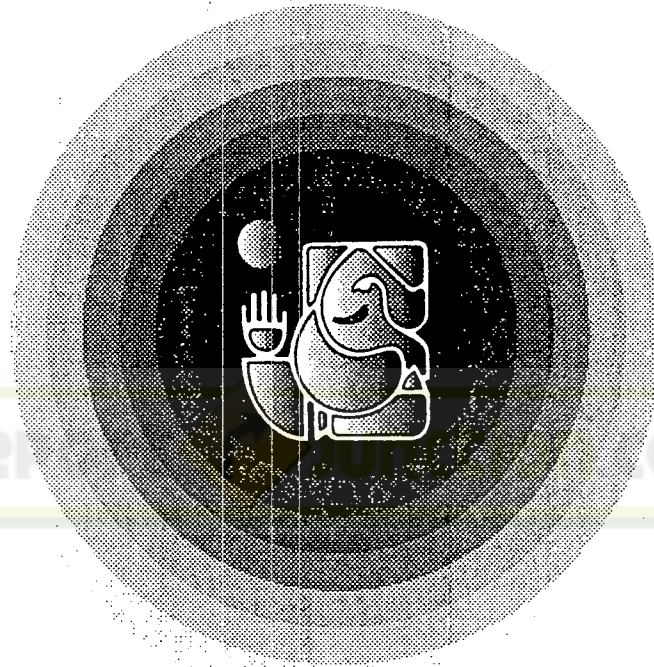


RAM KAASHYAP INVESTMENT LIMITED

MD	/		BKC	/
CS	/		DPY	/
RO	/		DNV	/
TRA	/		AC	/
AGM	/	/	SH	/
YE	/	/		



FOURTH ANNUAL REPORT 1996-1997



BOARD OF DIRECTORS**A. VENKATRAMANI**

Managing Director

A.GANESAN

Joint Managing Director

GYAN JAIN**S. RAMAYYA****JAYAPRAKASH S. MADY****SAILESH R. MEHTA****SWAMINATHAN SUNDARAM****SENIOR VICE PRESIDENT &
COMPANY SECRETARY****S. LAKSHMINARAYANAN****BANKERS****STATE BANK OF MYSORE**

INDUSTRIAL FINANCE BRANCH, BANGALORE

STATE BANK OF HYDERABAD

INDUSTRIAL FINANCE BRANCH, BANGALORE

KARNATAKA BANK LTD.

CATHEDRAL BRANCH, CHENNAI

BANK OF BARODA

MYLAPORE BRANCH, CHENNAI

BANK OF RAJASTHAN LTD.

BANGALORE.

AUDITORS**M/S ALLADI KRISHNAN & KUMAR**

CHARTERED ACCOUNTANTS, CHENNAI

BRANCHES

BANGALORE, BARODA, CHITTOOR, COCHIN,
COIMBATORE, DELHI, DILSUKNAGAR (HYDERABAD),
DINDIGUL, ERODE, HYDERABAD, KAKINADA,
KARAIKUDI, KODUR, KUMBAKONAM,
MACHILIPATNAM, MADURAI, MUMBAI, LUCKNOW,
PILER, PONDICHERRY, PUNE, RAJAHMUNDRY,
SALEM, TANJORE, TIRUNELVELI, TRICHY, VELLORE,
VIJAYAWADA AND VISHAKAPATNAM.

REGISTERED OFFICE53, BISHOP GARDEN, OFF GREENWAYS ROAD,
CHENNAI - 600 028**ADMINISTRATIVE OFFICE**11, VENKATRAMAN STREET
SRINIVASA AVENUE
R.A. PIJRAM, CHENNAI-600 028**REGISTRAR & SHARE
TRANSFER AGENTS****TRIDENT INVESTMENT & PORTFOLIO SERVICES P LTD.**4, IV MAIN ROAD, UNITED INDIA COLONY,
KODAMBAKKAM, CHENNAI-600 024.

Contents

Notice of the Annual General Meeting	3
Directors' Report	7
Auditors' Report	10
Balance Sheet	12
Profit & Loss Account	13
Schedules	14
Notes on Accounts	19
Cash Flow Statement	22



(c) Encashment of leave at the end of the tenure.”

9. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 94, 16 and 31 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be increased to Rs.25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 1,50,00,000 Equity Shares of Rs. 10/- each and 10,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each with power to issue the new shares upon such terms and conditions, and such rights and privileges attached thereto as the Board shall determine subject to any directions of the Company at General Meeting at the time of issue thereof.”

“RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby altered to read as follows:

V. The Authorised Capital of the Company is Rs.25,00,00,000/- (Rupees Twenty Five Crores only) divided into:

- (a) 1,50,00,000 (One Crore Fifty Lakhs only) Equity Shares of Rs.10 each.
 (b) 10,00,000 (Ten Lakhs only) Cumulative Redeemable Preference Shares of Rs. 100 each.

with power to increase or reduce the Capital and to attach to the said Preference Shares such preferential, qualified or special rights and to provide for such rate of dividend on the Preference Shares as may be determined by the directors and to vary, modify or abrogate any such rights, privileges, or conditions in such manner as may for the time being be provided by the regulations of the Company and to consolidate or subdivide the Shares and issue shares of higher or lower denominations.”

“RESOLVED FURTHER THAT Article 3(a) of the Articles of Association of the Company be and is hereby altered to read as follows:

3(a) The Authorised Capital of the Company is Rs.25,00,00,000/- (Rupees Twenty Five Crores Only) divided into:

- (a) 1,50,00,000 (One Crore Fifty Lakhs only) Equity Shares of Rs.10 each.
 (b) 10,00,000 (Ten Lakhs only) Cumulative Redeemable Preference Shares of Rs. 100 each

with power to increase or reduce the Capital and to attach to the said Preference Shares such preferential, qualified or special rights and to provide for such rate of dividend on the Preference Shares as may be determined by the Directors and to vary, modify or abrogate any such rights, privileges, or conditions in such manner as may for the time being be provided by the regulations of the Company and to consolidate or subdivide the Shares and issue Shares of higher or lower denominations.”

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do and perform all such other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to the approval of Securities & Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board) and/or duly authorised committee thereof for the time being exercising the powers conferred by the Board, consent of the Company be and is hereby accorded to the Board to issue/offer equity Shares/Preference Shares/Convertible Debentures, fully or partly and/or Non-Convertible Debentures, with or without detachable or non-detachable warrants, secured premium notes and/or other financial instruments (hereinafter for brevity sake referred to as “Securities”) as the Board at its sole discretion may at any time, hereafter decide which Securities when issued or allotted would ultimately result in an increase in the paid-up Equity Share Capital and Preference Share Capital, wherever applicable, of the Company by an amount not exceeding Rs.9.60 crores and Rs.10.00 crores respectively, to the Members, Debenture holders, Employees, Non-Resident Indians, Overseas Bodies Corporate (OBC), Foreign Institutional Investors (FIIs), Companies, other Entities/Authorities and to such other persons whether through Public issue, Rights issue, Private placement, Exchange of Securities, Preferential Allotment, Conversion of Loans or otherwise and for General Corporate purposes including Capital Expenditure, Working Capital requirements, Strategic Investments, any mergers, amalgamations, acquisitions, reconstructions, or arrangements or any other reorganisation as the Board may deem fit and/or by any one or more or a combination of the above mode/methods or otherwise and at such time or times and in one or more tranches at such price or prices, as the Board or committee thereof may in its absolute discretion, think fit, in consultation with the Lead Managers, Underwriters, Advisors and such other persons, and on such terms and conditions, including the number of Equity Shares/Preference Shares and/or Debentures to be issued, the face

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of the Company will be held on Thursday the 26th day of June 1997 at 11.00 a.m. at 603, Rani Seethai Hall, Anna Salai, Chennai 600 006 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 1997 together with the Report of the Auditors and Directors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Jayaprakash S Mady, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. A.Ganesan, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. S.Ramayya, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Section 269 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, Mr. A.Ganesan be and is hereby appointed as the Joint Managing Director of the Company for a period of five years commencing from 12.10.1996."

"RESOLVED FURTHER THAT pursuant to Sections 198, 269, 309, 310 & 314, of the Companies Act, 1956 and any other applicable provisions, Mr A.Ganesan be paid a remuneration of a maximum of Rs. 72,000 per month for his services as Joint Managing Director of the Company with effect from 12.10.1996"

"RESOLVED FURTHER THAT notwithstanding anything contained herein above, wherein any financial year during the currency of the tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay the Joint Managing Director minimum remuneration by way of salary, perquisites, dearness allowance and any other allowances subject to the ceiling of Rs. 72,000 per month calculated in the scale laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 as applicable to the Company at the relevant time depending upon the effective capital of the Company."

"RESOLVED FURTHER THAT the Mr. A.Ganesan, Joint Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling of remuneration mentioned herein above:

 - (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - (c) Encashment of leave at the end of the tenure."
 8. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310, 314 and Schedule XIII and other applicable provisions of the Companies Act 1956, and in partial modification of the resolution passed at the Extra Ordinary General Meeting on 15.11.1995, consent of the Company be and is hereby given for enhancing the remuneration of Mr. A. Venkatramani, Managing Director of the Company, to Rs.72,000 per month (all inclusive) for his services as Managing Director of the Company with effect from 1.4.1997."

"RESOLVED FURTHER THAT notwithstanding anything contained herein above, wherein any financial year during the currency of the tenure of the Managing Director, the Company has no profit or its profits are inadequate, the Company shall pay the Managing Director minimum remuneration by way of salary, perquisites, dearness allowance and any other allowances subject to the ceiling of Rs. 72,000 per month calculated in the scale laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 as applicable to the Company at the relevant time depending upon the effective Capital of the Company."

"RESOLVED FURTHER THAT Mr. A.Venkatramani, Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling of remuneration mentioned herein above:

 - (a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and

value, rate of dividend/interest, redemption period, manner of redemption, amount of premium on redemption, the number of Equity Shares to be allotted on redemption/conversion, the ration of exchange of Shares, period of conversion, fixing of record date or book closure; provided that the issue price of the Equity Shares to be issued on conversion of Debentures or upon exercising the rights of entitlement attached to the warrants or on conversion of term loan(s) shall be at a price not exceeding that amount as may be determined by the Board."

"RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board/Committee thereof in its absolute discretion, in such manner and/or on such terms as it may deem fit including offering or placing them with Banks/Financial Institutions / Investment Institutions / Mutual Funds or otherwise as the Board or Committee thereof may in its absolute discretion deem fit and proper."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to offer/issue, allotment and utilisation of the proceeds of issue of the Securities towards the Company's projects/other business needs and finalise such documents for creating mortgages/charges as it may deem fit."

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

"RESOLVED THAT in supersession of the resolution passed by the Company at the Extraordinary General Meeting held on November 15, 1995 in relation to the exercise of borrowing power, pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to borrow money from time to time upto a limit of not exceeding in the aggregate Rs. 200 crores notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will exceed the aggregate of the Paid-up Capital of the Company and its free Reserves, that is to say, Reserves not set apart for any specific purpose."

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

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293 (1) (a) of the Companies Act, 1956 to the Board of Directors of the Company for mortgaging/charging all the movable and immovable properties of the Company both present and future and whole of the undertaking of the Company or such of them as may be decided by the Board, in favour of Financial Institutions/Bankers/NBFCs/Others to secure moneys borrowed from time to time on such terms and conditions as to repayment, interest or otherwise as the Board may deem fit and proper in the best interest of the Company upto a limit of Rs. 200 crores outstanding at any one time exclusive of temporary loans from Bankers in the ordinary course of business".

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

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (e) of the Companies Act, 1956 and other applicable provisions if any, the Board of Directors of the Company be and is hereby authorised to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees from time to time in any financial year to the extent of Rs. 2 lakhs or 5% of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater."

By Order of the Board
for Ram Kaashyap Investment Limited

Date : 17th May 1997
Place : Chennai

S LAKSHMINARAYANAN
Company Secretary

NOTES:-

1 A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxies, in order to be valid, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

2 Please bring the admission slip duly filled in and hand over at the entrance of the Meeting Hall.

3 Please quote your Registered Folio Number in all correspondence with the Company.

4 The Register of Members and Share Transfer Books of the Company will remain closed from July 1, 1997 to July 7, 1997 (both days inclusive).

5 Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed to this notice.



EXPLANATORY STATEMENT

(Pursuant To The Provisions Of Section 173 (2) Of The Companies Act, 1956)

Item No:7

Mr A.Ganesan, a Director and brother of the Manaing Director, A. Venkatramani, was appointed as Joint Managing Director by the Board of Directors at their meeting held on 12th October 1996 for a period of five years, with his remuneration being in accordance with Schedule XIII to the Companies Act, 1956. His appointment and remuneration is now sought to be regularised a resolution of the shareholders as indicated in the Resolution 7. The Board commends passing of this resolution.

None of the Directors other than Mr.A. Venkatramani and Mr. A. Ganesan are interested in this resolution.

Item No:8

Mr A Venkatramani was appointed as a Managing Director by the Board of Directors at their meeting held on 31.01.94 for a period of five years, with his remuneration being in accordance with Schedule XIII to the Companies Act, 1956. His remuneration is now sought to be enhanced by the shareholders as indicated in Resolution 8. The Board commends passing of this resolution.

None of the Directors other than Mr. A. Venkatramani and Mr. A. Ganesan are interested in this resolution.

Item No:9:

To meet the increased activities of the Company, it is proposed to increase the Authorised Capital of the Company to Rs.25 Crores. The proposed changes in the Capital of the Company would require alterations in the Memorandum and Articles of the Company. The necessary resolutions thereof are set out in Item 9.

None of the Directors are concerned or interested in this resolution.

Item No.10

To augment the resources of the Company, among other things, it is proposed to issue various types of Securities like Preference Shares, Fully Convertible Debentures, Equity Shares, etc to any person, whether or not they are Members of the Company.

General approval of the Shareholders is sought in terms of Section 81 conferring power on the Board of Directors to decide the type, quantum, terms and conditions of such issue(s).

Your Directors commend this resolution for your approval. The Directors are interested to the extent of their shareholdings.

Item No:11

Power to borrow in terms of Section 293 (1) (d) upto a limit of Rs. 100 crores was conferred on the Board at the EGM of the shareholders held on November 15, 1995. In view of the increased activities of the company, the Board requires a consequential increase in their borrowing powers upto a limit of Rs. 200 crores in excess of the Company's Paid-up Share Capital and free Reserves. Your Directors commend this resolution for your approval.

None of the Directors are concerned or interested in this resolution.

Item No:12

The Board is of the opinion that when it exercises its powers under Section 293 (1) (d), viz., power to borrow, it might have to mortgage/charge all or any of the movable and immovable properties of the Company, both present and future and whole of the undertaking, if need be, in favour of various entities to secure the amounts borrowed from time to time covering repayment, interest and other conditions.

Hence approval under Section 293 (1) (a) from the shareholders is sought to so mortgage/charge the properties aforesaid. The Directors commend this resolution for your approval.

None of the Directors are concerned or interested in this resolution.

Item No:13

Your Company is authorised by its Memorandum of Association to subscribe to any Charitable and other Funds. Consent of the Share holders is sought by the proposed resolution pursuant to Section 293 (1) (e) of the Companies Act, 1956 to make donations not directly relating to the business of the Company.

None of the Directors of your Company is interested either directly or indirectly in the said resolution and your Directors recommend the adoption of the proposed resolution in the National/Public interest. ;

By Order of the Board
for Ram Kaashyap Investment Limited

S LAKSHMINARAYANAN
Company Secretary

Date : 17th May 1997
Place : Chennai