KARTIK INVESTMENTS TRUST LIMITED

20TH ANNUAL REPORT
1997-98

KARTIK INVESTMENTS TRUST LIMITED

BOARD OF DIRECTORS

MR M M MURUGAPPAN

MR R ESWARAN

MR S K SUBRAMANIAN

REGISTERED OFFICE

'TIAM HOUSE ANNEXE'
NO.2, JEHANGIR STREET
CHENNAI 600 001

AUDITORS

M/S SHANKER GIRI & PRABHAKAR
CHARTERED ACCOUNTANTS
CHENNAI

BANKERS

BANK OF BARODA

STANDARD CHARTERED BANK

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twentieth Annual General Meeting of the shareholders of Kartik Investments Trust Limited will be held at the Registered Office of the Company, 'Tiam House Annexe', No.2, Jehangir Street, Chennai - 600 001 on Monday, the 24th August, 1998 at 12.30 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 1998 and the Balance Sheet as at that date and the Report of the Board of Directors and the Auditors thereon.

2. To declare a dividend.

3. To elect a Director in place of Mr.M.M. Murugappan who retires by rotation and is eligible for re-appointment.

4. To appoint Auditors and to fix their remuneration. M/s. Shanker Giri and Prabhakar, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

5. To consider and if deemed fit to pass with or without modification, the following as an ORDINARY RESOLUTION :

RESOLVED THAT Mr. R. Eswaran be and is hereby appointed as a Director of the Company.

6. To consider and if deemed fit to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

RESOLVED THAT Mr.S.K. Subramanian be and is hereby appointed as a Director of the Company.

By order of the Board
M M MURUGAPPAN
DIRECTOR

PLACE : CHENNAI
DATE : 25/06/98

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy. A PROXY NEED NOT BE A MEMBER.

2. The Register of members and share transfer books will remain closed from 18th August, 1998 to 24th August, 1998 (both days inclusive).

3. Members are requested to notify immediately any change in the address to the Registered Office of the Company.

4. The dividend when declared will be payable to those members entitled to dividend and whose names appear in the Register of Members as on 24th August, 1998.

5. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item No. 5 & 6 is annexed.

By order of the Board
M M MURUGAPPAN
DIRECTOR

PLACE : CHENNAI
DATE : 25/06/98

ANNEXURE TO THE NOTICE

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

Item No. 5

Mr. R. Eswaran was appointed as an Additional Director of the Company by your Board of Directors with effect from 18th March, 1998. As prescribed under the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice alongwith a deposit of Rs.500/- from a member under Section 257 of the Act proposing his candidature as a Director. Your Directors recommend his appointment as a Director.

Interest of Directors

Except Mr.R. Eswaran, no other Director is interested in the resolution.

Item No. 6

Mr.S.K. Subramanian was appointed as an Additional Director of the Company by your Board of Directors with effect from 18th March, 1998. As prescribed under the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice alongwith a deposit of Rs.500/- from a member under Section 257 of the Act proposing his candidature as a Director. Your Directors recommend his appointment as a Director.

Interest of Directors

Except Mr.S.K. Subramanian, no other Director is interested in the resolution.

By order of the Board
M.M. MURUGAPPAN
DIRECTOR

PLACE : CHENNAI
DATE : 25/06/98

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twentieth Annual Report together with the audited accounts for the year ended 31st March 1998.

OPERATIONS

The operations during the year have resulted in a profit before tax of Rs. 20.10 lacs as against Rs. 30.93 lacs for the year ended 31st March 1997. An amount of Rs. 74.33 lacs (1996-97 : Rs. 70.93 lacs) is available for distribution together with Rs.54.23 lacs (1996-97 : 44.01 lacs) being the balance amount brought forward from last year.

DIVIDEND

Your Directors have pleasure in recommending a dividend of Rs. 2.50 per share for the year ended 31-03-98.

DIRECTORS

Mr.M.A. Alagappan, Mr.RM. Ramanathan, Mr.V. Emberumanar Chetty and Mr.D. Ravishankar, Directors resigned during the year. Your Directors would like to place on record their deep appreciation of the valuable services rendered by them during their tenure as Directors.

At the ensuing Annual General Meeting, Mr.M.M. Murugappan, Director retires by rotation and is eligible for re-appointment.

Mr.R. Eswaran and Mr.S.K. Subramanian were appointed as Additional Directors on 18th March, 1998 and they hold office only upto the date of the ensuing Annual General Meeting. The Company has received due notices under Section 257 of the Companies Act, 1956 from members proposing the candidatures of Mr.R. Eswaran and Mr.S.K. Subramanian as Directors.

AUDITORS

M/s. Shanker Giri and Prabhakar, Chartered Accountants, Chennai retire from the office of Auditors and are eligible for re-appointment as auditors of the Company till the conclusion of the next Annual General Meeting.

GENERAL

During the year there was no employee covered by the provisions of Section 217(2A) of the Companies Act, 1956. There is no information to be disclosed under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 in respect of particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo. There were no unclaimed/overdue deposits lying with the Company as on 31-03-1998.

By order of the Board
M M MURUGAPPAN
S K SUBRAMANIAN
DIRECTORS

PLACE : CHENNAI
DATE : 25/06/98