

23rd Annual Report 2006-07

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Raasi Enterprises Limited

(Formerly 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
Shri R.Ravichandran	-	Director
Shri P.V.R.L.Narasimha Raju	-	Director

Bankers:

Andhra Bank
Indian Bank
Indian Overseas Bank

Auditors

M/s.Bhaskara Rao & Co.,
5-D, 5th Floor, Kautilya,
6-3-652, Somajiguda
Hyderabad - 500 082.

Registered Office

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

**NOTICE:**

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Saturday, the 29th September, 2007 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 2007.
2. To appoint a Director in place of Shri S. Ramkumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri R. Ravichandran, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri P.V.R.L. Narasimha Raju, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

for **Raasi Enterprises Limited.,**

Place: Hyderabad
Date: 20.08.2007

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 25th September, 2007 to 29th September, 2007 both days inclusive.
3. Members are requested to notify any change in their address immediately to the Company.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 23rd Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year Ended 31st March 2007.

FINANCIAL RESULTS:

	31.03.2007	31.03.2006
	Rupees	Rupees
Profit/(Loss) before Tax	14,91,297	20,15,535
Provision for doubtful debt written back	36,23,740	
Provision for Taxation	1,72,650	1,06,238
Profit/(Loss) after Tax	49,42,387	19,09,297
Prior Year Taxation	13,73,093	11,10,000
Prior Year Adjustments	Nil	Nil
Provision for Deferred Tax Asset	13,48,750	17,14,484
Profit/(Loss) after Taxation B/F Profit/ (Loss)	22,20,544	(9,15,187)
From Previous Years.	1,36,50,080	1,45,65,267
Profit available for appropriation	1,58,70,624	1,36,50,080
Balance Carried to Balance Sheet	1,58,70,624	1,36,50,080

OPERATIONS AND FUTURE PLANS

The Company could carry normal activities during the financial year under consideration. To serve the shareholders in the long run on a consistent basis, the Company has acquired a profit making unit in the food industry as a subsidiary company. Now the Company is expanding its horizon of activities. It has prepared a plan of action for undertaking construction, publication and other activities, which would endeavor to fully activate the company.

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 re-commend dividend for the year ended 31st March 2007.

DEPOSITS:

The aggregate Deposits in your Company as on 31st March 2007 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 Sri S.Ram Kumar, Sri P.V.R.L.Narasimha Raju, Sri R.Ravi Chandran retires by rotation and being eligible offer themselves for re-appointment.



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, 2007 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, 2007 and of the Profit 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 2007, 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 thereto.

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 offer them-selves 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, Indian Overseas 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 : 20.08.2007

K. V. Vishnu Raju
Chairman



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 five Directors, Four 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
04.	Sri P.V.R.L.Narasimha Raju	Independent and Non Executive
05.	Sri R.Ravi Chandran	Independent and Non Executive

BOARD PROCEDURE:

BOARD MEETINGS:

The details about performance of the Company, financial position, statutory compliance's 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.

The dates on which the Board meetings were held are:

29th April 2006, 31st July 2006, 30th October 2006, 31st January 2007

S. No	Name	No of Board Meetings Attended	No of Director ships in other Public Companies	Membership held in Committee of other Public Companies	Chairman ship held in Committee of other Public Companies	Attendance of each Director at last AGM
01	Sri K.V.Vishnu Raju	04	10	01	-	Yes
02.	Sri B.V.N.Satayanarayana Raju	02	-	-	-	Yes
03.	Sri S.Ram Kumar	04	-	-	-	Yes
04.	Sri P.V.R.L.Narasimha Raju	04	-	-	-	Yes
05	Sri R.Ravi Chandran	02	-	-	-	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 4 times during the year under review on the following dates: 29th April 2006, 31st July 2006, 30th October 2006, 31st January 2007

Name of the Director	Category	No of Meetings Attended
Sri S.Ram Kumar	Independent and Non-Executive	4
Sri B.V.N. S.Raju	Independent and Non Executive	2
Sri K.V.Vishnu Raju	Promoter and Non-Executive	4

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

The Audit Committee has powers to investigate any activity within it terms of reference seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference of the Audit Committee also includes the following:

- Overseeing of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment to management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchanges and legal requirement concerning financial statements.
 - Any related party transactions.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Such other matters as may be entrusted to the Committee from time to time.

SHARE TRANSFER & SHARES HOLDERS GRIEVANCE 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 S.Ram Kumar, Chairman	4	4
02 .	Sri R.Ravichandran	4	2
03.	Sri B.V.N.Satyanarayana Raju	4	4

S.Ram Kumar is the Compliance Officer

There are no complaints / letters received during the financial year.

Terms of Reference:

- The shares transfer committee ratifies the transfer of shares, deals with split and consolidation of shares, issue of duplicate shares etc.,
- The shares holders grievance committee is to look into investors complaints such as Non-Receipt of Balance Sheet, Transfer of shares, Non-Receipt of declare dividend etc.,

**CODE OF CONDUCT**

The Company is in the process of developing Code of Conduct.

RISK ASSESSMENT

The Company is initiating the procedure for risk assessment and its minimization.

GENERAL BODY MEETINGS:

Year	Location	Date	Time
2003-2004	Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District	29th September 2004	10.30 AM
2004-2005	Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District	30th September 2005	10.30 AM
2005-2006	Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District	29th September 2006	10.30 AM

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.

Compliance of non-mandatory clause:

Board has noted the non-mandatory requirements and is taking steps for its implementation.

Means of Communications:

- Quarterly financial results of the Company are forwarded to Mumbai and Hyderabad Stock exchanges and published in Financial Express and Andhra Jyothi.
- The results or official news were not described in any website.
- The Company has not made any presentation to any institutional investors / analysis 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 Third Annual General Meeting ("the AGM") of the Company will be held on Saturday, the 29th September, 2007 at 10.30 AM at Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District.

b) Dates of Book Closure:

The Register of Members and share transfer books will remain closed from the 25th September, 2007 to 29th September, 2007 (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.

e) Financial Calendar 2007-2008
(Tentative Schedule)

Annual General Meeting	:	September, 2008
Adoption of quarterly results for the		
Quarter ending	:	3rd / 4th Week of
June 30, 2007	:	July, 2007
September 30, 2007	:	October, 2007
December 31, 2007	:	January, 2008
March 31, 2008	:	April 2008

f) Shareholder statistics and Distribution of Shareholdings as on 31st March 2007 was as follows:

Category (No of Shares)	No of Shareholders	No of Shares	% to Total Equity
0001 - 0500	4248	757070	18.93
0501 - 1000	119	99000	02.48
1001 - 2000	65	112100	02.80
2001 - 3000	07	16900	00.42
3001 - 4000	15	59250	01.48
4001 - 5000	02	10000	00.25
5001 - 10000	05	37850	00.95
10001 & above	38	2907830	72.69
Total	4588	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. The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its share holders. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

The ISIN of Dematerialised shares of the Company allotted by the NSDL & CDSL is "INE096101013"

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, dematerialization of shares, change of address, nomination facilities, may please be taken up with the Registrar & Share Transfer Agents of the Company.

M/s.Sathguru Management Consultants (Pvt) Ltd.,

Plot No.15, Hindi Nagar

Punjagutta, Hyderabad - 500 034

Phone No(s): 23356507, 23356975



AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
the Members of
Raasi Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Raasi Enterprises Limited (formerly Raasi Finance & Investment Limited) for the year ended on 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

As explained to us, the Company is in the process of developing a defined framework for risk management including risk assessment, minimization procedures and the code of conduct and further annual report does not include a report on management discussion and analysis.

In our opinion and to the best of our information and according to the explanations given to us, subject to our remarks above, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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For **M. Bhaskara Rao & Co.,**
Chartered Accountants

Place : Hyderabad
Date : 20.08.2007

V.Raghunandan
Partner
M.No.26255



AUDITOR'S REPORT

To
The Members of
Raasi Enterprises Limited

1. We have audited the attached Balance Sheet of Raasi Enterprises Limited (formerly Raasi Finance & Investment Limited) as at 31st March 2007, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These 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.
2. 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 reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, 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 purposes 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 those books;

- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) Based on the written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) to Section 274 of Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and subject to note 4 regarding reconciliation and confirmation of Sundry Creditors, Unsecured loans, Loans and Advances and other notes thereon 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2007;
 - ii) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement of the cash flow for the year ended on that date.

for **M. BHASKARA RAO & CO.,**
Chartered Accountants

V.Ragunandan
Partner

Place : Hyderabad
Date : 20.08.2007

Membership No. 26255