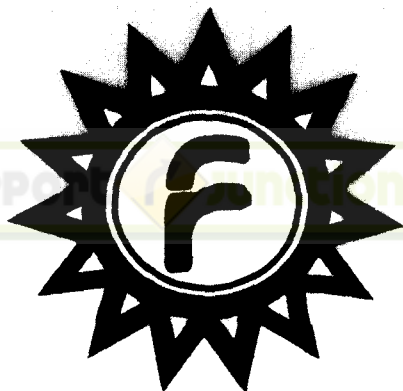


21st ANNUAL REPORT 2004-2005



RAASI FINANCE & INVESTMENT LIMITED



RAASI FINANCE & INVESTMENT LIMITED

BOARD OF DIRECTORS

Shri K.V.Vishnu Raju
Chairman

Shri B.V.N.Satyanarayana Raju
Director

Shri S.Ram Kumar
Director

Smt. Anuradha Sharma
Company Secretary

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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 Twenty First Annual General Meeting of the Company will be held on Friday the 30th September 2005 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 2005.
2. To appoint a Director in place of Shri S. Ram Kumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

For **RAASI FINANCE & INVESTMENT LIMITED**

Place : Hyderabad

Date : 24.08.2005

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 28.09.2005 to 30.09.2005 both days inclusive.
3. Members are requested to notify any change in their address immediately to the Company.

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RAASI FINANCE & INVESTMENT LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 21st Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year Ended 31st March 2005.

FINANCIAL RESULTS:

	31.03.2005 Rs.	31.03.2004 Rs.
Profit/(Loss) before Tax	28,97,737	(17,34,796)
Provision for Taxation	(2,27,219)	Nil
Provision for Deferred Tax	1,14,45,333	Nil
Profit/(Loss) after Tax	1,41,15,851	(17,34,796)
Prior Year Taxation	Nil	Nil
Prior Year Adjustments	Nil	(5,94,346)
Profit / (Loss) after Taxation	1,41,15,851	(23,29,142)
B/F Profit/ (Loss) From Previous Years.	4,49,416	27,78,558
Profit available for appropriation	1,45,65,267	4,49,416
Transfer to Reserve Fund	Nil	Nil
Interim Dividend	Nil	Nil
General Reserve	Nil	Nil
Corporate Dividend Tax	Nil	Nil
Balance Carried to Balance Sheet	1,45,65,267	4,49,416

OPERATIONS AND FUTURE PLANS

The Company could carry normal activities during the financial year under consideration. In view of the continued difficult conditions in the financial services sector during the past few years, the Company surrendered its Non-Banking Financial Companies Certificate and received cancellation letter last year from the Reserve Bank of India.

To service the shareholders in the long run on a consistent basis, the Company is now planning to expand its horizon of activities. It has prepared a plan of action for undertaking construction, publication and other activities, which would endeavour to fully activate the company. Proposal for acquiring profit-making units in the food industry are also on the anvil.

DIVIDEND:

Since the company is planning to expand the activities, it would need the available money for various expansion & activation processes. In view of these, your Board regrets its inability to recommend dividend for the year ended 31st March 2005.



RAASI FINANCE & INVESTMENT LIMITED

DEPOSITS:

The aggregate Deposits in your Company as on 31st March 2005 stood at Rs. Nil (Previous Year Rs. Nil).

DIRECTORS:

Shri K. Bala Vishnu Raju, resigned as a Director of the company on personal grounds with effect from 30th July, 2005. The Board expresses its appreciation of the valuable contribution made by Shri K.Bala Vishnu Raju during the tenure of office as Director of the Company.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri S. Ram Kumar, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 , with respect to Director's responsibility statement, it is hereby confirmed:

1. That in the preparation of the accounts for the year ended 31st March , 2005 the applicable accounting standards have been followed.
2. That such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the financial year ended 31st March, 2005 and of the Profit or Loss of the Company for that year.
3. The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts for the year ended 31st March 2005, have been prepared on a going concern basis.

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 hereto.

PARTICULARS OF EMPLOYEES:

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



RAASI FINANCE & INVESTMENT LIMITED

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 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
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 and 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 : 24.08.2005

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 practice while dealing with the Shareholders, 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 presently consists of three Directors, two of whom are Independent and Non-Executive Directors.

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

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

BOARD PROCEDURE:

BOARD MEETINGS:

The details about performance of the Company, financial position, statutory compliances 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:

26th April, 2004, 28th July 2004, 29th October 2004 and 31st January 2005 :

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	06	01	-	Yes
02.	Sri K.B.Vishnu Raju	-	-	-	-	-
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: 28th July 2004, 29th October 2004 and 31st January 2005.

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	

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. Overseeing 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	4	4
02.	Sri S.Ram Kumar	4	4

Smt. Anuradha Sharma, Company Secretary is the Compliance Officer



RAASI FINANCE & INVESTMENT LIMITED

GENERAL BODY MEETINGS:

Year	Location	Date	Time
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
2003-2004	Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Garagaparru Road, Bhimavaram, W.G.District	29th September 2004	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 of 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 Twenty First Annual General Meeting ("the AGM") of the Company will be held on Friday, the 30th September, 2005 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 share transfer books will remain closed from Wednesday, the 28th September to Friday, the 30th September 2005 (both days inclusive)

c) Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an 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.