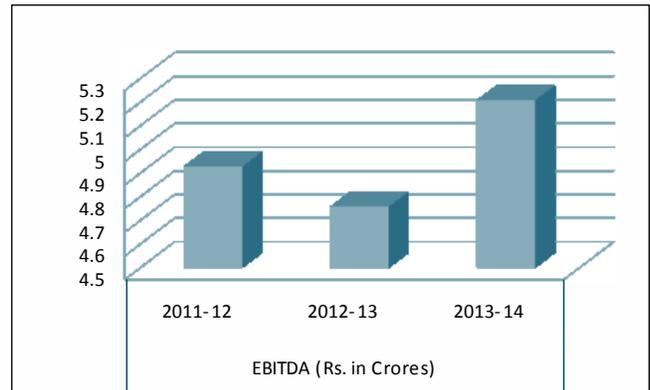


Operational Highlights:

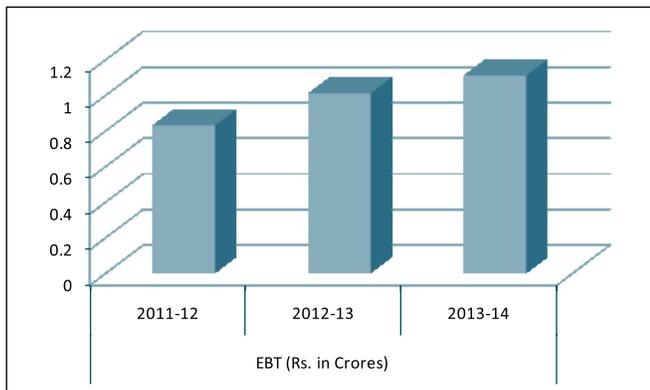
TOTAL INCOME FROM OPERATIONS



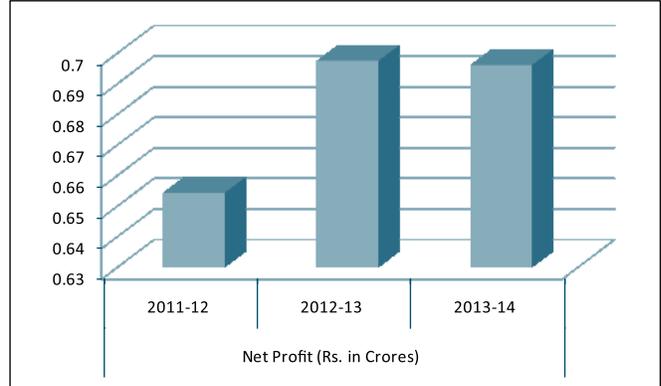
EBITDA



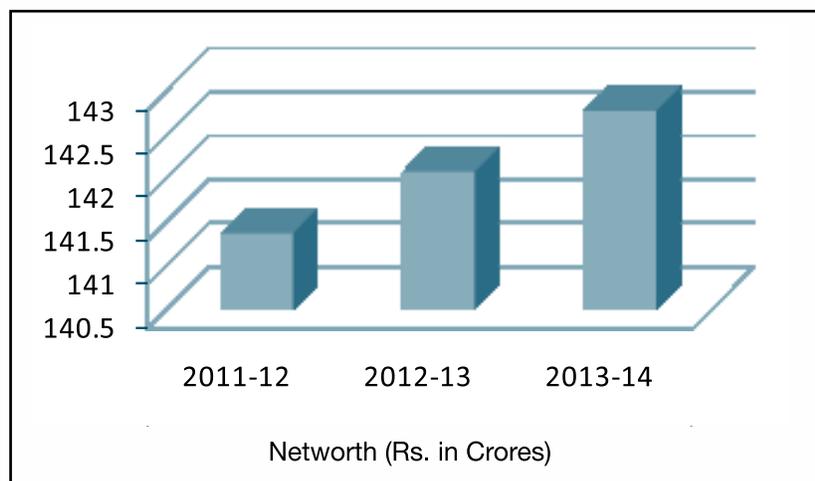
EBT



NET PROFIT



NETWORTH



NOTICE

NOTICE is hereby given that the 15th Annual General Meeting (AGM) of the Members of IKF Technologies Limited will be held on Friday, the 19th day of September 2014, at 3.00 p.m., at 'The Convergence Centre', DPSC, Plot no. X-1, 2 & 3, Block EP, Sector - V, Salt lake, Kolkata – 700 091, to transact the following businesses:

ORDINARY BUSINESS :

Item No. 1: Adoption of Financial Statements

To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors' (The Board) and Auditors' thereon.

Item No. 2: Appointment of Director

To appoint a Director in place of Mr. Pradeep Dutta (DIN 00632335), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3: Appointment of Auditors

To re-appoint Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of 20th AGM and to fix their remuneration and to pass the following resolution thereof.

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and Rules framed thereunder, as amended from time to time, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Mandawewala & Co., Chartered Accountants (Firm's Registration No. 322130E), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of 20th Annual General Meeting of the company to be held in the year 2019 (subject to ratification of their appointment by the Members at every AGM), at a remuneration to be fixed after discussion with the Board of Directors of the Company.”

SPECIAL BUSINESS :

Item No. 4: Appointment of Mr. Umesh Bhat as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Umesh Bhat (DIN: 02663160), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the company in the calendar year 2019.”

Item No. 5: Appointment of Mr. Nandipati Venkata Simhadri as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Nandipati Venkata Simhadri (DIN: 00231683), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the company in the calendar year 2019.”

Item No. 6: Appointment of Ms. Nidhi Sharma as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Nidhi Sharma (DIN: 05239976), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the company in the calendar year 2019.”

Registered Office:

2nd Floor, Plot No. J-1/12
Block- EP & GP, Sector-V,
Salt Lake, Kolkata-700 091
Date : 7th August, 2014
Place : Kolkata

By Order of the Board of Directors

Sd/-
Mohit Srivastava
Company Secretary

NOTES :

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') MAY APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**
The instrument of proxy in order to be effective must be received at the Company's Registered Office, duly completed and signed, not less than 48 hours before the time fixed for commencement of the AGM i.e., by 3.00 p.m. on 19th September, 2014. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company.
- B.** Corporate Members intending to send their authorized representatives in accordance with Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of the Board Resolution authorising the representatives to attend and vote on their behalf at the AGM.
- C.** Members are requested to bring their attendance slips duly filled in and signed as per the specimen signature recorded with the company for attending the meeting along with Annual Report already circulated to them.
- D.** In case several joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
- E.** The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2014 to 19th September, 2014 (both days inclusive) for annual closing.
- F.** Queries proposed to be raised at the AGM 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.** 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.

- H. 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.
- I. Members are requested to intimate immediately any change in address or demise of any Member to the Registrar & Share Transfer Agent of the Company, M/s. Bigshare Services Pvt. Ltd. at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai-400 072 and/or to Company Secretary at the Registered Office of the Company at 2nd Floor, J-1/12, Block-EP & GP, Sector-V, Salt lake, Kolkata-700 091, quoting their Folio Numbers. Shareholders holding shares in the dematerialised form are requested to address all their correspondence to their respective Depository Participants.
- J. In all correspondence with the Company, Members are requested to quote their Account/Folio Number and in case their shares are held in the dematerialized form, their Client ID and DP ID Numbers.
- K. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN details to the Company or Company's Registrar & Share Transfer Agent.
- L. The Register of Directors' Shareholdings and Register of Contracts maintained under section 170 & 189 of the Companies Act, 2013, shall be available for inspection by the Members at the AGM venue during the Meeting.
- M. Members holding shares in the same name or in the same order of names but in several folios are requested to consolidate them into one Folio.
- N. Electronic copy of the Annual Report for 2014 is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
- O. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- P. In terms of Section 205A of the Companies Act, 1956, the amount of Final Dividend, 2007 remaining unclaimed and unpaid for a period of seven years from the due date is required to be transferred to the Investor Education & Protection Fund of Central Government (IEPF) on October, 2014.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividend in respect of the financial year 2007, as on the date of the 14th Annual General Meeting (AGM) held on 26th July, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.ikf-technologies.com.

Members who are yet to claim/who have not encashed the said dividend warrants, are requested to submit their claims immediately to the Registrar & Share Transfer Agent, viz., Bigshare Services Pvt. Ltd or to the Company.

- Q. Electronic copy of the Notice of the 15th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company /Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 15th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Members may also note that the Notice of the 15th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.ikf-technologies.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@ikftech.in

R. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 15th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by NSDL. The Board of Directors of the company has appointed Ms. Chanchal Sharma as the Scrutinizer.

The E-voting period begins at 09.00 A.M. on Saturday, 13th September, 2014 and ends at 9:00 P.M. on Sunday, 14th September, 2014. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e, 18th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

The instructions for e-voting are as under:

1. In case of Members who receive the **Notice in Electronic Mode**:
 - (a) Open e-mail and open PDF file viz. 'IKF Technologies e-voting.pdf' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/> and click on 'Shareholder – Login'.
 - (c) Insert user ID and password as initial password stated in (a) above. Click on 'Login'.
 - (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits / characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
 - (e) Home page of e-voting opens. Click on 'e-voting: Active Evoting Cycles' and select the Electronic Voting Event Number (EVEN) of IKF Technologies Limited.
 - (f) Now you are ready for e-voting as 'Cast Vote' page opens.
 - (g) Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted.
 - (h) Upon confirmation, the message 'Vote cast successfully' will be displayed. Thereafter you will not be allowed to modify your vote.

- (i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested, to the Scrutinizer through e-mail at ikftechscrutinizer@gmail.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in.
2. In case of Members who receive the **Notice by Post**:
 - (a) User ID and initial password is provided for the AGM.
 - (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (1) above, to cast your vote.
3. Members already registered with NSDL for e-voting can use their existing user ID and password for Login.

Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (1) above, to cast your vote.

4. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com. You may also address your queries relating to e-voting to the e-mail ID evoting@ikftech.in
5. The period for e-voting starts at 9.00 a.m. on Saturday, 13th September, 2014 and ends at 9.00 p.m. on Sunday, 14th September, 2014. E-voting shall be disabled by NSDL at 9.00 p.m. on 14th September, 2014.
6. General Information
 - (a) Every Client ID No. / Folio No. shall have one e-vote, irrespective of the number of joint holders.
 - (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on Monday, 18th August, 2014.
 - (c) E-voting right cannot be exercised by a proxy.
 - (d) The Results of the e-voting will be declared on or after the date of the AGM i.e. Friday, 19th September, 2014.

The declared Results, along with the Scrutinizer's Report, will be available on the Company's corporate website www.ikf-technologies.com under the section 'Investor Relations' and on the website of NSDL; such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

- S. Explanatory Statement under Section 102 of the Companies Act, 2013 which sets out details relating to Special Business to be transacted at the Meeting, is annexed hereto and form part of the Notice.

Registered Office:

2nd Floor, Plot No. J-1/12
Block- EP & GP, Sector-V,
Salt Lake, Kolkata-700 091

Date : 7th August, 2014
Place : Kolkata

By Order of the Board of Directors

Sd/-
Mohit Srivastava
Company Secretary

EXPLANATORY STATEMENT:

Pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4:

The Board of Directors at their Meeting held on 20th January, 2014 appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Umesh Bhat (DIN: 02663160) as an Additional Director of the Company. The Board appointed Mr. Bhat as a Chairman of the Remuneration Committee & also member of Audit Committee of the Board of Directors of the Company.

Mr. Bhat is a Commerce Graduate and holds Diploma in Business Management. He has more than 20 years of working experience with reputed Companies like Pidilite Industries, VAM Organic Chemicals, Karan Industrial, Nagode Industries of Nigeria. He has developed his career in the field of Marketing & Sales.

Under Section 161(1) of the Companies Act, 2013 read with Article 127 of the Articles of Association of the Company, Mr. Umesh Bhat hold office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member along with the deposit of required amount under Section 160 of the Companies Act, 2013, proposing Mr. Bhat as a candidate for the office of Director of the Company.

Mr. Umesh Bhat is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a Company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Umesh Bhat that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Umesh Bhat possesses appropriate skills, experience and knowledge, inter alia, in the field of Marketing and finance.

In the opinion of the Board, Mr. Umesh Bhat fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Bhat is independent of the Management.

Brief resume of Mr. Umesh Bhat, nature of his expertise in specific functional areas and number of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Umesh Bhat is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Bhat as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. Bhat does not hold by himself or for any other person on a beneficial basis, any shares in the Company. The Board considers that the appointment of Mr. Bhat as a Director of the Company would be of immense benefit to the Company.

Except Mr. Bhat, being an appointee, none of the Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item No. 5:

Mr. Nandipati Venkata Simhadri (DIN 00231683) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 19th October, 2010. Mr. Simhadri is Chairman of the Board of Directors of the Company, Audit Committee and a Member of the Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

He is a LL.B. and Masters in Commerce from Nagpur University. He is an expert in various fields like legal, finance and taxation. He accomplished a brilliant career of 26 years in the Companies like SAIL, Ballarpur, Karvy, TCS, Aditya Birla Group.

Mr. Simhadri is not a Director in any other Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Nandipati Venkata Simhadri as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to 31st March, 2019.

Mr. Simhadri is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notices in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Simhadri for the office of Directors of the Company.

The Company has also received declaration from Mr. Simhadri that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Simhadri fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Simhadri is independent of the Management.

Brief resume of Mr. Simhadri, nature of his expertise in specific functional areas and number of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Mr. Simhadri as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Simhadri as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Simhadri as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Simhadri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6:

Ms. Nidhi Sharma is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company on 30th January, 2012. Ms. Nidhi Sharma is the Member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Ms. Nidhi holds Masters' degree in Computer Application. Her area of specialization includes telecom, IT/Software Industry. She has worked with various National & International clients like India, UK, USA, Netherland, Germany and Finland.

She is not a Director in any other Company in India. She does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Ms. Nidhi Sharma as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to 31st March, 2019.

Ms. Nidhi is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director.

The Company has received notices in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Nidhi for the office of Directors of the Company.

The Company has also received declaration from Ms. Nidhi that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Ms. Nidhi fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Ms. Nidhi is independent of the Management.

Brief resume of Ms. Nidhi, nature of her expertise in specific functional areas and number of companies in which she hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Ms. Nidhi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Nidhi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Nidhi as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Nidhi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Annexure to Notice

Additional Information in terms of Clause 49 of the Listing Agreement in respect of Directors being proposed for re-appointment at 15th Annual General Meeting.

Name of Director	Mr. Pradeep Dutta (DIN: 00632335)	Mr. Umesh Govind Bhat (DIN: 02663160)	Mr. Nandipati Venakata Simhadri (DIN: 00231683)	Ms. Nidhi Sharma (DIN: 00632335)
Date of Birth	11th March, 1950	3rd April, 1963	1st August, 1952	25th July, 1980
Date of appointment	25th January, 2005	20th January, 2014	19th October, 2010	30th January, 2012
Expertise in Specific Functional Areas	He has deep insight and varied experience in the overall activities of the Company. He plays a vital role in formulating business policies and decision making.	He possesses more than 20 years work experience in the field of sales promotional activities and customer base development.	He has more than 26 years of enriched knowledge and experience in fields like legal, finance and taxation.	Her area of specialization includes Telecom, IT/Software Industry. She has worked with various National & International clients like India, UK, USA, Netherland, Germany and Finland
Qualification	M.Econ with specialization in Industrial Economics.	B.Com and Diploma in Business Management.	M.Com and LL.B.	M.C.A.
Directorship in other public limited companies*	Nil	One	Nil	Nil
Membership / Chairmanship of other Public Companies	NIL	Nil	Nil	Nil
Shares holding in the Company	NIL	NIL	NIL	NIL
Relationships with other Directors	None	None	None	None

Note :

**Directorships in foreign companies, alternate directorships, directorships in private companies and membership in governing councils, chambers and other bodies are not included. Membership/Chairmanship in Audit Committee and Shareholder Grievance Committees of other companies is considered.*

CHAIRMAN'S LETTER TO THE STAKEHOLDERS

Dear Shareholders,

It has been another milestone year for your Company in 2013-14 with strong performance across all the dimensions. Your organisation achieved the 4478.16 lakhs mark in revenue at the end of the financial year. Thank you for your support, without which your Company could not have delivered the results it has.

During the fiscal year 2013-14 Profit Before Tax recording a year on year growth of 9.90%.

All our efforts are directed towards positioning IKF to leverage emerging opportunities in the market place to sustain our growth in the future. We continue to focus on our more than a decade long sustainability journey, where we are seeing an increasing shift in mindset towards sustainable growth. Sustainable growth means that organizations have to look beyond financial performance to impact of our business on the ecology and society. Our sustainability reporting initiatives gives us a longer term view of our business and a stakeholder perspective that helps us keep our feet on the ground both when things are going well and when they are not. The energy in our leadership team and the high passion levels in our employees give us the confidence that we are well on our way to building a strong and sustainable business.

Our strong governance culture is reflected in the Spirit of IKF values promoted at an employee level at the base, a strong and thriving Ombudsman system at the inner organization core, a strong Management team and Board to keep the tone at the top consistent with our beliefs. We have a clear internal policy of zero tolerance to non-compliance with our value system.

Going into year 2014-15, primary focus will be new business acquisition, diversification and growth of our existing business which will essentially form a large part of the growth strategy of the Company going forward.

On the operational front, our focus is to drive excellence across all aspects of the business to improve profitability. A specific area is cutting working capital cycle times and improving cash flow generation. We are reasonably confident that our initiatives will help drive sustainable profitable growth in the years to come. We are building an organization for today which will also adapt to the needs of tomorrow.

Technology for most of our clients is no longer a cost but an investment decision. It is a key enabler to drive productivity and simplify their business processes to reduce operational costs. IKF with strong delivery capabilities, global presence and deep business process understanding, is well placed to help our clients achieve this goal. On the external front, it is those factors that make us positive on our growth prospects in the businesses. This optimism on the external front is supplemented by the significant progress on our organisational. IKF today is better equipped to help our customers to 'Do Business Better'.

We are living today in an era of a rapidly evolving market where technology advancement and globalization strongly impacts business strategy. This trend offers a unique opportunity to innovate and utilize technology to elevate business performance. To prepare for this shift, the last fiscal was focused on consolidation, fueled by three key directives - a focused business strategy, higher customer satisfaction and greater employee engagement.

Our clients are one of the most important stakeholders and we strive to be consistently relevant to their changing business needs. Reliability, perfection and our adherence to the services provided are the quality benchmarks which has been our key differentiator while accelerating the Company's business momentum. We believe in constantly scaling quality standards by expanding our efficiency in all areas beyond their basic IT , ITES and ISP offerings.

IKF has been diversified into various segments like BPO, ISP, IT and Bio-Fuel.

IT & ITES Services:

We offer IT-enabled business solutions to our clients globally. We are working in web applications, software development, web designing, mobile application, quality control etc. The focus is to develop our IT Services Industry as a leader in creating value for customers worldwide.

Our ITES offers different services integrated in a single delivery mechanism to end-users.

These divisions generate the highest portion of total revenue. Therefore, to maintain and accelerate the growth

CHAIRMAN'S LETTER TO THE STAKEHOLDERS (Contd.)

trajectory of IT & ITES over next decades, the following action themes are required to be set up in order to reach a critical size and achieve the right positioning, these are:

1. Maintaining the cost advantage keeping in point of view the economy of scale as such Commercial, Technical, Managerial, Financial, Risk-Bearing and External Economies of Scale.
2. Increasing the employability get access to the services of skilled professionals.
3. Enhancing and differentiating customer and producer service.
4. Lowering operating costs.
5. Increasing speed-to-market for new products.
6. Developing the flexibility to adapt to a changing business and regulatory environment.
7. Improving risk control mechanisms

ISP:

IKF's ISP service is Class "A" ISP Licensed by the Department of Telecommunications (DoT), Government of India. Delivering Internet all across the nation.

India remained the world's second-largest telecommunications market in 2013, recovering from the bumpy ride the year before, but made little progress to jump to the next generation of services. However, the industry has a long way to go to be financially robust and, therefore, 2014 would have to see continued improvement in realized rates and proliferation into the country to maintain high data growth. 2014 will likely be a year of consolidation and strengthening of business by most operators. With the government progressing effectively towards finalizing M&A guidelines and clarifying spectrum-pricing and sharing, the industry is set to see positive growth and stability, to the benefit of all mobile users in India.

Bio-fuel:

We are working on the growth of operation of bio-fuel division through our Subsidiary viz. IKF Green Fuel Limited. The operation includes plantation of Jatropha in the states like Meghalaya, Jharkhand, Rajasthan, Madhya Pradesh, Gujarat and Karnataka etc. Subsidiary Company is also indulged in production of diesel in Udaipur, Rajasthan.

We are willing to invest in business to attain leadership and play a facilitating role in our clients businesses. We have a clear strategy and are committed to its execution.

Our biggest assets are our employees. Through their hard work, commitment to excellence and passion to perform, they help us to differentiate our self in the market. We have a total employee strength of almost 6,500 employees. Your Company will continue to focus and build on its core asset 'its employees' in the years going forward.

To conclude, we believe that we have a fundamentally strong business that can adapt in a dynamic macroeconomic environment. We see high confidence levels in our leadership team and employees. I am personally confident that we are on a journey to build a strong, enduring and sustainable business. We remain focused on building an organization that is future ready and is designed to win. I would like to place on record my appreciation to each and every one of our customer, employees, shareholders, lenders and other stakeholders for their continued trust in building IKF for this exciting future.

With Best Wishes.

Date: 7th August, 2014
Place: Kolkata

Sd/-

N.V. Simhadri
Chairman

MANAGEMENT’S DISCUSSION & ANALYSIS REPORT

FORWARD LOOKING STATEMENT:

Readers are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion, the words “anticipate”, “believe”, “estimate”, “intend”, “will”, “plans”, “projects” and “expect” and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, developments or otherwise. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. Actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned that achievement of results is subject to risk, uncertainties and even in an inaccurate assumption. The following discussion and analysis should be read in conjunction with the Company’s financial statements included in this report and the notes thereto. Investors are also requested to note that this discussion is based on the standalone financial results of the Company.

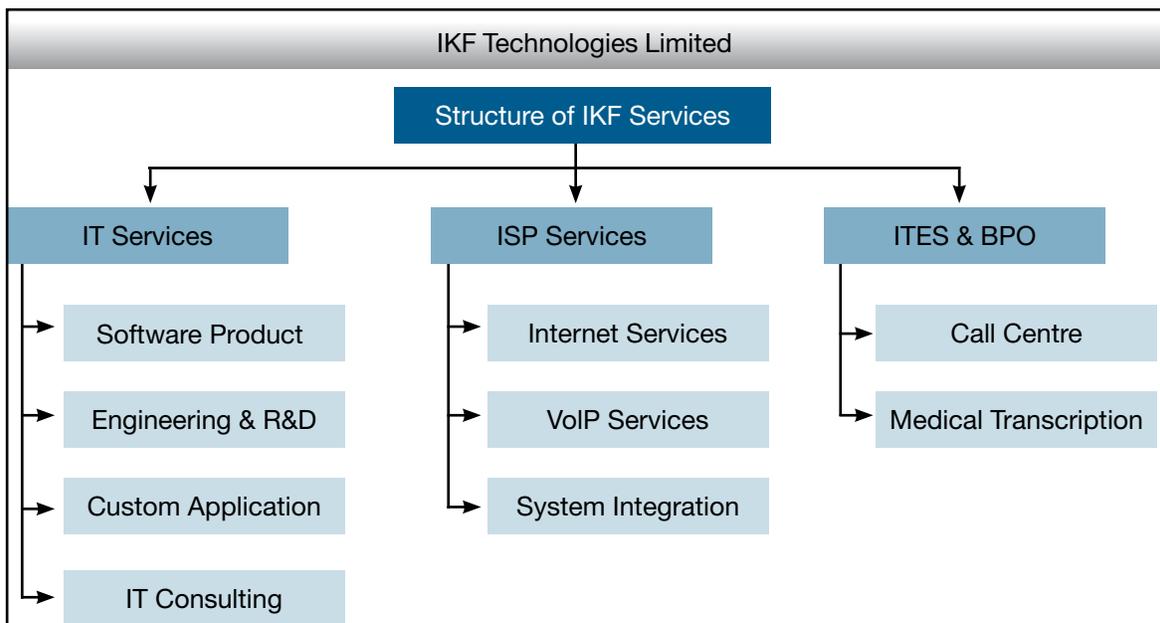
OVERVIEW

IKF Technologies Limited (“IKF” or “the Company”) along with its subsidiaries is a leading global services Company. The IKF group of companies (“the Group”) provides business outsourcing services, technology, software product, education, Internet services etc.

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. We continue to see customers viewing technology as a key enabler to drive their growth strategies. Our Management accepts the responsibility for the integrity and objectivity of these financial statements, as well as for the 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 a fair manner the form and substance of transactions and reasonably present our state of affairs, profit and cash flows for the year.

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 in efficient business process, improve operations and reduce costs.

Economy, Industry Structure and Development



MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

The Indian information technology sector continues to be one of the sunshine sectors of the Indian economy showing rapid growth and promise. Indian IT-BPO industry poised to become a US\$ 225 billion industry by 2020, the Indian information technology (IT) industry has played a key role in putting India on the global map.

The Indian Information Technology (IT) and Information Technology enabled Services (ITeS) sectors go hand-in-hand in every aspect. The industry has not only transformed India's image on the global platform, but also fuelled economic growth by energizing higher education sector (especially in engineering and computer science). The industry has employed almost 10 million Indians and hence, has contributed a lot to social transformation in the country.

Furthermore, Indian firms, across all other sectors, largely depend on the IT & ITeS service providers to make their business processes efficient and streamlined. Indian manufacturing sector has the highest IT spending followed by automotive, chemicals and consumer products industries.

The Indian IT BPO industry shall realize that to manage changing customer demands, tap emerging opportunities, offer new services, multi-lingual capabilities and business continuity planning, it needs to deliver services from multiple locations across the world. A new mortgage target operating model/Target Operating Model (TOM) provides adaptability to dynamic market conditions and regulatory requirements, and confidence of effective risk and compliance management, monitoring, and implementation.

New legal and regulatory requirements are rapidly increasing Company's compliance costs. Companies are faced with either implementing challenging rules more efficiently, or growing the organization to reduce the cost. The risks of noncompliance for either regulatory or operational control have never been higher. Seemingly daily occurrences of Companies failing to remediate these risks are all too often front-page news, with Companies facing disastrous organizational events, criminal, federal and class-action law suits, and incalculable reputational harm. In addition, the industry is changing rapidly.

Technology, from cognitive default management tools to next generation business rule and process management engines, promises significant improvements in control monitoring, managerial oversight, and reduced cycle times. With mandated changes and opportunities coming from diverse stakeholders, meeting these evolving requirements can introduce implementation challenges that, by themselves, can increase complexity and provide new sources of risk.

In this environment, merely achieving compliance is not enough. Leading Companies are seizing the opportunity to enhance and streamline their organizations by implementing TOMs, suited for the complex demands of today's marketplace and regulatory environment, by building flexibility and central management of risks and compliance into their operational structures. Rather than approaching each need for change as a separate program, organizations are realizing the need for adaptability that promotes and manages change, coupled with central management of the control and compliance environment. In turn, flexibility and high-quality risk management creates competitive advantages. So the grim outlook for 2013-14 may hold a blessing in disguise and catalyze industry movement to focus more on business outcomes and innovation.

Internet Services Protocol (ISP) provides access to the Internet via wired or wireless connections. About 2 billion people use the Internet worldwide; The US Internet service provider (ISP) industry generates combined annual revenue of about \$50 billion. Social networking and broadband development in rural and underserved areas are key growth drivers.

Internet access operations of ISP carriers are included in the industry, as are resellers of Internet access over ISP networks. ISP companies themselves are covered in separate industry profiles. Internet publishers, broadcasters, and search portals also are covered in a separate industry profile, as are Internet-based retailers.

Demand is driven by consumer and business requirements for information. The profitability of individual companies depends on efficient operations and good marketing. Big ISPs have economies of scale in operations, purchasing, and marketing. Small companies can compete successfully by operating in underserved markets or excelling in customer service.

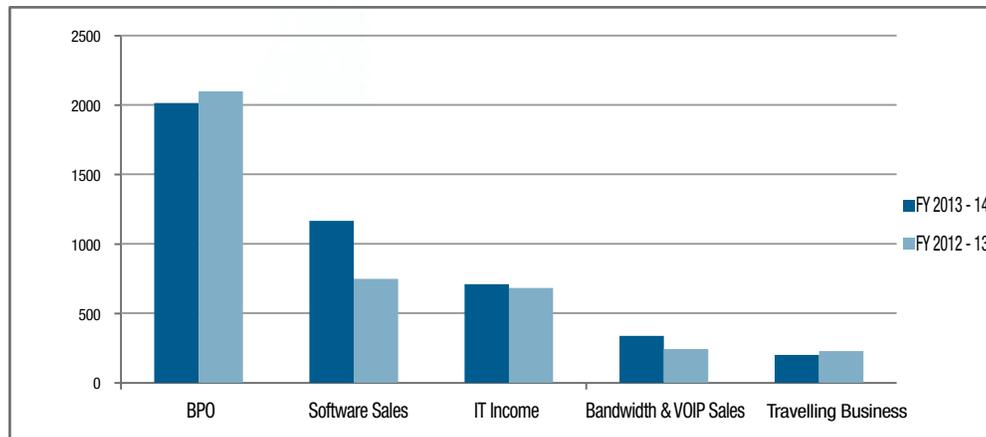
Major products are Internet access, website hosting and technical support services. Wired ISP carriers account for about 80 percent of industry revenue. Other providers include wireless and satellite ISP carriers, as well as companies that use ISP infrastructure owned by others. Internet access allows individuals or companies to connect to the Internet over ordinary and special telephone lines, cable, or wireless connections (including satellite). Website hosting allows users to have an address on the Internet by maintaining files on a specialized computer called a server and consulting on various communications and operations issues.

MANAGEMENT’S DISCUSSION & ANALYSIS REPORT (Contd.)

FINANCIAL PERFORMANCE & REVIEW

A graphical presentation of total income from operations analysis is given below:

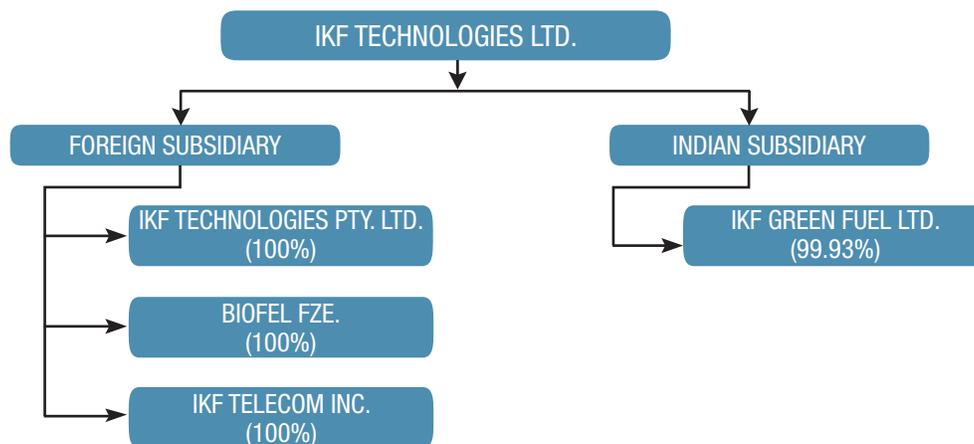
Total Income from Operations



Key Subsidiaries

Details of Indian and foreign subsidiaries are given below:

Indian & Foreign Subsidiaries



Related Party transactions:

These have been discussed in detail in the Notes to the standalone financial statements section of the Annual Report.

Events occurring after Balance Sheet date:

No significant event occurred after the Balance Sheet date.

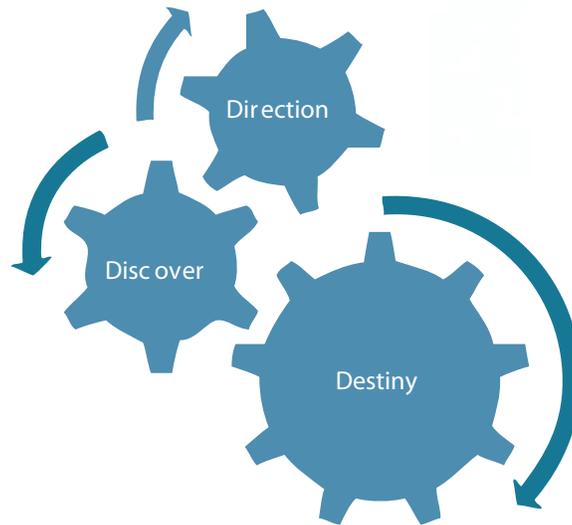
Overview of IKF Technologies Limited

We believe in continuously enhancing our strategic intent through the D-cube model.

- We at IKF believe that for getting success, you require right Direction.
- Discovering innovative solutions
- After getting right direction and after discovering innovative solution leave upon the Destiny.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

IKF's 3D: Direction–Discovery–Destiny



IKF Technologies Ltd. is Public Limited Company incorporated in the year of 2000 with the main objective of promoting IT, ITES, ISP and Alternative Energy Resources across the Globe. It's a fastest growing IT Company has maintained its leadership status in catalyzing renaissance in Indian IT arena. We offer IT-enabled business solutions to our clients globally.

SEGMENT WISE PERFORMANCE

1. IT & ITES DIVISIONS

With close to a million people in India building rewarding careers with the IT & BPO industry, the dynamic economic climate is expected to fuel further demand for the industry to not only deliver cost savings and but to deliver higher level of performance and results in form of innovation and business advantage thereby strengthening market positioning of the clients the IT & BPO organization are serving. Thus outsourcing as a discipline is expected to become even more sophisticated. As a result of impressive growth of the economy, steadily increasing purchasing power of the people and aspirations of the young, India is one of the fastest growing markets for BPO. The domestic demand for electronic hardware is estimated at US\$ 400 billion by 2020.

Key Highlights during FY2013

Domestic revenues are expected to grow at 13-15 percent to reach from Rs 1.18 lakh crore to 1.20 lakh crore, the industry body said in its 'Strategic Review 2013', adding that a rise in global technology spending and opportunities from adoption of disruptive technologies would propel growth in FY14.

In FY14, the industry expects to hire "more or less" the same numbers recruited during the year. The sector employed three million professionals and added more than 1.8 lakh personnel in FY13.

Indian IT services is a \$50-billion sector, business process management (BPM) a \$20-billion and engineering crossed \$10 billion, while software products, Internet and mobility are emerging opportunities.

Global Scenario

Today, information technology is the core of modern society and the growth and its hub is the software development, management of all transactions by individuals or groups to challenge the professionals. Information technology growth over the last two decades has grown in many sectors and industries which deal with the economy and infrastructure, and is affecting many areas of decision making and organizational development. Information technologies are now the building blocks for socio-economic development, and therefore nations around the world are attempting to capitalize on the capabilities of this technology to support planning, development, and

MANAGEMENT’S DISCUSSION & ANALYSIS REPORT (Contd.)

growth processes. Technological change will be one of the most important sources for a change in the economy. Therefore technology plays a vital role in economic growth.

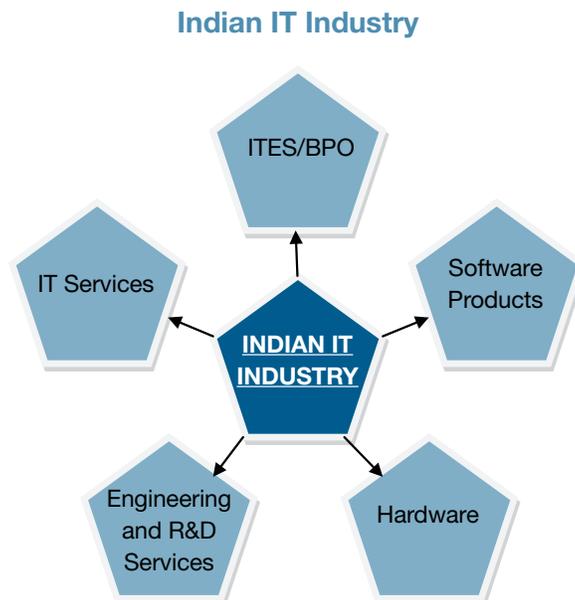
Domestic IT-BPO Industry

The \$20-billion Indian business process outsourcing (BPO) industry is expected to clock a double-digit growth, around 12-15%, for the financial year 2013-14, driven by high-end transformational services, according to industry experts. BPO companies are betting big on areas like banking, financial services and accounting, supply chain and healthcare to drive its next phase of growth as per latest news of Indian Express. Strong economic growth, rapid advancement in technology infrastructure, increasingly competitive Indian organizations, enhanced focus by the government and emergence of business models that help provide IT to new customer segments are key drivers for increased technology adoption in India.

The Indian IT/ITES industry earned revenue of over US\$ 100 bn during FY13. Out of this, exports accounted for 68% of the industry’s revenue. In terms of industry, BFSI contributed to 41.2% of the IT/ITES sector’s export revenues followed by ISP, which contributed roughly 19%. All other industries taken together contributed to 39.8% of the IT/ITES sector’s revenue. The USA still accounts for roughly 60% of the export revenue followed by the UK and Continental Europe, which together contributes roughly 29%. Other regions such as Asia Pacific are catching up, registering a growth of roughly 18% for exports made to this region. At the end of FY13, total outstanding capex in the IT/ITES industry stood at more than Rs 1765 bn spread over 437 projects.

Indian IT companies delivered a modest year in terms of financial performance, driven by an overall improvement in the quality of their service offerings combined with a flat pricing environment. They are now attempting to move up the value chain by providing more end-to-end solutions and engaging more closely with clients.

India’s IT industry can be divided into five main components, viz. Software Products, IT services, Engineering and R&D services, ITES/BPO (IT-enabled services/Business Process Outsourcing) and Hardware.



Export revenues primarily on project based IT Services continue to drive growth with IT Services accounting for 59% of total revenues followed by BPO and Engineering services at 20% and Software Products at 19%. Multi-year annuity based outsourcing agreements are expected to increase going forward. In terms of total export and domestic revenues, Application Development and Maintenance (ADM) still continue to be the bread and butter for Indian IT companies, contributing to roughly 60% of their total revenues.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

Increasing competition, pressure on billing rates and increasing commoditization of lower-end ADM services are among the key reasons forcing the Indian software industry to make a fast move up the software value chain by providing higher value-added services like consulting, product development, R&D, social media, mobility, analytics, cloud computing and end-to-end turnkey solutions.

With the Indian government emphasizing on better technology enabled delivery mechanisms for a multitude of government projects like e-passport, Unique Identification Scheme, along with a big investment of US\$ 1 trillion towards infrastructure development, the domestic market connected with software services looks equally promising.

There may be short-term ups and downs but on the long-term, the industry is on track. The industry can meet the vision 2020 target of touching \$225 billion by 2020.

Business Outlook for the Indian IT-BPO industry

Changing business models, emergence of new technologies, buyer segments and solutions for emerging markets will help India retain its position as the global sourcing leader and an emerging trustworthy innovation hub. This and many other trends were revealed at the NASSCOM Strategic Review press conference.

Increase in global technology spending and opportunities created through adoption of disruptive technologies are expected to propel growth in FY2014. NASSCOM expects the industry to clock export revenues of USD 84-87 bn maintaining a growth rate of 12-14 per cent. Domestic revenues will also grow at a rate of 13-15 per cent and are expected to reach INR 1180-1200 bn.

India is the only country that offers the depth and breadth of offerings across different segment of this industry – IT Services, BPM, Engineering & R&D, Internet & Mobility and Software Products. IT Services is a USD 50 billion sector, BPM is a USD 20 billion sector, Engineering crossed USD 10 billion and Software products, Internet & Mobility are emerging opportunities. Today, existing and new companies are expanding their offerings to build India as the hub for analytics, mobility, cloud, social collaboration and emerging verticals like healthcare and medical devices.

Outsourcing the development, management and ongoing maintenance of technology platforms and solutions has become increasingly important. 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. In addition, technology companies are also recognizing the benefits of offshore technology service providers in software research and development, and related support functions and are outsourcing a greater portion of these activities. This has also increased diversification in the range of services delivered offshore. India is recognized as the prominent destination for offshore technology services.

Internet Services Protocol (ISP) provides access to the Internet via wired or wireless connections. About 2 billion people use the Internet worldwide; countries with the most Internet users include China, the US, India, and Japan. The Asia/Pacific region leads the world in broadband deployment, followed by North America and Western Europe.

The US Internet service provider (ISP) industry generates combined annual revenue of about \$50 billion. Social networking and broadband development in rural and underserved areas are key growth drivers.

Way Forward

While the first USD 100 billion landmark can be attributed to the cost and quality advantage, the next USD 100 billion will be a combination of higher-value services and increasing non-linear growth. To sustain this growth, Indian IT-BPM industry is focusing on greater efficiencies, virtualized structures, geographical presence, IP based solutions, domain and increased collaboration across all stakeholders.



MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

- *Industry exports expected to reach USD 84-87 bn - growth rate of 12-14 per cent*
- *Domestic revenues to grow by 13-15 per cent and reach INR 1180-1200 bn*
- *SMAC (Social media, Mobility, Analytics, and Cloud) technologies to fuel growth*
- *Future of industry -- a complete blend of services, products, solutions and platforms*

Industry Example

Enhancing the organization's operating model to reflect today's evolving marketplace and regulatory environment can rapidly provide numerous benefits. Organizations are better able to adjust products, services, processes, and compliance initiatives while reducing potential disruptions and implementation challenges.

Other TOM benefits can include:

- *Enhanced alignment of business architecture and performance management with organizational strategy*
- *Significant operational, regulatory, and reputational risk reduction*
- *Improved managerial oversight and insight into operations*
- *Improved change management capabilities to implement future initiatives more rapidly, and at lower costs*
- *Significant expense reduction due to technology enhancement, process reengineering, and cost take-out*
- *Improved regulatory compliance.*

The Mortgage Target Operating Model

The TOM implementation process starts with a detailed assessment of your current operational state that evaluates:

- *Improved regulatory compliance.*
- *Business model components including markets, customers, segments, products and services, and channels.*
- *Operating components including functions and processes, technology, governance and risk management, people and skills, and other factors.*
- *Economic and compliance components including revenue, costs, capacity, and regulatory requirements.*

This analysis provides the first step in developing a comprehensive gap assessment that identifies improvement opportunities.

The next step leads to a detailed target state representation and project plan outlining initiatives necessary to transition the organization from its current condition to the target state operating model, including:

- *Improved regulatory compliance.*
- *Target state diagrams, organizational design, operational service and sourcing models, and process flows*
- *Enterprise IT architecture*
- *Operational controls*
- *Application data flows and architectural diagrams*
- *Risk and governance frameworks*
- *Initiative prioritization*
- *Multigenerational implementation roadmap.*

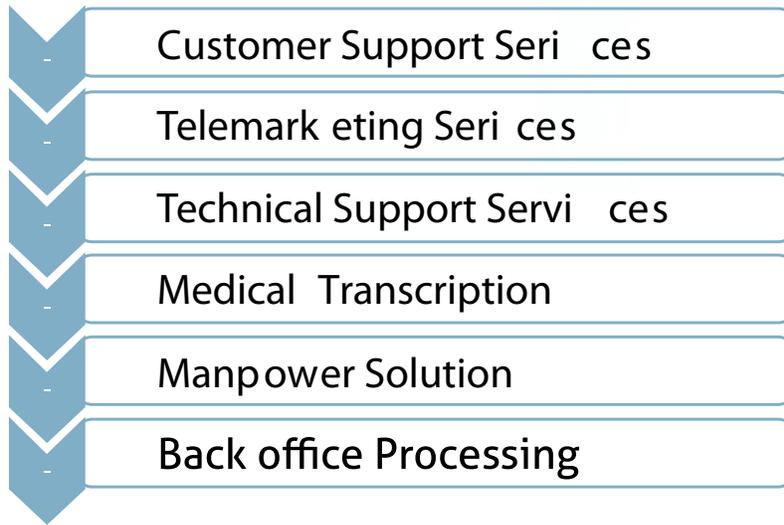
These steps constitute a field-tested, repeatable method to help organizations looking to implement fundamental change understand, design, and measure a target state operating model that adds value throughout the mortgage origination, servicing, and securitization lifecycle.

IKF at its BPO Segment

Our BPO segment, over the last one year, established itself as one of the major BPO players servicing. We expanded our capabilities and serviced the Insurance sector. Further, we have also made foray in the Medical Transcription sector in the international market.

MANAGEMENT’S DISCUSSION & ANALYSIS REPORT (Contd.)

Our BPO expertise



Domestic Market – Stability:

Outsourcing (BPO) is one of the fastest growing segments of the Information Technology Enabled Services (ITES) industry.

BPO is Gaining



Future Outlook

As per NASSCOM, the Indian IT/ITES industry is expected to maintain a growth of 12-14% in FY2014. NASSCOM has also envisaged the Indian IT/ITES industry to achieve a revenue target of USD 225 bn by 2020 for which the industry needs to grow by about 13% on a YoY basis in the next seven years.

Currently India accounts for less than 5% of the global technology spending and this provides huge opportunities for the growth of the Indian IT-BPO industry. However, Indian IT companies are expected to face competition from emerging outsourcing destinations like Philippines, Poland, Hungary, Romania, etc.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

Emerging protectionist policies in the developed world are expected to affect the Indian IT companies. Due to US restrictions on visas as well as rising visa costs, most Indian IT companies are increasingly subcontracting onsite jobs to local employees in the US. Additionally, a new immigration bill is under consideration in the US which, if implemented, will significantly raise employee costs for onsite workers. This would adversely affect margins of Indian IT companies.

Indian IT companies are increasingly adopting the global delivery model. They are setting up development centers in Latin America, South East Asia and Eastern European countries to take advantage of low cost and also cater to the local market. In the US, such centers will help mitigate the risks of the new immigration bill and increase the probability of winning projects in highly regulated sectors such as healthcare, government services, utilities etc.

ADM services, which used to provide major chunk of revenues to the domestic IT players, are getting affected due to the falling billing rates. Hence, the companies are now venturing into new high value services such as IT Consulting, Product Development, and end-to-end turnkey solutions.

The integration of IT-BPO contracts is expected to become more common, as clients look out for end-to-end service providers.

Billing rates are expected to remain under pressure in the short term. Therefore companies are expected to preserve their margins through effective cost containment measures like shifting more work offshore and improving employee utilization. Lessons learnt during the global financial crisis can benefit them in the long run.

Rupee's depreciation against the US dollar and other major currencies is expected to provide relief for Indian IT companies in the near term, offsetting the pricing and demand pressures to some extent.

From IT industry perspective – the market for enterprise mobility solutions alone is expected to grow to USD 17 billion by 2015, presenting a huge opportunity to increase revenue from this segment at a pace of triple-digit growth. The industry can take clue from the fact that public cloud services spending is expected to outpace growth of the overall IT spend by about four times between 2012 and 2015.

Big data refers to rapidly increasing structured and unstructured datasets/information with huge volumes, which is difficult to process using traditional data processing applications. Majority of the data existing in any company is in unstructured form (i.e. in raw form such as audio, video and social messages) which if analyzed properly can offer a competitive advantage.

While, several companies are collecting, storing and analyzing this data, most of them fail to utilize the information in an optimum manner and make use of it for their business decision making. The failure of some companies to utilize it in an effective manner is because of huge volume of data, complex ways to access the data and lack of budget for securing big data.

Big data analytics will enable the companies to predict user trends on a real time basis and prepare customized promotional campaigns to boost revenue per user and quickly adjust as per changing user demands.

According to Nasscom, as on 2012, India's big data industry size is estimated at around US\$ 200 mn. It is expected to grow at a tremendous pace in the near future and reach US\$ 1,000 mn by 2015, increasing at a CAGR of over 70% during 2012 - 2015. This is expected to be driven by India's already well-established IT & ITes market, which offers significant cost advantage, increasing demand for big data implementation across industry verticals such as healthcare, retail, ISP and financial services.

Key global megatrends around macroeconomics, demographics, social, environmental, technology and business will shape the future of the IT-BPO industry. These megatrends will present a new set of opportunities

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

in the form of largely untapped markets and customer segments, which can propel industry revenues to USD 225 billion by 2020. Domestically, over 50% of the citizens in India lack access to primary healthcare due to unaffordable cost. However, technology can offer access to affordable healthcare facilities at much cheaper price. Other factors that will drive growth, include increasing awareness about health insurance, rise in lifestyle related diseases and increasing thrust of government to make healthcare facilities more affordable among others. As per D&B's projection, the total government expenditure on health as a percentage of GDP is expected to increase from 1.4% (estimated) of GDP in FY14 to around 2.0% of GDP by FY20. This offers huge growth potential for Indian IT vendors going forward.

Globally, the spending on ER&D is estimated at around US\$ 1,150 bn as on 2011. India is estimated to account for nearly 22% share in the global ER&D off shoring revenues. As per NASSCOM, the market for ER&D and design is expected to reach between US\$ 40-45 bn by 2020.

We are poised to acquire new segments in emerging BPO space, such as DTH and retail industries. Further, we aim to consolidate our position as a strong BPO player catering to the ISP industry in the East zone. We also aim to expand to other cities / regions in the country and abroad. The Indian IT-BPO industry is expected to adopt the inorganic growth route in order to widen their service offerings and enter new geographical markets. Several third party and captive BPO units are likely to increasingly acquire small size companies to ramp up revenue, acquire clients and expand business segments and geographical reach. Consolidation will also driven by international M&A deals, propelled by robustness of the Indian players. The Indian IT-BPO industry has been seeing a spurt in consolidation in recent times, with deals carelines services, and this trend is expected to continue in the near future.

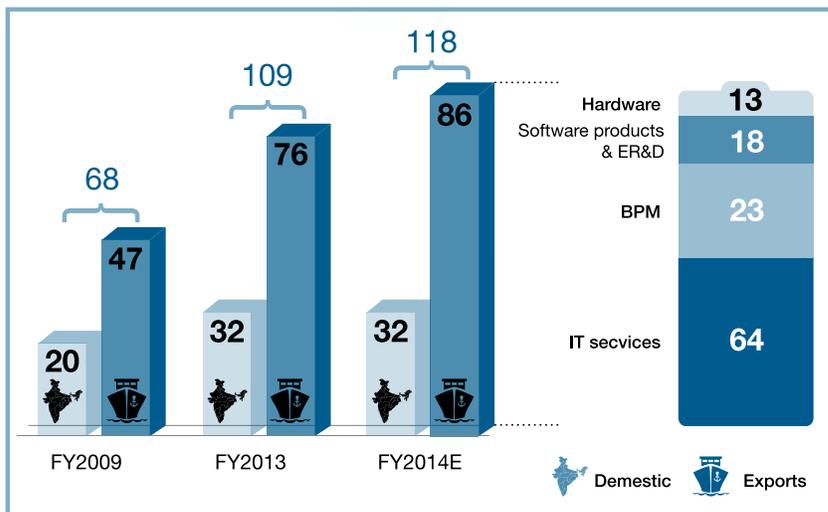
The Indian BPO industry is an enormous success. If you include people who started life in the BPO industry and have moved on to do other things. The rigorous recruitment tests, extensive training, are accustomed to working in a very high-quality environment, don't consider air-conditioning a luxury, have a very strong work ethic and expect similar professionalism from their colleagues as a matter of course, are used to satisfying very demanding customers, and delivering quality that is second to none in the world. These will be the Indians who have acquired global skills without having to migrate to the West. We will have a large body of people who will deliver, expect and demand quality not just in their professional lives but in their personal lives too. It will no longer be acceptable to have dirty streets, chaotic traffic, grubby common areas in apartment blocks, and lack of efficiently-run public services.

The traditional apathy of the Indian middle class to our immediate environment will begin to erode because there will be a large multitude of professional people who will say, "No, this is not good enough. We know better and we want better." And these people will not be a small, faceless minority — thanks to their training, their exposure to global companies, their work ethic and their sheer numbers, they will be a large and vocal group who will insist on being heard. It is taking place right in front of us but like an underwater earthquake, it is invisible to us on the shore.

Like an underwater earthquake, it will create a huge upheaval in the old landscape that we today take for granted. And when this trend reaches a critical mass, like an underwater earthquake, it will change our shorelines completely and forever. This is not a theoretical possibility. It is a reality that is here and now. It is simply not obvious. It is up to us to help this wave along and to build a BPO industry that will not only be a commercial success but will redefine our country.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

India IT-BPM revenues: USD 118 billion in FY2014



Growth - largely due to exports

Domestic market growth negative 1.2 percent, reflects variable impact of currency

Emerging reographies & verticals, SMBs - driving IT adoption

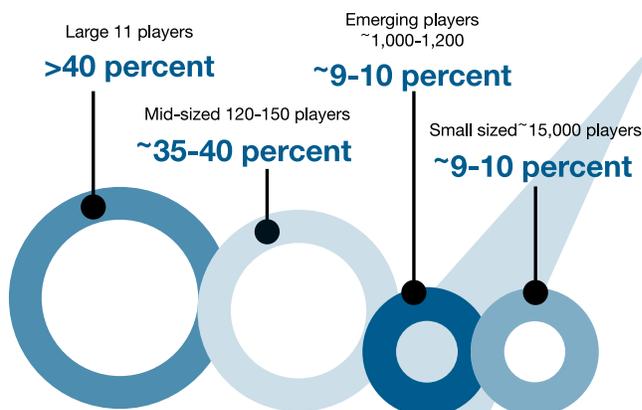
Industry driving non-linear growth through platforms, products and automation: rev/employee up 1.2X since 2009

Altering business and technology landscape - decision making extending beyond CIOs to lines of business

Digital enterprises (SMAC) - new imperative for service providers
->USD 225 billion by 2020

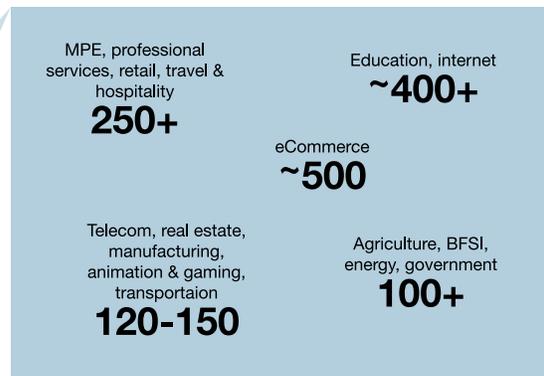
Divers supplier landscape: >15,000 firms

% share of total revenues

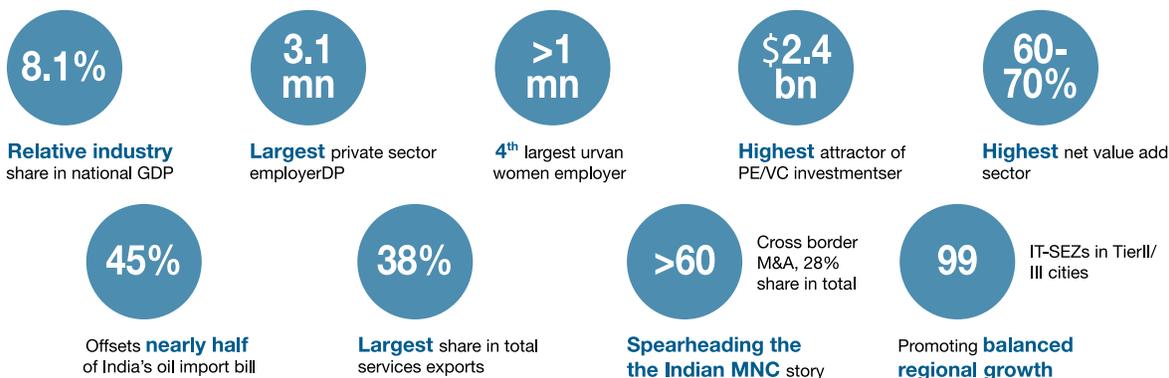


Start-ups: New breed of firms creating new markets

No. of firms



IT-BPM: Highest impact sector for India



Source: Ministry of Labour, RBI, SEZ India, Venture Intelligence, NASSCOM

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

2. ISP DIVISION

Indian ISP Market

Over the last decade the Indian Internet Service Provider (ISP) industry has changed significantly, with all major segments being opened to competition. There are several new entrants in areas that the company operates in resulting in increasing competition.

Indian ISP market is growing rapidly and is expected to be grow and contributing 6% to India's gross domestic product (GDP). The past year witnessed significant regulatory developments including changes in the access deficit charge (ADC) regime, a review of the interconnect regime, recommendations on issues like Mobile Virtual Network Operators, Internet Telephony and Carrier Access Code/ calling cards. In summary, the ISP landscape continues to evolve and operates, such as your company will have to constantly transform themselves to remain competitive.

It is a matter of proud to us that the Telecom industry of our India is the second largest emerging economies of Asia and third largest in whole world. Today, telecom sector of India is the fastest growing market in the world. Indian telecom industry has provided a robust thrust to the economic growth of country this year.

Recent rapid growth

Our ISP market in facing a fast growth rate in current era as a result of various positive and proactive actions of government and by the fruitful combination of both public and private sector. Liberal policies of the Government that provide easy market access for telecom equipment and a fair regulatory framework for offering internet protocol services to the Indian consumers at affordable prices has facilitated the rapid growth to Indian Telecom industry.

India, the second largest telecom market by subscriber base after China, witnessed phenomenal growth in last decade. The 2G scam leading to cancellation of a spate of licenses, high competition, heavy debt and flip-flops on regulatory and other policy issues in recent years, have taken a heavy toll on the sector, hurting the profitability of companies.

The total subscriber base as of June 2013 was 903 million vis-a-vis 22.8 million total subscribers in 1999. Mobile subscribers accounting for 96.7% of total subscriber base are responsible for this phenomenal growth in telecom. The country has achieved overall teledensity of 73.5, urban teledensity of 145 and rural teledensity of 42. Average revenue per user (ARPU) and Minutes of Usage (MOU) are stabilising for both GSM as well as CDMA service operators.

Global ISP Scenario

The global ISP industry has undergone skeptical changes in various areas. The International voice market continues to be a business of scale, with constant pressures on prices and margins. The need for profitability in a largely commoditized market is making operators seek both scale and cost efficiency in their operations this could also create new business models based on greater collaboration between operators which, we believe your company is well positioned to benefit them.

The data market is also undergoing rapid changes, with the growing need for bandwidth around the world. The growth of the internet on the back of growing global broadband usage, increasing demand for multimedia services, the success of new collaboration and communications applications and the continued increase in the use of web by both individuals and corporations, is driving the demand for IP bandwidth. Growth is seen in the demand for IP market as operators expand their broadband networks and subsequently their requirements for core internet connectivity.

A well connected economy built on a robust broadband network will address the aspirations of the citizens. It will also provide a mode of delivering government services to remotest areas of the country along with e-education and e-health that will improve the quality of service of a rural denizen.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

Over the past few years, the Government has taken several initiatives like Sarva Siksha Abhiyan, National Rural Health Mission, Bharat Nirman, NREGS and several other ambitious initiatives to improve the quality of life of Indian citizens who were still left untouched by reforms programme. These initiatives have been successful to a great extent although the benefits are yet to reach the remotest and poorest corners of the country. Broadband can not only enable wider public access to government information, a prerequisite of good governance, but also lead to effective administration and monitoring of quality of delivery of these programmes. Hence, there is a need for the Government to formulate an effective ICT Policy that takes broadband to where the Telecom Policy has taken mobile penetration in India. It is only then will we be able to unlock the true potential of a Knowledge Economy.

In this section, an ambitious target for broadband subscribers has been laid out along with a roadmap towards achieving the set goals. In the following pages, both rural and urban India has been dealt with separately along with various consumption segments such as households, MSMEs and public and quasi public access points (educational institutes, primary health care facilities, CSCs etc.,).

Impact of Global Economic Scenario

Business across the world are battling to reduce costs and conserve cash; at the same time , they are also seeking to access the growth opportunities that are available in emerging markets in Asia, Middle East and Africa. The biggest impact that is having on your Company's business is in terms of severe price pressures from existing customers, delays in orders from some customers and more intense price-based competition for new customer acquisitions.

India was a Global Knowledge Economy in history, and today has the required potential to again become a global knowledge economy. The adequate broadband penetration level can enable India to use its potential to once again become the Global Knowledge Economy. Based on detailed analysis of demand side opportunities, a very ambitious target of 214 million broadband connections by 2014 is proposed - a 30 fold increase from the current level (7 mn). This translates to 695 million connected Indians by 2014 allowing an equitable and inclusive growth in both urban (386 mn users) and rural (309 mn users) India. Our vision assumes greater focus on user concentrated touch points like educational institutions, public access points like CSCs, public healthcare centres although households and businesses will continue to be a significant contributor to volume.

Achievements

the ISP sector, in the eastern region, having acquired high profiled clients including Aircel, Dish, Idea and MTS.

Future Outlook

Over the past years, your company has consistently pursued its strategy of providing a range of communication service to enhance the reach and leadership of its customers in the wholesale, enterprise and retail segments across different geographies. It is leveraging its integrated wholesale capability, strong market position in India, portfolio of managed services and its focus on emerging markets to compete with other global service providers. The company has judiciously invested in key infrastructure and service delivery capabilities to be able to meet the demands of its customers. The Company's focused strategy has enabled it to be one of the leading players in India in its major business segments with operations in various states and also outside India. In the Coming years, your company will continue to focus on redefining ISP services for wholesale commodity and low value operations to a partnership-driven, value enhancing business, on expanding networks in India to reach the customers premises, on rapidly growing its global enterprise segment with Ethernet and Cloud computing.

Looking ahead to 2014, we can definitely achieve our vision, if we put in the required efforts. The government's clear vision and actions have helped transform the Information & Communication Technology (ICT) sector in India in recent past and has brought India on a global map. The need of the hour is an integrated and comprehensive blend of regulatory, fiscal and technology policies which will further help achieve an inclusive, equitable and sustainable growth of India through ubiquitous Broadband.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

3. BIO-FUEL DIVISION

The depleting sources of fossil fuel, ever increasing crude oil prices, increasing energy demand and global environmental concern are driving the world to look for alternative fuel. Biofuels, renewable liquid fuel extracted from biological raw material, have proved to be a good substitute for oil. India, a fast growing economy is facing the challenge of meeting a rapid increase in its energy demand. Presently, India mainly depends on imports for its petroleum requirement due to stagnating domestic crude production and increase in energy consumptions.

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

There has been greater awareness on biodiesel in India in the recent times and significant activities have picked up for its production especially with a view to boost the rural economy. The activities launched in the field of bio-diesel in India and the agencies involved therein include:

- *Development of high quality jatropha through tissue culture by DBT, Aditya, Sheel Biotech etc.*
- *Plantation by National Oilseed and Vegetable Oil Development Board (NOVOD), NAEB, NGOs & private companies*
- *Pilot plants for biodiesel production by IITs, IIP-Dehradun, R&D Centre/IOCL, PAU-Ludhiana, IISc, Indian Railways, IICT, CSMCRI.*
- *Trans-esterification plants with capacities: 300 MT/day & 30 MT/day in AP, 5.00 MT/day in Sivakasi, Oil India planning 24 MT/day capacity plants in various states.*
- *Trial runs by Indian Railways, Mahindra & Mahindra (Tractors), Haryana Roadways/IOCL, BEST Buses/HPCL, Daimler Chrysler cars etc.*
- *Supply of biodiesel by Lubrizol India Pvt. Ltd. & Gujarat Oleochem*

A National Mission on Biodiesel has been proposed by the Govt. of India comprising six micro-missions covering the essential aspects of plantation, seed procurement, oil extraction, transesterification, blending & trade and R&D.

Indian Oil has worked on establishing the production parameters of transesterified Jatropha oil and use of biodiesel in its R&D Centre at Faridabad. They have been using a laboratory scale plant of 100 Kgs./day capacity for transesterification; designing of larger capacity plants is underway. Production of bio-diesel in smaller plants of capacity e.g. 5-20 Kgs. /day may also be started in villages.

Bio- Diesel Acceptable To Major Consumers

Blending of diesel becomes an important national issue, which apart from giving the economic dividends, lowers the country's oil bill. Private sector companies have been focusing their R&D work on performance of engine with biodiesel and its pollution characteristics. Some of the major companies taking lead in field trials of biodiesel include Tata Motors Ltd., Mahindra & Mahindra Ltd., Wartsila India Ltd. etc. At Kumaraguru College of Technology, auto rickshaw was successfully run on pure biodiesel prepared from jatropha oil.

Diesel locomotives have been operated successfully on 5-10% blends of biodiesel in association with Indian Oil. Kharagpur Division of South Eastern Railway has experimented and inferred that in case of blending biodiesel with the fossil fuel @ 5-20%, the diesel engine requires no modification. Blending with biodiesel over 20% calls for engine modifications. The efficiency of biodiesel was observed to be less than 1-1.5% with improved lubricity. A trans-esterification plant (capacity: 2500 lts. /day) has been set up at Kharagpur.

HPCL is carrying out field trials in association with BEST, Mumbai. Daimler Chrysler India completed first phase of the field trials on two C-Class Mercedes-Benz cars powered by pure biodiesel and clocked over 5900 Km under hot & humid conditions. CSIR plans to test vehicles on biodiesel developed from jatropha in association with Tata Motors and IOCL. NOVOD has initiated test run by blending 10% of biodiesel in collaboration with IIT-Delhi in Tata Sumo & Swaraj Mazda vehicles. Haryana State Transport buses have been run by using biodiesel.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

Global Scenario of Bio diesel Market: Scenario analysis

India took initiatives on biofuels nearly a decade ago to reduce its dependence on oil imports and improve energy security. The country began a 5% ethanol blending pilot program in 2001 and formulated a National Mission on Biodiesel in 2003 to achieve 20% biodiesel blends by 2011–2012. Like many other countries around the world, India has endured setbacks in its biofuel program caused by supply shortages, sharp fluctuations in oil prices, and global concerns over food security. Its National Policy on Biofuels, adopted in December 2009, proposes a non-mandatory blending target of 20% for both biodiesel and ethanol by 2017 (GOI 2009). The following section briefly reviews the history of biodiesel initiatives in India and summarizes the National Policy on Biofuels.

On the basis of these projected demands, we estimate fossil-based fuel displacement (with biofuels), in order to obtain projections of biofuels used for transportation uses. The expected rate of blending or displacement of fossil-based fuels with biofuels was obtained (for major biofuels-producing countries) from projections by the International Energy Association (IEA) Bioenergy Task 40 group, for Brazil to 2010 and 2015, and by the targets for biofuels production currently being considered in China. We also use the USDA's Agricultural Baseline projections for fuel alcohol use from maize in the USA in our model quantification. For those countries with no published data on future fuel displacement,

The rate of displacement that corresponds to 10 percent displacement by 2010, 15 percent by 2015 and 20 percent by 2020. This constitutes a fairly aggressive rate of biofuel production growth, but allows us to see the 'upper bound' impacts that would occur if biofuel adoption were to be undertaken in earnest, in response to global energy price trends. No growth in biodiesel production was assumed outside of the European Union, since those countries currently dominate global production and do so with the help of agricultural support policies that would be hard for other emerging producers to follow suit and adopt in a likewise fashion, within the current WTO trade regime.

By 2017, if the targeted 20% blending of biodiesel is achieved, about 20.54 million kiloliters of biodiesel will be produced annually. The biodiesel project assumes a gradual increase to that production figure from 2010. Biodiesel crops are long-term crops; therefore, a 25-year project period was considered in the analysis. The national biodiesel project assumes that the biodiesel required to meet 20% blending by 2017 will be produced from two species: jatropha and pongamia. In the analysis 60% of the biodiesel would be produced from jatropha while the rest would come from pongamia. This assumption was made because some oilseed plantation owners have expressed a preference for jatropha in view of the better availability of information about this crop.

The model used for this analysis is the International Model for Policy Analysis of Agricultural Commodities and Trade (IMPACT), which has been used by the International Food Policy Research Institute (IFPRI) for projecting global food supply, food demand and food security to 2020 and beyond. The model contains three categories of commodity demand – food, feed and other use demand. The 'other use' demand category is expanded in this study to reflect the utilization of a particular commodity as biofuel feedstock. The utilization level is determined by the projected level of biofuel production for the particular commodity in question.

Biofuel Blending

Although biodiesel combustion emits CO₂, this emission is defined as "carbon neutral" under the Intergovernmental Panel on Climate Change (IPCC) guidelines. Because this CO₂ is deemed to have been absorbed and sequestered by plants during its growth, the net CO₂ emission can be counted as zero when it is burned in the atmosphere. India's Department of Biotechnology has estimated the extent of carbon emissions avoided through the blending of ethanol and biodiesel.

A quick, back-of-the-envelope calculation of the potential CERs, based on these figures, shows that if the targeted 20% blend of biodiesel is achieved by 2017, the GHG emissions avoided will amount to 83.87 million tones of CO₂ equivalent (tCO₂e) per year. If all these potential reductions are carried forward for CDM registration at an estimated rate of \$5 per tCO₂e, the projected revenue-earning potential per year from biodiesel is Rs18, 870.75 million.

Future Outlook:

The Indian Bio fuel market has been consistently witnessing growth and developments for past few years. High volatile oil prices and production levels have enlightened the need for continuous developments of this sector.

MANAGEMENT’S DISCUSSION & ANALYSIS REPORT (Contd.)

Due to fluctuation of oil prices in the international market and continuously increasing oil import, the Indian bio fuel sector is expected to see robust growth in coming years. Currently ethanol dominates the Indian Bio fuel sector, with huge potential in terms of production; the Indian bio fuel industry will prove to be a good position for bio fuel producers.

Again India is highly dependent on outside sources to satisfy its energy needs. Jatropha has emerged as a possible solution for India s biodiesel demands of the future. Jatropha is considered to be an ideal feedstock for bio-diesel production in India as it has multiple advantages including high yield on wasteland, low cost production and high potential for employment generation.

OPPORTUNITIES & THREATS:

Our Strengths & Opportunities :

Convergence of technologies is creating opportunities. Cloud, mobility, social media, analytics, present opportunities for the industry to build new solutions, re-architect existing platforms and target new customer segments like the small and medium businesses. According to the NASSCOM Strategic Review, some of the key growth drivers that are expected to open new opportunities for the industry are smart computing, ‘anything’-as-a-service, technology enablement in emerging verticals and the SMB market.

India is the only country that offers the depth and breadth of offerings across different segment of this industry - IT Services, BPM, Engineering & R&D, Internet & Mobility and Software Products. IT Services is a USD 50 billion sector, BPM is a USD 20 billion sector, Engineering crossed USD 10 billion and Software products, Internet & Mobility are emerging opportunities.



We believe our competitive strengths include:

- Leadership in sophisticated solutions that enable our clients to optimize the efficiency of their business;
- Commitment to superior quality and process execution;
- Strong brand and long-standing client relationships;
- Status as an employer of choice;
- Ability to scale;
- Innovation and leadership.

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

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

we seek to :

- Increase business from existing and new clients;
- Expand geographically;
- Continue to invest in infrastructure and employees;
- Continue to enhance our engagement models and offerings;
- Continue to develop deep industry knowledge;
- Enhance brand visibility;
- Pursue alliances and strategic acquisitions

Our Threats:

Today, existing and new companies are expanding their offerings to build India as the hub for analytics, mobility, cloud, social collaboration and emerging verticals like healthcare and medical devices though there are lots of opportunities, yet there are things which are a cause of concern. Global economic situation is foggy and uncertain. The industry may face risks in terms of increased protectionism and regulatory control from sourcing markets and increased competition from new and emerging countries. We may face competition from IT and ITES companies from low cost destination like China, Bulgaria, Philippines, Argentina, Poland etc. Other factors like political instability, threat to cyber security, strikes, corruption are concerns. Also, liquidity and financial constraints poses a challenge for the operations of the Company.

In the future, we expect competition from firms establishing and building their offshore presence and firms in countries with lower personnel costs than those prevailing in India. However, we recognize that price alone cannot constitute a sustainable competitive advantage. We believe that the principal competitive factors in our business include the ability to effectively integrate onsite and offshore execution capabilities to deliver seamless, scalable, cost-effective services; increase scale and breadth of service offerings to provide one-stop solutions; provide industry expertise to clients' business solutions; attract and retain high-quality technology professionals and maintain financial strength to make strategic investments in human resources and physical infrastructure through business cycles. We believe we compete favorably with respect to these factors.

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

The following lists our outlook, risks and concerns:

- *Currency fluctuations may affect the results or our operations.*
- *Our revenues are highly dependent upon a small number of clients, and the loss of any one of our major clients could significantly impact our business.*
- *Our failure to complete fixed-price, fixed time frame contracts or transaction based pricing contracts within budget and on time may negatively affect our profitability.*
- *Our client contracts are often conditioned upon our performance, which, if unsatisfactory, could result in less revenue than previously anticipated.*
- *Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and in the industries on which we focus.*
- *Our net income would decrease if the Government of India reduces or withdraws tax benefits and other incentives it provides to us or when our tax holidays expire or terminate.*
- *In the event that the Government of India or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.*
- *Our ability to acquire companies organized outside India depends on the approval of the Government of India and / or the Reserve Bank of India, and failure to obtain this approval could negatively impact our business*
- *General economic slowdown may compel our clients to postpone their decisions to acquire newer technology and reduce their IT & BPO operations cost. In turn such scenario may affect our revenue and profitability.*
- *Highly competitive scenario creates pricing pressure on the Company, which may affect its gross margin in the long run.*
- *Our services are a highly Human resource intensive. An increased demand of IT & BPO professionals may result in increased attrition which may affect our business in the short term.*

MANAGEMENT’S DISCUSSION & ANALYSIS REPORT (Contd.)

- *Increasing crime rate is a deterrent to the growth of any economy. Crime has been moderately rated at number four by the survey respondents.*
- *Information and cyber insecurity has been rated as the number one risk by most of the respondents during India Risk Survey.*
- *Intellectual Property Right theft has seen a substantial rise in the number of cases related to data theft and IPR violation.*

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

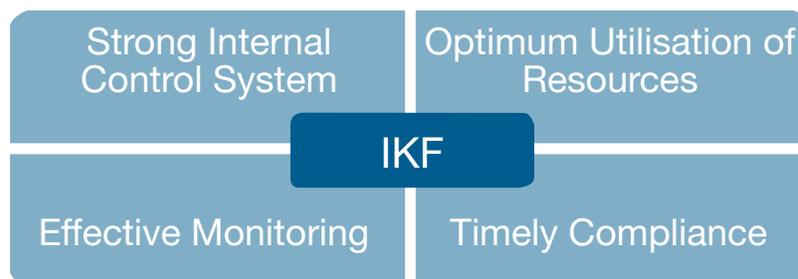
The Company has built adequate systems of internal controls aimed at achieving efficiency in operations, optimum utilization of resources, effective monitoring and compliance with all applicable laws. The internal control mechanism comprises of a well-defined organizational structure, documented policy guidelines, predetermined authority levels and processes commensurate with the level of responsibility. The Audit Committee of the Board reviews major internal audit reports as well as the adequacy of internal controls.

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interests of the Company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data.

The internal audit, an independent appraisal function to examine and evaluate the adequacy and effectiveness of the internal control system, appraises periodically about activities and audit findings to the Audit Committee.

Internal audit ensures that systems are designed and implemented with adequate internal controls commensurate with the size and operations; transactions are executed and assets are safeguarded and deployed in accordance with the policies; existence of adequacy of internal controls in all existing policies and procedures.

The Audit Committee was constituted as a sub-committee to the Board of Directors and it consists solely of independent directors. The meetings of the committee are held periodically to review and recommend, inter alia, the quarterly, half yearly, nine months and annual financial statements. The committee also holds discussions with statutory auditors, internal auditors and the Management on matters pertaining to internal controls, auditing and financial reporting.

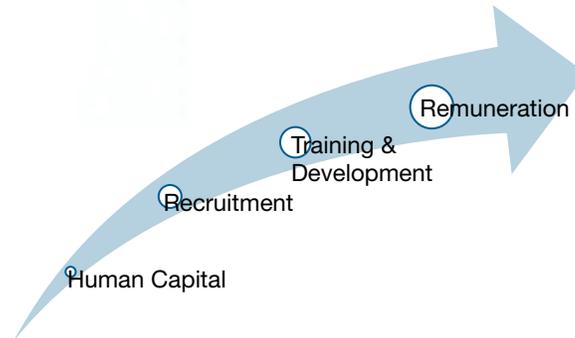


Material Developments

1. **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. We are committed to remaining among the industry’s leading employers. During the year, we introduced several other HR-related initiatives aimed at enhancing productivity, morale and motivation among the employees. We revisited the organizational structure of the businesses to ensure higher standard of customer delivery and lower cost. High-performing employees with proven management capabilities were considered for key management positions in the organization.
2. **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 mostly recruit students who have consistently shown high levels of achievement.
3. **Training & 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. Most of newly hired complete approximately 6 weeks of integrated on-the- job training prior to being assigned to an IKF business unit. We continually provide our technology professionals with challenging assignments and exposure to new skills, technologies and global opportunities.

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT (Contd.)

4. **Remuneration:** Our IT, BPO and ISP 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.



Management's Comment on Auditors' Report:

The Management's clarifications to certain observations made in the Auditors Report for the year under review are as mentioned below,

The observations made in Auditors' Report read with Notes to Accounts are self-explanatory and therefore, do not call for any further elucidation.

CEO/CFO Certification

We, Kamal Kishor Poddar, Chief Financial Officer and Sunil Kumar Goyal, Chief Executive Officer of IKF Technologies limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow statement for the year 2013-14 and to the best of our knowledge and belief we state that:
 - (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 existing accounting standards, applicable laws and regulations;
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 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 to rectify the identified deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in the Internal control over financial reporting during the year.
 - (ii) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the Financial statements; and
 - (iii) Instances of significant fraud of which we 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.

Date : 7th August, 2014

Place : Kolkata

www.ikf-technologies.com

Sd/-

Kamal Kishor Poddar

CFO

Sd/-

Sunil Kumar Goyal

WTD & CEO

DIRECTORS REPORT

For the Financial Year 2013-14

Dear Members,

Your Directors are delighted to present the 15th Annual Report of our Company along with the Audited Financial Accounts and Auditors Report thereon for the year ended 31st March, 2014.

Financial Results

The performance of the Company for the financial year ended 31st March, 2014 is summarized below:

Particulars	F.Y. 2013-14 ₹(Thousand)	F.Y. 2012-13 ₹(Thousand)
Income from Operations	4,43,093	4,02,117
Other Income	4,723	2,896
Total Expenditure	4,36,765	3,94,958
Profit Before Exceptional and Extraordinary item and Taxes	11,051	10,055
Provision for Taxation	4,090	3,080
Net Profit	6,961	6,975
Equity Share Capital	4,30,581	4,30,581

1. Results of Operation:

Our reputation for excellence and integrity earned through the consistent delivery of quality solutions and by adhering the highest standard of business conduct through principles of Corporate Governance continues to be our most valuable assets. As we position ourselves for the future and our standard of excellence, integrity and accountability will serve us well.

- Income from operations increased by 10.57% to Rs.4478.16 Lakhs.
- Profit Before Tax increased by 9.91% to Rs.110.51 Lakhs.

2. Dividend:

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and hence, do not recommend any dividend for the year ended 31st March, 2014.

3. ISO Certificate:

As part of the Company's commitment to its clients and quality solutions, IKF is a 9001:2008 as well as a 27001:2005 ISO certified Company.

4. Liquidity:

We continue to be debt-free and maintain sufficient cash to meet our strategic objectives. Our cash generation during the year has been healthy.

5. Management Discussion & Analysis :

Management Discussion & Analysis 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.

DIRECTORS REPORT (Contd.)

6. Fixed Deposits:

During the year under report your Company has not accepted any Fixed Deposit under section 73 of the Companies Act, 2013 as such; no amount of principle or interest was outstanding as of the balance sheet date.

7. Listing:

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

Trading in shares of the Company on Bombay Stock Exchange (BSE) has been resumed with effect from 13th June, 2014.

The Company has paid Annual Listing fees for year 2014-15 to the Bombay Stock Exchange, Calcutta Stock Exchange.

8. Business:

Current business and consumer sentiments are expected to improve in 2014 and therefore, global IT & ITES spending to accelerate during 2014. We place significant emphasis on collaborative spirit, unrelenting dedication towards our customers, expert thinking and high standards of corporate governance. Our endeavor is to create success for our customers through innovative solutions delivered by happy people at workplace.

With delivery centers in India and overseas, we offer IT Software, Produce, Consulting, Custom Application Development, ITES Call Centre, BPO, Medical Transcription, ISP Internet Service VoIP Services etc. to our customers. We believe that our comprehensive portfolio of service offerings helps our customers achieve their key business objectives.

Your Company received good traction for its services and its expertise in chosen segments & continues to hold it in good stead. Your Company has also re-aligned its processes, updated services, enhanced offerings, upgraded brand image and continue to deliver superior value to its customers. Your Company today is much more focused and is executing better than a year ago.

9. Board Committees:

The details of various Committees of the Board are provided in the Corporate Governance Report.

10. Consolidated Financial Statement:

In accordance with AS - 21 on Consolidated Financial Statement, the Audited Consolidated Financial Statement is provided in the Annual Report.

11. Disclosure as per Listing Agreement Clause 32:

The Cash Flow Statement in accordance with the Accounting Standard Cash Flow Statement (AS-3) issued by ICAI is appended to this Annual Report.

12. Subsidiaries:

The Ministry of Corporate Affairs, Central Government vide its Circular No. 5/12/2007-CL_III dated 8th February, 2011 has granted general exemption from attaching the Balance Sheet and Profit and Loss Account and schedules forming part thereof and other Reports.

Your Board at their meeting held in 25th April, 2014 have given their consent for not attaching, inter alia, the balance sheet, profit and loss account and other relevant reports and statements of its subsidiary companies to the balance sheet of your Company as on 31st March, 2014

DIRECTORS REPORT (Contd.)

Those who is interested in obtaining such information, may write to the Company Secretary at the Registered Office of the Company. The Annual Reports 2014 of the Subsidiary Companies will also be kept for inspection at the Registered Office of the Company and Subsidiary Company's Registered Office between 10.30 a.m. to 12.30 p.m. on any working day.

13. People:

The total number of employees as at March 31, 2014 was approx 6500 as against 6,000 as at March 31, 2013. During the year under review, your Company has focused on people engagement practices, career aspirations management and innovative practices in learning and development and compensation, which have all employees in favour of retention of our talent.

Your Company's multiple-award winning HR practices and great work environment helped to attract and retain talent. Your Company's People Function works to align people's interests to the business goals. This creates a favorable environment and promotes innovation and merit. This strong alignment of our people's interests and business interests, led the organization to achieve its objectives and thus create value for people and customers. We have dedicated programs to help our people build new skills and competencies which promote knowledge sharing, building effective teams, etc., Your Company continues to innovate in knowledge management to ensure that learning is captured & disseminated across teams.

A future-ready organisation needs to continuously evaluate its leadership capital. At different stages in an organization's growth, we need different caliber of leaders. The overall assessment showed us where and how we must change, including critical gaps that must be filled with new talent from outside.

14. Directors:

In accordance with the provisions of section 160 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pradeep Dutta, Director, who retires by rotation and offer himself for re-appointment.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Umesh Bhat was appointed as an Additional Director designated as an Independent Director w.e.f. 20th January, 2014 and he shall hold office upto the date of ensuing Annual General Meeting. The Company has received written notice from a member proposing Mr. Umesh Bhat for appointment as an Independent Director.

As per the provisions of the Companies Act 2013, Mr. N. V. Simhadri and Ms. Nidhi Sharma, Directors retire at the ensuing Annual General Meeting. The Company has received written notice from a member proposing Mr. N. V. Simhadri and Ms. Nidhi Sharma for appointment as an Independent Directors for term of 5 years.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

15. 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 have 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 2014 and of the profit of the Company for the year ended on that date.

DIRECTORS REPORT (Contd.)

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 a going concern basis.

16. Auditors & Auditors' Report:

The retiring Statutory Auditors, M/s. Mandawewala & Co., Chartered Accountants, hold office until the conclusion of the fourthcoming Annual General Meeting and they have confirmed their eligibility under Section 141(3)(G) of the Companies Act, 2013 to the effect that they are not disqualified and willingness to accept office and be re-appointed as the Statutory Auditors of the Company till the conclusion of 20th Annual General Meeting.

The Audit Committee and the Board of Directors recommend the reappointment of Statutory Auditors, M/s. Mandawewala & Co., Chartered Accountants, be re-appointed as the Statutory Auditors to hold office until the conclusion of the 20th Annual General Meeting.

17. Boards Comment of Auditors' Report:

Board's comment on Auditors' Report is given below:

- i. The Company is generally regular in depositing undisputed Statutory dues except for delay in certain cases as qualified by Statutory Auditors.
- ii. The Directors and Senior Management has taken due measures to avoid such delay in factore. Due to temporary cash flow mismatch there has been delay in payment of Statutory dues.

18. Particulars of Employees:

Your Company has talented and dedicated professional employees to achieve the Company's goal. To retain and develop these employees, human resources group has been working with an objective to enhance employee competence through various initiatives and maximizing employee contribution towards the organizational goals.

The Company has a number of initiatives to attract, retain and develop talent in the organization. Some of them include the employee referral scheme, internal job rotation, training and development programs etc.

The Board of Directors has been addressing the employees on periodic basis to provide information on development of the Company and to understand the concerns of the employees.

Further, in a knowledge based industry, your Company understands that the employees are the main assets of the Company and it is necessary that they feel challenged to use their intellectual skills to the best of their abilities and add value to themselves even as they add value to the Company. Thus to have an independent assessment of the work environment, the efforts are approachable, appreciable which maintain confidentiality and are able to guide decision making.

The Information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended is not being furnished since there was no employee covered under this section during the year, who was in receipt of remuneration exceeding the prescribed limit.

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.

DIRECTORS REPORT (Contd.)

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

The Particulars as prescribed under Subsection (1)(e) of section 217 of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure 1 to this Report.

20. Transfer of Amount to Investor Education and Protection Fund:

In terms of Section 205 of the Companies Act, 1956, the amount of Final Dividend, 2007 remaining unclaimed and unpaid for a period of seven years from the due date is required to be transferred to the Investor Education & Protection Fund (IEPF) of Central Govt. on October, 2014.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividend in respect of the financial year 2007, as on the date of the 14th Annual General Meeting (AGM) held on 26th July, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.ikf-technologies.com.

Members who are yet to claim/who have not encashed the said dividend warrants, are requested to submit their claims immediately to the Registrar & Share Transfer Agent, viz., Bigshare Services Pvt. Ltd or to the Company.

21. Corporate governance & Code of Conduct:

A Good Corporate Governance aims to achieve balance between shareholders' interest and corporate goals by providing long term vision for the business and establishing systems that help the Board of Directors ("the Board") in understanding and monitoring risk at every stage of corporate evolution process to enhance the trust and confidence of the stakeholder without compromising with laws and regulations.

Your company has complied with the provision of clause 49 of the listing agreement relating to corporate governance and believes that the initiatives on Corporate Governance will assist the management in the efficient conduct of the business and in meeting its obligation to all its stakeholders

Declaration from all Directors and Management Personnel has been taken, is presented in a separate section forming part of the Annual Report.

22. Insider Trading Regulations:

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force.

23. Green Initiative:

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 permitting service of notice/ documents by Companies to its Members through electronic mode.

As a responsible corporate citizen, your Company is supporting the Green Initiative taken by the MCA since preceding financial year, as this will reduce paper consumption to a great extent and allow the members to contribute towards a greener environment. This will also ensure prompt receipt of communication and avoid loss in postal transit.

DIRECTORS REPORT (Contd.)

Like the previous year, this year too, we are publishing the statutory disclosures in the print version of the Annual Report. Additional Information are available on our website.

Electronic copies of Annual Report 2013-14 and Notice of 15th Annual General Meeting are sent to all members whose email addresses are registered with the Company/RTA/Depository Participant(s).

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolution set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Company (Management and Administration) Rules 2014. The instructions for e-voting is provided in the Notice.

24. Investor Services:

In compliance to the requirements of the newly inserted Clause 54 of the Listing Agreement with Stock Exchanges, the Company has dedicated a separate page for Investor Services in its website www.ikf-technologies.com. This page contains prescribed particulars for the information of the investors. The Company would keep on updating these particulars as and when necessary.

25. Acknowledgement:

Your directors express sincere thanks to Axis Bank Limited, UCO Bank Limited, ICICI Bank Limited, Corporation Bank Limited, SBI Limited and various Stock Exchanges for their support and encouragement.

Your Directors take this opportunity to thank all Investors, Clients, Vendors, Regulatory and Government Authorities, 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 and look forward to get their support in all future endeavors.

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

For & on behalf of the Board

Sd/-

N. V. Simhadri
Chairman

Date: 7th August, 2014

Place: Kolkata

ANNEXURE-I

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided as mentioned below:

A. Conservation of Energy:

The provisions of conservation of energy and technology absorption and adaptation do not apply to the Company. However, various measures voluntarily taken by the Company are given below.

(a) Additional Investments and Proposals implemented for Reduction of Consumption of Energy: The Company uses energy efficient for all its equipments such as air conditioners, computer terminals, lighting and utilities in the work premises. All possible measures have been taken to conserve energy at all the operational levels and efforts are made in this direction on a continuous basis.

(b) Impact of the Measures and Impact on the Cost: Though the Company does not have energy intensive operations, it continues to adopt energy conservation measures. 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.

(c) Energy Conservation Measures: During the year, the Company has taken following measures towards energy conservation:

1. Organising the procedures in such a way that energy losses are minimized by eliminating idle running. This has helped in reducing per unit energy consumption.
2. Modifying the processes so as to reduce per unit consumption of energy.
3. Optimisation of electrical load by matching machine power capacity to the exact Organisational requirements.
4. Using energy-efficient computers and equipments with the latest technologies, which would help in conservation of energy.

(d) Future Proposals for conservation of energy: The Company is planning to enter new agreements and implement new measures which will play instrumental role in bringing down the cost of energy in addition to improving quality.

B. Technology Absorption: The details are mentioned as below:

1. Research & Development :

Risks are inherent in the Information technology sector businesses. The Management of the Company gives utmost importance to the R&D activities.

In keeping with its spirit of “Be ahead of the times through endless creativity, inquisitiveness, and pursuit of improvement”, IKF actively carries out research and development activities. Our R&D activities can be broadly classified into two areas,

- A. Product development and improvements performed independently within each business division and
- B. R&D undertaken mainly by the “Research & Development Center” separate from the activities of our business divisions and with a view toward Company-wide Management Strategy.

(a) Research & Development Center Activities : IKF has its own “Research & Development Center”, carrying on Research and Development activities. This undertakes the advanced development of

ANNEXURE-I (Contd.)

fundamental technologies which will be the key to the future products of each division and advanced research for the development of new products for new businesses as well as development of materials and other technologies that will come to serve as the common foundation for all divisions. There are a multitude of research and development results. From this point forward research and development will continue into new technology themes for every field including E-learning, IT/ITES, ISP etc.

- (b) **R&D Activities Carried Out by the Business Divisions:** In each of our internal divisions various initiatives, centered on the technical departments, are being taken to promote the advanced development of future products that will lead the world in functionality, quality and low cost. The results of these R&D activities are unveiled at an internal technology exhibition in each division. This allows them to absorb the latest technologies and we create opportunities for them to deepen their practical business experience in product development through exchanges with the other technical divisions within IKF technologies and cooperation with other members of IKF group.

Areas in which Research & Development (R&D) is being carried out by the Company are given below,

i) **E-learning:**

In today's scenario every Company needs e-learning technology to grow. E-learning techniques are required for the Management of increasing scale and more complex learning challenges. E-learning technology becomes an important toll in reaching employees in widely disturbed locations. IKF can use E-learning technologies in many creative ways to meet demanding business requirements, training needs for personnel working in various departments, common leadership development, sharing of knowledge in variety of engineering disciplines.

ii) **IT/ITES:**

As enterprises embark on their transformation journeys, a reliable IT application backbone becomes essential to manage the requirements of an ever evolving business. IKF's Packaged application portfolio includes the entire gamut of packaged application services right from package evaluation, selection, implementation, post-implementation support and development, version upgrades and Master Data Management services.

IKF has expert practices for the following solutions:

- a. Customer Relationship Management.
- b. Supplier Relationship Management.

Project Management, oversight and control includes:

Project Planning, Scheduling, Scope/Time/Cost Management, Project Tracking, Project status reporting.

Software requirement: Requirements Fundamental, Requirements Gathering, Requirements Analysis and Documentation, Requirements validation and Review.

Software design: Design criteria, Software Structure and Architecture, Implementation Design, Design reviews.

Software construction: Organizational Coding Guidelines, Coding, Code reviews, Unit testing.

Software testing: Test Planning, Test Process, Conducting Test, Test Results and Analysis.

Software Maintenance: Maintenance planning, Change Management and impact analysis, Maintenance and Change Management process.

Software Quality Assurance: Quality Planning, Work Product Reviews, Process Tailoring, Metrics, Improvement Actions.

ANNEXURE-I (Contd.)

Configuration & Change Management: Configuration Planning, Change Request Management, Impact Analysis.

(iii) **ISP :**

ISP division do R&D related with Internet Services, VoIP Services, Integration Services, Government policies affecting the telecoms industry etc.

(a) **Future Plan :** The Company's plan is to carry on innovations in process development, cost reduction, quality improvement, process implementations and process controls. Your Company will continue to invest in R&D initiatives going forward.

(b) **Expenditure on R&D :** As the expenditure on R&D done by the Company forms a very small portion of the total costs, the financial impact on this cost is not material.

2. Technology Absorption, Adaptation and Innovation:

(a) Efforts made towards Technology Absorption, Adaptation and Innovation: Research on acquiring solution, micro strategy, use of state-of-the-art technology for improving the productivity and quality of services and investing in new technology has been done by the Company.

(b) Benefits derived as a result of the above efforts: Going ahead the Company plans to actively acquire new customers using the knowledge and competency required. Encouraging for the continuous innovation.

(c) Imported Technology: During last five years from the beginning of the financial year, no technology has been imported.

C. Foreign Exchange Earnings and Outgo:

1. **Exports, initiatives like increasing exports, development of new export markets for product and services and export plans etc. to earn foreign exchange:** The Company has continued to maintain focus and avail of export opportunities based on economic considerations. Our Company is developing new centre in foreign countries to create new export markets and to provide its products and services globally.

2. Total Earnings and Expenditure in Foreign Currency:

(₹ in '000)

Particulars	2013-2014	2012-2013
Earnings in Foreign Currency	64,367	84,785
Expenditure in Foreign Currency - Revenue Expenditure	349	846

For & on behalf of the Board

Sd/-

N. V. Simhadri

Chairman

Date: 7th August, 2014

Place: Kolkata

REPORT ON CORPORATE GOVERNANCE

“Strength and growth come only through continuous efforts and we are making efforts.”

- N. V. Simhadri, Chairman

IKF Technologies Limited (hereinafter referred to as ‘IKF’ or ‘the Company’), looks upon good corporate governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation. Good corporate governance is all about enhancing value for all our stakeholders. Your Company believes in ethical business conduct, integrity and commitment to values which enhance and retain stakeholders’ trust and are the hallmarks of good corporate governance. The Company and its employees are committed and adhere to the highest standards of integrity.

Corporate governance is of extreme importance to IKF and our stakeholders. Good corporate governance is delivering sustainable and industry leading financial performance. We are fully committed to building IKF into a memorable company and delivering values to all our stakeholders.

IKF has implemented relevant systems and procedures to enable corporate governance. This assures the transparency in business, further reiterating the commitment towards building a sustainable and valuable business. In the conduct of business and in our dealings that affect business, we abide by the principles of honesty, openness and doing what is right and fair. These are the strong principles which guide our behavior at all times.

Corporate Governance Philosophy

Corporate Governance at IKF is a value based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporate, we use this framework to maintain accountability in all our affairs, in order to protect the interests of its stakeholders. The Company has set itself the objective of expanding its services and becoming competitive in its business. As a part of its growth strategy, the Company believes in adopting the ‘best practices’ that are followed in the area of Corporate Governance and disclosures. The Board and Management acknowledge its responsibilities towards them for creation and safeguarding their wealth.

- ✓ Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- ✓ The Board and Management is trustee of the shareholders’ capital and not the owners.
- ✓ Satisfy the spirit of law and not just the letter of the Law. Corporate Governance standards should be beyond the law.
- ✓ We do what is right and not what is convenient.
- ✓ Communicate externally, in truthful manner, about how the Company is running internally.
- ✓ The Board and Management are trustee of the shareholders’ capital and not the owner.

In accordance with the IKF Vision, IKF is committed towards value creation. The Company expects to realise its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people.

Appropriate Governance Structure with defined roles and responsibilities

The Company has sound internal governance structure with defined roles and responsibilities of every officer. The Company’s shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established four Committees to discharge its responsibilities in an effective manner. IKF’s Company Secretary acts as the Secretary to all Committees. The Chairman provides overall direction and guidance to the Board. Concurrently, the Whole Time Director and Chief Executive Officer (WTD and CEO) is responsible for overall implementation. In the operations and functioning of the Company, the WTD and CEO is assisted by a core group of senior level executives.

Ethics Policies and Codes

At IKF, we conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

REPORT ON CORPORATE GOVERNANCE (Contd.)

- ✓ Code for Board of Directors and Board Committees
- ✓ Code of Business Conduct and Ethics for Directors and Senior Management Personnel
- ✓ Code of Conduct for Prohibition of Insider Trading
- ✓ Code of Ethics and Business Policies
- ✓ Code of Conduct for Employees etc.

Audits and internal checks and balances

M/s. Mandawewala and Company, Chartered Accountants, audit the accounts of the Company. The Company has an Internal Audit department besides external firms acting as independent internal auditors that reviews internal controls and operating systems and procedures. A dedicated Legal Compliance Cell ensures that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances that covers the Company as well as its subsidiaries.

Corporate Social Responsibility (CSR)

With the belief in the philosophy of responsible corporate citizenship and sustainable growth, Increasing its commitment, IKF built a comprehensive development programme to support initiatives in the field of education, environment and contributions to other social development organisation.

Shareholders communications

The Board recognises the importance of communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. IKF corporate website (www.ikf-technologies.com) has information for institutional and retail shareholders alike. Shareholders seeking information related to their shareholding may contact the Company's Registrars and Transfer Agents, details of which are available on the Company's website. IKF ensures that complaints and suggestions of its shareholders are responded to in a timely manner. A comprehensive and informative share holders' reference is appended to this annual report.

Role of the Company Secretary in overall governance process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

Reference of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India (ICSI), has issued Secretarial Standards on important aspects like Board meetings, General meetings, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report etc. Although these standards, as of now, are recommendatory in nature, the Company substantially adheres to these standards voluntarily.

The Three-Tier Corporate Governance Structure at IKF

I. Governance by Board:

On behalf of the Shareholders, the Board leads the strategic management of the Company, exercises supervision through direction and control and appoints various Committees to handle specific areas of responsibilities.

II. Governance by the Sub-Committees of the Board:

The Committees of the Board and Executive Management appointed by the Board take up specific responsibilities and day-to-day tasks to ensure that the activities of the Company run according to the strategies set by the Board.

REPORT ON CORPORATE GOVERNANCE (Contd.)

III. Governance to Shareholders:

Shareholders appoint and authorize the Board of Directors ('Board') to conduct business with objectivity and ensure accountability to all Shareholders.

First Tier: Governance by the Board

Composition and Category of Directors:

The Company has a balanced mix of Executive and Non-Executive Directors. As at closing of March 31, 2014, the Board had 5 (five) Members consisting of four Non-Executive Members and one Executive Members. Out of the four Non-Executive Directors, three are Independent Directors and one is Non-Independent Director. The Chairman of the Board for the financial year 2013-14 was Mr. N. V. Simhadri.

Name of the Directors	Category	Designation	Date of Appointment	Number of Directorship in other Indian Public Companies ³	Number of Committees of Board in which Director is Member / Chairman ⁴	No. of Board Meeting Attended
Mr. N.V. Simhadri	Independent Non Executive Director	Chairman	19-Oct-10	–	–	3
Ms. Nidhi Sharma	Independent Non Executive Director	Director	30-Oct-12	–	–	3
Mr. Umesh Bhat ¹	Independent Non Executive Director	Additional Director	20-Jan-12	2	2	1
Mr. Gajanand Gupta ²	Independent Non Executive Director	Director	31-Oct-06	2	4	3
Mr. Pradeep Dutta	Non-Independent Non Executive Director	Director	25-Jan-05	–	–	4
Mr. Sunil Kumar Goyal	Executive Director	Whole Time Director	19-May-12	3	3	4

Details of number of Directorships and Committee Memberships held by Directors in companies other than IKF as defined in Clause 49 of the Listing Agreement as on March 31, 2014.

⁽¹⁾Mr. Umesh Bhat is appointed as Additional Director on Board with effect from 20.01.2014

⁽²⁾Mr. Gajanand Gupta resigned from the Board with effect from 15.01.2014

⁽³⁾The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

⁽⁴⁾Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee (previously Shareholders'/Investors' Grievance Committee) has been considered.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all companies in which he is a Director. The necessary disclosures regarding Committee compositions have been made by the Directors.

No director is, inter se, related to any other Director on the Board.

Board Meetings

The calendar of Board meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all Directors in advance, to enable them to schedule their effective participation during Board meetings. Your Board met four times in the financial year 2013 -14.

Sl. No.	Date of Board Meeting	During the Quarter	Board Strength	No. of Directors Present
1	18-May-2013	April 2013-June 2013	5	5
2	10-Aug-2013	July 2013-September 2013	5	4
3	25-Oct-2013	October 2013-December 2013	5	4
4	20-Jan-2014	January 2014- March 2014	5	5

REPORT ON CORPORATE GOVERNANCE (Contd.)

Attendance of Directors at the precious Annual General Meeting

The last Annual General meeting was held on 26th July, 2013 at Convergence Centre, Plot no. X-1,2 & 3, Block – EP, Sector V, Salt Lake, Kolkata – 700 091 and was attended by Mr. N.V. Simhadri and Mr. Gajanand Gupta.

Directors retiring by rotation

Mr. Pradeep Dutta, will be retiring by rotation and being eligible, offer himself for re-appointment in the ensuing fifteenth Annual General Meeting (AGM).

Their brief resume is attached to the notice of the AGM. The Board has recommended the same and seeks Shareholders' approval.

Selection of Independent Directors

The Nomination and Remuneration Committee of the Company recommend Independent Director on Board after considering the requirement and efficiency of the person who can effectively contribute to the Company's business and policy decisions. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Company has separate code for Independent Director. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Code of Business Conduct and Ethics for Directors/ Management Personnel

The Code of Business Conduct and Ethics for Directors and Senior Management Personnel ('the Code'), as adopted by the Board, is a comprehensive Code applicable to Directors and Senior Management Personnel.

'The Company's Board and Management Personnel are responsible for, and are committed to, setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit'.

A copy of the Code has been put on the Company's website (www.ikf-technologies.com). The Code has been circulated to Directors and Senior Management Personnel and its compliance is affirmed by them annually.

A declaration signed by the Chairman and WTD & CEO is published in this Report.

Directors' Profile

A brief resume of Directors, nature of their expertise in specific functional areas are provided in this Annual Report.

Agenda Items for the Board Meeting

The items/matters required to be placed before the Board, inter alia, include:

- ✓ Annual operating plans of businesses and budgets and any updates thereof;
- ✓ Quarterly Results for the Company;
- ✓ Company's Annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- ✓ Minutes of Meetings of Audit Committee and other Committees of the Board;
- ✓ The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- ✓ Show cause, demand, prosecution notices and penalty notices which are materially important;
- ✓ Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- ✓ Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company;
- ✓ Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- ✓ Details of new agreement and renewal thereof;
- ✓ Transactions that involve substantial payment;
- ✓ Sale of material nature of Investment, subsidiaries, assets, which is not in normal course of business.
- ✓ Significant development on human resources front;
- ✓ Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material; and
- ✓ Non-compliance of any regulatory, statutory or listing requirements and Shareholders' services such as non-payment of dividend, delay in share transfer.
- ✓ Appointment, remuneration and resignation of Directors
- ✓ Formation/reconstitution/rename of Board Committees
- ✓ Terms of reference of Board Committees
- ✓ Declaration of Independent Directors at the time of appointment/annually
- ✓ Disclosure of Directors' interest and their shareholding
- ✓ Appointment or removal of the Key Managerial Personnel (KMP) and officers one level below KMP.
- ✓ Appointment of Internal Auditors and Secretarial Auditors.
- ✓ Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors
- ✓ Dividend declaration.
- ✓ Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made
- ✓ Significant changes in accounting policies and internal controls
- ✓ Takeover of a company or acquisition of a controlling or substantial stake in another company
- ✓ Statement of significant transactions, related party transactions and arrangements entered by unlisted subsidiary companies
- ✓ Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
- ✓ Internal Audit findings and External Audit Reports (through the Audit Committee)
- ✓ Proposals for major investments, mergers, amalgamations and reconstructions
- ✓ Status of business risk exposures, its management and related action plans
- ✓ Making of loans and investment of surplus funds
- ✓ Borrowing of monies, giving guarantees or providing security in respect of loans
- ✓ Buyback of securities by the Company
- ✓ Diversify the business of the Company
- ✓ Brief on statutory developments, changes in government policies, among others with impact thereof, Directors' responsibilities arising out of any such developments
- ✓ Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996
- ✓ Brief on information disseminated to the press etc.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalise the agenda for Board meetings.

Board material

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

Post meeting follow-up mechanism

The guidelines for Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees thereof. Important decisions taken at Board/Board Committee meetings are communicated promptly to the concerned departments/divisions. Action-taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Board Committee for noting.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Compliance

The Company Secretary, while preparing the agenda, notes on agenda, minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/ Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

Second tier: Governance by the Sub-Committees of the Board

Board Committees

The Board has constituted the following Committees and has assigned their terms of reference. The Chairman of each Committee along with the other Members of the Committee and if required other Members of the Board, decide the agenda, frequency and the duration of each meeting of that Committee. Currently, the Board has four Committees:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Remuneration Committee
4. Management Committee

1. Audit Committee

Composition, Meetings and Attendance during the financial year 2013-14:

Members of the Audit Committee have the requisite financial and Management expertise.

During the year 2013-14 our Audit Committee comprised of the following Independent Directors:

Name	Designation	Category	Number of Meetings during the year 2013-14	
			Held	Attended
Mr. G. N. Gupta ¹	Chairman	Independent and Non-Executive Director	3	3
Mr. N.V. Simhadri	Member	Independent and Non-Executive Director	4	4
Ms. Nidhi Sharma	Member	Independent and Non-Executive Director	4	4
Mr. Umesh Bhat ²	Member	Independent and Non-Executive Director	–	–

⁽¹⁾ Mr. Gajanand Gupta ceased to be member of the Committee with effect from 15.01.2014

⁽²⁾ Mr. Umesh Bhat appointed as a member of the Committee with effect from 20.01.2014

Powers of the Audit Committee

- ✓ To investigate any activity within its terms of reference
- ✓ To seek information from any employee
- ✓ To obtain outside legal or other professional advice
- ✓ To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of the Audit Committee inter alia, includes the following:

The Audit Committee was constituted in terms of Section 177 of the Companies Act, 2013 and as per the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

- ✓ The Audit Committee reports to the Board and is primarily responsible for Appointment and changes to the Statutory Auditors and Internal Auditors;
- ✓ Fix the remuneration and other terms of appointment of the Statutory and Internal Auditors;
- ✓ Review of the reports of the Statutory Auditors and Internal Auditors;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- ✓ 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.
- ✓ Review with the Management, annual financial statements and Auditors' Report thereon before they are presented to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications in draft audit report
- ✓ Review with the management, the quarterly financial statements before submission to the Board for approval;
- ✓ Scrutiny of inter-corporate loans and investments;
- ✓ Valuation of undertakings or assets of the Company, wherever it is necessary;
- ✓ Assess the independence and objectivity of the Auditors and to ensure that the nature and amount of non-audit work does not impair the Auditor's independence and objectivity;
- ✓ Review and assess the effectiveness of systems for internal financial control, financial reporting and risk management and compliance controls with Management and Auditors;
- ✓ Review with the management, the performance of statutory auditors and internal auditors;
- ✓ Review any material breaches of compliance against regulations applicable to the Company;
- ✓ Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board
- ✓ Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- ✓ To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- ✓ To review the functioning of the Whistle Blower mechanism
- ✓ Approval of appointment of the CFO (the person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate
- ✓ Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- ✓ Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- ✓ Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor
- ✓ To call for comments of the auditors about internal control systems, the scope of auditors, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company
- ✓ Reviewing the following information: Any other matter referred to the Audit Committee by the Board of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Audit Committee Meeting and Attendance

The Audit Committee has met four times during the year.

Sl. No.	Date of Board Meeting	During the Quarter	Total Strength	No. of Members present
1.	18-May-2013	April 2013-June 2013	3	3
2.	10-Aug-2013	July 2013-September 2013	3	3
3.	25-Oct-2013	October 2013-December 2013	3	3
4.	20-Jan-2014	January 2014-March 2014	2	2

General

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 26th July, 2013.

2. Stakeholders Relationship Committee

The Board has constituted the Stakeholders Relationship Committee (previously known as Investors'/ Shareholders' Grievance Committee) to deal with various matters relating redressal of shareholders and investors grievances and review all matters connected with the Company's transfer of securities. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholders Relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

Composition, Meetings and Attendance during the financial year 2013-14:

The Composition of the Stakeholders Relationship Committee and the attendance of Member Directors of the Committee during the financial year 2013-14 are as follows,

Name	Designation	Category	Number of Meetings during the year 2013-14	
			Held	Attended
Mr. N.V. Simhadri	Chairman	Independent and Non-Executive Director	4	4
Ms. Nidhi Sharma	Member	Independent and Non-Executive Director	4	4
Mr. Sunil Kumar Goyal	Member	Executive Director	4	4

All the Members of the Committee were present in all the meetings.

Terms of Reference of the Committee, inter alia, includes the following:

- ✓ Oversees and review all matters connected with Transfer / transmission of shares.
- ✓ Issue of share certificate in lieu of lost, sub-divided, consolidated, rematerialized, transposition or defaced Certificates.
- ✓ Review of shares dematerialized and all other related matters.
- ✓ Investors' grievance and redressal mechanism.
- ✓ The redressal of Investors/Shareholders complaints relating to non-receipt of Annual Report, notices and dividend etc.
- ✓ Oversees the performance of the Registrar and Share Transfer Agent.
- ✓ Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading.
- ✓ Recommend methods to upgrade the standard of services to investors.
- ✓ Comply with all such directions of SEBI, Stock Exchanges, Ministry of Corporate Affairs and other regulatory bodies w.r.t. shareholders/investors rights and market regulations, from time to time.
- ✓ Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable

REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of complaints/requests etc, received and resolved for the year ended March 31, 2014 are as below:

Complaints pending as on 1st April, 2013	4
Complaints received during the year ended 31st March, 2014	7
Complaints resolved during the year ended 31st March, 2014	10
Complaints pending as on 31st March, 2014	1

The above mention one complaint as on 31st March, 2014 has been resolved.

The Secretarial department of the Company and Registrar and Share Transfer Agents attend expeditiously to all grievances / correspondences of the shareholders and investors. All the complaints received from the shareholders have been attended throughout the year.

- ✓ All the complaints have been attended to the satisfaction of complainants during the year.
- ✓ No request for share transfer was pending for approval as on 31st March, 2014.

Compliance Officer:

Mr. Mohit Srivastava, Company Secretary, is the Compliance Officer of the Company.

Dates of Meeting during the financial year 2013-14:

Sl. No.	Date of Board Meeting	During the Quarter	Total Strength	No. of Members present
1.	18-May-2013	April 2013-June 2013	3	3
2.	10-Aug-2013	July 2013-September 2013	3	3
3.	25-Oct-2013	October 2013-December 2013	3	3
4.	20-Jan-2014	January 2014-March 2014	3	3

Four Stakeholders Relationship Committee meetings were held during the year 2013-14.

3. Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee (previously known as Remuneration Committee) shall be to discharge the Board's responsibilities relating to compensation of the Company's Directors, Executive Directors and Senior Management. The Committee has the overall responsibility of approving and evaluating the remuneration plans, policies and programs for Directors, Executive Directors and Senior Management.

Membership and Organisation:

The Nomination and Remuneration Committee Members 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 Nomination and Remuneration Committee shall meet as per the listing standards of BSE.

As per section 178 of the Companies Act 2013, the Chairman of the Company is not the Chairman of the Nomination and Remuneration Committee.

Composition, Meetings and Attendance during the financial year 2013-14:

The Composition of the Nomination and Remuneration Committee and the attendance of Independent Directors of the Committee during the financial year 2013-14 are as follows,

Name	Designation	Category	Number of Meetings during the year 2013-14	
			Held	Attended
Mr. G.N Gupta ¹	Chairman	Independent and Non-Executive Director	1	1
Mr. N.V. Simhadri	Member	Independent and Non-Executive Director	2	2
Ms. Nidhi Sharma	Member	Independent and Non-Executive Director	2	2
Mr. Umesh Bhat ²	Member	Independent and Non-Executive Director	--	--

⁽¹⁾ Mr. Gajanand Gupta ceased to be member of the Committee with effect from 15.01.2014

⁽²⁾ Mr. Umesh Bhat appointed as a member of the Committee with effect from 20.01.2014

REPORT ON CORPORATE GOVERNANCE (Contd.)

The terms of reference of the Nomination and Remuneration Committee are as follows:

- ✓ The Committee shall review the performance of all the Executive Directors, on the basis of detailed performance parameters set for each of the Executive Directors at the beginning of the year.
- ✓ The Committee may, from time to time, also evaluate the usefulness of such performance parameters, and make necessary amendments.
- ✓ The Committee may also make recommendations to the Board with respect to incentive plans.
- ✓ The Committee shall recommend appointment of Independent Director to the Board.
- ✓ The Committee shall make regular reports to the Board.
- ✓ Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees;
- ✓ Review and approve any disclosures in the annual report or elsewhere in respect of remuneration policies or Directors' compensation.

Dates of Meeting during the financial year 2013-14:

Two meetings of the Nomination and Remuneration Committee meetings were held during the year 2013-14.

Sl. No.	Date of Board Meeting	Total Strength	No. of Members present
1.	18-May-2013	3	3
2.	20-Jan-2014	2	2

There is no specific period of contract of service for Chairman of the Company. The notice period in case of resignation is 1 months.

Nomination and Remuneration Policy of the Company:

The Remuneration of the Executive Director is recommended by the Nomination and Remuneration Committee. Based on criteria such as Industry benchmarks, Company's performance vis-à-vis the Industry, responsibility shouldered, performance/ track record, macro-economic view etc. The Company pays remuneration by way of salary to its Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the Board Members and Shareholders.

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

Details of Remuneration/sitting fees paid to the Directors during the year 2013-14:

The Remuneration determined for the Executive/Non-executive Director is subject to the approval of the Board of Directors and the Members.

To Non-Executive/Independent Directors' Remuneration:

Non-Executive Directors are entitled to sitting fee and out of pocket expenses only. Notice pay is not applicable to the Non-Executive Directors. There is no severance, commission pay to any of the Non-Executive Directors. Further, the Board has approved at its meeting held on 30th January, 2012, the enhancement of the sitting fees are as follows with effect from 1st April, 2013.

There is no specific period of contract of service for Chairman. There is no separate provision for notice period.

(in ₹)

Meeting	Sitting Fees
Board Meeting	10,000/-
Audit Committee Meeting	5,000/-
Remuneration Committee Meeting	5,000/-
Investors/Shareholders Grievances Committee Meeting	5,000/-

REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of the sitting fees paid and commission payable during the year 2013-14 are as follows:

(in ₹)

Directors	Sitting fee	Commission	Total
Mr. N. V. Simhadri	30,000	-	30,000
Mr. G. N. Gupta	30,000	-	30,000
Mr. Pradeep Dutta	40,000	-	40,000
Ms. Nidhi Sharma	30,000	-	30,000
Mr. Umesh Bhat	10,000	-	10,000

Note: All Members in different Committees unanimously waived their sitting fees for all Committee Meetings of the year.

To Executive Director' Remuneration:

Remuneration paid to Mr. Sunil Kumar Goyal, Whole Time Director during the financial year 2013-14 was Rs. 12,00,000/- and other out of pocket expenses.

- The existing agreement with the Executive Director, Mr. Sunil Kumar Goyal is for a period of three years w.e.f. 19th May, 2012. The Company in its 13th Annual General Meeting held on 25th August, 2012 has approved the appointment of Mr. Sunil Kumar Goyal as Whole Time Director.
- Remuneration package of Mr. Sunil Kumar Goyal includes only salary. No bonuses, pension, stock option etc. are payable to him.
- No Commission or performance linked incentives are payable to Mr. Sunil Kumar Goyal.
- There is no separate provision for service contract, notice period and payment of severance fees.
- The Company does not have any scheme for grant of Stock Option to its Directors or other employees.
- Mr. Sunil Kumar Goyal hold 1.25% paid-up equity shares of IKF technologies Limited.

Management Committee:

The Board had constituted a Management Committee to handle any merger, acquisition and demerger opportunities for the Company and other key strategic activities.

Name	Designation	Category	Number of Meetings during the year 2013-14	
			Held	Attended
Mr. N.V. Simhadri	Chairman	Independent and Non-Executive Director	1	1
Ms. Nidhi Sharma	Member	Independent and Non-Executive Director	1	1
Mr. Sunil Kumar Goyal	Member	Executive Director	1	1

Management Committee is responsible for:

- Approval for entry into new business areas;
- Approval for setting up new centers in and outside India;
- Investment in the equity of any other company
- Approval for any merger or acquisition opportunities, including any funding arrangements entered into by the Company for such activities; and

Dates of Meeting during the financial year 2013-14:

One meeting held during the financial year 2013-14 i.e. on 20th January, 2014.

Third Tier: Governance to Shareholders

Fifteenth Annual General Meeting ('AGM')

The Fifteenth Annual General Meeting for the year 2013-14 is scheduled on Friday, 19th September, 2014 at 03:00 p.m. at ' The Convergence Centre, DPSC, Plot no. X-1, 2 & 3, Block EP, Sector - V, Salt Lake, Kolkata-700091'.

Those of you, who cannot attend the meeting in person, can appoint a proxy to represent you in the meeting, for which you need to fill in a proxy form and send it to us, on or before 03.00 p.m. on 17th September, 2014.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Annual general meetings of earlier three years

Financial Year	Date	Time	Venue	Special Resolution Passed
2012-13	26th July, 2013	03.00pm	<u>14th AGM</u> Convergence Centre, DPSC, Plot No. X - 1, 2 and 3. Block EP, Sector - V, Salt lake, Kolkata – 700 091, West Bengal, India	No Special Resolution was passed.
2011-12	25th August, 2012	03.00pm	<u>13th AGM</u> Rang Darbaar – Swabhumi, 89C, Moulana Abul Kamal Azad Sarani, Kol- kata – 700 054, West Bengal, India	No Special Resolution was passed.
2010-11	27th May, 2011	03.00pm	<u>12th AGM</u> Royal Bengal Room, Block DC, Sector I, City Centre, Salt Lake, Kolkata – 700064, West Bengal, India	Special Resolution has been passed relating to approval from shareholders u/s 81(1A)

Extra-Ordinary General Meetings ('EGM') of earlier three years

No EGM was conducted for the financial year 2012-13, 2011-12, 2010-11.

Postal Ballot

No Postal Ballot was conducted during the financial year ending March 31, 2014.

Disclosure:

- **Related Party Transaction:** None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No.5 of Standalone Financial Statements, forming part of the Annual Report.
The Company's major related party transactions are generally with its subsidiary.
All related party transactions are negotiated on arms length basis, and are intended to further the Company's interests.
- **Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India ('SEBI') or any statutory authority, on any matter related to capital markets, during the period from 1st April, 2013 to 31st March, 2014:** The Company has complied with the requirements of Stock Exchange, SEBI and other statutory authorities on matter relating to the capital markets, during the last three years.
Payment of Revocation processing fees and reinstatement fees has been done by the Company to Bombay Stock Exchange.
The Company has no non-compliance with any requirements prescribed by SEBI and other statutory authorities on said matters from the period April 1, 2013 to March 31, 2014.
- **Disclosure of Accounting Treatment:** The Company has followed the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 issued by the Institute of Chartered Accountants of India in preparation of its financial statements for the year 2013-14. The financial statements have been audited by M/s. Mandewewala & Co., Chartered Accountants, the Statutory Auditors of the Company and have been discussed with the Audit Committee. The Company has adequate Internal Control systems to identify the risk.
- **Code of Conduct:** In pursuance to Clause 49 of the Listing Agreement, the Company has adopted the "Code of Conduct for Board of Directors & Senior Management Personnel" and the same has been circulated and posted on the Company's website www.ikf-technologies.com. The Board of Directors & Senior Management Personnel has given their declarations confirming compliance of the provisions of the above Code of Conduct for the year ended 31st March, 2014.
- **Periodic Reviews & Reporting:** The Company conducts the periodic reviews and reporting to the Board of Directors regarding Risk Assessment by the Senior Executives with a view to minimize the risk.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- **Whistle Blower Policy:** The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.
- **Compliance with Mandatory Requirements:** The Company has complied with the Mandatory requirements as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges to the extent apply to the Company.

Reconciliation of Share Capital Audit Report:

Practicing Company Secretary Ms. Chanchal Sharma reconciled the Total Share Capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and Listed Capital. The Audit confirms that the total issued/paid-up capital is in aggregate with the total number of Shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL & CDSL.

Secretarial Standards

The Institute of Company Secretaries of India (ICSI) has issued Secretarial Standards on various important facets of corporate functioning and management. Although these standards are recommendatory in nature, as a measure of good governance, the Company has voluntarily adopted few aspects of it and complied with the ICSI Secretarial Standards on meetings of Board of Directors, general meetings, registers and returns, minutes, transmission of shares, passing of resolutions by circulation, affixing of common seal and Board's report.

Unclaimed Dividend

Section 124 of the Companies Act, 2013 (Section 205C of the Companies Act, 1956), mandates that Companies transfer dividend has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with provision, dividend for year 2006-07, if remain unclaimed for a period of seven years, will be transferred to the IEPF:

Year	Type of Dividend	Dividend per share (Rs.)	Date of declaration	Due date of Transfer	Amount (Rs.)
2006-07	Final	0.05/-	20 th September, 2007	27 th October, 2014	264189.85

Shareholders are cautioned that once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof with the Company.

Subsidiary Companies' Monitoring Framework

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company have material unlisted subsidiary, and hence, is required to nominate an Independent Director of the Company on the Board of subsidiary. Ms. Nidhi Sharma, Independent Non-Executive Director has been appointed on the Board of Subsidiary. The Company has four wholly owned subsidiaries viz.,

Name	Profile	Percentage (%) of Shareholding
IKF Green Fuel Limited	A Company incorporated in India under the Companies Act, 1956. Registered Office is situated in Shillong (Meghalaya).	99.93%
IKF Technologies Pty. Ltd.	A Company organized under the laws of South Africa.	100%
IKF Telecom Inc.	A Company organized under the laws of Delaware, U.S.A.	100%
Biofel Fze	A Company organized under Hamriyah Free Zone Authority, U.A.E.	100%

The Company monitors the performance of Subsidiary Companies, interalia, by the following means:

Copy of the Minutes of the Meetings of the Board of Directors of the Subsidiary Companies is tabled before the Company's Board.

- ✓ Financial results of the Subsidiary Companies are reviewed quarterly by the Company's Audit Committee and tabled before the Company's Board.
- ✓ The Central Government vide its Circular No. 2/2011, dated February, 2011 has granted general exemption to the Companies u/s 212 of the Companies Act, 1956 from attaching the Balance Sheet of the Subsidiary Companies. Accordingly accounts of the

REPORT ON CORPORATE GOVERNANCE (Contd.)

Subsidiary Companies are not annexed hereto. Shareholders of the Company as well as of the Subsidiary Companies, who are interested in obtaining Annual Accounts of the Subsidiary Companies and related detailed information, may write to the Company Secretary at the Registered Office of the Company. These documents will also be available during business hours for inspection by the Shareholders of the Company and of the Subsidiary Companies at the Registered Office of the Company and also at the Registered Offices of its Subsidiaries.

Means of Communication

At IKF, we would like to constantly communicate to our investors and stakeholders about our operations and financial results. The transcripts of the quarterly earnings calls with analysis have also been published on our website.

- **Quarterly Results:** In Compliance with Clause 41 of the Listing Agreement, the Company regularly intimates the Un-audited and Audited Financial Results to the Stock Exchanges as soon as the same are approved and taken on record by the Board.
- **Newspaper Release:** The Un-audited and/or Audited results along with other half-yearly reports of the Company are published in the performa under the Listing Agreement in one English Newspaper (normally in Business Standard) having wide circulation and another in Vernacular Language i.e. in Bengali Newspaper (normally in Kalantar), we also display it on website of the Company i.e. (www.ikf-technologies.com). However, only the Annual Results are sent to the Shareholders of the Company.
- **News releases, presentations, among others:** Official news releases and official media releases are sent to Stock Exchanges and we also display it on website of the Company i.e. (www.ikf-technologies.com).
- **Website:** In compliance of Clause 54 of the Listing Agreement and SEBI Circular No. CIR/CFD/DIL/10/2010 dated 16th December, 2010, the Company is maintaining a functional website i.e. (www.ikf-technologies.com) containing the basic required information about the Company. The Company's website contains a separate dedicated section 'Investors' where shareholders' information is available.
- **Support through Exclusive email-id:** As per Clause 47(f) of Listing Agreement and SEBI Circular No. MRD/DoP/SE/DEP/CIR-22/06, the Company has created exclusive email id for redressal of investor grievances. Contact information of Designated Official responsible for assistance and handling shareholders/investor grievances is:

The Company Secretary
 IKF Technologies Limited
 2nd Floor, Plot No. J-1/12, Block EP & GP,
 Sector V, Salt Lake, Kolkata – 700 091
 West Bengal, India
 Tel No.: +91 33 23572610
 Fax No.: +91 33 23572612
 E-mail: cs@ikftech.in; info@ikftech.in.

In case of any query Investors/Shareholders may also contact Registrar and Share Transfer Agent on info@bigshareonline.com.

- **Annual Report:** The Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Corporate Governance Report and Management's Discussion and Analysis Report forms part of the Annual Report and it can be downloaded from Company website (www.ikf-technologies.com).
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.
- **SEBI Complaints Redress System (SCORES):** SCORES is a centralised web-based complaints redress system where Action Taken Reports (ATRs) can be uploaded and actions taken can be viewed by Investor and other agencies on the complaint to get its current status.

General Shareholder Information

Corporate Identity Number ('CIN')

Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India, is L72200WB2000PLC111253 and the Company Registration No. is 111253 of 2000. Your Company is registered in the State of West Bengal, India.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Annual General Meeting

Date :	19th September, 2014
Time :	3:00 p.m.
Day :	Friday
Venue :	Convergence Centre, DPSC, Plot No. X - 1, 2 & 3. Block EP, Sector - V, Salt lake, Kolkata – 700 091.

Financial Year

1st April to 31st March.

Financial Calendar (tentative)

Results for the quarter ending

June 30, 2014- First week of August, 2014

September 30, 2014 - Fourth week of October, 2014

December 31, 2014 -Third week of January, 2015

March 31, 2015 - Third week of May, 2015

Annual General Meeting - August, 2015

Date of Book Closure:

17th September, 2014 to 19th September, 2014 (both days inclusive)

Date of Dividend Payment:

N.A.

Equity Shares

Listing on Stock Exchanges

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 001

Calcutta Stock Exchange Limited(CSE)

7, Lyons Range, Kolkata 700 064

Indian Depositories

National Securities Depository Limited

Trade World. 4th floor, "A" Wing,

Kamala Mills Compound,

Senapati Bapat Marg, Lower Parel,

Mumbai – 400 013

Central Depository Services (India) Limited

Phirozee Jeejeebhoy Towers,

17th Floor, Dalal Street,

Mumbai-400 001

REPORT ON CORPORATE GOVERNANCE (Contd.)

Global Depository Receipts (GDRs)

Listing

Luxembourg Stock Exchange
11, Avenue de la Porte-Neuve, L – 2227,

Domestic Custodian

ICICI Bank Limited
Empire Complex, E7/F7, 1st Floor,
414, Senapati Bapat Marg, Lower Parel, Mumbai 400 013

Scrip Code/Symbol/ Trading Code

Scrip Code/Symbol of Equity Shares

BSE – 532414/IKFTECH

CSE – 10019274/IKFTECHNO

Trading Code of GDR's

LuxSE –US44963E1029

Payment of Listing Fees

Listing fees for FY 2014-15 has been paid to both BSE and CSE.

Payment of Depository Fees

Annual Custody fee for the year 2014-15 is paid to NSDL and CDSL.

International Securities Identification Number (ISIN)

ISIN (for fully paid-up equity shares): INE052C01027

ISIN (for Global Depository Receipts): US44963E1029

Stock Market Price Data & Share Price performance as on 31st March, 2014:

During the year 2013-14, trading in shares of the Company was suspended on BSE, which has been revoked with effect from 13th June, 2014.

Registrar & Share Transfer Agent

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (East),
Mumbai – 400 072.
Tel: +91 22 28470652, 40430200
Fax: +91 22 28475207
Email: info@bigshareonline.com

Share Transfer System:

- i). Physical Form – Shares in the physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited or at the Registered Office of the Company. The transfers are processed if technically found to be in order and complete in all respect. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Whole Time Director and/or Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Whole Time Director /Company Secretary is placed at every Board

REPORT ON CORPORATE GOVERNANCE (Contd.)

meeting/Shareholders Relationship Committee (earlier Shareholders'/Investors' Grievance Committee). The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

Transfers are normally processed within 15 days from the date of receipt, provided the documents are valid and complete in all respect.

SEBI vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009 made it mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTA's for registration of transfer of shares, for securities market transactions and off-market/ private transactions involving transfer of shares in physical form.

For matters regarding shares transferred in physical form, share certificates, change of address, etc., Shareholders should communicate with Bigshare Services Private Limited, Registrar & Share Transfer Agent.

- ii). Demat Form – The Company had made arrangements to dematerialise its shares through National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the Company's ISIN no is INE052C01027.

As on 31st March, 2014, a total number of the Equity Shares 429846304 comprising 99.83% of the paid-up capital of the Company is in electronic form.

For shares transferred in electronic form, after confirmation of sale/purchase transaction from the Broker, Shareholders should approach their respective Depository Participant (DP) with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to either Company or Registrar and Share Transfer Agent to register such share transfers in electronic/demat form. For matters regarding shares held in demat form and for matters related to change of address, change of bank mandates etc., Shareholders should communicate directly with their respective DP.

Distribution of Shareholding as on 31st March, 2014

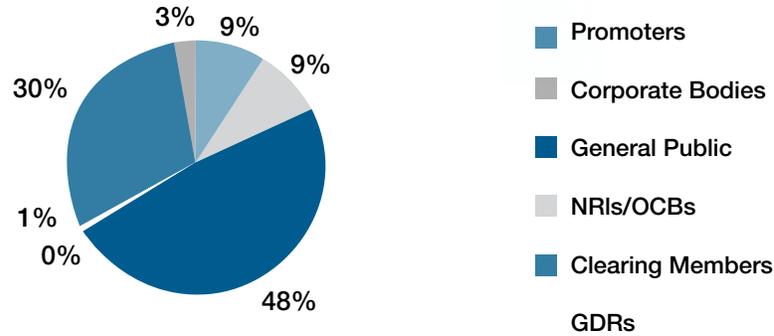
Range of Equity Shares	As at March 31, 2014				As at March 31, 2013			
	No. of Shareholders	(%)	No. of Shares	(%)	No. of Shareholders	(%)	No. of Shareholders	(%)
Up to 500	84309	92.9865	86042680	19.9829	83898	92.9968	85585635	19.8768
501-1,000	3417	3.7687	26923602	6.2528	3395	3.7632	26784803	6.2206
1,001-2,000	1498	1.6522	22224661	5.1615	1495	1.6571	22142709	5.1425
2,001-3,000	546	0.6022	13756518	3.1949	536	0.5941	13534815	3.1434
3,001-4,000	234	0.2581	8330024	1.9346	234	0.2594	8302068	1.9281
4,001-5,000	183	0.2018	8634622	2.0053	181	0.2006	8530166	1.9811
5,001-10,000	292	0.3221	21525972	4.9993	286	0.3170	21285771	4.9435
10,001 and above	189	0.2085	243143361	56.4686	191	0.2117	244415473	56.7641
Total	90668	100.0000	430581440	100.0000	90216	100.0000	430581440	100.0000

Category-wise Shareholding as on 31st March, 2014

Sl. No.	Category	Number of Share holders	(%)	No. of Shares	(%)
1.	Promoters	4	0.0044	38726036	8.9939
2.	Corporate Bodies	731	0.8062	38564625	8.9564
3.	General Public	89714	98.9479	206957053	48.0646
4.	NRIs/OCBs	202	0.2228	3491642	0.8109
5.	Clearing Members	14	0.0154	58100	0.0135
6.	GDRs	1	0.0011	131371440	30.5102
7.	FII's	2	0.0022	11412544	2.6505
	Total	90668	100.0000	430581440	100.0000

REPORT ON CORPORATE GOVERNANCE (Contd.)

Category-wise Shareholding as on 31st March, 2014



Dematerialisation of shares and liquidity as on 31st March, 2014:

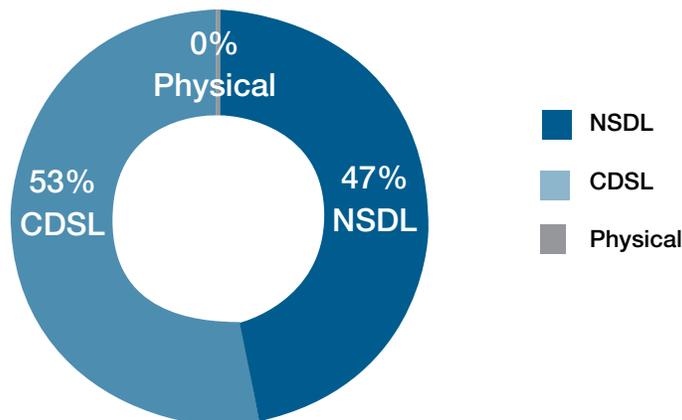
Trading in shares of the Company was suspended during the year 2013-14 on BSE, which has been revoked with effect from 13th June, 2014.

As on 31st March, 2014, 429846304 Equity Shares comprising 99.83% of the Paid-up Capital of the Company were held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

Demat International Securities Identification Number (ISIN) for NSDL and CDSL	ISIN (for fully paid-up equity shares) INE052C01027
---	--

Particulars	No. of Shares	Percentage (%)
NSDL	201842453	46.88
CDSL	228003851	52.95
PHYSICAL	735136	0.17
Total	430581440	100.00

Dematerialisation of Shares



REPORT ON CORPORATE GOVERNANCE (Contd.)

Liquidity

Presently the Company's Equity Shares are among the liquid and actively traded shares on the Indian Stock Exchange.

Outstanding GDRs / Warrants and Convertible Instruments, Conversion Date and likely impact on Equity

GDRs: Outstanding GDRs as on 31st March, 2014 represent 4379048 GDRs constituting 30.51% of Company's paid-up Equity Share Capital. Each GDR represents thirty underlying equity shares in the Company. GDR is not a specific time-bound instrument and can be surrendered at any time and converted into the underlying equity shares in the Company. The shares so released in favour of the investors upon surrender of GDRs can either be held by investors concerned in their name or sold off in the Indian secondary markets for cash.

IKF GDR Programme - Important Information

IKF GDRs are listed at the Luxembourg Stock Exchange. IKF GDRs are exempted securities under US Securities Law. IKF GDR program has been established under Rule 144A and Regulation S of the US Securities Act, 1933. Reporting is done under the exempted route of Rule 12g3-2(b) under the US Securities Exchange Act, 1934.

ICICI Bank Limited is the Custodian of all the Equity Shares underlying the GDRs issued by the Company.

Corporate Office

Sugam Business Park
3rd Floor, Plot No. J6, Block – EP & GP,
Sector V, Salt Lake,
Kolkata – 700 091
West Bengal, India

Other Office

Bengal Intelligent Park
Building C, 4th Floor, Plot A2, M2 & N2,
Block - EP & GP, Sector V, Salt Lake,
Kolkata - 700 091, West Bengal, India

Registered Office and Address for correspondences

Mr. Mohit Srivastava,
The Company Secretary and Compliance Officer
IKF Technologies Limited
2nd Floor, Plot No. J - 1/12, Block EP & GP,
Sector V, Salt Lake, Kolkata – 700 091
West Bengal, India
Tel No.: +91 33 23572610/11
Fax No.: +91 33 23572612
E-mail: cs@ikftech.in; info@ikftech.in
Website: www.ikf-technologies.com

Adoption of Non-Mandatory Requirements under Clause 49 of the Listing Agreement

- **Remuneration Committee:** The details pertaining to the Remuneration Committee have been provided in Item No. 3 of this Report.
- **Whistleblower Policy:** The Company has a Whistleblower Policy and no personnel are denied access to the Audit Committee.
- **Information to Shareholders:** Half-yearly financial results, including summary of the significant events are currently not being sent to the Shareholders of the Company. However, quarterly results are posted at the Company's website at www.ikf-technologies.com, in addition to being published into two newspapers, one in English and another in vernacular language.
- **Others:** The other non-mandatory requirements such as training of Board Members, Mechanism for Evaluating the Non-Executive Board Members will be implemented by the Company, as and when required and/or deemed necessary by the Board.

Governance by the Management

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms a part of Annual report in accordance with Clause 49(IV)(F) of the Listing Agreement.

CEO/CFO Certification

CEO & CFO of the Company have certified to the Board in accordance with Clause 49(V) of the Listing Agreement for the financial year ended 31st March, 2014, which is separately enclosed with this report.

Compliance of Insider Trading Norms

The Company has adopted the code of conduct for listed companies notified by the SEBI prohibiting insider trading.

Auditor's Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditor's Certificate on Corporate Governance is obtained and provided in the annual report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Code of Business Conduct and Ethics for Directors and Management Personnel

DECLARATION

All the Board Members and the Senior Management personnel have affirmed their compliance with the 'Code of Conduct for the Directors and Senior Management' for the financial year 2013-2014 in terms of Clause 49(l)(D)(ii) of the Listing Agreement with the Stock Exchanges.

The said Code of Conduct for the Director and Senior Management is posted on the website of the Company, namely, www.ikf-technologies.com

Date: 7th August, 2014

Place: Kolkata

Sd/-

Sunil Kumar Goyal

WTD & CEO

Auditors' Certificate on Corporate Governance

To

The Members of IKF Technologies Limited

We have examined the compliance of conditions of corporate governance by IKF Technologies Limited ('the Company'), for the year ended on March 31, 2014, as stipulated in clause 49 of the listing agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors & the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement with the Stock exchange .

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Mandawewala and Co.

Chartered Accountants

Firm Registration No. 322130E

Sd/-

CA Sonam Agarwal

Partner

Date: 7th August, 2014

Place: Kolkata

Membership No. 302599

INDEPENDENT AUDITOR'S REPORT

To the Members of

IKF TECHNOLOGIES LIMITED

Report on the Financial Statements :

We have audited the accompanying financial statements of IKF TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continues to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. In the case of the Profit and Loss Account, of the **profit** for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (which continues to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs);
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

1, British Indian Street,
1st Floor, R. No. 110D,
Kolkata - 700 069.

For, **MANDAWEWALA & CO.**
Chartered Accountants
Firm Registration No: 322130E

Sd/-

[CA. SONAM AGARWAL]

Partner

Membership No: 302599

Dated : 25th April, 2014

Place : Kolkata

The Annexure referred to in paragraph 1 of Auditors' Report of even date to the members of IKF Technologies Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 (c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed off by the Company during the year.
2. 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.
3. 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 Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventories & fixed assets and payment for expenses & for sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. 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.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. 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.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been not regularly deposited with the appropriate authorities. According to the information and explanations given to us there were outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable. Details are as follows

Particulars	Amount (₹ in '000)
ESI	2,572
PF	7,844
Income Tax	26,308
Total	36,724

- (b) According to the information and explanations given to us, there is no amounts payable in respect of wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes. Income Tax amounting to ₹ 3,27,70,721/- for the Assessment Year 2010-11 and 2011-12 was not deposited due to an appeal filed by the company before the Commissioner of Income Tax (Appeal) – I/Kolkata.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 12. According to the information and explanations given 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.
 13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year
 19. The Company has no outstanding debentures during the period under audit.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

1, British Indian Street,
1st Floor, R. No. 110D,
Kolkata - 700 069.

For, **MANDAWEWALA & CO.**
Chartered Accountants
Firm Registration No: 322130E

Sd/-

[CA. SONAM AGARWAL]

Partner

Membership No: 302599

Dated : 25th April, 2014

Place : Kolkata

Balance Sheet as at 31st March, 2014

(₹ in '000)

Particulars	Note No.	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	430,581	430,581
(b) Reserves and Surplus	3	997,198	990,237
		1,427,779	1,420,818
2. Non-Current Liabilities			
(a) Long-Term Borrowings	4	968	1,070
(b) Deferred Tax Liabilities	1.B.2	8,821	10,219
(c) Other Long-Term Liabilities	5	1,200,049	1,004,604
		1,209,838	1,015,893
3. Current Liabilities			
(a) Short-Term Borrowings	6	25,404	8,659
(b) Trade Payables	7	83,010	241,316
(c) Other Current Liabilities	8	66,312	58,863
(d) Short-Term Provisions	9	1	5,488
		174,727	314,326
TOTAL		2,812,344	2,751,037
B. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
-Tangible Assets		72,510	109,181
-Capital Work in Progress		410,532	-
(b) Non-Current Investments	11	496,028	325,443
(c) Long-Term Loans and Advances	12	215,360	614,573
		1,194,430	1,049,197
2. Current Assets			
(a) Current Investments	13	11,094	10,804
(b) Trade Receivables	14	1,572,377	1,655,015
(c) Cash and Bank Equivalents	15	28,398	29,825
(d) Short-Term Loans and Advances	16	4,091	6,110
(e) Other Current Assets	17	1,954	86
		1,617,914	1,701,840
TOTAL		2,812,344	2,751,037

Significant Accounting Policies and Notes to the Financial Statements

1

The accompanying notes are integral part of the Financial Statements

In terms of our report on even date

For **Mandawewala & Co.**
Chartered Accountants
(Firm's Registration No. 322130E)

Sd/-

CA. Sonam Agarwal

Partner

Membership No. 302599

1, British Indian Street,
1st Floor, Suite No, 110D,
Kolkata - 700 069,

Dated : 25th April, 2014

Place : Kolkata

For and on behalf of the Board of Directors

Sd/-

Sunil Kumar Goyal

Whole Time Director

Sd/-

N.V. Simhadri

Director

Sd/-

Mohit Srivastav

Company Secretary

Statement of Profit & Loss Account for the year ended 31st March, 2014

(₹ in '000)

Particulars	Note No.	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
1. Revenue from Operations	18	443,093	402,117
2. Other Income	19	4,723	2,896
3. Total Revenue (1+2)		447,816	405,013
4. Expenses			
(a) Cost of Material Consumed	20	492	—
(b) Purchases of Stock in Trade	21	158,528	116,157
(c) Employee Benefits Expense	22	121,720	100,114
(d) Finance Costs	23	2,974	2,042
(e) Depreciation and Amortisation Expense	24	38,044	35,490
(f) Other Expenses	25	115,007	141,155
5. Total Expenses		436,765	394,958
6. Profit Before Tax (3-5)		11,051	10,055
7. Tax Expenses			
(a) Tax Expense for Current Year		5,489	2,092
(b) Deferred Tax Liability / (Asset)		(1,399)	988
		4,090	3,080
8. Profit for The Year (6-7)		6,961	6,975
9. Earnings per share (of ₹1/- each)	1.B.7		
Basic / Diluted		0.016	0.016
Significant Accounting Policies and Notes to the Financial Statements	1		
The accompanying notes are integral part of the Financial Statements			

In terms of our report on even date

 For **Mandawewala & Co.**
 Chartered Accountants
 (Firm's Registration No. 322130E)

Sd/-

CA. Sonam Agarwal
 Partner
 Membership No. 302599

 1, British Indian Street,
 1st Floor, Suite No, 110D,
 Kolkata - 700 069,

 Dated : 25th April, 2014
 Place : Kolkata

For and on behalf of the Board of Directors

Sd/-

Sunil Kumar Goyal
 Whole Time Director

Sd/-

N.V. Simhadri
 Director

 Sd/-
Mohit Srivastav
 Company Secretary

Cash Flow Statement as at 31st March, 2014

(₹ in '000)

Particulars	Note No.	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
A. Cash Flows form Operating Activities			
Net Profit Before Tax and Extra Ordinary Items		11,051	10,055
Adjustment for :			
Depreciation and Amortisation		38,044	35,490
Profit / Loss on sale of Fixed Assets		3,618	87
Interest Expenses		2,599	1,800
Interest Income		(2,215)	(2,522)
Operating Profit Before Working Capital Changes		53,097	44,910
Add:			
Trade Receivables		82,638	(64,051)
Long Term Loans & Advances		(11,319)	(432)
Short Term Loans and Advances		2,019	17,010
Other Current Assets		(1,868)	(59)
Other Non Current Assets		-	31,602
Other Long Term Liabilities		195,445	64,189
Trade Payables		(158,306)	(23,328)
Other Current Liabilities		7,449	19,095
Short Term Provisions		(5,486)	(7,850)
Cash Generated From Operations		163,669	81,086
Less : Tax Paid		5,489	2,092
Net Cash Flow From Operating Activities		158,180	78,994
B. Cash Flow form Investing Activities			
Purchase of Fixed Assets		(4,991)	(67,762)
Proceeds from Sale of Fixed Assets		-	1,111
Interest Received		2,215	2,522
Sale (Purchase) of Investment		(170,875)	(28,887)
Net Cash Flow From Investing Activities		(173,651)	(93,016)
C. Cash Flow form Financing Activities			
Loans Borrowed (Net of Repayment)		16,643	8,170
Interest Paid		(2,599)	(1,800)
Net Cash Flow From Financing Activities		14,044	6,370
Net increase in cash / cash equivalent during the year		(1,427)	(7,652)
Cash and Cash equivalent at the beginning		29,825	37,477
Cash and Cash equivalent at the end		28,398	29,825

Significant Accounting Policies and Notes to the Financial Statements

1

The accompanying notes are integral part of the Financial Statements

In terms of our report on even date

For **Mandawewala & Co.**
Chartered Accountants
(Firm's Registration No. 322130E)

Sd/-

CA. Sonam Agarwal
Partner
Membership No. 302599

1, British Indian Street,
1st Floor, Suite No, 110D,
Kolkata - 700 069,

Dated : 25th April, 2014
Place : Kolkata

For and on behalf of the Board of Directors

Sd/-

Sunil Kumar Goyal
Whole Time Director

Sd/-

N.V. Simhadri
Director

Sd/-

Mohit Srivastav
Company Secretary

Notes forming part of the Financial Statement for the year ended 31st March, 2014

Note No. 1 : Significant Accounting Policies & Notes on Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

- (a) 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.
- (b) As required by revised schedule VI, the Company has classified assets and liabilities into current and non - current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Since the normal operating cycle is not determinable, the operating cycle has been considered as 12 months and the Assets & Liabilities are segregated between Current & Non Current on the basis of management's decision.

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 ratably 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 on 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 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, whichever is lower.

5. 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.

6. Investments

Investments in Indian / Foreign Subsidiary Company are stated at cost. Provisions for diminution in value of Investment are made only when such diminution is permanent in nature.

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

7. Foreign Currency Transaction

(₹. in '000)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Earning in Foreign Currency #	64,367	84,785
Expenditure in Foreign Currency # Revenue Expenditure	349	846

On Receipt and Payment Basis

Transactions 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. Difference in Exchange Rate arising on account of conversion/transaction of such assets/liabilities has been 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 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 has been recognized as expenses of the year.

Defined Benefit Plans

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

12. Income Tax

- Provision for Current Income Tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to the financial year.
- Deferred Tax on timing differences is measured based on the Tax Rates and the Tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

13. 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 equivalents consist of Cash in hand, Bank Balances and Fixed Deposits with Bank.

14. Provisions, 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 TO THE 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.
- In terms of Accounting Standard 22, issued by the Institute of Chartered Accountants of India, for Current Year, there is a net Deferred Tax Asset of ₹ 13,98,650/- which has been adjusted against current year's Profit. The Deferred Tax Liability as on 31.03.2014 is ₹ 88,20,706/- due to timing difference in Depreciable Assets.
- 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:

(₹. in '000)

Particulars	31.03.2014	31.03.2013
Employer's contribution to Provident Fund & pension Fund	2,527	3,049
Employer's contribution to ESI	4,399	3,221

- The Company has made an investment of ₹ 1,10,93,525.08 in a Firm in which the Company is a partner. The particulars of the Firm is as follows :

	Particulars	Details	
		Capital as on 31.03.2014 (₹)	Profit Sharing Ratio %
a)	Name :	M/s. R 2 R Seva	
b)	Name of the Partner		
	M/s. IKF Technologies Ltd	1,10,93,525.08	99%
	Mr. Sunil Kumar Goyal	2,33,951.70	1%

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

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

(a) Subsidiaries and entities where control exists :

IKF Technologies PTY Ltd.
 IKF Telecom Inc.
 BIOFEL FZE
 IKF Green Fuel Ltd.
 R2R Seva

(b) Key management personnel:

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

Mr. Sunil Kumar Goyal	Whole Time Director
Non executive / independent director on the board	
Mr. Pradeep Dutta	Director
Mr. N.V. Simhadri	Director
Ms. Nidhi Sharma	Director
Mr. Umesh Bhat	Additional Director

(c) Significant transaction with related parties :

(₹. in '000)

Particulars	31.03.2014	31.03.2013
Investment in Subsidiaries	3,53,580	2,96,193
Salary to Executive/Whole Time Directors	1,200	1,042

6. Business Segments :

The Company is engaged primarily in providing services relating to Information Technology and Business Process Outsourcing (BPO) and there are no separate reportable segments as per Accounting Standard 17 (Segment Reporting).

7. Earning Per Share :

Calculation of Earning Per Share (Basic and Diluted) as required by AS – 20 :

(₹. in '000)

Particulars	Units	Year ended on 31.03.2014	Year ended on 31.03.2013
Total No. of Shares	Nos.	430581440	430581440
Profit (Loss) After Tax	₹	6,961	6,975
Earning Per Share	₹	0.016	0.016
Nominal Value Per Share	₹	1.00	1.00

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

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:

(₹. in '000)

Particulars	31.03.2014	31.03.2013
As Statutory Audit Fees	245	245
As Tax Audit Fees	25	25
Total	270	270

11. The Balances of Debtors, Creditors & Advances are subject to confirmation.
12. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- ### 13. Contingent Liabilities :
- The company has furnished a Performance Bank Guarantee of ₹ 200.00 Lakhs from ICICI Bank Ltd. in respect of the ISP License to the Department of Telecommunication (DOT).
 - The company has lien on FDR for ₹ 44.38 Lakhs of Corporation Bank to e-Mitra Society for various districts
 - The company has received a demand order from the Income Tax Department of ₹ 347.85 Lakhs for the Assessment Year 2010-11 for which the case is pending before CIT (Appeals).
 - The company has received a demand order from the Income Tax Department of ₹ 242.93 Lakhs for the Assessment Year 2011-12 for which the case is pending before CIT (Appeals).
14. SEBI has issued a notice to the company that it is not suppose to issue any further equity shares or any other instrument convertible into equity shares or alter their share capital in any manner without its directions.
15. The figures of Jaipur Branch have been incorporated on the basis of the financial statement received from the branch.
16. Previous year's figures have been regrouped / rearranged wherever necessary, to confirm to the current period presentation.

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	(₹)	No. of shares	(₹)
Note 2 : Share Capital				
(a) Authorised, Issued, Subscribed and Paid-Up Share Capital Authorised				
Equity shares of ₹1 each with voting rights	1,000,000,000	1,000,000	1,000,000,000	1,000,000
	1,000,000,000	1,000,000	1,000,000,000	1,000,000
Issued, Subscribed and Fully Paid-Up				
Equity shares of ₹1 each with voting rights	430,581,440	430,581	430,581,440	430,581
	430,581,440	430,581	430,581,440	430,581

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:
(₹. in '000)

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31st March, 2014			
- Number of shares	430,581,440	-	430,581,440
- Amount (₹)	430,581	-	430,581
Year ended 31st March, 2013			
- Number of shares	430,581,440	-	430,581,440
- Amount (₹)	430,581	-	430,581

(c) Terms/rights attached to equity shares:

The company has only one class of equity shares having par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shares held by each shareholder holding more than 5% shares: (₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	% age	Number	% age
None of the shareholder of the Company is holding more than 5% shares.	-	-	-	-

(₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(₹)		(₹)	
Note - 3 : Reserves and Surplus				
(a) Securities Premium Account				
Opening Balance	837,512		837,512	
Closing Balance	837,512		837,512	
(b) Surplus / (Deficit) in Statement of Profit & Loss				
Opening Balance	152,725		145,750	
Add: Profit / (Loss) for the year	6,961		6,975	
Closing Balance	159,686		152,725	
Total (a+b)	997,198		990,237	

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Note - 4 : Long-Term Borrowings		
(a) Car Loan		
- Secured against Car	968	1,070
	968	1,070
Note - 5 : Other Long-Term Liabilities		
(a) Trade Payables		
- Sundry Creditors	1,200,049	1,004,604
	1,200,049	1,004,604
Note - 6 : Short-Term Borrowings		
(a) Loans repayable on Demand from Banks		
- Cash Credit from UCO Bank-Secured	24,573	7,992
(b) Car Loan		
- Secured against Car	831	667
	25,404	8,659
Note - 6.1 : Details of security for the secured short-term borrowings		
(i) Cash Credit Account from bank is secured on hypothecation of Trade Receivables, Director's Property, Land & Building of the Company and Personal Guarantees of the Directors.		
Note - 7 : Trade Payables		
(a) Sundry Creditors	83,010	241,316
	83,010	241,316
Note - 8 : Other Current Liabilities		
(a) Statutory Liabilities	52,066	43,663
(b) Liability for Expenses	10,845	9,842
(c) Unpaid Dividend	-	264
(d) Security Deposits Received	140	140
(e) Advances from Party	1,121	574
(f) Other Liabilities	201	99
(g) Bank Overdraft due to Reconciliation	1,939	4,281
	66,312	58,863
Note - 9 : Short-Term Provisions		
(a) Provision for Taxation (Net of Advance Tax ₹10,00,000/- and TDS ₹2,09,30,731/- as at 31st March, 2013)	-	5,487
(b) Provision for FBT	1	1
	1	5,488



Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

Note 10 : Fixed Assets

(₹. in '000)

Particulars	Gross Block			Depreciation			Net Block			
	As on 01.04.2013	Additions during the year	Disposals during the year	As on 31.03.2014	Up to 01.04.2013	During the period	Adjustment	Up to 31.03.2014	As on 31.03.2013	As on 31.03.2014
Tangible										
Air Conditioners	2,720	-	-	2,720	1,404	183	-	1,587	1,316	1,133
Computer Hardware & Software	288,690	1,603	-	290,293	202,701	34,818	-	237,519	85,989	52,774
Electrical Equipment & Fittings	7,072	91	-	7,163	3,577	496	-	4,073	3,495	3,090
Generator	1,120	-	-	1,120	573	76	-	649	547	471
Furniture & fixtures	15,164	238	-	15,402	9,000	1,149	-	10,149	6,164	5,253
Office Equipments	3,105	-	-	3,105	1,236	260	-	1,496	1,869	1,609
Motor Car	4,535	832	-	5,367	2,392	571	-	2,963	2,143	2,404
UPS	1,940	647	-	2,587	1,468	370	-	1,838	472	749
Lease Hold Land	1,132	-	-	1,132	-	-	-	-	1,132	1,132
Building*	7,959	1,580	4,679	4,860	1,905	122	1,062	965	3,895	6,054
	333,437	4,991	4,679	333,749	224,256	38,045	1,062	261,239	72,510	109,181
Capital Work in Progress										
	-	410,532	-	410,532	-	-	-	-	410,532	-
	-	410,532	-	410,532	-	-	-	-	410,532	-
Total (A+B)	333,437	415,523	4,679	744,281	224,256	38,045	1,062	261,239	483,042	109,181
Previous Year	268,038	67,762	2,363	333,437	195,224	30,197	1,164	224,256	109,181	109,181

* Notes: Building represents cost of construction carried on a structure taken on rent.

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Units	(₹)	Units	(₹)
Note - 11 : Non- Current Investments				
Non Trade Investments				
Investment in Equity Instruments				
(a) In Subsidiaries				
IKF Technologies (PTY) Ltd	100	43,450	100	43,450
IKF Telecom Inc.	1,500	65	1,500	65
IKF Greenfuel Ltd.	30,950,696	309,507	25,212,000	252,120
Biofel FZE	1	558	1	558
(b) In Others				
IKF Salampuria Agrotech Ltd. (₹ 10/- each)	25,000	250	25,000	250
Virtual Global Education Ltd. (₹ 10/- each)	51,400,000	142,198	2,900,000	29,000
		496,028		325,443
Aggregate market value of Quoted Investments		129,528		70,644

(₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	(₹)		(₹)	
Note - 12 : Long-Term Loans and Advances				
(a) Advance Income Tax (Net of Provision for Income Tax ₹ 3,29,06,639/- as at 31st March, 2014)	10,366		-	
(b) Security Deposit	17,242		16,392	
(c) Advances to Parties - Unsecured, Considered Good	187,752		598,181	
	215,360		614,573	
Note - 13 : Current Investments				
(a) Investment in Partnership Firm - R 2 R Seva	11,094		10,804	
	11,094		10,804	
Note - 14 : Trade Redeivables				
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment.	1,408,951		1,464,725	
(b) Other Trade Receivables - Unsecured, Considered Good	163,426		190,290	
	1,572,377		1,655,015	
Note - 15 : Cash and Cash Equivalents				
(a) Cash on Hand (As Certified by Management)	807		1,955	
(b) Balances with Banks				
(i) In Current Accounts	1,966		1,460	
(ii) In Forex Currency	30		3	
(c) Other Bank Balances				
(i) In Fixed Deposit				
(i) Maturity less than 12 months	5,234		23,271	
(ii) Maturity more than 12 months	20,361		2,872	
(ii) In Unclaimed Dividend Account	-		264	
	28,398		29,825	

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Note - 16 : Short-Term Loans and Advances		
(a) Advances to Parties - Unsecured, Considered Good	4,091	6,110
	4,091	6,110
Note - 17 : Other Current Assets		
(a) Advances to Creditors	654	86
(b) Balance with Department of telecommunication	1,300	-
	1,954	86
Note - 18 : Revenue from Operations		
(a) BPO Income (Domestic & International)	201,280	209,738
(b) Income From Travelling Business	19,970	22,862
(c) Transaction Fees Received	-	450
(d) Medical Transcription Income	465	535
(e) Bandwidth & VOIP Sales	33,790	24,222
(f) Data Entry Income	-	1,440
(g) Software Services/Consultancy & IT Income	70,993	68,142
(h) Software Sales	116,595	74,728
	443,093	402,117
Note - 19 : Other Income		
(a) Interest Income: - Interest on FDR	2,215	2,522
(b) Rent received	19	-
(c) Income from Partnership Firm R2R Seva	24	68
(d) Fluctuation in Foreign Currency	2,079	(440)
(e) Miscellaneous Income	386	746
	4,723	2,896
Note - 20 : Cost of Material Consumed		
Raw Material consumed - Consumption in the process of trial run	492	-
	492	-
Note - 21 : Purchases of Stock in Trade		
(a) Bandwidth & VIOP Purchases	28,349	17,209
(b) Software Purchases	130,179	98,948
	158,528	116,157
Note - 22 : Employee Benefits Expense		
(a) Salaries and Allowances	111,788	91,241
(b) Directors' Salary	1,200	1,042
(c) Staff Welfare Expenses	1,758	1,560
(d) EPF/ESI	6,974	6,271
	121,720	100,114
Note - 23 : Finance Costs		
(a) Bank Charges	375	243
(b) Interest on Cash Credit	1,999	482
(c) Interest on Car Loan	156	209
(d) Other Interest	444	1,108
	2,974	2,042

Notes forming part of the Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Note - 24 : Depreciation and Amortization Expenses		
(a) Depreciation (As per Note 10)	38,044	30,197
(b) Miscellaneous Expenditure W/off	–	5,293
	38,044	35,490
Note - 25 : Other Expenses		
(a) Operating Expenses:		
Expenses for Travelling Business	19,278	21,995
Expenses for transaction Fee	–	297
BPO Expenses	–	47,370
	19,278	69,662
(b) Administrative Expenses:		
Electricity Charges	16,744	12,322
Rent	23,653	18,359
Repairs and Maintenance:		
- Others	4,687	4,384
Insurance	112	34
Telephone Charges	16,073	11,904
Travelling and Conveyance	2,180	2,033
Printing and Stationery	1,165	1,353
Business Promotion	1,855	2,129
Legal and Professional Charges	8,020	5,605
Rates and Taxes	1,522	1,637
Donation	21	526
Loss on sale of Fixed Assets	3,618	87
General Expenses	15,809	10,850
Auditors Remuneration		
- As Audit Fees	270	270
	95,729	71,493
Total (a+b)	115,007	141,155

In terms of our report on even date

 For **Mandawewala & Co.**
 Chartered Accountants
 (Firm's Registration No. 322130E)

Sd/-

CA. Sonam Agarwal
 Partner
 Membership No. 302599

 1, British Indian Street,
 1st Floor, Suite No, 110D,
 Kolkata - 700 069,

 Dated : 25th April, 2014
 Place : Kolkata

For and on behalf of the Board of Directors

Sd/-

Sunil Kumar Goyal
 Whole Time Director

Sd/-

N.V. Simhadri
 Director

Sd/-

Mohit Srivastav
 Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of

IKF TECHNOLOGIES LIMITED

We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of IKF TECHNOLOGIES LIMITED ("the Company") and its subsidiaries which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements :

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continues to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility :

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not audit the financial statements of subsidiary companies, whose financial statements reflect total Assets of ₹ 1,689,215,325.65 as at 31st March, 2014 and total revenues of ₹ 579,599,709.29 for the year then ended and cash flows amounting to ₹ (5,567,989.80) for the year then ended. These financial statements have been audited by other auditors except the financial statements of Biofuel FZE and IKF Telecom Inc. which are unaudited (As explained to us, there is no mandatory requirement of audit at the place of incorporation of the

INDEPENDENT AUDITOR'S REPORT (Contd.)

Company.), 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 the reports of the other auditors and management's certification.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. In the case of the consolidated Profit and Loss Account, of the **Profit** for the year ended on that date; and
- iii. In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

1, British Indian Street,
1st Floor, R. No. 110D,
Kolkata - 700 069.

For, **MANDAWEWALA & CO.**
Chartered Accountants
Firm Registration No: 322130E

Sd/-

[CA. SONAM AGARWAL]

Partner

Membership No: 302599

Dated : 25th April, 2014

Place : Kolkata

Consolidated Balance Sheet as at 31st March, 2014

(₹. in '000)

Particulars	Note No.	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
A. EQUITY AND LIABILITIES			
1. Shareholders' Fund			
(a) Share Capital	2	430,581	430,581
(b) Reserves and Surplus	3	2,634,310	2,615,982
		3,064,891	3,046,563
2. Non-Current Liabilities			
(a) Long-Term Borrowings	4	968	11,951
(b) Deferred Tax Liabilities	1.B.2	8,792	10,198
(c) Other Long-Term Liabilities	5	1,200,049	1,004,654
		1,209,809	1,026,803
3. Current Liabilities			
(a) Short-Term Borrowings	6	25,404	8,658
(b) Trade Payables	7	135,142	327,125
(c) Other Current Liabilities	8	66,313	58,864
(d) Short-Term Provisions	9	1	5,954
		226,860	400,601
TOTAL		4,501,560	4,473,967
B. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
-Tangible Assets		657,264	273,935
-Capital Work in Progress		410,532	-
(b) Non-Current Investments	11	142,448	29,250
(c) Long-Term Loans and Advances	12	410,784	753,840
(d) Other Non-Current Assets	13	-	500,196
		1,621,028	1,557,221
2. Current Assets			
(a) Current Investments	14	616,739	648,161
(b) Inventories	15	154,347	179,469
(c) Trade Receivables	16	2,069,266	2,041,946
(d) Cash and Cash Equivalents	17	34,134	41,129
(d) Short-Term Loans and Advances	18	4,091	5,955
(e) Other Current Assets	19	1,955	86
		2,880,532	2,916,746
TOTAL		4,501,560	4,473,967
Significant Accounting Policies and Notes to the Financial Statements	1		

The accompanying notes are integral part of the Financial Statements

In terms of our report on even date

For **Mandawewala & Co.**
Chartered Accountants
(Firm's Registration No. 322130E)

Sd/-
CA. Sonam Agarwal
Partner
Membership No. 302599

1, British Indian Street,
1st Floor, Suite No, 110D,
Kolkata - 700 069,
Dated : 25th April, 2014
Place : Kolkata

For and on behalf of the Board of Directors

Sd/-
Sunil Kumar Goyal
Whole Time Director

Sd/-
N.V. Simhadri
Director

Sd/-
Mohit Srivastav
Company Secretary

Consolidated Statement of Profit & Loss Account for the year Ended 31st March, 2014

Particulars	Note No.	(₹. in '000)	
		As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
1. Revenue from Operations	20	1,022,174	1,398,734
2. Other Income	21	5,242	4,968
3. Total Revenue (1+2)		1,027,416	1,403,702
4. Expenses			
(a) Cost of Material Consumed	22	492	-
(b) Purchases of Stock in Trade	23	586,899	821,984
(c) Employee Benefits Expense	24	165,140	169,670
(d) Finance Costs	25	2,981	2,055
(e) Depreciation and Amortisation Expense	26	52,400	46,826
(f) Other Expenses	27	146,784	190,990
5. Total Expenses		954,696	1,231,525
6. Profit Before Tax (3-5)		72,720	172,177
7. Tax Expenses			
(a) Tax Expense for Current Year		5,800	2,876
(b) Deferred Tax Liability / (Asset)		(1,406)	984
		4,394	3,860
8. Profit for The Year (6-7)		68,326	168,317
9. Earnings per share (of ₹1/- each)	1.B.7		
Basic / Diluted		0.16	0.39
Significant Accounting Policies and Notes to the Financial Statements	1		
The accompanying notes are integral part of the Financial Statements			

In terms of our report on even date

For **Mandawewala & Co.**
Chartered Accountants
(Firm's Registration No. 322130E)

Sd/-
CA. Sonam Agarwal
Partner
Membership No. 302599

1, British Indian Street,
1st Floor, Suite No, 110D,
Kolkata - 700 069,

Dated : 25th April, 2014
Place : Kolkata

For and on behalf of the Board of Directors

Sd/-
Sunil Kumar Goyal
Whole Time Director

Sd/-
N.V. Simhadri
Director

Sd/-
Mohit Srivastav
Company Secretary

Consolidated Cash Flow Statement as at 31st March, 2014

(₹. in '000)

Particulars	Note No.	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
A. Cash Flows form Operating Activities			
Net Profit Before Tax and Extra Ordinary Items		72,720	172,177
Adjustment for :			
Depreciation and Amortisation		52,400	46,826
Profit / Loss on sale of Fixed Assets		3,618	87
Interest Expenses		2,599	1,805
Interest Income		(2,215)	(2,522)
Operating Profit Before Working Capital Changes		129,122	218,373
Add:			
Trade Receivables		(27,320)	1,736,818
Long Term Loans & Advances		343,056	(22,360)
Short Term Loans and Advances		1,864	(5,323)
Other Current Assets		(1,869)	(59)
Other Non Current Assets		500,196	(468,595)
Inventories		25,121	8,119
Other Long Term Liabilities		195,395	64,188
Trade Payables		(191,983)	(1,199,259)
Other Current Liabilities		7,449	18,971
Short Term Provisions		(5,953)	(8,331)
Cash Generated From Operations		975,078	342,542
Less : Tax Paid		5,800	2,876
Net Cash Flow From Operating Activities		969,278	339,666
B. Cash Flow form Investing Activities			
Purchase of Fixed Assets		(849,879)	(80,159)
Proceeds from Sale of Fixed Assets		-	1,112
Interest Received		2,215	2,522
Sale (Purchase) of Investment		(81,776)	(170,343)
Net Cash Flow From Investing Activities		(929,440)	(246,868)
C. Cash Flow form Financing Activities			
Loans Borrowed (Net of Repayment)		5,762	9,961
Decrease in reserves		(46,998)	(106,300)
Interest Paid		(2,599)	(1,805)
Net Cash Flow From Financing Activities		(46,835)	(98,144)
Net increase in cash / cash equivalent during the year		(6,995)	(5,346)
Cash and Cash equivalent at the beginning		41,129	46,475
Cash and Cash equivalent at the end		34,134	41,129

Significant Accounting Policies and Notes to the Financial Statements

1

(The accompanying notes are integral part of the Financial Statements)

In terms of our report on even date

For **Mandawewala & Co.**
Chartered Accountants
(Firm's Registration No. 322130E)

Sd/-

CA. Sonam Agarwal
Partner
Membership No. 302599

1, British Indian Street,
1st Floor, Suite No, 110D,
Kolkata - 700 069,

Dated : 25th April, 2014
Place : Kolkata

For and on behalf of the Board of Directors

Sd/-

Sunil Kumar Goyal
Whole Time Director

Sd/-

N.V. Simhadri
Director

Sd/-

Mohit Srivastav
Company Secretary

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014

Note1 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

- a) 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.
- b) As required by revised schedule VI, the Company has classified assets and liabilities into current and non - current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Since the normal operating cycle is not determinable, the operating cycle has been considered as 12 months and the Assets & Liabilities are segregated between Current & Non Current on the basis of management’s decision.

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 basis 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 average rate. 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 2014.

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, Telecom & Projects, 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 ratably over the period of the underlying maintenance

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

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 on Cash basis.

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 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.

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. Investments

Investments in Indian / Foreign Subsidiary Company are stated at cost. Provisions for diminution in value of Investments are made only when such diminution is permanent in nature.

8. Foreign currency Transaction

(₹. in '000)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Earning in Foreign Currency #	64,367	84,785
<u>Expenditure in Foreign Currency #</u> Revenue Expenditure	349	846

On Receipt and Payment Basis

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 re translated into Indian rupees as follows:

- Income and Expenses items are translated at the average rate.
- 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.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

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 & Other Employee Benefits

Defined Contribution Plans

Company's Contribution to Provident Fund & Employees State Insurance Corporation has been 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. Intangible Assets

Capital Issue Expenditure & GDR Issue Expenditure has been written off over a period of 5 (Five) years.

14. Income Tax

- a) Provision for Current Income Tax is made on the basis of relevant provisions of the Income Tax Act, 1961 as applicable to financial year.
- b) Deferred Tax on timing differences is measured based on the Tax Rates and the Tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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 and Fixed Deposits with banks.

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 TO THE 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.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

List of the subsidiaries with present holding

Subsidiaries	Country of incorporation	% holding
IKF Technologies Pty. Ltd.	a company organized under the laws of South Africa	100%
IKF Green Fuel Ltd.	a company incorporated under the Companies Act. 1956	99.93%
IKF Telecom Inc.	a Company organized under the laws of Delaware, U.S.A	100%
Biofel FZE	a Company organized under Hamriyah Free Zone Authority, UAE	100%

- In the opinion of the Board and to the best of their knowledge and belief, the value on realization of Current Assets, Loans & Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The provision of all known liabilities is adequate and is neither excess nor short of the amount reasonable necessary.
- In terms of Accounting Standard 22, issued by the Institute of Chartered Accountants of India, For Current Year, there is a net Deferred Tax Asset of ₹ 14,05,790.00 which has been adjusted against current year's Profit. The Deferred Tax Liability as on 31.03.2014 is ₹ 87,92,012.00 due to timing difference in Depreciable Assets.
- 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:

(₹. in '000)

Particulars	31.03.2014	31.03.2013
Employer's contribution to Provident Fund & pension Fund	2,527	3,049
Employer's contribution to ESI	4,399	3,221

- The Company has made an investment of ₹ 1,10,93,525.08 in a Firm in which the Company is a partner The particulars of the Firm is as follows :

a)	Particulars	Details	
		Capital as on 31.03.2014 (₹)	Profit Sharing Ratio %
	Name :	M/s. R 2 R Seva	
b)	Name of the Partner		
	M/s. IKF Technologies Ltd	1,10,93,525.08	99%
	Mr. Sunil Kumar Goyal	2,33,951.70	1%

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

6. 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.

BIOFEL FZE

IKF Green Fuel Ltd.

R2R Seva

(b) Key Management Personnel:

Key Executive Management Personal of the company represented on the Board:

Mr. Sunil Kumar Goyal Whole Time Director

Non Executive / Independent Director on the board

Mr. Pradeep Dutta Director

Mr. N.V. Simhadri Director

Ms. Nidhi Sharma Director

Mr. Umesh Bhat Additional Director

(c) Significant transaction with related party :

(₹. in '000)

Particulars	31.03.2014	31.03.2013
Investment in Subsidiaries	3,53,580	2,96,193
Salary to Executive/Whole Time Directors	1,200	1,200

7. Business Segments :

The Company is engaged primarily in providing services relating to Information Technology and Business Process Outsourcing (BPO) and there are no separate reportable segments as per Accounting Standard 17 (Segment Reporting).

8. Earnings Per Share :

Calculation of Earnings Per Share (Basic and Diluted) as required by AS – 20 :

(₹. in '000)

Particulars	Units	Year ended on 31.03.2014	Year ended on 31.03.2013
Total No. of Shares	Nos.	430581440	430581440
Profit (Loss) After Tax	₹	68,326	168,317
Earning Per Share	₹	0.159	0.391
Nominal Value Per Share	₹	1.00	1.00

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

9. 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.
10. 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.

11. Auditors Remuneration includes :

(₹. in '000)

Particulars	For the Year 2013-14	For the Year 2012-13
As Statutory Audit Fees	301	301
As Tax Audit Fees	25	25
Total	326	326

12. The Balances of Debtors, Creditors & Advances are subject to confirmation.
13. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 14. Contingent Liabilities:**
- The company has furnished a Performance Bank Guarantee of ₹ 200.00 Lakhs from ICICI Bank Ltd. in respect of the ISP License to the Department of Telecommunication (DOT).
 - The company has lien on FDR for ₹ 44.38 Lakhs of Corporation Bank to e-Mitra Society for various districts
 - The company has received a demand order from the Income Tax Department of ₹ 347.85 Lakhs for the Assessment Year 2010-11 for which the case is pending before CIT (Appeals).
 - The company has received a demand order from the Income Tax Department of ₹ 242.93 Lakhs for the Assessment Year 2011-12 for which the case is pending before CIT (Appeals).
15. SEBI has issued a notice to the company that it is not suppose to issue any further equity shares or any other instrument convertible into equity shares or alter their share capital in any manner without its directions.
16. There is no mandatory requirement of Financial Statements to be audited in for Biofel FZE and IKF Telecom Inc. As a consequence, the figures of Biofel FZE and IKF Telecom Inc. considered for consolidation are unaudited and the same has been certified by management.
17. The figures of different branches have been incorporated on the basis of financial statement received from the respective branch.
18. Previous year's figures have been regrouped/rearranged wherever necessary, to confirm to the current period presentation.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	(₹)	No. of shares	(₹)
Note 2 : Share Capital				
(a) Authorised, Issued, Subscribed and Paid-Up Share Capital Authorised				
Equity shares of ₹1 each with voting rights	1,000,000,000	1,000,000	1,000,000,000	1,000,000
	1,000,000,000	1,000,000	1,000,000,000	1,000,000
Issued, Subscribed and Fully Paid-Up				
Equity shares of ₹1 each with voting rights	430,581,440	430,581	430,581,440	430,581
	430,581,440	430,581	430,581,440	430,581

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period: (₹. in '000)

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31st March, 2014			
- Number of shares	430,581,440	-	430,581,440
- Amount (₹)	430,581	-	430,581
Year ended 31st March, 2013			
- Number of shares	430,581,440	-	430,581,440
- Amount (₹)	430,581	-	430,581

(c) Terms/rights attached to equity shares:

The company has only one class of equity shares having par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shares held by each shareholder holding more than 5% shares: (₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	% age	Number	% age
None of the shareholder of the Company is holding more than 5% shares.	-	-	-	-

(₹. in '000)

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Note - 3 : Reserves and Surplus		
(a) Capital Reserve		
Opening Balance	27,489	78,258
Add/Less : During the year	(49,998)	(50,769)
Closing Balance	(22,509)	27,489
(b) Securities Premium Account		
Opening Balance	837,512	837,512
Closing Balance	837,512	837,512
(c) Surplus / (Deficit) in Statement of Profit & Loss		
Opening Balance	1,750,981	1,638,195
Add: Profit / (Loss) for the year	68,326	112,786
Closing Balance	1,819,307	1,750,981
Total (a+b+c)	2,634,310	2,615,982

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Note - 4 : Long-Term Borrowings		
(a) Car Loan		
- Secured against Car	968	1,070
(b) Director's Loan	–	10,881
	968	11,951
Note - 5 : Other Long-Term Liabilities		
(a) Trade Payables		
- Sundry Creditors	1,200,049	1,004,654
Total	1,200,049	1,004,654
Note - 6 : Short-Term Borrowings		
(a) Loans repayable on Demand from Banks		
- Cash Credit from UCO Bank-Secured	24,573	7,991
(b) Car Loan		
- Secured against Car	831	667
	25,404	8,658
Note - 6.1 : Details of security for the secured short-term borrowings		
(i) Cash Credit Account from bank is secured on hypothecation of Trade Receivables, Director's Property, Land & Building of the Company and Personal Guarantees of the Directors.		
Note - 7 : Trade Payables		
(a) Sundry Creditors	135,142	327,125
	135,142	327,125
Note - 8 : Other Current Liabilities		
(a) Statutory Liabilities	52,066	43,663
(b) Liability for Expenses	10,845	9,842
(c) Unpaid Dividend	–	264
(d) Security Deposits Received	140	140
(e) Advances from Party	1,121	575
(f) Other Liabilities	201	99
(g) Bank Overdraft due to Reconciliation	1,940	4,281
	66,313	58,864
Note - 9 : Short-Term Provisions		
(a) Provision for Taxation	–	5,953
(Net of Advance Tax ₹10,00,000/- and TDS ₹ 21,249,309/- as at 31st March, 2013)		
(b) Provision for FBT	1	1
	1	5,954

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

Note 10 : Fixed Assets (₹. in '000)

Particulars	Gross Block			Depreciation			Net Block			
	As on 01.04.2013	Additions during the year	Disposals during the year	As on 31.03.2014	Up to 01.04.2013	During the period	Adjustment	Up to 31.03.2014	As on 31.03.2014	As on 31.03.2013
Tangible										
Air Conditioners	2,890	-	-	2,890	1,573	183	-	1,756	1,134	1,317
Computer Hardware & Software	385,052	430,913	-	815,965	280,248	43,491	-	323,739	492,226	104,804
Electrical Equipment & Fittings	135,064	5,136	-	140,200	3,775	496	-	4,271	135,929	131,289
Generator	1,120	-	-	1,120	574	76	-	650	470	546
Furniture & Fixtures	37,352	238	-	37,590	21,320	4,144	-	25,464	12,126	16,032
Office Equipments	23,479	-	-	23,479	13,364	2,940	-	16,304	7,175	10,115
Plant & Machinery	83	-	-	83	83	-	-	83	-	-
Motor Car	4,535	832	-	5,367	2,392	570	-	2,962	2,405	2,143
Motor Cycle	124	-	-	124	94	8	-	102	22	30
UPS	1,952	647	-	2,599	1,480	370	-	1,850	749	472
Telephone	11	-	-	11	11	-	-	11	-	-
Lease Hold Land	1,132	-	-	1,132	-	-	-	-	1,132	1,132
Building*	7,960	1,581	4,680	4,861	1,905	122	1,062	965	3,896	6,055
Capital Work in Progress										
(A)	600,755	439,347	4,680	1,035,421	326,818	52,400	1,062	378,157	657,264	273,935
(B)	-	410,532	-	410,532	-	-	-	-	410,532	-
Total (A+B)	600,755	849,879	4,680	1,445,953	326,818	52,400	1,062	378,157	1,067,796	273,935
Previous Year	522,959	80,159	2,363	600,755	286,450	41,532	1,164	326,819	273,935	

* Notes: Building represents cost of construction carried on a structure taken on rent.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Units	(₹)	Units	(₹)
Note - 11 : Non- Current Investments				
Non Trade Investments				
Investment in Equity Instruments (In others)				
- IKF Salampuria Agrotech Ltd. (₹ 10/- each)	25,000	250	25,000	250
- Virtual Global Education Ltd. (₹ 10/- each)	51,400,000	142,198	2,900,000	29,000
		142,448		29,250
Aggregate market value of Quoted Investments		129,528		70,644

(₹. in '000)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
		(₹)		(₹)
Note - 12 : Long-Term Loans and Advances				
(a) Advance Income Tax (Net of Provision for Income Tax ₹ 3,32,18,033.37/- as at 31st March, 2014)		10,373		-
(b) Security Deposit		17,383		16,533
(c) Advances to Parties - Unsecured, Considered Good		383,028		737,307
		410,784		753,840
Note - 13 : Other Non-Current Assets				
(a) Misc Assets Pre-Operative Expenditure		-		500,196
		-		500,196
Note - 14 : Current Investments				
(a) Investment in Partnership Firm - R 2 R Seva - Others		11,094 605,645		10,804 637,357
		616,739		648,161
Note - 15 : Inventories				
(a) Finished Goods		154,347		179,469
		154,347		179,469
Note - 16 : Trade Receivables				
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment.		1,408,951		1,464,726
(b) Other Trade Receivables - Unsecured, Considered Good		660,315		577,220
		2,069,266		2,041,946
Note - 17 : Cash and Cash Equivalents				
(a) Cash on Hand (As Certified by Management)		1,596		2,575
(b) Balances with Banks				
(i) In Current Accounts		6,914		12,144
(ii) In Forex Currency		30		3
(c) Other Bank Balances				
(i) In Fixed Deposit				
(A) Maturity less than 12 months		5,233		23,271
(B) Maturity more than 12 months		20,361		2,872
(ii) In Unclaimed Dividend Account		-		264
		34,134		41,129

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
Note - 18 : Short-Term Loans and Advances		
(a) Advances to Parties - Unsecured, Considered Good	4,091	5,955
	4,091	5,955
Note - 19 : Other Current Assets		
(a) Advances to Creditors	655	86
(b) Balance with Department of Telecommunication	1,300	-
	1,955	86

(₹. in '000)

Particulars	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
Note - 20 : Revenue from Operations		
(a) BPO Income (Domestic & International)	201,280	209,739
(b) Income From Travelling Business	19,970	22,862
(c) Transaction Fees Received	-	450
(d) Medical Transcription Income	465	535
(e) Bandwidth & VOIP Sales	33,790	24,221
(f) Data Entry Income	-	1,440
(g) Software Services/Consultancy & IT Income	70,993	68,142
(h) Software Sales	646,996	10,25,385
(i) Sale of Plants & Seeds	48,680	45,960
	1,022,174	1,398,734
Note - 21 : Other Income		
(a) Interest Income: - Interest on FDR	2,215	2,522
(b) Rent received	19	-
(c) Income from Partnership Firm R2R Seva	24	68
(d) Fluctuation in Foreign Currency	2,079	(440)
(e) Miscellaneous Income	905	2,818
	5,242	4,968
Note - 22 : Cost of Material Consumed		
Raw Material consumed - Consumption in the process of trial run	492	-
	492	-
Note - 23 : Purchases of Stock in Trade		
(a) Bandwidth & VIOP Purchases	28,349	17,209
(b) Software Purchases	535,360	782,607
(c) Cost of Seeds & Samplings	19,842	19,080
(d) Planatation Expenses	3,348	3,088
	586,899	821,984
Note - 24 : Employee Benefits Expense		
(a) Salaries and Allowances	154,973	160,288
(b) Directors' Salary	1,200	1,200
(c) Staff Welfare Expenses	1,994	1,911
(d) EPF/ESI	6,973	6,271
	165,140	169,670

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2014 (Contd.)

(₹. in '000)

Particulars	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)
Note - 25 : Finance Costs		
(a) Bank Charges	382	250
(b) Interest on Cash Credit	1,999	482
(c) Interest on Car Loan	156	210
(d) Other Interest	444	1,113
	2,981	2,055
Note - 26 : Depreciation and Amortization Expenses		
(a) Depreciation (As per Note 10)	52,400	41,533
(b) Miscellaneous Expenditure W/off	–	5,293
	52,400	46,826
Note - 27 : Other Expenses		
(a) Operating Expenses		
Expenses for Travelling Business	19,278	21,995
Expenses for transaction Fee	–	297
BPO Expenses	–	47,370
	19,278	69,662
(b) Administrative Expenses		
Electricity Charges	18,411	15,093
Rent	36,283	39,747
Repairs and Maintenance		
- Others	4,762	4,444
Insurance	259	296
Telephone Charges	17,402	13,796
Travelling and Conveyance	5,195	5,475
Printing and Stationery	1,558	2,044
Business Promotion	6,738	11,232
Legal and Professional Charges	8,672	6,250
Rates and Taxes	1,523	1,637
Donation	21	526
Loss on sale of Fixed Assets	3,618	87
General Expenses	22,738	20,375
Auditors Remuneration		
- As Audit Fees	326	326
	127,506	121,328
Total (a+b)	146,784	190,990

In terms of our report on even date

 For **Mandawewala & Co.**
 Chartered Accountants
 (Firm's Registration No. 322130E)

Sd/-

CA. Sonam Agarwal
 Partner
 Membership No. 302599

 1, British Indian Street,
 1st Floor, Suite No, 110D,
 Kolkata - 700 069,

 Dated : 25th April, 2014
 Place : Kolkata

For and on behalf of the Board of Directors

Sd/-

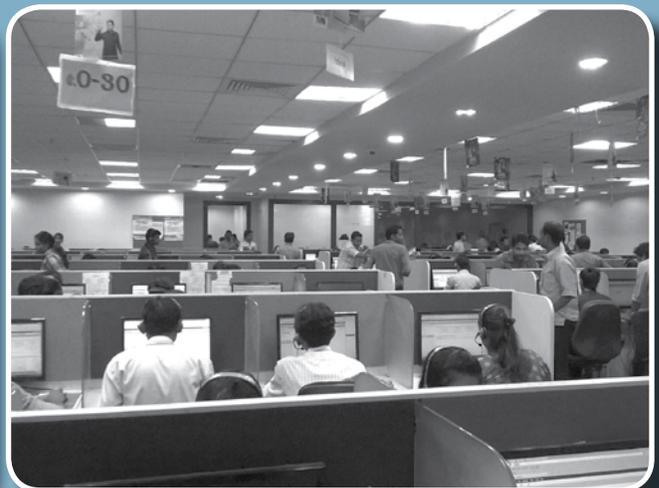
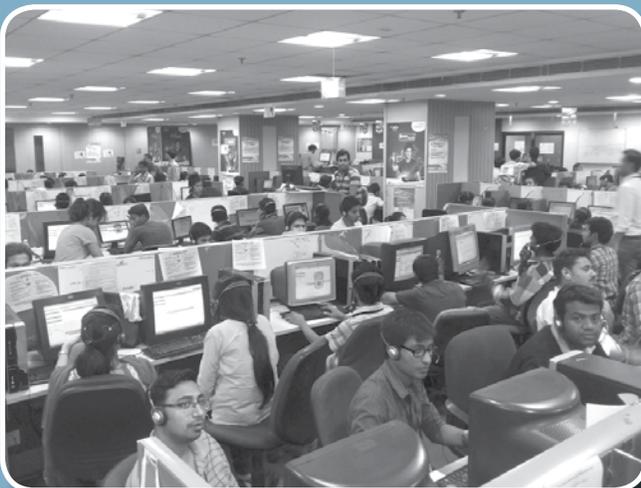
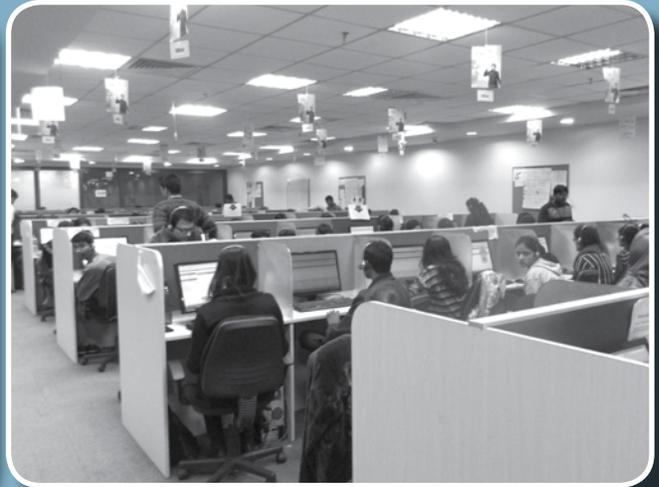
Sunil Kumar Goyal
 Whole Time Director

Sd/-

N.V. Simhadri
 Director

Sd/-

Mohit Srivastav
 Company Secretary





IKF Technologies Limited

Regd. Off – 2nd Floor, Plot No. J 1/12, Block EP & GP, Sector – V, Salt Lake, Kolkata – 700 091

Tel No: +91 33 2357 2610/11; Fax No: +91 33 2357 2612

E-mail: info@ikftech.in; Website: www.ikftechnologies.com

CIN: L72200WB2000PLC111253

PROXY FORM

Form MGT- 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Share holder (s) (In Block Letters) -----

Registered Address -----

E-mail Id -----

Registered Folio No. / DP ID & Client ID No.-----

I/We, being the member(s) of ----- shares of IKF Technologies Limited hereby appoint:-

(1) Name : ----- Address -----

E-mail ID: ----- Signature -----

or falling him/her

(2) Name : ----- Address -----

E-mail ID: ----- Signature -----

or falling him/her

(3) Name : ----- Address -----

E-mail ID: ----- Signature -----

or falling him/her

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **15th Annual General Meeting of the Company to be held on Friday, 19th day of September, 2014 at 3:00 P.M. at The Convergence Centre, DPSC, Plot no. X-1, 2 & 3, Block EP, Sector - V, Salt lake, Kolkata – 700 091** and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business	Special Business
1. Adoption of Annual Accounts of the Company as on 31st March, 2014.	1. Appointment of Mr. Umesh Bhat as an Independent Director.
2. Appointment of Director.	2. Appointment of Mr. Nandipati Venkata Simhadri as an Independent Director.
3. Re-appointment of Statutory Auditors of the Company.	3. Appointment fo Ms. Nidhi Sharma as an Independent Director.

Signed this _____ day of _____ 2014

Signature of Shareholder (s) _____

Signature of Proxy holder (s) _____

Affix
Revenue
Stamp

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 2nd Floor, Plot No. J 1/12, Block EP & GP, Sector – V, Salt Lake, Kolkata – 700 091 not less than 48 hours before the commencement of the Meeting.



IKF Technologies Limited

Regd. Off – 2nd Floor, Plot No. J 1/12, Block EP & GP, Sector – V, Salt Lake, Kolkata – 700 091
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E-mail: info@ikftech.in; **Website:** www.ikftechnologies.com
CIN: L72200WB2000PLC111253

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

Name of the Shareholder (s) (In Block Letters)

Registered Folio No./DP ID & Client ID No.

No. of Shares held

Name of the Proxy, if any (In Block Letters)

I hereby record my presence at the 15th ANNUAL GENERAL MEETING of the Company being held at The Convergence Centre, DPSC, Plot no. X-1, 2 & 3, Block EP, Sector - V, Salt lake, Kolkata – 700 091 on Friday, 19th day of September, 2014 at 03:00 P.M.

Signature of the Shareholder or Proxy.....

ELECTRONIC VOTING PARTICULARS

EVEN 100890	User ID	Password
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Please refer to Note No. R of Notice



IKF Technologies Limited

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E-mail: info@ikftech.in; **Website:** www.ikftechnologies.com
CIN: L72200WB2000PLC111253

Registration of e-mail address for future communication

Name of the Shareholder (s) (In Block Letters)

Registered Address.

E-mail Id

Registered Folio No/DP ID & Client ID No.

Signature of the Shareholder (s).....

Moments of the 14th AGM held on 26th July, 2013



BOOK-POST



Bengal Intelligent Park



Indo Japan



Sugam Business Park



www.ikf-technologies.com

If undelivered please return to:

IKF Technologies Limited

2nd Floor, Plot no: J-1/12, Block EP & GP

Sector-V, Salt Lake, Kolkata-700 091 India

Phone: +91 33 2357 2610/11, E-mail: info@ikftech.in