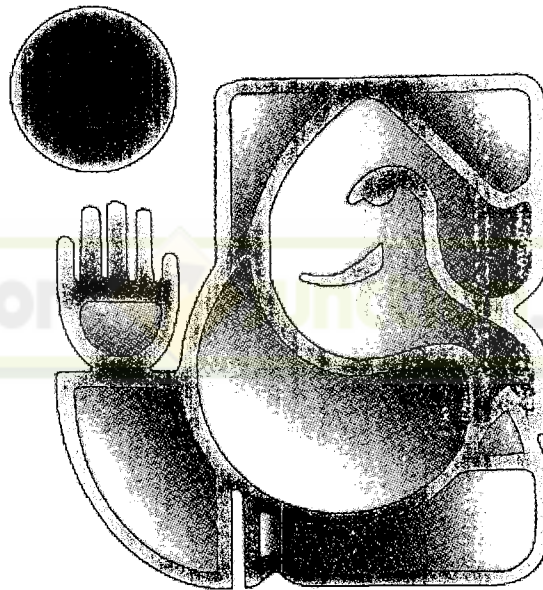


RAM KAASHYAP INVESTMENT LIMITED

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



FIFTH ANNUAL REPORT 1997-1998



RAM KAASHYAP INVESTMENT LIMITED

BOARD OF DIRECTORS

A VENKATRAMANI

Managing Director

A. GANESAN

T. GYAN JAIN

JAYAPRAKASH S MADY

SAILESH R. MEHTA

SWAMINATHAN SUNDRAM

COMPANY SECRETARY

T. SHIVAKUMAR

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, CHITTOOR, COCHIN, COIMBATORE, DELHI, DILSUKHNAGAR (HYDERABAD), DINDIGUL, ERODE, GWALIOR, HYDERABAD, KAKINADA, KARAIKUDI, KODUR, KUMBAKONAM, LUCKNOW, MACHILIPATNAM, MADURAI, MUMBAI, NAGPUR, PILER, PONDICHERY, PUNE, RAJAHMUNDRY, SALEM, TANJORE, TIRUNELVELI, TRICHY, VELLORE, VIJAYAWADA & VISHAKAPATNAM.

REGISTERED OFFICE

53, BISHOP GARDEN, OFF GREENWAYS ROAD,
CHENNAI - 600 028.

ADMINISTRATIVE OFFICE

III-B, THIRD FLOOR, KAASHYAP ENCLAVE,
13A, VELACHERY MAIN ROAD,
VELACHERY, CHENNAI - 600 042.

REGISTRAR & SHARE TRANSFER AGENTS

TRIDENT INVESTMENT & PORTFOLIO SERVICES P LTD

4, IV MAIN ROAD, UNITED INDIA COMPANY,
KODAMBAKKAM, CHENNAI - 600 024.

CONTENTS

Notice of the Annual General Meeting	4
Directors' Report	5
Auditor's Report	8
Balance Sheet	10
Profit & Loss Account	11
Schedules	12
Notes on Accounts	17
Cash Flow Statement	20



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the members of the Company will be held on Thursday, the 17th day of September 1998 at 11.00 a.m. at Mini Hall, The Music Academy, 306, TTK Road, Chennai - 600 014 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 1998 together with the Report of Auditors and Directors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. T Gyan Jain, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Swaminathan Sundaram, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint the Auditors and fix their remuneration.

BY ORDER OF THE BOARD
For **RAM KAASHYAP INVESTMENT LIMITED**

DATE : 19.08.98
PLACE: Chennai

T. SHIVAKUMAR
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 16.09.1998 to 22.09.1998(both days inclusive).



DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Fifth Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	1997-98 (Rs.in Lacs)	1996-97 (Rs.in Lacs)
Total Income	783.69	807.39
Less: Expenditure	709.11	593.37
	74.58	214.02
Profit before depreciation & taxes	74.58	214.02
Less: Depreciation	47.61	46.76
Provision for tax	2.83	21.58
	24.14	145.68
Profit after depreciation & tax	24.14	145.68
Add: Profits brought forward from the previous year	85.00	59.55
	109.14	205.23
Profits available for appropriation	109.14	205.23
Appropriations:		
Reserve Fund	4.83	29.14
General Reserve	2.00	11.00
Preference Dividend	5.15	
Interim Dividend		40.00
Final Dividend		36.45
Tax on Dividend	0.51	3.64
Balance Carried Forward	96.65	85.00

DIVIDEND

The Board recommends 15%(pro-rata) dividend to Cumulative Redeemable Preference shareholders. The outgo on this account would be Rs. 5.15 Lacs. In order to augment the reserves, no dividend has been recommended for equity shareholders.

OPERATIONS

The gross disbursements during the year amounted to Rs. 763.17 Lacs compared to Rs. 1612.12 Lacs during the corresponding previous year. The hire purchase and lease disbursements during the year were Rs. 727.17 Lacs and Rs. 36 Lacs(previous year Rs. 1421.12 Lacs and Rs. 191.00 Lacs) respectively.

RESOURCES:

A. BANK LIMITS:

During the year under review, your Company was successful in increasing the borrowings from different Banks from Rs. 506 lakhs to Rs. 1,035 lakhs.

B. FIXED DEPOSITS:

During the year, Credit Analysis and Research Ltd(CARE), has retained the rating of CARE BBB+(FD) indicating "Sufficient Safety"(for timely payment of interest and the principal) of our Fixed Deposit programme.

As of March 31, 1998, 539 deposits amounting to Rs. 59.28 Lacs matured for payment and were due to be claimed or renewed. After close follow-up of repayments/renewals, the figures are currently down to Rs. 37.73 Lacs. Steps are continuously being taken to arrange for repayment/renewal of these deposits.

C. ISSUE OF PREFERENCE SHARES.

To augment the Company's working capital requirements and to fund the existing business activities, the Company issued 15% Cumulative Redeemable Preference shares of Rs. 100/- each and mobilised a sum of Rs. 81.33 Lacs.





D. ISSUE OF SECURED BONDS:

To augment the Company's working capital requirements and to fund the existing business activities, the Company issued Secured Bonds (in the nature of debentures) through private placement to the extent of Rs. 5 Crores and successfully raised a sum of Rs. 1.73 Crores as on March 31, 1998.

FUTURE PROSPECTS

Consequent upon the revised guidelines by RBI, there will be only a few NBFCs' left in the arena. Our Company has already applied to RBI for re-registration. The certification is expected shortly. Simultaneously the Company has decided to prune down the Fixed Deposits to a manageable level so that external pressures are brought down. Already the Company has been successful in increasing the Bank borrowings from Rs. 506 lakhs to Rs. 1,035 lakhs in the past 12 months. With the long term funds firmly in place & pressures due to short term funds substantially reduced, the Company is confident of having steady business in the coming years. The profitability, asset quality and internal management will strengthen the prospects in the coming years. It has been proposed to amalgamate another Company Kaashyap Foundations Limited with Ram Kaashyap Investment Limited in the coming year. If it materialises the Company's Net Worth, asset base and profitability will substantially increase without increase in administrative cost and the merged entity will enjoy higher level of growth and profitability.

DIRECTORS

Mr. T Gyan Jain and Mr. Sailesh R Mehta retire by rotation and being eligible, offer themselves for reappointment. Mr. S Rammaya, Director, resigned from the Board with effect from 31st December 1997. Mr. A Ganesan, Joint Managing Director of the Company, expressed his inability to continue as Joint managing Director with effect from July 1, 1998 in view of his other preoccupations. But, however he continues to be a Director of the Company. The Board wishes to place on record their contribution to the Company during their tenure as Director & Joint Managing Director of the Company respectively.

INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

Your Company has no activity relating to conservation of energy or technology absorption. The Company does not have any foreign exchange earnings or outgo subject to as disclosed in the Notes on Accounts vide Schedule No. 17 of the Financial Statements.

INFORMATION REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

The particulars of employees as per Section 217(2A) of the Companies Act, 1956 are set out in the annexure to the Directors Report which forms part of the report.

AUDITORS:

M/S ALLADI KRISHNAN AND KUMAR, Chartered Accountants; Chennai retire at the ensuing Annual General Meeting and are eligible for reappointment.

As regards the remark by the auditors in the Audit Report vide clause 2(d)(2) the confirmation of debtors, advances and creditors are in the process of reconciliation.

As regards the Internal Control Procedure we are strengthening the Internal Control Procedures. During the period under review your company sold the GOI bonds maintained for the purpose of Liquid Asset Ratio to meet the demand from Fixed Deposit holders towards refund.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the support received from their Bankers and Depositors.

Your Directors also wish to place on record and thank all the employees for their continued effort towards the growth of the Company.

Date : 30.06.98

Place : Chennai

For and on behalf of the Board

A. Venkatramani

Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies(Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31.03.98

SL. No	Name	Age	Designation	Remuneration (Gross)	Qualifications	Experience	Date of commencement of Employment	Particulars of previous Employment
1	A. Venkatramani	41	Managing Director	Rs. 6,84,000/-	B.Com	22 Years	03.12.1993	Executive Director, Shriram Chits(P) Limited
2	A Ganesan	49	Joint Managing Director	Rs. 3,60,000/-	B.Sc., MBA	25 Years	12.10.1996	Sr. Manager(Sales) Videocon International Ltd.
3	N Natarajan	47	President	Rs.4,20,000/-	M.Sc., L.L.B C.A.I.I.B	26 Years	01.11.1996	President, Shasun Finance Ltd.