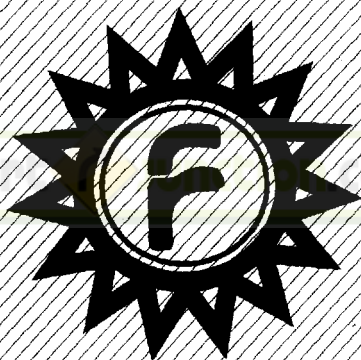


RAASI FINANCE & INVESTMENT LIMITED



**20TH
ANNUAL REPORT
2003 - 2004**



RAASI FINANCE & INVESTMENT LIMITED

BOARD OF DIRECTORS

Shri K.V.Vishnu Raju
Chairman

Shri B.V.N.Satyanarayana Raju
Director

Shri K.Bala Vishnu Raju
Director

Shri S.Ram Kumar
Director

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Bankers:

Andhra Bank
Indian Bank

Auditors

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

Registered Office

Vishnupur, Durgapur,
Garagaparu Road,
Bhimavaram,
West Godavari Dist.,
Pin - 534 202.

**RAASI FINANCE & INVESTMENT LIMITED****NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held on Wednesday, the 29th September 2004 at 10.30 AM at Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Garagaparru Road, Bhimavaram, W.G.District, Andhra Pradesh to transact the following items of 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 2004.
2. To appoint a Director in place of Shri. B.V.N.Satyanarayana Raju, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. K.Bala Vishnu Raju who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

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For **RAASI FINANCE & INVESTMENT LIMITED**

Place : Hyderabad
Date : 28.08.2004

K. V. VISHNU RAJU
CHAIRMAN

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 25.09.2004 to 29.09.2004 (both days inclusive).
3. Members are requested to notify any change in their address immediately to the Company.



RAASI FINANCE & INVESTMENT LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 20th Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year Ended 31st March 2004.

FINANCIAL RESULTS:

	31.03.2004 (12 months) Rs.	31.03.2003 (06 months) Rs.
Profit/(Loss) before Tax	(17,34,796)	(4,86,453)
Provision for Taxation	Nil	Nil
Profit / (Loss) after Tax	(17,34,796)	(4,86,453)
Prior Year Taxation	Nil	Nil
Prior Year Adjustments	(5,94,346)	2,44,647
Profit / (Loss) after Taxation	(23,29,142)	(2,41,806)
B/F Profit/ (Loss)	27,78,558	30,20,364
From Previous Years.		
Profit available for appropriation	04,49,416	27,78,558
Transfer to Reserve Fund	Nil	Nil
Interim Dividend	Nil	Nil
General Reserve	Nil	Nil
Corporate Dividend Tax	Nil	Nil
Balance Carried to Balance Sheet	04,49,416	27,78,558

DIVIDEND:

In view of the losses suffered by the Company, your Board regrets for its inability to recommend dividend for the year ended 31st March 2004.

OPERATIONS:

The operations of the Company continue to be sluggish in view of the depressed conditions in the financial service sector.

DEPOSITS:

The aggregate Deposits in your Company as on 31st March 2004 stood at Rs. Nil (Previous Year Rs.Nil).

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 K.Bala Vishnu Raju, who retires by rotation and being eligible offer himself for re-appointment at this 20th Annual General Meeting.



RAASI FINANCE & INVESTMENT LIMITED

CORPORATE GOVERNANCE

The Company complied with the requirements regarding Corporate Governance as required under clause 49 of the Listing Agreement with the Stock Exchanges. A report on Corporate Governance followed by the Company is annexed thereto.

AUDITORS REPORT:

With reference to point 2 (f) the explanations given the notes on accounts Point No.3 is self explanatory.

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.

By order of the Board

Place : HYDERABAD
Date : 28.08.2004

K. V. VISHNU RAJU
CHAIRMAN



RAASI FINANCE & INVESTMENT LIMITED

CORPORATE GOVERNANCE REPORT

The Company has implemented the Code of Corporate Governance during the financial year in terms of Clause 49 of the listing agreement entered into by the Company with the Stock Exchanges.

A BRIEF STATEMENT OF COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your company believes in adhering to the code of corporate governance in true spirit, by complying with total transparency, disclosure norms and good corporate practices while dealing with the Shareholder's customers, creditors, lenders and others.

The Board of Directors ("the Board") has adequate representation of professional, Non-Executive and Independent Directors. For the matters requiring special attention and also for proper and effective disposal of such matters, the Board has constituted various committees of Directors. The Board and Committee meetings have been held as required. Adequate disclosures and information are provided to the Board as well as to the Committees. All the Directors attending the Board and Committee Meetings actively participate in their proceedings. Decisions at the Board and Committee meetings are taken unanimously.

BOARD OF DIRECTORS:

The Board of the Company consists of four Directors, Two of whom are Independent and Non-Executive Directors.

The details of Composition and categories of Directors are given here unders.

Sr.No.	Name of the Director	Category
01.	Sri K.V.Vishnu Raju	Promoter, Chairman and Non Executive
02.	Sri K.Bala Vishnu Raju	Promoter and Non-Executive
03.	Sri B.V.N.Satyanarayana Raju	Independent and Non-Executive
04.	Sri S.Ram Kumar	Independent and Non Executive

BOARD PROCEDURE:

BOARD MEETINGS:

The details about performance of the Company, financial position, statutory compliance's quarterly results, market environment and all other aspects of the Company which are relevant for review of the Board of Directors are being given in a structured format at each meeting. The said information substantially complies with the requirements of the code of Corporate Governance with regard to the information to be placed before the Board of Directors.



RAASI FINANCE & INVESTMENT LIMITED

The dates on which the Board meetings were held are:

30th June 2003, 18th August 2003, 30th November 2003 and 14th February 2004:

S.No	Name	No of Board Meetings Attended	No of Directorships in other Public Companies	Membership held in Committee of other Public Companies	Chairmanship held in Committee of other Public Companies	Attendance of each Director at last AGM
01	Sri K.V.Vishnu Raju	04	09	01	-	Yes
02.	Sri K.B.Vishnu Raju	02	-	-	-	-
03.	Sri BVN.S.Raju	04	-	-	-	Yes
04.	Sri S.Ram Kumar	04	-	-	-	Yes

AUDIT COMMITTEE

To adhere to the principles of transparent governance a qualified and independent Audit Committee has been constituted comprising of two independent, non-executive director and a promoter non-executive director to exercise and discharge functions as stipulated in Section 292 A of the Companies Act, 1956.

Meetings: The Audit Committee met 3 times during the year under review on the following dates: 18th August 2003, 30th November 2003 and 14th February 2004.

Name of the Director	Category	No of Meetings Attended
Sri S.Ram Kumar	Independent and Non-Executive	3
Sri B.V.N.Satyanarayana Raju	Independent and Non Executive	3
Sri K.Bala Vishnu Raju	Promoter and Non- Executive	2

Sri.S.Ram Kumar is the Chairman of the committee having financial and accounting knowledge.

The following are some of the brief terms of reference:

01. Oversight of Company's financial reporting process.
02. To Review of Annual Financial Statements.
03. To Review of the Company's financial & Risk Management Policies
04. To generally assist the Board to discharge their functions more carefully;

SHARE TRANSFER COMMITTEE:

The details of Share Transfer Committee meetings held during the financial year under review and attendance by each of the members are as given below:

S.No	Name of the Director	No of Meetings held	No of Meetings attended
01.	Sri B.V.N.Satyanarayana Raju, Chairman	2	2
02.	Sri S.Ram Kumar	2	2

Mr.T.Krishna Mohan, Accounts Officer is the Compliance Officer



RAASI FINANCE & INVESTMENT LIMITED

GENERAL BODY MEETINGS:

Year	Location	Date	Time
2000-2001	The District Rice Millers Association Building, Near Town Railway Station, Bhimavaram, W.G.District	28th September 2001	10.30 AM
2001-2002	Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Garagaparru Road, Bhimavaram, W.G.District	26th December 2002	10.30 AM
2002-2003	Administrative Building, Dr.B.V.Raju Foundation Vishnupur, Garagaparru Road, Bhimavaram, W.G.District	29th September 2003	10.30 AM

There is no matter proposed to be passed by the Company through Postal Ballot. Further, no matter was put through postal ballot last year.

DISCLOSURES

Disclosure regarding materially significant related party transactions:

No transaction of material nature has been entered into by the Company with its promoters, directors or the management, subsidiaries or relatives etc. that may have potential conflict with the interest of the Company.

Disclosure of non-compliance by the Company.

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the year.

SHAREHOLDER INFORMATION

This Annual Report includes yearly financial statement, key financial data and a section on shareholder information giving required information.

a) Annual General Meeting:

The Twentieth Annual General Meeting ("the AGM") of the Company will be held on Wednesday, the 29th September at 10.30 AM at Administrative Building, Dr.B.V.Raju Foundation, Garagaparru Road, Bhimavaram, W.G.District.

b) Dates of Book Closure:

The Register of Members and sharetransfer books will remain closed from Saturday, the 25th September to Wednesday, the 29th September 2004 (both days inclusive)

c) Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as on annexure to the Directors' Report.

d) Share Transfer System:

The share transfer committee attends to the share transfer formalities once in 15 days from the date of receipt, subject to the documents being valid and complete in all respects.



RAASI FINANCE & INVESTMENT LIMITED

e) Financial Calendar 2004-2005 (Tentative Schedule)

Annual General Meeting	:	September, 2005
Adoption of quarterly results for the		
Quarter ending	:	3rd / 4th Week of
June 30, 2004	:	July, 2004
September 30, 2004	:	October, 2004
December 31, 2004	:	January, 2004
March 31, 2004	:	April 2005

e) Shareholder statistics and Distribution of Shareholdings as on 31st March 2004 was as follows:

Category (No of Shares)	No of Shareholders	No of Shares	% to Total Equity
0001 - 0500	4331	756870	18.92
0501 - 1000	120	100000	02.50
1001 - 2000	66	114100	02.85
2001 - 3000	10	024400	00.61
3001 - 4000	15	59250	01.48
4001 - 5000	03	15000	00.38
5001 - 10000	09	74850	01.87
10001 & above	46	2855530	71.39
Total	4600	4000000	100.00

g) As there is no trading in the companies stocks during the financial year on the Stock Exchange, Mumbai and The Hyderabad Stock Exchange. The monthly High/Low share quotations in comparison of the same with broad-based indices is not furnished.

h) Dematerialisation of Shares:

Trading in Companies shares is permitted in dematerialisation form for all investors. Then the Company is in the process of entering into the agreement with NSDL & CDSL to offer depository services to its shareholders at present the company shares are held on physical form only.

INVESTOR CORRESPONDENCE

The Company's Share Department provides assistance to shareholders.

Any query relating to shares and requests for transactions such as transmissions and duplicate share certificates, non-receipt of Annual Report may please be taken up with the share department of the Company.

Any requests for transactions such as transfers, change of address, nomination facilities, may please be taken up with the Company.