

9

REPORT

1999-2000

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IKF Finance Ltd.

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KF FINANCE LIMITED**BOARD OF DIRECTORS**

SRI RAMACHANDRA N. GALLA	-	Chairman
SRI V.G.K.PRASAD	-	Managing Director
SMT V.INDIRA DEVI	-	Whole Time Director
SRI N.HARANATH	-	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.HANUMAI AH
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
THE STOCK EXCHANGE, AHMEDABAD

REGISTERED OFFICE

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

SHARE TRANSFER AGENTS

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

BRANCHES

- D.No.47-11-9, Vamsee Complex, Dwaraka Nagar, Near Diamand Park, VISAKHAPATNAM - 530 016.
- D.No.77-8-4, R T C Complex Road, RAJAHMUNDRY - 533 101.
- 403, IV Floor, Meridian Plaza, 6-3-853/1, Ameerpet, HYDERABAD - 500 016.

9TH ANNUAL GENERAL MEETING

Date	: Saturday, 30th September, 2000
Time	: 11.00 A.M.
Venue	: Registered of the Company D.No.40-1-144, III Floor, Corporate Centre, M.G.Road, VIJAYAWADA - 520 010.

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**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the 9th Annual General Meeting of the Company will be held on Saturday, the 30th September 2000 at Registered Office of the Company, Vijayawada at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2000 and the Profit and Loss Account as on that date and reports of the Directors' and Auditors' thereon.
2. To confirm the interim dividend declared for the year March 31, ended 2000
3. To appoint a Director in place of Shri. P.Bala Srinivas, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. D.Rama Krishna, who retires by rotation and being eligible, offers himself for reappointment.
5. Appointment of Auditors

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

"RESOLVED THAT the Auditor of the Company Shri.K.Hanumaiah, Chartered Accountant, Vijayawada who retires at this meeting, being eligible and willing to act as Auditor be and is hereby appointed as Auditor of the Company till the conclusion of 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 packet expenses."

By order of the Board

for **IKF FINANCE LIMITED**

Place : Vijayawada,
Date : 12-08-2000.

(V.G.K.PRASAD)
Managing Director

NOTES

1. A member, entitled to attend and vote at this Annual General Meeting may appoint a Proxy to attend and vote on a poll on his behalf. A Proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty eight hours before the commencement of this Annual General Meeting.
2. Members are requested to bring their copies of Annual Reports to the Meeting.
3. Members/Proxies should bring the attendance slips filled in for attending the Meeting.
4. Members are requested to notify any change in their address alongwith the Pin Code No. immediately to the Share Transfer Agents M/s.Sibar Financial Services Private Limited, 27-14-49, II Floor, Rajagopalachari Street, Governerpet, Vijayawada - 520 002.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September 2000 to 29th September, 2000, both days inclusive.
6. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to reply.

By order of the Board

for **IKF FINANCE LIMITED**

Place : Vijayawada,
Date : 12-08-2000.

(V.G.K.PRASAD)
Managing Director

KF FINANCE LIMITED



DIRECTORS' REPORT

Your Directors are pleased to present the 9th Annual Report along with the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

(Rs.in Lacs)

PARTICULARS	1999-2000	1998-1999
Income from Operations	301.63	278.83
Total Expenditure	24.69	28.92
Interest	99.39	85.13
Profit Before Dep. & Taxes	177.55	164.79
Depreciation	59.29	69.75
Provision for Tax	18.21	9.99
Profit after Tax	100.05	85.04
Profit Available for Appropriation	105.75	90.40
General Reserve	5.01	4.26
Reserve Fund	20.02	17.01
Dividend (proposed)	66.88	57.66
Dividend Tax	7.36	5.77
Surplus Carried to Balance Sheet	6.48	5.70

DIVIDEND

Your Directors have not recommend any Final Dividend except Interim Dividend of 15% already declared on 28.04.2000 (Rs.1.50 per Equity Share) for the year ended March 31, 2000. The Dividend will absorb a Sum of Rs. 74.04 Lakhs (Rupees Seventy Four Lakhs Four Thousand Only) inclusive of Tax on Dividend.

REVIEW OF OPERATIONS

Your Company's performance for the Year ended March 31, 2000 continues to be encouraging and has out performed the industry despite sluggishness in the Commercial Vehicles Sector, in which your Company has high stakes, and even succeeded in improving its performance.

During the year under review, your Company has done extremely well by registering a growth of 8.18% in its Gross Receipts to Rs.301.63 Lakhs as against Rs.278.83 Lakhs and the Net Profit increased from Rs.85.04 Lakhs to Rs.100.05 Lakhs registering a growth rate of 17.65%.

Your Company has disbursed for Hire Purchase and Leasing for an amount of Rs.681 Lakhs during the year under review as against Rs.542 Lakhs during the last year by registering a growth rate of 25.65%.

FUTURE OUTLOOK

Your Company is committed to expand its operations in the Transport Sector which has still the potential of good growth though the industry is facing tough times.

DEPOSITS

Your Company's Deposits stood at Rs.30.21 Lakhs at the end of the year under review and are well within the limits prescribed by the Reserve Bank of India in this connection. Your Directors are glad to state that there exists neither Unclaimed Deposits nor Unpaid Deposits as on the date of Balance Sheet.

BANK LIMITS

Your company continues to enjoy Cash Credit Limits to the tune of Rs.350 Lakhs with the Federal Bank Limited (Rs.150 Lakhs) and Andhra Bank (Rs.200 Lakhs).

Your Company has been proposing to negotiate for enhancement of Bank Limits with the Bankers to the Company and also for Fresh Limits from other Banks.

CAPITAL ADEQUACY

The Capital Adequacy Ratio of your Company stood at 44% as on March 31, 2000 as against a Minimum of 12% prescribed by the Reserve Bank of India.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri.P.Bala Srinivas and Shri.D.Rama Krishna retire by rotation and are being eligible offer themselves for reappointment. Your Directors are pleased to place on record their appreciation for the services rendered by them during their tenure as Directors and wish to recommend their reappointment.

PARTICULARS OF EMPLOYEES

During the year under review, none of the employees of your Company were in receipt of remuneration in excess of the limits prescribed for disclosure as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee) Rules, 1975 as amended from time to time.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUT GOINGS**

Your Company has no activities relating to the conservation of energy and technology absorption. Your company didn't have any foreign exchange earnings during the year under review.

However, your Company during the year under review has remitted the Dividend on Equity Shares declared for the year 1998-99 amounting to Rs.10,85,587/- in US Dollars to the Non Resident Indians.

AUDITORS

Shri. K.Hanumaiah, Chartered Accountant, retires at the ensuing Annual General Meeting and is eligible for reappointment.

AUDITORS' REPORT

The observations made in the Auditor's Report are self explanatory and do not require further clarifications.

ACKNOWLEDGEMENTS

Your Directors wish to place their deep appreciation for the whole hearted and sincere co-operation received from its Bankers, Customers, Deposit holders and Shareholders. Your Directors also wish to thank all the employees for their continued Co-Operation during the year under review.

By order of the Board

for IKF FINANCE LIMITED

Place : Vijayawada,
Date : 12-08-2000.

(V.G.K.PRASAD)
Managing Director