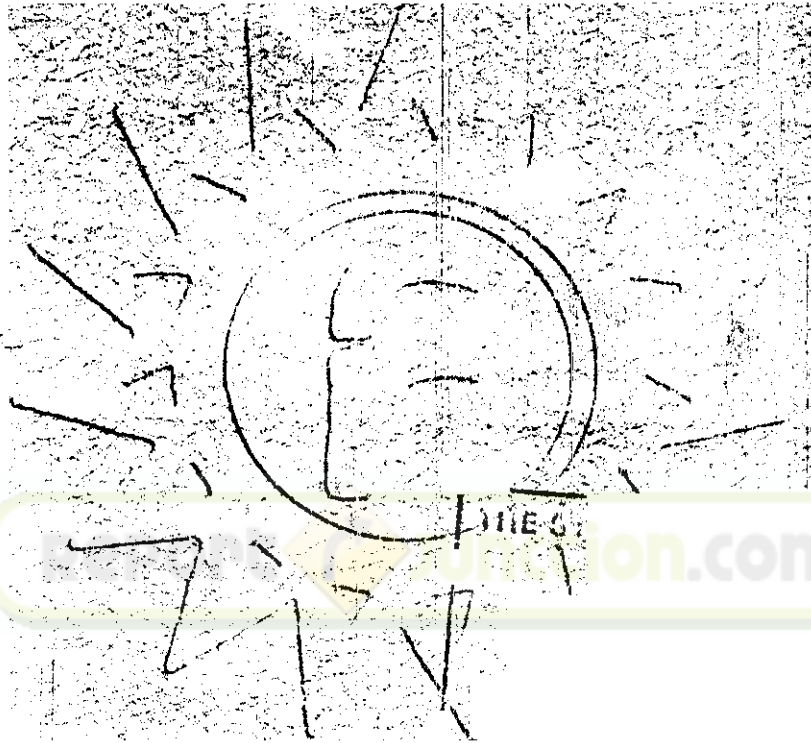




RAASI FINANCE & INVESTMENT LIMITED

8-2-120/112/A/158.16, Road No. 2, Jubilee Hills,
HYDERABAD - 500 031.



16th

Annual Report 1999-2000



RAASI FINANCE & INVESTMENT LIMITED

BOARD OF DIRECTORS

Dr.B.V.Raju
Chairman

Shri K.V.Vishnu Raju
Vice Chairman

Shri K.L.Narasimham
Executive Director

Shri M.Ravindra Varma
Director

Shri B.V.N.Satyanarayana Raju
Director

Shri K.Bala Vishnu Raju
Director

Shri B.Anji Raju
**Vice President (Finance) &
Company Secretary**

Bankers
Andhra Bank
Indian Bank

Auditors
M/s.Bhaskara Rao & Co.,
5-4, 5th Floor, Kattilya,
6-3-652, Somajiguda
Hyderabad - 500 482.

Registered Office
8-2-120/112/A/15 & 16,
Road No.9, Jubilee Hills,
Hyderabad - 500 033.



RAASI FINANCE & INVESTMENT LIMITED

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on 18th August, 2000 at 10.30 AM at Bhaskara Auditorium, Birla Museum, Adarsh Nagar, Hyderabad - 500 463, to transact the following items of business:

ORDINARY BUSINESS

01. To receive, consider and adopt the Annual Accounts and the reports of the Directors and the Auditors thereon for the year ended 31st March, 2000.
02. To appoint a Director in place of Shri.K.Bala Vishnu Raju who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Shri.B.V.N.Satyanarayana Raju who retires by rotation and being eligible, offers himself for re-appointment.
04. To confirm the Interim Dividend declared as Final Dividend on Equity Shares.
05. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

06. APPOINTMENT OF EXECUTIVE DIRECTOR:

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

"RESOLVED THAT pursuant to Sections 198, 269, 309,310 and other applicable provisions if any, of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956, subject to the approvals as may be necessary, consent and approval of the Members be and is hereby accorded for appointment of Shri.K.L.Narasimham as Executive Director of the Company for the remaining term of his appointment with effect from 01.01.2000 to 31.12.2002:

"FURTHER RESOLVED THAT the remuneration of Shri K.L.Narasimham be fixed on the following terms and conditions:

- | | |
|------------------------------|--|
| 01. PERIOD | : From 01.01.2000 to 31.12.2002 |
| 02. SALARY | : Rs.9,000/- per month |
| 01. PERQUISITES | |
| i) Housing | : House rent allowance of Rs.3,000 per month |
| ii) Medical Reimbursement | : Not exceeding one-month salary per annum. |
| iii) Leave Travel Concession | : For self and family once in a year not exceeding one-month salary per annum. |
| iv) Provident Fund | : As per the rules of the Company." |



RAASI FINANCE & INVESTMENT LIMITED

07. SHIFTING OF REGISTERED OFFICE :

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

"RESOLVED THAT pursuant to Section 146(2) of the Companies Act, 1956 the Registered Office of the Company situated at 8-2-120/112/A/15 & 16, Road No.9, Jubilee Hills, Hyderabad - 500 033 be shifted to Flat No.101, SITA TOWERS, A S R Nagar, J P Road, Bhimavaram - 534 202, West Godavari(Dist) on or after 1st September, 2000

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary to give effect to this resolution".

08. ALTERATION OF MEMORANDUM OF ASSOCIATION :

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

"RESOLVED THAT pursuant to Section 17 and other applicable provisions, if any of the Companies Act, 1956, Clause III (A) of the Memorandum of Association pertaining to the Main Objects of the Company be and is hereby altered by way of addition of the following sub clause 10 after sub clause 9.

Sub-Clause 10 :

To purchase, acquire, take on lease or in exchange or in any other lawful manner any area, land, buildings, structures, apartments, houses, flats, rooms, huts, godowns, or other accommodation and turn the same into account, develop the same, lay out, construct, build, residential and commercial complexes, student hostel buildings, townships, apartments, equip the same with all amenities, take up architectural work of any kind and to prepare estimates, designs, plans, specifications or models therefor, erect, demolish, re-erect, alter, repair, remodel or do any other work in connection with any building scheme, to own, to lease, to let or dispose of the same in full or in part on installment basis, hire purchase basis or by outright sale or by any other mode of disposition.

For RAASI FINANCE & INVESTMENT LIMITED.,

Place : Hyderabad

B.ANJI RAJU

Date : 30.06.2000

Vice President (F) & Company Secretary

NOTES:

01. 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.
02. The Register of Members of the Company will remain closed from 16.08.2000 to 18.08.2000 both days inclusive.
03. Members are requested to notify any change in their address immediately to the Company.



RAASI FINANCE & INVESTMENT LIMITED

EXPLANATORY STATEMENT PURSUANT TO THE PROVISION OF SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM 6

The Board of Directors in its meeting held on 05.01.2000 appointed Shri K.L.Narasimham as Executive Director for a period of 3 years (01.01.2000 to 31.12.2002) at a remuneration mentioned in the Resolution which is in accordance with the provisions of Schedule XIII of the Companies Act, 1956. This requires approval of members by way of Resolution passed in a General Meeting.

None of the Directors of the Company are interested in the resolution except Shri K.L.Narasimham

ITEM 7

The Registered Office of the Company at present is situated at Hyderabad. The Company is proposing to take up the real estate and construction activity at Bhimavaram and other surrounding areas. It will be administratively more convenient and also there will be effective supervision of the substantial business of the Company, if the Registered Office is shifted to Bhimavaram. The majority of the shareholders of the Company also belong to Bhimavaram and surrounding areas. Pursuant to the provisions of Sections 146(2) of the Companies Act, 1956 the shifting of the Registered Office outside the local limits of Hyderabad require the approval of shareholders by way of Special Resolution. The Board recommends the same for your approval.

None of the Directors of the Company interested in the resolution.

ITEM 8

The Company has been carrying on the business of Non-Banking Finance Company and is carrying on finance and investment activity as authorised by the Objects clause of the Memorandum of Association and Reserve Bank Of India. The Board of Directors of the Company keeping in view the growth potential, value additions in the Shareholders and the available market opportunities felt it beneficial that the Company should diversify into construction and real estate activity. It is proposed to alter the Objects clause and insert an additional clause with a view to confer the power in more explicit terms to undertake such activity. Pursuant to the provisions of Section 17 of the Companies Act, 1956 the alternations of the objects clause requires the approval of shareholders by way of Special Resolution. The Board recommends the same for your approval.

None of the Directors of the Company are interested in the resolution.

The copies of the Memorandum of Association are available for inspection by the members during business hours at the Registered Office of the Company.

By order of the Board
for Raasi Finance & Investment Limited

Place : Hyderabad
Date : 30.06.2000

B.ANJI RAJU
Vice President (F) & Company Secretary



RAASI FINANCE & INVESTMENT LIMITED

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the 16th Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year Ended 31st March 2000.

FINANCIAL RESULTS

	31.03.2000 Rs. (6 months)	30.09.1999 Rs. (18 months)
Profit/Loss before Tax	1,64,05,606	8,41,54,897
Provision for Taxation	(37,21,134)	(1,43,58,897)
Profit / (Loss) after Tax	1,26,84,472	6,97,96,623
Prior Year Taxation	(12,77,185)	(8,08,519)
Prior Year Adjustments	(3,11,516)	(7,413)
Profit after Taxation	1,10,95,771	6,89,80,691
Add : B/F Profit/ (Loss) From Previous Years.	4,26,29,571	11,00,843
Profit available for appropriation	5,37,25,342	7,00,81,534
Transfer to Reserve Fund	22,19,154	1,38,34,400
Interim Dividend	38,92,660	75,94,291
General Reserve	2,77,394	51,87,900
Corporate Dividend Tax	4,28,193	8,35,372
Balance Carried to Balance Sheet	4,69,07,941	4,26,29,571

DIVIDEND

Your Directors are pleased to recommend an interim dividend at the rate of 10% for 6 months period on the Paid-Up-Equity Share Capital of the Company for the Year Ended 31st March 2000. This Interim Dividend will be treated as Final Dividend. The Dividend will be exempt from Income Tax in the hands of the shareholders.

OPERATIONS

Due to continuation of difficult conditions in the financial services sector this year also, the Company has restricted its operations in financial services. To service the shareholders in the long run on consistent basis, the Company put up a Resolution before the shareholders to alter the Memorandum of Association by way of adding one more Main Object clause, so that it can venture into constructing buildings either for sale or for lease purpose and the income generated from that can be utilised to service the shareholders.



RAASI FINANCE & INVESTMENT LIMITED

DEPOSITS

The aggregate Deposits in your Company as on 31st March 2000 stood at Rs. 178580/- (Previous Year Rs.305698/-).

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company your Directors Shri B.V.N.Satyanarayana Raju and Shri K.Bala Vishnu Raju retire by rotation and being eligible offer themselves for re-appointment at this 16th Annual General Meeting.

PARTICULARS OF EMPLOYEES

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

Not Applicable

AUDITORS

M/s. 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 offers 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 |
| 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 Company's Bankers, Andhra Bank, Indian Bank, 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.

for and on behalf of the Board

Place : HYDERABAD
Date : 30.06.2000

Dr.B.V.Raju
Chairman