

RAJMATA INVESTMENTS AND FINANCE LIMITED

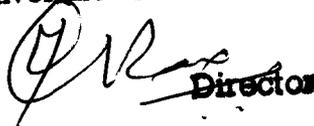
ANNUAL REPORT

2004-2005

Regd. Office:

305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad-500029.

Rajmata Investments and Finance Ltd


Director

RAJMATA INVESTMENTS AND FINANCE LIMITED

305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad-500029.

BOARD OF DIRECTORS

M. VENKATESWARA RAO
DIRECTOR

B.V.RAJA
DIRECTOR

M. RAMESH KUMAR
DIRECTOR

SURYARAJ KUMAR
DIRECTOR

AUDITORS:

P.R.V.ASSOCIATES
Chartered Accountants,
3-6-203, Ground Floor,
Himayatnagar, Hyderabad,
A.P.: 500 029.

NOTICE

Notice is hereby given that the **24th Annual General Meeting** of the Members of the **RAJMATA INVESTMENTS AND FINANCE LIMITED** will be held on Friday the **30th day of September 2005** at 3.00 p.m. at **305, Bluechip Arcade, Himayatnagar, Hyderabad- 500029** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2005 and the Profit and Loss Account for the financial year ended as on that date and the Report of Directors' and Auditors thereon.
2. To appoint a Director in place of **Mr. B.V.Raja**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold office as such from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT **Mr. Suryaraj Kumar**, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 by the Board w.e.f.20th August 2005 and who holds office as such upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing ~~his~~ candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation."

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and a proxy need not to be a Member of the Company.** The Proxy form duly filled in should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the Meeting. All alterations/ corrections made in the form of Proxy should be initialed by the Member

2. The Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the items of Special business under item no. 4 is annexed hereto.
3. Members are requested to bring their copies of Annual Report to the Meeting.
4. The Register of Members and Share Transfer Books shall remain closed on 29th and 30th September 2005.
5. Members / Proxies to bring the Attendance Slip sent herewith duly filled in for attending the Meeting.

FOR AND ON BEHALF FO THE BOARD

Sd/-
M. VENKATESWARA RAO
Director

Place: Hyderabad
Date: 07.09.2005

EXPLANATORY STATEMENT

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

Item No.4:

The members may note that **Mr. Suryaraj Kumar** was introduced into the Board as an Additional Director of the Company with effect from **20th August 2005**, pursuant to Section 260 of the Companies Act, 1956. He holds the office as such up to the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from a member of the Company along with a deposit of Rs 500/-, conveying his intention to propose the candidature of Mr. Suryaraj Kumar as Director of the Company under Section 257 read with Section 190 of the Companies Act, 1956. The period of said Director shall be liable to be determined by retirement of Directors by rotation.

Hence the resolution is commended for your approval.

None of the Directors of the Company except Mr. Suryaraj Kumar, is concerned or interested in the resolution.

FOR AND ON BEHALF OF THE BOARD

Sd/-
M. VENKATESWARA RAO
Director

Place: Hyderabad
Date: 07.09.2005

DIRECTORS REPORT

Your Directors have pleasure in presenting the **24th Annual Report** along with the Audited Accounts of the Company for the year ended **31st March 2005**.

FINANCIAL RESULTS:

During the year under review your company has suffered a loss of Rs.61,469 as compared to a loss of Rs.1,37,791 for the previous year. The loss primarily represents routine administrative expenses incurred by the company towards maintenance of day to day affairs. Secondly, the company did not generate any revenue due to nil business activities.

Despite several efforts, during the last financial year, the company could not carry out any business operations. The company has planned to diversify into other viable areas like entertainment, media and health care industry etc. It is expected that the company shall commence some business activity in the ensuing financial year.

DIVIDEND:

As the Company has not carried out any business activity during the financial year 2004-05, the Directors do not recommend any dividend for the said financial year.

DIRECTORS:

Mr. B.V.Raja, is liable to retire by rotation and being eligible, offers himself for re-appointment.

During the year under review, the Board appointed **Mr. Suryaraj Kumar** as Additional Director. The Company has received a Notice, complying with the provisions of 257 & 190 of the Act, proposing the candidature of Mr. Suryaraj Kumar as Director of the Company whose period of office is determinable by retirement of Directors by rotation.

The relevant resolutions are proposed for your approval.

AUDITORS:

M/s. PRV Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting.

A Special Notice in terms of Section 190 has been received U/s 225 (1) of the Companies Act, 1956, proposing the appointment of **M/s R.P.Madhu & Co.**, Chartered Accountants, Chennai as Statutory Auditors of the Company in place of **M/s. PRV Associates**, Chartered Accountants.

The retiring Auditors informed the Company that they have no representation to be made to the company in this regard and expresses their inability to continue as such for further period.

The Company has received a certificate from M/s R.P.Madhu & Co., Chartered Accountants, Chennai, that their appointment if made will be well within the limits laid down under Section 224(1) (B) of the Companies Act, 1956.

The Board recommends their appointment as the Statutory Auditors of the Company.

EXPLANATION TO AUDITORS OBSERVATIONS:

- With reference to Clause (ii) (e) in the Auditors Report, it may be noted that:

Both Mr. K. Srinivas Gupta and Mr. K.C.K.A. Gupta have not furnished declarations as required U/s 274(1)(g) of the Companies Act, 1956. Further both of them have ceased to be the Directors of the Company by virtue of 283(1)(g) of the Companies Act, 1956 w.e.f. 30th July 2005. As such the company has not provided any written representation about their disqualification to the Auditors of the Company.

- With reference to Clause (ii) (f) in the Auditors Report, it may be noted that:

as a matter of policy, the company provides for retirement benefits as and when incurred and therefore such expenses are maintained on cash basis but not on accrual basis.

- Clause i b) in the Annexure to the Auditors Report is self explanatory and needs no further explanation.
- With reference to Clause x) in the Annexure to the Auditors Report, it may be noted that:

the accumulated losses are being carried forward from previous years. It was expected that the Company shall commence operations during the year and be able to post positive results. Since, the Company could not do any business during the current year, the company could not wipe out earlier losses. Since it did not have any income, the minimum fixed revenue expenditure incurred during the year turned out to be the cash loss for the year.

FIXED DEPOSITS:

During the year under review, the Company did not accept or renew any deposits falling within the purview of Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are to be furnished U/s 217(2A) of the Companies Act, 1956 read with Companies Act (Particulars of employees) Rules 1975, as the remuneration of none of the employees has crossed the limits as specified under the above Section i.e. of Rs.2,00,000 per month or Rs. 24,00,000 per annum.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the year ended 31st March, 2005, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures:
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 ended 31st March, 2005 and of the loss of the Company for that period:
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors have prepared the annual accounts on a going concern basis for the financial year 2004-2005.

COMPLIANCE CERTIFICATE:

As the members are aware, **M/s. P.S.Rao & Associates**, Company Secretaries have been appointed to issue the Compliance Certificate for the financial year 2004-2005. In this regard, the company has obtained the Compliance Certificate for the financial year 2004-2005 and a copy of the same is attached herewith.

LISTING:

The members may note that the Company's Shares continues to be listed on the Stock Exchange, Mumbai. The Company has paid the Listing Fees for the financial year 2005-06.

CORPORATE GOVERNANCE:

It may be noted that the Company is not mandatorily required to implement the principles of Corporate Governance as prescribed under Clause 49 of the Listing

Agreement. However, the Company has initiated steps in the direction of implementing the code of Corporate Governance to the extent possible.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is annexed as an Annexure to this Report.

ACKNOWLEDGEMENTS:

Your Directors express their profound gratitude for the support and confidence reposed by the Bankers, Financial Institutions, Shareholders & Customers. Further, your Directors also wish to place on record their sincere appreciation to the employees at all levels for the continued contributions made by them towards the growth of the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-
M.Venkateswara Rao
Director

Sd/-
M.Ramesh Kumar
Director

Place: Hyderabad
Date: 07.09.2005

ANNEXURE TO THE DIRECTORS REPORT

Information under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of Directors Report as under:

A. Conservation of Energy

Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods: N.A.

B. Technology Absorption

FORM B:

(Disclosure of particulars with respect to technology absorption to the extent applicable)

1. Research And Development (R&D) : Nil

2. Technology Absorption, Adaptation and innovation : Nil

C. Foreign Exchange Earnings and Outgo

The Company is not engaged in export / import activities. Hence information under this head is Nil

Earnings : Nil
Outgo : Nil

For and on behalf of the Board of Directors

**Sd/-
M.Venkateswara Rao
Director**

**Sd/-
M.Ramesh Kumar
Director**

Place: Hyderabad
Date: 07.09.2005

P. S. RAO & ASSOCIATES
Company Secretaries

307, 5th Floor, Liberty Plaza
3-6-365, Basheerbagh
Hyderabad – 29
Tel No.040-55169470

FORM
(See Rule 3)
COMPLIANCE CERTIFICATE

Reg. No. of the Company	01-39833
Authorised Capital	Rs 25.00.000/-
Paid-up Capital	Rs 24.00.000/-

To
The Members,
RAJMATA INVESTMENTS AND FINANCE LIMITED
301, Bluechip Arcade, 3-6-111,
Himayatnagar,
Hyderabad-500029

We have examined the registers, records, books and papers of **RAJMATA INVESTMENTS AND FINANCE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2005. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure A** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been recorded pertaining to the financial year 2004-05
2. The Company has not filed any forms or returns with the Registrar of Companies, A P / Regional Directors / Company Law Board during the financial year 2004-05
3. The Company being a Public Limited Company, has the prescribed paid up capital
4. As per the Certificate issued by the Director of the Company and on verification of the Minutes of the meetings of the Board of Directors, the Directors duly met six times on 30.04.2004, 31.07.2004, 30.08.2004, 30.10.2004, 31.01.2005 and 14.02.2005, in respect of which meetings notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from 26.09.2004 to 29.09.2004 (both days inclusive), during the financial year under review. However provision of Section 154 with regard to issue of advertisement has not been complied with
6. The Annual General Meeting of the Company for the financial year ended on 31st March, 2004 was held on 29.09.2004 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year under review

8. As per the explanation and declaration given by the management, the Company has not advanced any loans to its Directors and/or the persons or firms or companies referred to under Section 295 of the Act during year under review
9. As per the explanation and declaration given by the management, the Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year under review.
10. The Company has not made any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, during the financial year under review the company was not required to obtain any approval from the Board of Directors, members and previous approval of the Central Government
12. The Company has not issued any duplicate share certificates during the financial year under review.
13. The Company has
 - a. In-house facility for transfer of shares. As such based on the information furnished by the officers of the Company, it has delivered all the certificates on transfer of shares in accordance with the provisions of the Act
 - b. not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
 - c. not posted any warrants to any member of the Company as no dividend was declared during the financial year.
 - d. no amounts lying with it in unpaid dividend account or any application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years or more.
 - e. complied with requirements of Section 217 of the Act for the financial year under review.
14. The Board of Directors of the Company is duly constituted. There were no appointments of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year under review.
15. The Company has not appointed any Whole-time Director / Managing Director / Manager during the financial year under review.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. There were no instances wherein the Company has obtained any approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities under the various provisions of the Act during the financial year under review
18. The Directors did not enter into any contracts or arrangements falling within the provisions of Section 297 / 299 of the Act and as such did not disclose their interest in other firms/Companies to the Board of Directors during the year under review.

19. The Company has not issued / allotted any shares during the financial year under review
20. The Company has not bought back any shares during the financial year under review
21. There was no redemption of Preference Shares / Debentures during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares
23. The Company has not invited any deposits falling within the purview of Section 58A of the Act, during the year under review.
24. The Company has not borrowed any amount from its Directors, members, public financial institutions, banks and others during the financial year falling within purview of Section 293(1)(d) of the Act.
25. The Company has not made any loans / investments to other bodies corporate during the year under review falling within the purview of the Section 372A of the Companies Act, 1956.
26. The Company has not altered the provisions of the memorandum with respect to situation of its registered office from one state to another during the financial year under review
27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under review
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital during the year under scrutiny
30. The Company has not altered its Articles of Association during the year under scrutiny
31. As per the information given by the Directors, there were no prosecutions initiated against or show cause notices received by the Company, during the financial year 2004-05 for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The provisions of Section 418 of the Act are not applicable to the company

For P S Rao & Associates.
Company Secretaries

Sd/-
Vikas Sirohiya
Company Secretary
C.P. No.: 5246

PLACE: HYDERABAD
DATE : 07.09.2005

ANNEXURE A

**STATUTORY REGISTERS AS MAINTAINED BY THE COMPANY DURING THE FINANCIAL
YEAR 2004-05**

1. Register of Directors' U/s 303
2. Register of Directors' Shareholdings U/s 307
3. Register of Members U/s 150
4. Minutes of Board Meetings U/s 193
5. Minutes of Annual and Extra-Ordinary General Meetings U/s 193
6. Registers of contracts, firms and Companies in which Directors are interested
U/s 301(3) – Nil entry

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of **RAJMATA INVESTMENTS AND FINANCE LIMITED**, as at 31st MARCH, 2005 and also the annexed Profit and Loss Account, cash flow statement of the Company for the year ended on that date annexed thereto. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- i) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company, as we considered appropriate, we enclose in the annexure a statement on the matters specified in the said order.
- ii) Further to the comments in the Annexure referred to in Paragraph (i), we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of account.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from three of the directors namely (a) Mr. M. Venkateswara Rao (b) Mr. M. Ramesh Kumar and (c) Mr. B.V. Raja were taken on record by the Board of Directors, we report that the aforesaid three directors are not disqualified as on 31st March, 2005 from being appointed as director in terms of clause (g) Section 274 of sub-section 1 of the Companies Act, 1956. In respect of the other directors namely (a) Mr. K. Srinivas Gupta and (b) Mr. K.C.K.A. Gupta, we are unable to comment, as no written representations have been received from them.
 - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts and subject to non provision of gratuity, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- 1) in the case of the **Balance Sheet**, of the state of affairs of the Company as at March 31, 2005 and
- 2) in the case of the **Profit and Loss Account**, of the loss of the Company for the year ended as on that date.
- 3) in the case of **cash flow statement** for the year ended as on that date.

For **PRV ASSOCIATES,**
CHARTERED ACCOUNTANTS,

Sd/-
S. Ramnath
Partner

PLACE: HYDERABAD.
DATE: 07-09-2005

**ANNEXURE TO THE AUDITORS REPORT TO THE MEMBERS OF
RAJMATA INVESTMENTS AND FINANCE LIMITED
REFERRED TO IN PARA 1 THEREOF:**

i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed of any major part of the plant and machinery.

ii) The Company does not have any inventory, therefore the question of reporting does not arise.

iii) The company has not taken any loan from companies covered in the register maintained under section 301 of the Companies Act, 1956.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi) The company has not accepted any deposits as defined under sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits Rules, 1975.

vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the Company.

ix) (a) There are no statutory dues payable including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax custom duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at March 31st, 2005 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

x) The Company has accumulated losses at the end of the financial year for Rs.23,29,206/- (previous year Rs.21,91,415/-) and it has incurred cash losses of an amount of Rs.61,452/- in the current year and immediately preceding financial year Rs.47,914/-

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank of debenture holders.

xii) We are of the opinion, as there are no loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

xv) In our opinion, the company has not given any guarantees for loans taken by others from banks or financial institutions.

xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment and vice-versa.

xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.

xx) The company has not raised money by way of public issues.

xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **PRV ASSOCIATES,**
CHARTERED ACCOUNTANTS.

Sd/-
S. Ramnath
Partner

PLACE: HYDERABAD.
DATE: 07-09-2005

**RAJMATA INVESTMENTS & FINANCE LIMITED
HYDERABAD**

BALANCESHEET AS ON 31st MARCH 2005

	SCH NO	AS ON 38442.00 RS	AS ON 38077.00 RS
SOURCES OF FUNDS			
SHARE CAPITAL			
AUTHORISED CAPITAL			
(250000EQUITY SHARES OF RS 10/- EACH	I	<u>2500000.00</u>	<u>2500000.00</u>
ISSUED, SUBSCRIBED AND PAIDUPCAPITAL			
240000 EQUITY SHARES OF RS.10/- EACH FULLY PAIDUP		2400000.00	2400000.00
		<u>2400000.00</u>	<u>2400000.00</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	II	3025.00	3025.00
LESS DEPRECIATION		<u>2945.89</u>	<u>79.11</u>
			2928.41
			96.59
CURRENT ASSETS, LOANS&ADVANCES			
CASH&BANK BALANCES	III	40045.00	101497.00
STOCK IN TRADE	IV	0.00	0.00
		<u>40045.00</u>	<u>101497.00</u>
LESS:CURRENT LIABILITIES&PROVISION			
NET CURRENT ASSETS	V	<u>30800.00</u>	<u>30800.00</u>
		9245.00	70697.00
PROFIT&LOSS ACCOUNT			
	VI	2390675.89	2329206.41
		<u>2400000.00</u>	<u>2400000.00</u>

For PRV ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Sd/-
S. Ramnath
Partner

Sd/-
M.Venkateswara Rao
Director

Sd/-
M.Ramesh Kumar
Director

Place: Hyderabad
Date:07/09/2005

RAJMATA INVESTMENTS & FINANCE LIMITED
HYDERABAD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005

	SCH NO	FOR THE YEAR ENDED 31-03-2006 RS	FOR THE YEAR ENDED 31-03-2004 RS
INCOME			
INCREASE(DECREASE) IN STOCKS	VII	0.00	-89855.85
		<u>0.00</u>	<u>-89855.85</u>
EXPENDITURE			
ADMINISTRATIVE EXPENSES	VIII	61452.00	47914.00
DEPRECIATION	II	17.48	21.35
		<u>61469.48</u>	<u>47935.35</u>
LOSS FOR THE YEAR		-61469.48	-137791.20
BALANCE BROUGHT FORWARD(P&L)		-2329206.41	-2191415.21
BALANCE CARRIED FORWARD TO BALANCESHEET		<u>-2390675.89</u>	<u>-2329206.41</u>

The Schedules referred to above from an integral part of the Profit and Loss account
As per our report attached to the Balancesheet.

For PRV ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
S. Ramnath
Partner

For and on behalf of the Board

Sd/-
M.Venkateswara Rao
Director

Sd/-
M.Ramesh Kumar
Director

Place: Hyderabad
Date:07/09/2005

**RAJMATA INVESTMENTS & FINANCE LIMITED
HYDERABAD**

SCHEDULES FORMING PART OF BALANCE SHEET

	SCH NO	AS ON 31-03-2005 RS	AS ON 31-03-2004 RS
SHARE CAPITAL			
I			
AUTHORISED CAPITAL 250000 EQUITY SHARES OF RS 10/- EACH		<u>2500000.00</u>	<u>2500000.00</u>
ISSUED, SUBSCRIBED AND PAIDUPCAPITAL			
24000EQUITY SHARES OF RS 10/- EACH FULLY PAID UP		2400000.00	2400000.00
		<u>2400000.00</u>	<u>2400000.00</u>
CURRENT ASSETS, LOANS AND ADVANCES			
CURRENT ASSETS			
CASH AND BANK BALANCES			
CASH IN HAND	III	40045.00	101497.00
STOCK IN TRADE	IV	0.00	0.00
		<u>40045.00</u>	<u>101497.00</u>
SUNDRY CREDITORS			
MUMBAI STOCK EXCHANGE	V	20000.00	20000.00
PRV ASSOCIATES		10800.00	10800.00
		<u>30800.00</u>	<u>30800.00</u>
PROFIT AND LOSS ACCOUNT	VI	-2390675.89	-2329206.41
PROFIT AND LOSS ACCOUNT		<u>-2390675.89</u>	<u>-2329206.41</u>

For and on behalf of the Board

Sd/-
M.Venkateswara Rao
Director

Sd/-
M.Ramesh Kumar
Director

SCHEDULE-II**FIXED ASSETS (AS PER COMPANIES ACT)**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	% OF DEP	AS AT 4/1/04	ADDITIONS/ ADJUSTMENT DURING THE YEAR	AS AT 3/31/05	AS AT 4/1/04	FOR THE YEAR	AS AT 3/31/05	AS AT 3/31/05	AS AT 3/31/04
		RS				RS	RS	RS	RS
FURNITURE & FIXTURES	18.10%	3025	0	3025	2928.41	17.48	2945.89	79.11	96.59
TOTAL		3025	0	3025	2928.41	17.48	2945.89	79.11	96.59

For and on behalf of the Board

Sd/-
M.Venkateswara Rao
DirectorSd/-
M.Ramesh Kumar
Director

**RAJMATA INVESTMENTS & FINANCE LIMITED
HYDERABAD**

RULES FORMING PART OF PROFIT & LOSS ACCOUNT

	SCH NO	FOR THE YEAR ENDED	
		31-03-2005	31-03-2004
		RS	RS
INCREASE (DECREASE) IN STOCKS	VII		
OPENING STOCK		0	89855.85
CLOSING STOCK		0	0
		<u>0</u>	<u>-89855.85</u>
ADMINISTRATIVE EXPENSES	VIII		
RENT		24000.00	13000.00
BOARD MEETING EXPENSES		3000.00	3000.00
BANK CHARGES		40.00	0.00
POSTAGE		1560.00	829.00
PRINTING & STATIONARY		4242.00	3185.00
CONSULTANCY FEE		4500.00	3000.00
RQC FEE		8600.00	9500.00
LISTING FEE		10000.00	10000.00
AUDIT FEE		5510.00	5400.00
		<u>61452.00</u>	<u>47914.00</u>

For and on behalf of the Board

Sd/-
M.Venkateswara Rao
Director

Sd/-
M.Ramesh Kumar
Director

RAJMATA INVESTMENTS AND FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2004-2005

	Rs.	Rs.
1) Operating Activities		
Net Profit as per Profit & Loss Account		-61469.48
Add Non Cash Charges		
1) Depreciation	17.48	17.48
		-61452.00
2) Add/Less Investing Activities		0.00
3) Add/Less Financing Activities		0.00
Net Cash Flow		-61452.00
Add: Opening Balance of Cash		101497.00
Closing Balance of Cash		40045.00

For and on behalf of the Board

Sd/-
M.Venkateswara Rao
Director

Sd/-
M.Ramesh Kumar
Director

RAJMATA INVESTMENTS AND FINANCE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A) Significant Accounting Policies

1. Basis of Preparation of financial statements

The financial statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India.

2. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction and are stated at their historical cost. Cost includes inward freight, duties, taxes and other attributable costs. Pre-operational expenses are allocated to buildings, plant and machinery, furniture and fixtures on a pro-rata basis.

3. Depreciation.

Depreciation is provided at the rates prescribed in schedule XIV of the Companies Act, 1956 under written down value method.

4. Stock-in-trade.

All the trading investments are valued at Cost or Market value which ever is lower

5. Recognition of Income & Expenditure.

Income & Expenditure are recognized on their accrual except in respect of claims, dividends or any other income wherein collection is not reasonably certain.

6. Provision for Tax & Deferred Tax.

No provision is made for Income Tax and Deferred Tax since the Company is in Losses

7. Other Accounting Policies.

There are consistent with generally accepted accounting principles

B) Notes on Accounts:

1. Previous year figures have been regrouped/rearranged wherever necessary to compare with current year figures.

RAJMATA INVESTMENTS AND FINANCE LIMITED

Balance Sheet Abstract and Company's General Business Profile

Registration No.
 Balance Sheet Date
Date Month Year

State Code

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Bonus Issue

Right Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities

Source of Funds:

Paid-up Capital

Secured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Total Assets

Reserves & Surplus

Unsecured Loans

Investments

Misc. Expenditure

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

+ - Profit/Loss Before Tax

(Please tick appropriate Box + for Profit, - for Loss)

Total Expenditure

Profit/Loss After Tax

Earning Per Share in Rs.

Dividend rate %

V. Generic Names of Three Principal Products/Services of Company

Item Code No.

(ITC Code)

Product Description

I	N	V	E	S	T	M	E	N	T	S		A	N	D		F	I	N	A	N	C	E
E	N	T	E	R	T	A	I	N	M	E	N	T		A	N	D		A	M	U	S	E
M	E	N	T	S																		

For and behalf of the Board

M. Venkateswara Rao
Director

M. Ramesh Kumar
Director

Place: Hyderabad.

Date: 07/09/2005

ATTENDANCE SLIP

RAJMATA INVESTMENTS AND FINANCE LIMITED

Regd. Office: 305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad-500 029.

1. Please fill this attendance slip and hand it over at the entrance of the Meeting Hall.
2. Only shareholders of the Company or their Proxies will be allowed to attend the Meeting.

I hereby record my presence at the 24th Annual General Meeting of the Shareholders of the Company, held on Friday the 30th September 2005 at 3 p.m. at 305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad – 500 029.

Shareholder's/Proxy's Signature: _____

Shareholder's/Proxy's Full Name: _____
(in block letters)

Folio No: _____

REVENUE
STAMP

No. of Shares Held: _____

PROXY FORM

RAJMATA INVESTMENTS AND FINANCE LIMITED

Regd. Office: 305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad-500 029.

I / We _____ being a member of RAJMATA INVESTMENTS AND FINANCE LIMITED, hereby appoint Mr./Mrs. _____ S/o, D/o, W/o _____ or failing him/her Mr./Mrs. _____ S/o, D/o, W/o _____ as my /our proxy to vote on my/our behalf at the 24th Annual General Meeting of the Shareholders of the Company, to be held on Friday, the 30th September 2005 at 3 P. M. at 305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad – 500 029.

Witness: _____

REVENUE
STAMP

Folio No: _____

No. of Shares Held: _____

Note: Proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.