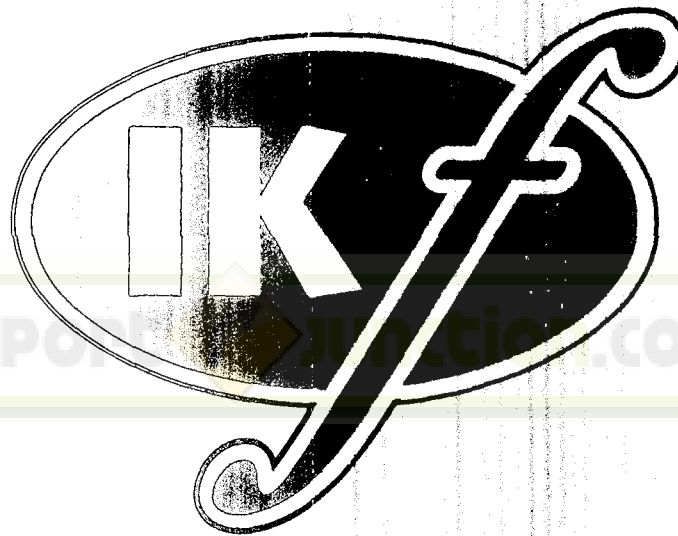


7TH ANNUAL REPORT

1997-98

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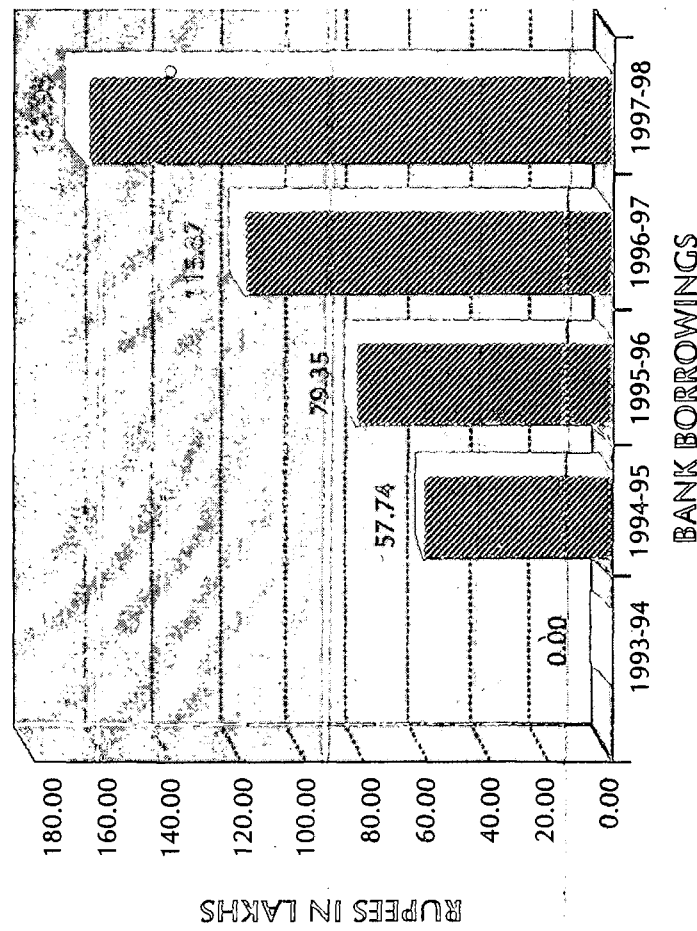
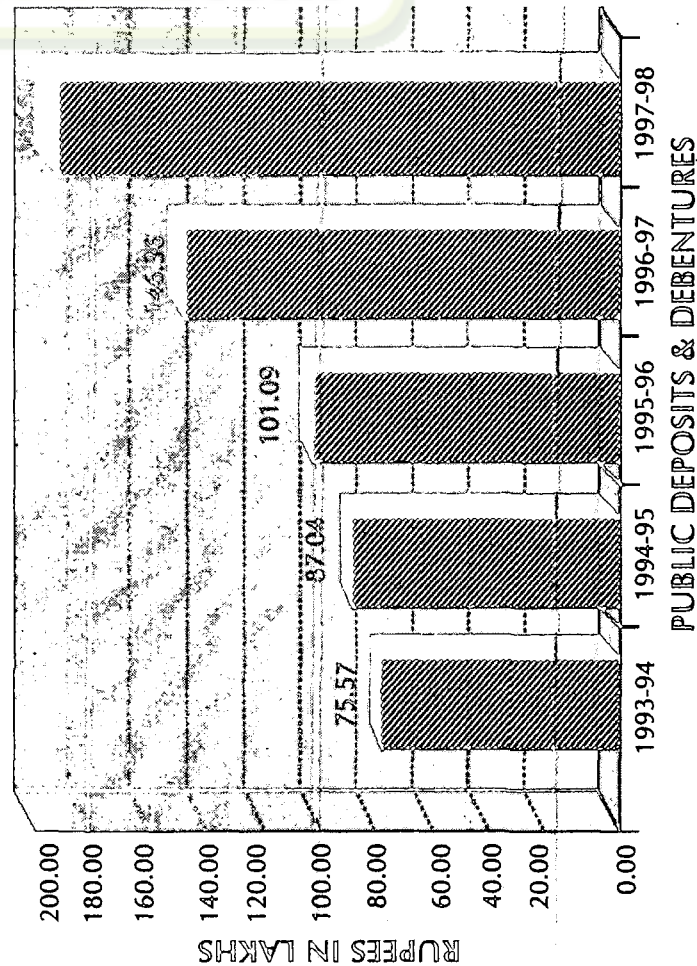
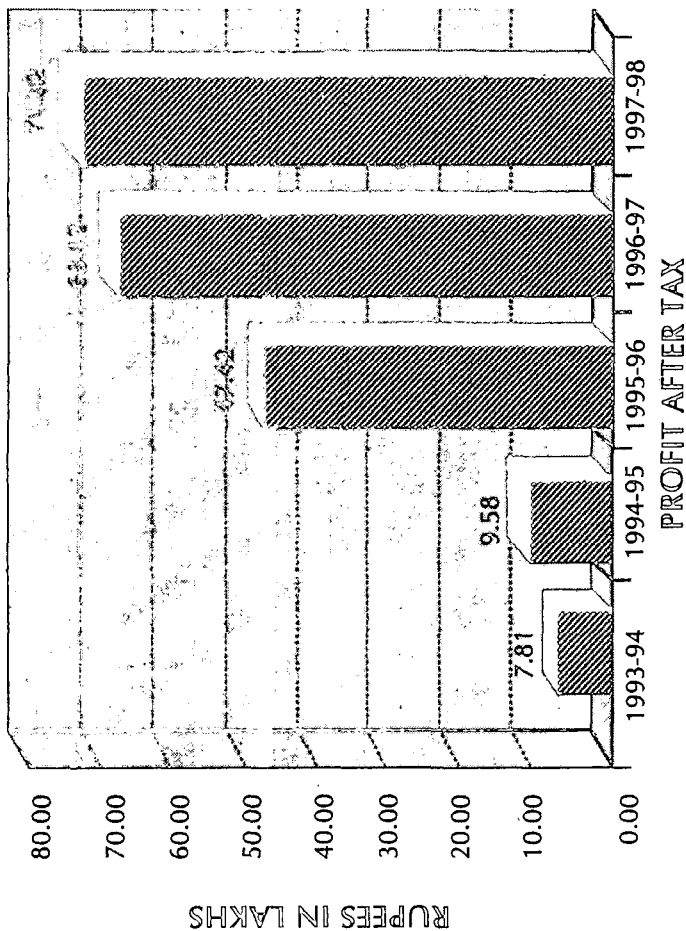
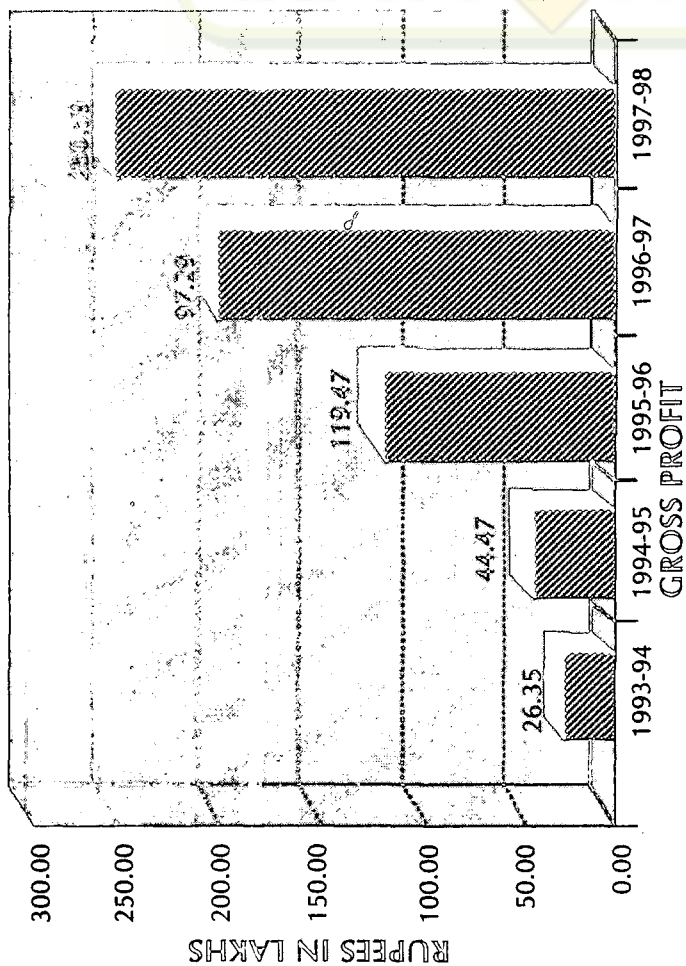
IKF Finance & Investments limited

40-1-142/A, II Floor, Manoranjan Complex,
M.G. Road, Vijayawada - 520 010., A.P.



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FINANCE & INVESTMENTS LIMITED

**REGD. OFFICE: 40-1-144, 3RD FLOOR, CORPORATE CENTRE,
M.G. ROAD, VIJAYAWADA - 520 010.**

IKF FINANCE & INVESTMENTS LIMITED**BOARD OF DIRECTORS**

Sri RAMACHANDRA N. GALLA	-	Chairman
Sri V.G.K.PRASAD	-	Managing Director
Sri N.HARANATH	-	Executive Director
Smt V.INDIRA DEVI	-	Director
Sri POLINENI BALA SRINIVAS	-	Director
Dr. SINHA S. CHUNDURI	-	NRI Director
(Alternate Director SRI N.V.S.N PRASAD)		
Dr. PRASAD J. ATHOTA	-	NRI Director
(Alternate Director SRI CH.V.RAMA RAO)		
Sri D.RAMAKRISHNA	-	Director

AUDITORS

Sri K.HANUMAIHA
B.Com., F.C.A.,
Chartered Accountant
1 & 2, Ground,
RAM'S VSR Apartments,
Mogalrajpuram,
VIJAYAWADA - 520 010.

BANKERS

THE FEDERAL BANK LIMITED
ANDHRA BANK

LISTING

HYDERABAD STOCK EXCHANGE LTD., HYDERABAD
THE STOCK EXCHANGE, MUMBAI
Street,
THE STOCK EXCHANGE, AHMEDABAD
(A.P.)

SHARE TRANSFER AGENTS

SIBAR FINANCIAL SERVICES (P) LTD.,
D.No.27-14-49, II Floor, Rajagopalachari
Governorpet, VIJAYAWADA - 520 002

REGD.OFFICE

D.No.40-1-144, III Floor,
Corporate Centre, M.G.Road,
VIJAYAWADA - 520 010. (A.P.)

BRANCH OFFICE

- **3-4-135, Flat No.207, Lingampally Road,**
Barakathpura, HYDERABAD - 500 027.
- **D.No.47-11-9, Vamsee Complex,**
Dwaraka Nagar, Near Diamand Park,
VISAKHAPATNAM-530016.

SEVENTH ANNUAL GENERAL MEETING	
Date	: Saturday, 12th September, 1998
Time	: 4.00 P.M.
Venue	: HOTEL ILAPURAM Gandhi Nagar, Vijayawada - 520 003.

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NOTICE TO THE SHARE HOLDERS

NOTICE is hereby given that the 7th Annual General Meeting of the Company will be held on Saturday, the 12th September 1998 at Hotel Ilapuram, Vijayawada at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 1998 and the Profit and Loss Account as on that date and reports of the Directors' and Auditors' thereon.
2. To declare dividend for the year ended March 31, 1998.
3. To appoint a Director in place of Smt. V. Indira Devi, who retire by rotation and being eligible, offers herself for re-appointment.
4. Appointment of Auditors

To appoint auditor and fix his remuneration. The Retiring Auditor SRI K. HANUMAIAH, Chartered Accountant, Vijayawada, is eligible for re-appointment. In this connection to consider and, if thought fit, to pass with or without modifications the following resolutions as an Ordinary Resolution.

"RESOLVED THAT the retiring Auditor of the Company SRI K. HANUMAIAH, Chartered Accountant, Vijayawada, being eligible for re-appointment, be and is hereby re-appointed as Auditor of the Company to hold office till the conclusion of the next Annual General Meeting at such a remuneration as may be fixed by the Board of Directors in addition to the reimbursement of out-of-pocket expenses."

SPECIAL BUSINESS:

5. To be moved as an ordinary Resolution.

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 Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors, to borrow from time to time such sum or sums of money from the Company's Bankers and/or from any one or more persons, Companies, bodies Corporate or Financial Institutions, whether by way of Cash Credit, advance or loans or by issue of debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien, or pledge of all or any assets or properties of the Company, whether movable or immovable whether existing or future, notwithstanding that the moneys borrowed together with the moneys already borrowed by the company, apart from the temporary loans obtained from company's Bankers in the ordinary course of business, may exceed the aggregate of Paid-up capital and free reserves of the Company, that is to say reserves not set apart for any specific purpose, provided that the total amount to be borrowed by the board of Directors shall not at any time exceed Rs. 20 Crores (Rupees Twenty Crores Only)."

6. To be moved as an ordinary Resolution.

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



7th Annual Report

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage/charge/hypothecate/pledge, from time to time on such terms and conditions as it may deem fit, the assets and properties of the Company, whether movable or immovable and both present and future, in favour of Banks, Financial Institutions and others under Loan Agreements and/or Hypothecation Deeds to be executed by the Company in their favour towards loans already availed or to be availed from them, subject to that the aggregate value of such loan outstanding at any one time shall not exceed a sum of Rs. 20 Crores (Rupees Twenty Crores Only)."

7. To be moved as a Special Resolution.

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

RESOLVED, pursuant to the Provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956, subject to such approvals and sanctions as may be required, to Change the name of the Company to "IKF Finance Limited" from "IKF Finance & Investments Limited" and accordingly wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the name "IKF Finance Limited"

RESOLVED FURTHER that Shri.V.G.K.Prasad, Managing Director of the Company be and is hereby authorised to submit the relevant papers with the Registrar of Companies for effecting the change of name and to do such other things as he may, in his absolute discretion, deem fit, necessary, desirable and or any other matters incidental thereto.

By order of the Board
for IKF FINANCE & INVESTMENTS LIMITED

Place: Vijayawada.

Date : 30-07-1998.

(V.G.K.PRASAD)
Managing Director

**ANNEXURE TO NOTICE OF ANNUAL GENERAL MEETING:**

Explanatory Statement Under Section 173(2) of the Companies Act, 1956.

Item No. 5 :

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors shall not except with the consent of the Company in General Meeting, borrow monies apart from temporary loans obtain from the Company's Bankers in the ordinary course of business, in excess of the aggregate Paid-up capital and free reserves of the Company. According to Explanation 1 to the Section, every resolution passed in the General Meeting of the Company in relation to the exercise of the above powers shall specify the total amount up to which monies may be borrowed by the Board of Directors over and above the Paid-up capital and free reserve. Hence the Resolution as set out in the item No. 5 is recommended for your approval.

Item No. 6 :

The Borrowings of the company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the Lender(s).

The mortgage and/or charge by the company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the company in favour of the Lender(s), with a power to take over the management of the business and concern of the company in certain events of default by the company, may be regarded as disposal of the company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956, requiring the approval of the members under that Section. Hence, Resolution as set out in Item No.6 is proposed for your approval.

Item No. 7 :

The Company has not under taken any investment activities so far and as such to reflect the true nature of activities under taken by the Company, your Directors proposes to change the name of the Company as "IKF FINANCE LIMITED".

Under section 21 of the Companies Act, 1956, for change of name by Company it is required to be approved by the equity shareholders by passing a special resolution in their meeting and further approved from the Central Government. The Company has applied for availability of the name vide letter dated 13-07-1998 and proposed name was made available by the Registrar of Companies, Hyderabad, vide letter dated 21-07-1998. Hence the resolution in Item No.7 is recommended for your approval.

By order of the Board
for IKF FINANCE & INVESTMENTS LIMITED

Place: Vijayawada.

Date : 30-07-1998.

(V.G.K.PRASAD)
Managing Director