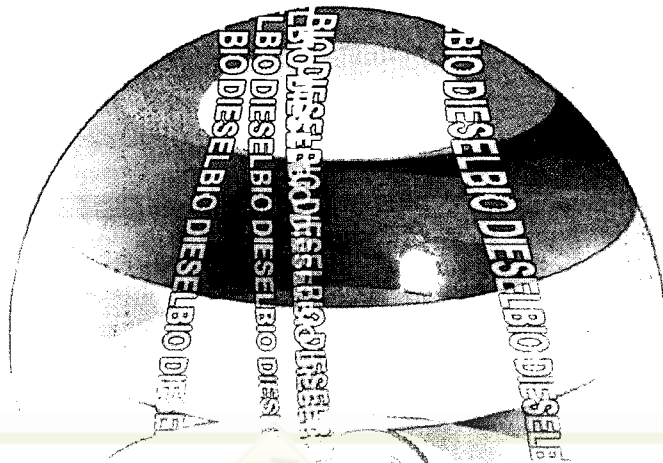


IKEF Technologies Limited

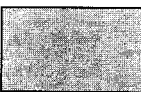


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8th ANNUAL REPORT

2006-2007



Our Initiatives.....



△ Chairman, Dr.R.P Singh with
Mr. Mani Shanker Aiyer,
Hon'ble Minister Doner



△ Director, Dr. A.P. Saxena with
Mr. Narendra Modi, C.M. Gujarat



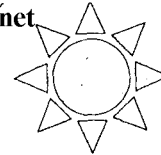
△ Director, Mr. G.N. Gupta with
President Dr. A.P.J. Abdul Kalam



△ Project incharge (Shillong),
Mr. S.B. Garg with
Mr. Montek Singh Ahluwalia



△ Project incharge (Shillong),
Mr. S.B. Garg with Mr. Ratan Tata



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8th Annual Report 2006-07**Board of Directors**

Dr. R. P. Singh	Chairman
Mr. Sunil Kumar Goel	Whole Time Director
Mr. Pradeep Dutta	Executive Director
Mr. Pradeep Kumar	Director
Dr. A.P. Saxena	Director
Mr. J. P Dubey	Director
Mr. Gajanand Gupta	Director

COMPANY SECRETARY

Ms. Deepti Chawla

BANKERS

ICICI Bank
UTI Bank
Standard Chartered Bank
Banco Efisa

**REGISTRAR AND SHARE
TRANSFER AGENT**

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

AUDITORS

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

ANNUAL GENERAL MEETING

Date : 20th September, 2007
Time : 11.00 A.M.
Day : Thursday
Venue : City Centre,
Royal Bengal Room, Block DC,
Sector- I, Salt Lake City,
Kolkata-700064

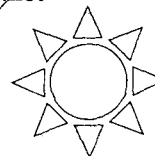
LISTING

The Stock Exchange, Mumbai
The Calcutta Stock Exchange Asso. Ltd.
The Hyderabad Stock Exchange Ltd.
Luxembourg Stock Exchange

REGISTERED OFFICE

Main Block, 2nd Floor,
Plot No.: XI-16,
Block No. EP & GP,
Salt Lake Electronic Complex,
Sector V, Kolkata-700091



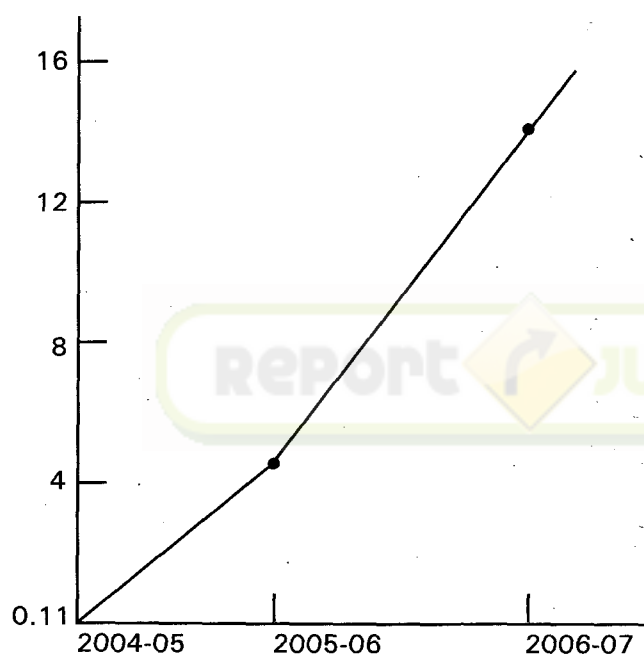


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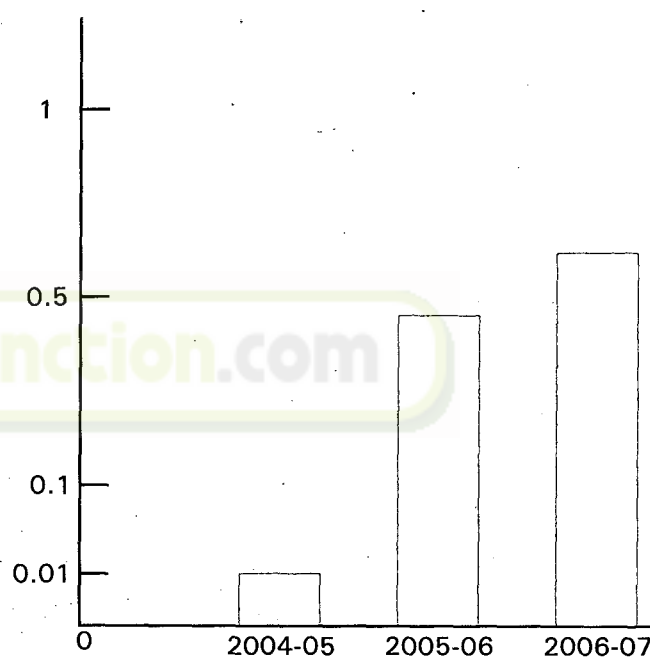
FINANCIAL HIGHLIGHTS

	(Rs. in Crore)		
	FY 2007	FY 2006	FY 2005
Total Income	104.07	71.37	8.72
Total operating costs	85.15	63.97	8.55
PBT	18.92	7.40	0.17
PBT Margin (%)	18.18	10.37	1.94
PAT	12.54	4.34	0.11
EPS (Basics)	0.52	0.41	0.01

Growth in Profit



EPS



At The Stock Exchange

The scrips of IKF Technologies Limited are actively traded at BSE (Scrip code : 532414)

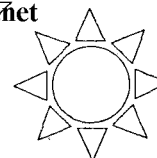
(Rs. in Crore)

Market Capitalization	:	178.06
Number of Outstanding shares	:	23.86
Number of shares traded in FY 2007	:	57.21
Value of stock transacted in Exchange FY 2007	:	451.12
(As on 31st March 2007)		

Return to Investors

In last 3 years	Growth	Return p.a
IKF share price	2.3 times	43.67%

(April 2004 to March 2007)



Directors Report

Dear Members,

Your Directors present the Eighth Annual Report together with the Audited Financial accounts and Auditors Report thereon for the period ended 31st March, 2007.

Review of Operations

The working results of the company for the year are furnished as follows:

S.No.	Particulars	(Rs. in Lacs)	
		Year ended 31.03.2007	Year ended 31.03.2006
01	Sales	1435.45	1055.25
02	Other Income	4.78	7.24
03	Total Expenditure	960.80	943.18
04	Profit/Loss before Interest, Dep & Taxes	479.43	119.31
05	Interest	0.00	0.00
06	Depreciation	329.58	14.63
07	Provision for Taxation	50.20	32.80
08	Net Profit/(Loss)	99.65	71.88
09	Equity Share Capital	2386.90	1066.90

Performance Review

During the period under review your company has earned a Net Profit of Rs.99,65,482 (Ninety Nine Lakh Sixty Five thousand Four Hundred Eighty Two only) as against the Net Profit of Rs. 71,88,298 (Rupees seventy one lacs eighty-eight thousand two hundred ninety eight only) for the previous year 2005-06. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

Dividends

The Directors are pleased to recommend for approval of the members a final dividend of 5% (Rs.0.05 per share) per share on 238690000 equity shares of Re. 1 each for the financial year 2006-07. The dividend if declared would involve an outflow of Rs.1,19,34,500 towards dividend and Rs.20,27,671.55 towards Dividend tax resulting in total outflow of Rs.1,39,62,171.55. The dividend payout has been formulated keeping in view the Company's need for capital, its growth plans

and the intent to finance such plans through internal accruals to the maximum.

Deposits

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

Increase in Paid Up Capital

The Paid up Capital of the Company has increased from Rs.106690000 to Rs.238690000 due to completion of GDR Issue and allotment thereon on 30th March 2007. The GDR's of the Company have been listed on Luxembourg Stock Exchange.

Subsidiary Companies

The Company has incorporated a wholly owned subsidiary IKF Telecom.Inc. in Delaware, United States of America on 31st October 2006.

The Statements as required under Section 212 of the Companies Act, 1956 in respect of Company's wholly owned subsidiaries Abundance International (PTY) Ltd, IKF Technologies PTY(Ltd.) and IKF Green Fuels Ltd. are attached with the balance sheet in

accordance with the Accounting Standard AS-21 prescribed by 'The Institute of Chartered Accountants of India', the consolidated accounts of the Company and its subsidiary are also annexed.

Directors

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

After the date of last AGM, Mr. Gajanand Gupta has been appointed as additional director of the Company on 31st October 2006.

Mr. Mukesh Kumar has resigned from the directorship on 29th October 2006. The Board place on record their appreciation for the services rendered by the outgoing Director during his tenure.

The Board recommends the resolution for the appointment of Mr. Gajanand Gupta as director of the Company liable to retire by rotation.

Auditors:

The Auditors, M/s Agarwal Vishwanath & Associates, Chartered Accountants, hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for reappointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Auditors' Report:

The Statutory Auditors have made the following comments in the Auditors' Report which are self-explanatory and do not require any further clarification

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees)

Rules, 1975, and hence no particulars are required to be disclosed in this Report.

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

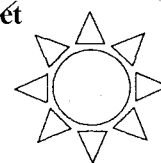
Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

a. Conservation of Energy: The Company has set up a refinery in Udaipur which has yet to commence production on commercial scale, therefore the information required to be given under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 will be NIL for this financial year. The Company is making efforts to conserve the energy by best possible means.

b. Research and development (R&D): The Company is making concerted efforts to multiply Jatropa plant through tissue culture and development of new heterogeneous catalysts and state of art 2tpd biodiesel production unit using second generation biodiesel technology capable of producing biodiesel from multi feed stocks which are easily available in India at much lower rates.

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

d. Export Activities: Presently the Company is engaged in BPO business, which forms substantial part of its export earnings. The



Company is making all possible efforts and taking initiatives to increase its earnings by making its entry in telecom sector by launch

of its calling cards for the international market.

e. Foreign Exchange Earnings and Outgo:

Particulars	(Amount in Rs.)		(Amount in Rs.)
	Year ended 31.03.07		Year ended 31.03.06
Foreign Currency Earning :	108775.51	108775.51	4420659.79
Foreign Currency Expenditure :			
Capital Expenditure	1422141.00		
Revenue	1011841.00	2433982.00	5199059.00

CORPORATE GOVERNANCE:

Your Company has complied with the provisions 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.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under the Companies Act, 1956, your Directors wish to state that:

In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

The company has Selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

at the end of the financial year and of the Profit of the Company for the period under review;

The company has 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; and

The Accounts for the period ended 31st March, 2007 are prepared on a "Going Concern Basis".

ACKNOWLEDGEMENT:

Your directors express sincere thanks to ICICI Bank, UTI Bank, Standard Chartered Bank and Stock Exchanges for their support and encouragement.

Your Directors also wish to thank all the employees for their unstinted Co-operation for smooth functioning of your Company.

By Order of the Board

Date: 31.07.2007
Place: Kolkata

Sd/-
Dr. R.P. Singh
Chairman

Management Discussion & Analysis Report

Brief History of the Company

IKF Technologies Limited was incorporated as IKF Software.com Limited, on 22nd day of February 2000 as a Public Limited Company under the provisions of the Companies Act, 1956, (hereinafter referred to as the Act). The Company obtained Certificate for Commencement of Business on 2nd March 2000.

In the year 2001, the Company went in for an Initial Public Offering (IPO). The name of the company was subsequently changed to IKF Technologies Limited on 5th July, 2001. The Company is today listed on The Stock Exchange, Mumbai (BSE), The Hyderabad Stock Exchange Ltd., Hyderabad and The Calcutta Stock Exchange Association Limited, Kolkata. The Company is basically in the field of Bio Diesel, Telecom and I.T software development and Business Process Outsource and application maintenance services linking e-business with core information systems for companies worldwide. The Company is established with prime objective of providing knowledge based IT services and solutions through its top notch professionals that enhance the efficiency, effectiveness and profitability of client's business through its center. The Company believes in Discipline-Dedication-Duty, its professionals are self disciplined and dedicated to duty and strive hard in providing high quality, cost effective business solutions to clients.

Outlook

The company is growing as a technology company in addition to call centre operation revenue; the bio-tech revenue schemes provide optimism for the company to grow its market share. The company proposes to grow steadily and become a market leader in the current segment of operations. The Company has taken a plunge in the field of telecom sector by establishing its calling card business which is expected to further strengthen the company's path of progress. To make an impact globally the Company has incorporated a subsidiary in Delaware, USA with which it intends to strengthen its foothold in the Telecom sector.

The Company is slowly but steadily walking towards its goal to become a pioneer in the production of Bio-diesel. It is making serious efforts to take its message of creating a clean and healthy environment to every part of the country, in this effort it has entered into contract farming agreements with farmers in every state for cultivating Jatropha. As a result of the efforts and perseverance put in by the employees of the Company the company has succeeded in having Jatropha Plantation in 14 states.

Management Discussion on Risks and Concerns

Management of risks to the business is a continuous challenge for any organization growing in size and enhancing its purpose. The traditional risk factors like client risks, industry segment risks and economic risks are well understood and the means to handle them are also fairly established.

To counter all these risks, your Company is conducting its risk identification, assessment and management activities through a dedicated Risks and Audit Council (department) headed by Mr. Pradeep Dutta, Executive Director. This Council has been set up by your Company expressly to anticipate the impact of potential and economical risk factors to the business and provide guidance on how to handle them so as to minimize their business impact.

Adequate management control is in place to ensure quick action on early warnings, and to proactively monitor and mitigate all potential risks. A comprehensive Risk Management strategy developed by the Risk and Audit Council forms the frame work for all de-risking and risk mitigation activities undertaken by your company with the fullest involvement of top management professionals.

Discussion of Financial Performance

The financial statements are prepared in compliance with the requirements of the Companies Act and the Accounting Standards prescribed by the Institute of Chartered Accountants of India and Generally Accepted