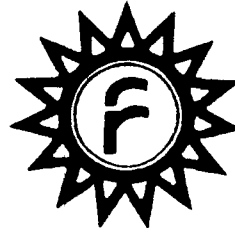


RAASI FINANCE & INVESTMENT LIMITED

Registered Office: - 6-3-596/77/11/G,
Naveen Nagar Colony
Khairatabad (P. O)
Hyderabad - 500 004.

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"/>
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



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RAASI FINANCE & INVESTMENT LIMITED

BOARD OF DIRECTORS

Dr . B. V. Raju
Chairman

Shri K. V. Vishnu Raju
Vice Chairman

Shri N. J. Kamath, I.A.S (Retd.)
Shri B. N. Rathi
Shri K. S. Purohit
Shri N.K.P. Raju
Shri K. Bala Vishnu Raju
Shri K. Narasimha Murthy

Smt Vanitha Datla
Executive Director

Bankers

Andhra Bank
State Bank of Hyderabad
Syndicate Bank
Indian Bank

Auditors

M/s M. Bhaskara Rao & Co.,
5-D, 5th, Somajiguda,
6-3-652, Somajiguda,
Hyderabad - 500 482

Registered Office

6-3-596/77/11/G,
Naveen Nagar Colony,
Khairatabad - P.O.
Hyderabad - 500 004

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RAASI FINANCE & INVESTMENT LIMITED

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of Raasi Finance And Investment Limited will be held on Friday, the 28th November 1997 at 10.00 A.M. at Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad - 500 463 to transact the following Business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Accounts, and the reports of the Directors and the Auditors thereon for the year ended 31st March 1997.
2. To appoint a Director in place of Dr. B.V.Raju who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri. N.J.Kamath who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri K.V.Vishnu Raju who retires by rotation and being eligible, offers himself for reappointment.
5. To confirm interim Dividend.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution.

"RESOLVED THAT the Clause V of the Memorandum of Association of the Company be and is hereby altered as under.

The Authorised Share Capital of the Company is Rs. 7,00,00,000/- (Rs. Seven Crores only) divided into 70,00,000 (Seventy Lacs) equity shares of Rs. 10/- (Rupees Ten Only) each with such rights privileges and conditions attached thereto as may be determined at the General Meeting at the time of its issue. The Company has and shall always have the power to divide the share capital from time to time and to vary, modify and abrogate any rights privileges or conditions attached to the shares in such manner as may for the time being provided in the regulations of the Company."

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

"RESOLVED THAT Clause 5 of the Articles of Association of the Company be and is hereby altered as under.

The Authorised Share Capital of the Company is Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lacs) equity shares of Rs. 10/- (Rupees Ten Only) each."

**RAASI FINANCE & INVESTMENT LIMITED**

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

"RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, subject to the consents, approvals, permissions and sanctions of the Securities Exchange Board of India and any other statutory authorities to the extent necessary, and prescribed or imposed by any of the above mentioned authorities in granting their consent, approval, permission or sanction which the Board of Directors be and is hereby authorised to accept at their sole discretion, the consent of the Company be and is hereby accorded to the Board of Directors to issue/offer on preferential basis 14 Lakhs (Fourteen Lakhs) equity shares of Rs. 10/- each for cash at par out of the Authorised capital of the Company to Raasi Cement Limited as the Board may consider fit on the footing that such equity shares shall rank in all respects pari passu with the existing equity shares in the Company save and except that the said equity shares shall be entitled to such dividend as may be declared at any time after allotment thereof on the amount paid up thereon on prorata basis."

"FURTHER RESOLVED that the Board of Directors be and is hereby authorised to amend, alter, vary or revise the value/quantum of equity shares offered, make further reservations to such other persons out of the above in such manner as may be beneficial to the Company in the event of such amendment, alteration, variation, revision or reservation being considered expedient."

"FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board of Directors of the Company or any committee thereof which the Board may constitute for this purpose, be and are hereby authorised to do all the acts, deeds, matters and things and to take all steps in connection with the above preferential offer including of listing of the new equity shares where the existing equity shares are listed and to give such directions as may be necessary and to settle all questions or difficulties that may arise in such manner as the Board or the said Committee in its absolute discretion may deem fit."

By order of the Board

Place : Hyderabad
Date : 23.10.97

Mrs. Vanitha Datla
Executive Director

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 the Proxy need not be a Member of the Company. The proxy instruments should be deposited at the Registered office of the Company not later than 48 hours before the time for holding the meeting.
2. The Register of Members of the Company will remain closed from 26.11.97 to 27.11.97 both days inclusive.
3. Members are requested to notify any change in their address immediately to the Company.
4. Explanatory statement pursuant to Sec 173(2) of the Companies Act is attached.

**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act 1956)

Item 7.

The present Authorised Capital of the Company is Rs. 500 Lacs and the Subscribed Capital is Rs. 400 Lacs. To enable the Company to make the preferential offer of 14,00,000 equity shares of Rs. 10/- each amounting to Rs. 140 Lacs as stated in item 7 of the Notice, it is necessary to increase the Authorised Capital beyond Rs. 500 Lacs. Therefore it is proposed to increase the Authorised Capital of the Company to Rs. 700 Lacs. Hence clause V of the Memorandum of Association is proposed to be amended as stated in item 1 of the notice. The Board recommends adoption of the resolution. No Director is in any way concerned or interested in the resolution.

Item 8.

Since the Authorised Capital of the Company is proposed to be increased from Rs. 500 Lacs to Rs. 700 Lacs it has become necessary to amend clause 5 of the Articles of Association of the Company. Hence the proposed special resolution. The Board recommends the adoption of the special resolution. No Director is in any way concerned or interested in the special resolution.

Item 9.

To increase the performance and profitability of the Company, it is necessary to infuse further funds into the Company and hence it is proposed to mobilize further funds by way of equity capital by making a preferential offer for Rs. 140 Lakhs as stated in the resolution. The present offer is being made strictly in conformity with the guidelines for preferential offers as prescribed by SEBI. As per the guidelines the issue price works out to around Rs.7/- per share of Rs.10/- each but however the offer is made at Rs.10/- per share i.e. at par. The offer price arrived at is advantageous to the Company compared to the calculation to be adopted as stipulated in the guidelines. Presently M/s.Raasi Cement Ltd., is holding 5% of the subscribed equity capital of the Company which will increase to 29.63% after the preferential allotment is made. Approval of the Members by means of a special resolution is sought as stipulated in Sec 81 of the Companies Act, listing agreements with Stock Exchanges and the prevailing rules and regulations applicable to the issue.

The proposed preferential offer will not result in any change in the Board of Directors and control over the Company.

The Certificate of the Company's Auditors certifying that the preferential issue of the above shares is being made in accordance with prevailing guidelines will be available for inspection by the Members at the meeting.

Members may kindly consider and approve the preferential offer as recommended in Item 7 of the resolution. The Board recommends adoption of the special resolution. No Director is any way concerned or interested in the special resolution.



RAASI FINANCE & INVESTMENT LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 13th Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31st March, 1997.

FINANCIAL RESULTS

	1997 (Rs.)	1996 (Rs.)
Profit/(Loss) before Tax	102,52,877	87,17,824
Provision for Taxation	(35,20,500)	(13,59,000)
Profit/(Loss) after Tax	67,32,377	73,58,824
Prior Year Taxation	(10,34,509)	(29,37,639)
Prior Year Adjustments	(35,114)	—
Profit after Taxation	56,62,754	44,21,185
Add: B/F Profit/(Loss) from previous years.	1,27,186	(8,83,831)
Profit available for appropriation	57,89,940	35,37,354
Transfer to reserve Fund	11,32,500	—
Interim Dividend	36,32,569	34,10,168
General Reserve	10,25,000	10,25,000
Corporate Dividend Tax	3,63,257	—
Balance Carried to Balance Sheet	6,61,614	1,27,186

DIVIDEND

Your Directors have already declared for the year 1996-97 an interim dividend of 10% and do not propose to recommend any further dividend for the year 1996-97, taking into account the financial position of the Company.

OPERATIONS

The Company has made a turnover of Rs. 255.76 Lakhs under Lease, Hire Purchase, Investments and Bills Discounting. The Reserve Bank of India has stipulated new guidelines for the Non Banking Finance Companies, under which the Finance Companies are required to register themselves with RBI. Your company has also filed the necessary application with RBI, for registration. For the year 1997-98 the Company proposes to increase the volume of business under bills discounting.

DEPOSITS

The aggregate deposits in your Company as on 31.03.1997 stood at Rs. 1.97 Crores (Previous Year 1.61 Crores). At the close of the year 19 deposits aggregating to Rs. 0.93 Lakhs remained unclaimed, out of which Rs. 0.92 have been subsequently renewed upto the date of this report.



RAASI FINANCE & INVESTMENT LIMITED

DIRECTORS

In accordance with the requirement of the Companies Act, 1956, and the Articles of association of the Company, Your Directors Dr.B.V. Raju, Sri N.J.Kamath and Sri. K.V.Vishnu Raju retire by rotation and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

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

Read with Companies (Particulars of Employees) Rules, 1975.

Name	Designation	Age	Quali- fication	Date of Commen- cement of Employment	Remuneration Rs.
Mrs. Vanitha Datla	Executive Director	30	C.F.A M.B.A	09.12.94	3,32,250

NOTES:

1. Nature of employment of the above is non-contractual.
2. The above employee is related to Dr. B.V.Raju & Sri K.V.Vishnu Raju, Directors of the Company.

REPLIES TO AUDITORS COMMENTS

- a) With regard to maintenance of liquid assets the company has maintained the same on public deposits in full but however the same in respect of deposits such as inter corporate deposits etc., fall short which the company is in the process of regularizing.
- b) As regards exceeding the limits for accepting public deposits, the same has since been brought within limits subsequently.

AUDITORS

M/s. M. Bhaskara Rao & Co., Chartered Accountants, who are the Auditors of the Company, retire at the close of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

COMPANIES (DISCLOSURE OR PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

- A. Conservation of Energy (a to d) : Not applicable.
- B. Technology absorption (e) : Not applicable.

**RAASI FINANCE & INVESTMENT LIMITED****C. Foreign Exchange Earnings and outgo**

- f). Activities relating to exports : Not applicable.
g). Total foreign exchange used and
earned foreign exchange outgo : Nil.

ACKNOWLEDGEMENTS

Your Directors place on record, their deep appreciation for the co-operation extended by the Central & State Governments, the Company's Bankers, Andhra Bank, Indian Bank, Syndicate Bank, State Bank of Hyderabad and the investors of the Company and look forward to their continued patronage.

The Directors wish to place on record their sincere appreciation of the dedicated services rendered by all the employees of the Company.

By order of the Board

Dr. B.V. RAJU
Chairman

Place : Hyderabad
Date : 23.10.1997

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