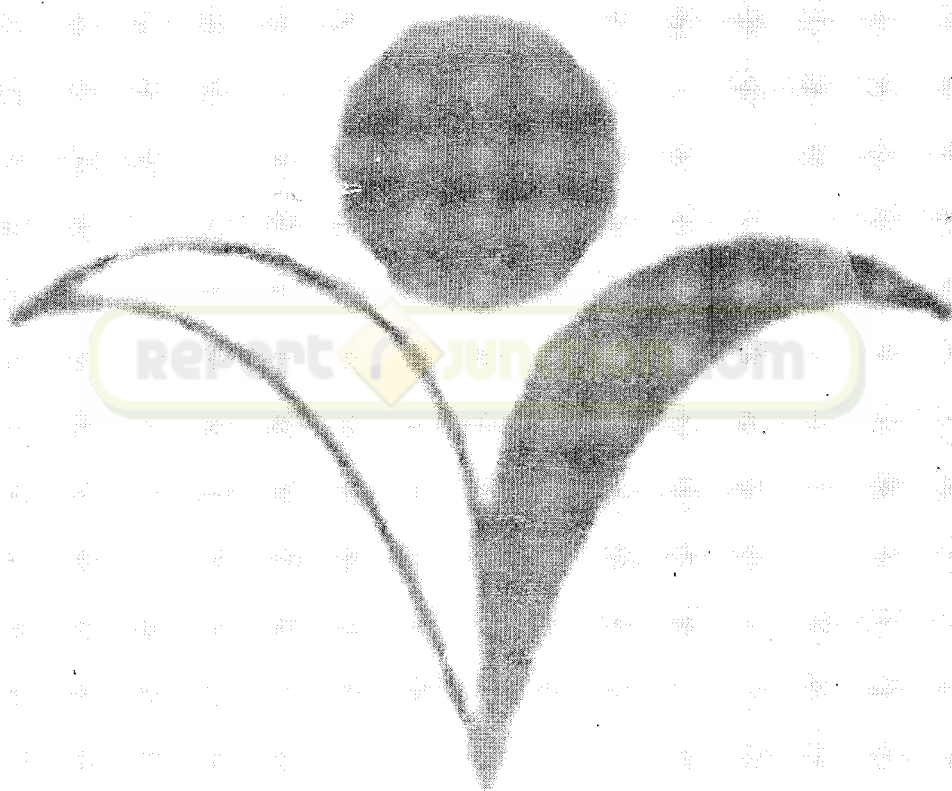


25th

Annual Report 2008 - 2009



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

AUDITORS

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

BANKERS

Andhra Bank,
Indian Bank
Indian Overseas Bank
Punjab National Bank

Registrars and Share Transfer Agents

M/s. Sathguru Management – Consultants Private Limited
Plot No.15, Hindi Nagar, Punjagutta, Hyderabad – 500 034.
Phone No(s): 040-23356507, 23356975
E-mail: sta@sathguru.com

REGISTERED OFFICE

Vishnupur, Garagaparru Road
Bhimavaram – 534 202
West Godavari District

**NOTICE:**

Notice is hereby given that the Twenty Fifth General Meeting of the Company will be held on Wednesday, the 9thth September, 2009 at 10.30 AM at Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Garagaparru Road, Bhimavaram, W.G.District, and 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 2009.
2. To appoint a Director in place of Shri S.Ram Kumar, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri P.V.R.L. Narasimha Raju, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri R.Ravichandran, who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and to fix their remuneration.

for Raasi Enterprises Limited.,

K. V. Vishnu Raju
Chairman

Place: Hyderabad

Date: 30.06.2009

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 instrument appointing a proxy 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 03rd September, 2009 to 9th September, 2009 both days inclusive.
3. Members are requested to notify immediately any change in their address to the Registrar and Share Transfer Agents of the Company.
4. The shares of the Company are listed with Mumbai Stock Exchange. The Listing Fee for the year 2009-10 has been paid to Stock Exchange.
5. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his/her query to the

Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

6. Information required under Listing Agreement entered into with the Stock Exchange(s) with respect to the Directors retiring by rotation and Directors who are retiring at this Annual General Meeting is given under the head "Corporate Governance"
7. Members are requested to bring their copy of Annual Report to the Meeting.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 25th Annual Report of the Company together with the Audited Accounts of the Company for the Financial Year ended 31st March 2009.

FINANCIAL RESULTS:

	2008-09	2007-08
	Rs.	Rs.
Profit/(Loss) before Tax	19,92,160	11,80,784
Provision for Taxation	(1,22,12,288)	(7,15,048)
Profit/(Loss) after Tax	(1,02,20,128)	4,65,736
B/F Profit/ (Loss) From Previous Years.	1,63,36,360	1,58,70,624
Profit available for appropriation	61,16,232	1,63,36,360
Balance Carried to Balance Sheet	61,16,232	1,63,36,360

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 2009.

FUTURE OUTLOOK

A note on the future outlook of our Company is presented under Management Discussion and Analysis which forms part of this report.



DEPOSITS

There were no deposits as on 31st March 2009.

DIRECTORS:

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Sri S.Ram Kumar, Sri P.V.R.L.Narasimha Raju and Sri R.Ravichandran retire 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, 2009 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, 2009 and of the 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 2009, have been prepared on a going concern basis.

SUBSIDIARY COMPANIES:

The statement pursuant to Section 212 of the Company's Act, 1956, containing details of subsidiary of the Company forms part of the Annual Report. The name of the Subsidiary Company is "Sai Aditya Foods and Retail Private Limited".

CONSOLIDATED FINANCIAL STATEMENTS

Yours Directors have pleasure in attaching the consolidated financial statements pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges. These statements were prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accounts of India in this regard.

The Auditors' Report to the Board of Directors does not contain any qualifications.

CORPORATE GOVERNANCE

A separate section of Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as

stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of this Report.

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.

PARTICULARS OF EMPLOYEES:

There are no employees in the organization coming under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended.

PERSONNEL

The relationship between the management and staff was very cordial throughout the year under review. Your directors take the opportunity to record their appreciation for the co operation and loyal services rendered by the employees.

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, Axis 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

K. V. VISHNU RAJU
Chairman

Place: Hyderabad
Date: 30.06.2009



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
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

Brief profile of Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

S.Ram Kumar

Sri S.Ram Kumar is a Graduate. He has more than 35 years of experience in the fields of, Banking Finance, Corporate Finance and General Management

He does not hold directorships in any other Companies.

Sri.P.V.R.L.Narasimha Raju

Sri P.V.R.L.Narasimha Raju is a Graduate and having 15 years experience in cement industry.

Other Companies in which he is a Director:

- ◆ Anjani Portland Cement Limited
- ◆ Vennar Ceramics Limited
- ◆ Anjani Projects and Constructions Limited
- ◆ Hitech Print Systems Private Limited

Sri R.Ravichandran

Sri R.Ravi Chandran is an MBA, technocrat and having versatile experience in the relating field about 15 years.

Other Companies in which he is a Director

- ◆ Elico Limited
- ◆ Elico Healthcare Services Private Limited

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.

During the financial year 2008-09, the Board of Directors met four times. The details of the Board Meetings held during the year are:

28th June 2008, 31st July 2008, 15th October 2008, 31st January 2009

S.No	Name	No of Board Meetings Attended	No of Director ships in Other Public	Membership held in Committee of Other Public	Chairman ship held in Committee of other Public	Attendancc of each Director at last AGM
01.	Sri K.V.Vishnu Raju	04	07	03	01	Yes
02.	Sri B.V.N.Satayanarayana Raju	03	-	-	-	Yes
03.	Sri S.Ram Kumar	04	-	-	-	Yes
04.	Sri P.V.R.L.Narasimha Raju	04	01	-	-	Yes
05	Sri R.Ravi Chandran	03	01	-	-	No

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 directors 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: 28th June 2008, 31st July 2008, 15th October 2008, 31st January 2009

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	3
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:

01. 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.
02. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
03. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - a) Any changes in accounting policies and practices.
 - b) Major accounting entries based on exercise of judgment to management.
 - c) Qualifications in draft audit report.
 - d) Significant adjustments arising out of audit.
 - e) The going concern assumption.
 - f) Compliance with accounting standards.
 - g) Compliance with stock exchanges and legal requirement concerning financial statements.
 - h) Any related party transactions.



Raasi Enterprises Limited

04. 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.
05. Reviewing the Company's financial and risk management policies.
06. Such other matters as may be entrusted to the Committee from time to time.

REMUNERATION COMMITTEE

This committee comprises of the following Non-Executive and Independent Members of the Board.

01. Sri.P.V.R.L.Narasimha Raju
02. Sri.S.Ram Kumar
03. Sri R.Ravichandran
04. Sri B.V.N.Satyanarayana Raju

During the year from 1st April 2008 to 31st March 2009 the Remuneration Committee met once which was attended by all members to fix the remuneration payable to Managerial Personnel and such other matters as may be entrusted 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

Ch.Surya Prakash is the Compliance Officer

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

Terms of Reference:

1. The shares transfer committee ratifies the transfer of shares, deals with split and consolidation of shares, issue of duplicate shares etc.,
2. 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.,

GENERAL BODY MEETINGS:

Year	Location	Date	Time
2005-2006	Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District	29 th September 2006	10.30 AM
2006-2007	Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District	29 th September 2007	10.30AM
2007-2008	Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District	30 th September 2008	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.

The Chairman of the Company has given certificate to the Board as per Clause 49 of the Listing Agreement.

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:

- a) Quarterly financial results of the Company and distribution of shareholding as required under Clause 35 of the listing agreement is made available in Stock Exchange website i.e.bseindia.co.
- b) The quarterly results of the Company were published during the financial year in leading news papers namely Business Standards/ The Financial Express and Andhra Boomi / Andhra Prabha (Regional Language)

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 Fifth Annual General Meeting ("the AGM") of the Company will be held on Wednesday, the 9th September, 2009 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 3rd September, 2009 to 9th September, 2009 (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 2009-2010**
(Tentative Schedule)

Annual General Meeting	:	September, 2010
Adoption of quarterly results for the Quarter ending June 30, 2009	:	3 rd / 4 th Week of July, 2009
September 30, 2009	:	October, 2009
December 31, 2009	:	January, 2010
March 31, 2010	:	April 2010
- f) **Shareholder statistics and Distribution of Shareholdings as on 31st March 2009 was as follows:**

Category (No of Shares)	No of Shareholders	No of Shares	% to Total Equity
001 – 500	4237	753970	18.85
501 – 1000	122	101600	02.54
1001 – 2000	64	110100	02.75
2001 – 3000	07	19400	00.49
3001 – 4000	14	55250	01.38
4001 – 5000	02	10000	00.25
5001 – 10000	05	37850	00.95
10001 & above	38	2911830	72.80
Total	4489	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"



Raasi Enterprises Limited

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

DECLARATION ON CODE OF CONDUCT

This is to inform you that the Board has laid down a Code of Conduct for all Directors and Senior Management Personnel of the Company. It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March 2009 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

Place: Hyderabad

Date: 30.06.2009

K.V.Vishnu Raju
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

We submit here under the Management Discussion and Analysis Report on the Business of the Company as applicable to the extent relevant:

Industry Structure and Development

Raasi Enterprises Limited (formerly Raasi Finance and Investment Limited) started in the year 1983 and went for public issue in the year 1985. The main activities of the company were mainly Non-Banking financial services like Hire purchase, Lease Financing, Bill Discounting, Investments and loans & advances. It was registered with Reserve Bank of India, Department of Finance Companies, Hyderabad to carry on Non-Banking Financial activities. The Company was consistently profit making and dividend paying till the year 1999-2000.

In view of the competition for financial services activities from entities like private sector banks, foreign banks and others, the finance companies in general suffered from erosion of margin and mounting non-performing assets. REL has repaid all the fixed deposits received from the Public and it was not having any Bank Finance for the financial services activities. The Board of the company have taken a decision to surrender the registration certificate with Reserve Bank of India and discontinue operations in the financial services sector. Since, the Memorandum and Articles of the Company have permitted to take up other activities, the Company explored the possibility of taking up activities like construction, publications and Bakery and retailing.

Opportunities and Challenges:

In order to meet the competitive market situation and including new activities like construction, food industry.

Segment Wise Performance

The Company has changed its name from Raasi Finance and Investment Limited to Raasi Enterprises Limited and has acquired a food industry as a subsidiary company with stake of 73.95%.

Outlook

The demand for housing is growing tremendously facilitated by easy availability of Housing loans by Nationalised Banks, Private Sector Banks, Foreign Banks and Housing Finance Companies. The growth of the Economy has resulted in net saving in the hands of salaried class as well as other sectors. The land value in and around Metropolitan Cities, State Capitals and Major towns has grown up tremendously in view of the huge demand as well as flow inward remittances from Non-resident Indians. And also Investment in real estate is seen as a good instrument for savings. REL has experience in Construction Business, as it is already constructed residential apartments for about 60,000 sft earlier. The Company is proposing to expand its construction activities by constructing residential apartments, commercial complexes and Buildings for Educational Institutions. The Company is having enquiries for construction of Hostel, Auditorium, and College Buildings from reputed institutions. The Company has already identified and negotiated projects in and around Hyderabad, Kakinada, and Vizag etc.



Internal Control Systems and their Adequacy

The Company's internal control systems are regularly checked by auditors, who have access to all records and information about our Company. The Board and the Management review the findings and recommendations of the auditors and take corrective actions wherever necessary.

The Board considers risk assessment, identification of mitigating actions and internal control to be fundamental to achieving company's strategic corporate objectives.

This system of internal control is:

- The Board's overall responsibility;
- Regularly, reviewed for its effectiveness by both the Board and Audit Committee
- Supported by Company's policies in such areas as Code of Conduct, legal and secretarial, finance and treasury.

Discussion on Financial Performance with respect to Operation Performance:

The company has acquired a food industry as a subsidiary with stake of 73.95% from its equity and is planning to take 100% subsidiary. The operations of the company are discussed below:

The Consolidated sales and other income were at Rs.973.89 lakhs as against Rs.749.05 lakhs in the previous year. The consolidated net profit/(loss) for the year was Rs.(94.12) lakhs against Rs.12.77 lakhs. The Current Year change is due to deferred tax liability.

Material Development in Human Resources / Industrial Relations:

The Company believes that human resources are an invaluable asset. The Company has cordial relationship with employees.

Cautionary Statement:

Statements in the "Management Discussion and Analysis which seek to describe the Company's objective, projections, estimates, expectations may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

CEO / CFO CERTIFICATION

The CEO, i.e. the Chairman in terms of the Companies Act, 1956 and the CFO any other person heading the finance function discharging that function shall certify to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Chairman

Manager