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IKF Technologies Limited

PLOT NO. 20 & 21
DURGAM CHERUVU ROAD
KAVURI HILLS, MADAPUR
HYDERABAD - 500 003
PH : 3100360 / 3100359

IKF Technologies Limited**BOARD OF DIRECTORS**

Ramachandra N Galla
 Krishna Sandeep Kilaru
 Srinivasa Rao Koganti
 Vasumathi Devi Vupputuri
 Raghuram Vupputuri
 V G K Prasad

Chairman
 Managing Director
 NRI Director
 NRI Director
 NRI Director
 Director

AUDITORS

K.Hanumaiah
 Chartered Accountant,
 1 & 2 Ground, RAM'S VSR Apartments,
 Mogalrajpuram,
 VIJAYAWADA - 520 010. (A.P.)

BANKERS

ICICI Bank, Madhapur Branch, Hyderabad
 ICICI Bank, Governorpet, Vijayawada
 Coastal Bank, Governorpet, Vijayawada
 Oriental Bank of Commerce, Vijayawada
 Federal Bank, Governorpet, Vijayawada

LISTING

Hyderabad Stock Exchange Limited, Hyderabad
 The Stock Exchange, Mumbai
 The Calcutta Stock Exchange Association Ltd.
 Calcutta

SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

20 & 21, Durgamcheruvu,
 Madhapur,
 Hyderabad - 500 033
 Tel : (040) 310 0359 & 310 0360

SECOND ANNUAL GENERAL MEETING

Date : 29th September, 2001
 Time : 5.00 P.M.
 Day : Saturday
 Venue : # 20 & 21,
 Durgamcheruvu,
 Madhapur,
 Hyderabad - 500 033

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IKF Technologies Limited**SHAREHOLDERS DETAILS****Registered Office**

20 & 21, Durgamcheruvu,
Madhapur,
Hyderabad - 500 033
Tel : (040) 310 0359 & 310 0360

Annual General Meeting

2nd Annual General Meeting will be held on 29th September, 2001 at 5.00 p.m.

Venue

20 & 21, Durgamcheruvu,
Madhapur,
Hyderabad - 500 033
Tel : (040) 310 0359 & 310 0360

Agenda

Adoption of Accounts for 2000-01
Re-appointment of retiring directors
Re-appointment of Auditors

Book Closure

Our Register of Members will remain closed from 27th September, 2001 to 29th September, 2001 (both days inclusive).

Transfer Window**Share Transfer Agents**

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

Share Listing

The Hyderabad Stock Exchange Ltd., Hyderabad
The Stock Exchange, Mumbai
The Calcutta Stock Exchange Association Limited, Calcutta



NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the Second Annual General Meeting of the Members of the **IKF TECHNOLOGIES LIMITED** will be held on Saturday the 29th day of September, 2001 at 5.00 P.M. at the Registered Office of the Company at # 20 & 21, Durgamcheruvu, Madhapur, Hyderabad - 500 033 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on 31.03.2001 and the Profit and Loss account for the year ended on that date, along with Directors' and Auditors' reports thereon.
2. To appoint a Director in the place of Mr. V.G.K.Prasad, the First Director, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr. D.Ramakrishna, the First Director, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. Raghuram Vupputuri, the First Director, who retires by rotation and being eligible offers himself for reappointment.
5. "RESOLVED THAT Mr. K. Hanumaiah, Chartered Accountant, be and is hereby re-appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

6. To consider and if thought fit to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to provisions of the Companies Act, 1956, Mr. K.Krishna Sandeep, the additional director of the company who holds office up to the date of this Annual General Meeting, in respect of whom the company has received notice under Section 257 be and is hereby appointed as Director of the Company liable to retire by rotation."

By Order of the Board

Sd/-
Place : Hyderabad K.Krishna Sandeep
Date : 22-08-2001 Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.6:

Mr. K.Krishna Sandeep a BE Computer Science from Kuvempu University, India. He is currently the President of Corporate Computer Services, Inc., a software consulting and e-commerce solution provider located in Detroit, USA, offering services to several fortune 500 companies through out the US. He has 6 years of extensive experience in developing client/server applications, enterprise portals and e-commerce applications.

By Order of the Board

Sd/-
Place : Hyderabad K.Krishna Sandeep
Date : 22-08-2001 Managing Director

Notes:

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him self and the proxy need not be a member. The proxy form duly filled in and signed must be deposited at the Corporate Office of the company at least 48 hours before the meeting.

IKF Technologies Limited



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting the 1st Balance Sheet and Profit & Loss a/c of your Company together with the auditors report thereon.

1. REVIEW OF OPERATIONS:

The working results of the Company for the year are furnished as follows

(Rs.in Lakhs)

Sl.	Particulars	Year ended 31.03.2001
01.	Sales	102.20
02.	Other Income	15.31
03.	Total Expenditure	105.21
04.	Profit/Loss before Interest, Depn. & Taxes	9.27
05.	Interest	3.03
06.	Depreciation	6.64
07.	Provision for Taxation	0.24
08.	Net Profit/(Loss)	2.39
09.	Equity Share Capital	777.53

Promise Vs. Performance

(Rs.in Lakhs)

Particulars	Projections (2000-01)	Actuals (2000-01)
Gross Income	666.80	102.20
Interest	18.18	3.03
Profit before Tax	120.31	2.63
Tax	6.29	0.24
Profit after Tax	114.02	2.39
Equity Capital	1080.00	777.53

The variance in revenue was on account of delay in commencement of commercial operations and also recession in software industry and also depressive trends in internationally healthy economies.

2. DIRECTORS:

Mr. V.G.K.Prasad, Mr. D.Ramakrishna and Mr. V.Raghuram who were on the Board as First Directors of the company and they are being proposed to be appointed as Directors of the Company liable to retire by rotation at the ensuing Annual General Meeting.

3. AUDITORS:

Sri K.Hanumaiah, Chartered Accountant, statutory auditors of the Company will retire at the conclusion of the Annual General Meeting and are being eligible and offer themselves for re-appointment.

4. EMPLOYEES:

It is to report that U/S 217 (2A) of the Companies Act, 1956 that there are no employees drawing salary of Rs.1,00,000 or more p.m. or Rs.12,00,000 or more per year or part there of.

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 of the company's affairs.

5. INFORMATION U/S 217(1)(e):

Particulars U/S 217(1) (e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given below:

a. Conservation of Energy:

The Company is making all efforts for conservation of energy. The Company's operations do not involve high-energy consumption. However, an effort to conserve energy goes on a continual basis.



b. Technology Absorption:

Particulars related to technology absorption is not applicable in our case.

c. Foreign Exchange Earnings & Outgoings:

The information related to foreign exchange earnings and outgo during the year under the review is provided in notes to accounts.

(Rs.in Lakhs)

Particulars	Year 2000-01
Foreign Exchange Earnings	33.82
Foreign Exchange Outgo	4.50

b) That they have 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 or loss of the Company for the period under review;

c) That they 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; and

d) That they have prepared the accounts for the period ended 31st March, 2001 on a 'going concern' basis.

8. ACKNOWLEDGEMENTS:

Your directors express sincere thanks to the ICICI Bank, Coastal Bank, Federal Bank and Oriental Bank of Commerce for their support and encouragement.

Your Directors also wish to thank all the employees for their unstinted co-operation in achieving the good performance of your Company.

6. 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.

7. DIRECTORS RESPONSIBILITY STATEMENT:

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

a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

By Order of the Board

Sd/-

Place : Hyderabad
Date : 22-08-2001

K.Krishna Sandeep
Managing Director

IKF Technologies Limited



REPORT ON CORPORATE GOVERNANCE

MANDATORY REQUIREMENTS

Company's philosophy on Code of Governance

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to its shareholders.

Board of Directors

Composition: The present strength of the Board is Six Directors. The Board comprises of Executive and Non-executive Directors. The Non-executive Directors bring independent judgment in the Board's deliberations and decisions. The Managing Director is the Wholetime Director of the Company. The remaining five are Non-executive Directors.

Number of Board Meetings held and the dates of the Board Meetings

Seventeen Board Meetings were held during the year 2000-01 on the dates mentioned below:

- | | |
|--------------|--------------|
| ➤ 17.04.2000 | ➤ 20.04.2000 |
| ➤ 27.04.2000 | ➤ 29.04.2000 |
| ➤ 20.05.2000 | ➤ 24.05.2000 |
| ➤ 26.05.2000 | ➤ 29.05.2000 |
| ➤ 07.07.2000 | ➤ 09.10.2000 |
| ➤ 20.11.2000 | ➤ 20.12.2000 |
| ➤ 24.01.2001 | ➤ 17.02.2001 |
| ➤ 05.03.2001 | ➤ 10.03.2001 |
| ➤ 12.03.2001 | |

Audit Committee

Terms of Reference and Composition, Chairman and the Name of Members

The Audit Committee comprise of Mr.K.Krishna Sandeep, Non Promoter independent Director and Mr.V.G.K.Prasad, Promoter Director. The Terms of reference of this Committee are wide enough covering matters specified for Audit Committee under the Listing Agreements.

Meeting and attendance during the year

There were two meetings of the Audit Committee during the financial year 2000-01 and the attendance of each member of the Committee is give below:

Name of the Director	No.of Meeting attended	% of total Meeting attended
K.Krishna Sandeep	2	100%
V.G.K.Prasad	2	100%

Remuneration to the Directors

Remuneration of Rs.35,000 per month has been paid to Mr. D.Rama Krishna during the financial year 2000-01.

Investors/Shareholders Grievance Committee

The Company has formed an Investors/ Shareholders Grievance Committee under the Chairmanship of Mr.K.Krishna Sandeep. The other member of the Committee is Mr.Ch.Uma Mahesh, Company Secretary. The Committee shall look into the shareholder's and investor's complaints. Most of the complaints received from the Shareholders have been resolved except for the ones involved in legal disputes. The number of shares pending for transfer were Nil as on 31st March, 2001.



General Body Meetings

Details of the location of the past three AGMs and the details of the resolutions passed or to be passed by Postal Ballot.

- a) First AGM was conducted on 10.09.2000 at the Registered Office of the Company.
- b) Postal Ballot procedure being a recent development no resolutions were put through postal ballot.

Disclosures

Disclosures on materially significant related transactions i.e., transactions of the company of a material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.

All transactions with the companies in which the Promoters are deemed to be interested were duly authorised by the Board and were in line with the approvals received from the Central Government.

Details of non-compliance of the by Company, penalties structures imposed on the Company by Stock Exchanges or SEBI or any statutory or any matter related to capital markets during the last three years is Nil.

Means of Communication

— Half-yearly report sent to the household of each share holder

No, as the results of the Company are widely published in the newspapers

— Quarterly results

No, as the results of the Company are widely published in the newspapers

— Any website where displayed

- No -

— Whether it is also displayed in official news papers.

- No -

— Presentations made to institutional investors or to analysts

- No -

— Newspapers in which results are normally published in

i) Deccan Chronicle

ii) Andhra Bhum

— Whether Management Discussion and Analysis is a part of the Annual Report or not

- Yes -

General Shareholder information

— AGM

Date : 29th September, 2001

Time : 5.00 P.M

Venue : # 20 & 21, Durgamcheruvu, Madhapur, Hyderabad - 500 033

— Financial Calender

Results for the First quarter (April-June) last week of July

Results for the Second quarter (July-September) last week of October

Results for the Third Quarter (October-December) last week of January

Annual Results (April-March) last week of May

— Date of Book Closure

27th September, 2001 to 29th September, 2001.