

27th

Annual Report 2010 - 2011



CORPORATE INFORMATION**BOARD OF DIRECTORS**

Shri K.V.Vishnu Raju	- Chairman
Shri R.Ravichandran	- Wholetime Director
Shri P.V.R.L.Narasimha Raju	- Director
Shri S.Ram Kumar	- Director
Shri K.Hari Babu	- Director

AUDITORS

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

BANKERS

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): 040-30160333, 30160225
E-mail: sta@sathguru.com

REGISTERED OFFICE

Vishnupur,
Garagaparru Road
Bhimavaram – 534 202
West Godavari District

NOTICE

Notice is hereby given that the *Twenty Seventh* Annual General Meeting of the members of the Company will be held on Monday the **26th September, 2011 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:**Ordinary business:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date, Notes and Schedules to Accounts and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri R.Ravichandran, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri S. Ramkumar, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri P.V.R.L. Narasimha Raju Director who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad as auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

Special Business :

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Sri K.Hari Babu who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13.02.2011, who holds office of Directorship under Section 260 of the Companies Act, 1956, up to the commencement of 27th Annual General Meeting of Members of the Company and in respect of whom the Company has received a notice in writing proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to file necessary form 32 and other related documents as may be required with the Registrar of Companies, Hyderabad and other statutory authorities as may be required"

For Raasi Enterprises Limited

Place : Hyderabad
Date : 12.08.2011

K. V. Vishnu Raju
Chairman

Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 6 : Appointment of Sri K.Hari Babu as a Director of the Company

Earlier, Sri K.Hari Babu was appointed as the Additional Director of the Company. However, in order to benefit from his experience and avail his expert advice, a member of the Company has proposed for his appointment as a Director of the Company. Under Section 260 of the Companies Act, 1956, Sri K.Hari Babu holds office only up to the commencement of the ensuing 27th Annual General Meeting of the members of the Company. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit from a member signifying his intention to propose the name of Sri K.Hari Babu as a candidature for the office of Director. The Board of Directors recommends his appointment.

None of the Directors are concerned or interested in the proposed resolution.

For Raasi Enterprises Limited

Place : Hyderabad

Date : 12.08.2011

K. V. Vishnu Raju
Chairman

Additional information

(As per Clause 49 of the Listing Agreement)

As required under the Listing Agreement, the particulars of Directors who seek appointment/re-appointment are given below:

Name	R.Ravichandran
Age	: 48 years
Qualification	: IIM - Calcutta
Expertise	: Finance
Other Directorships	: 2
Shareholding in the Company	: Nil

Name	S.Ram Kumar
Age	: 60 years
Qualification	: B.Com, IICA - Banking
Expertise	: Finance
Other Directorships	: 2
Shareholding in the Company	: Nil

Name	P.V.R.L. Narasimha Raju
Age	: 47 years
Qualification	: B.Com
Expertise	: Marketing
Other Directorships	: 5
Shareholding in the Company	: 800

Name	K. Hari Babu
Age	: 56 years
Qualification	: B.Com
Expertise	: Business Man
Other Directorships	: 1
Shareholding in the Company	: Nil

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 / HERSELF 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 relevant explanatory statement required by Section 173 (2) of the Companies Act, 1956, in respect of the special business set out above is annexed hereto.
3. As per the circular no. 18/2011 issued by The Ministry of Corporate Affairs with respect to the Green Initiative in the Corporate Governance members those who are having their e-mail ID's shall be sent the soft copies of the 27th Annual Report of the Company by e-mail. Physical copies shall be sent to those investors who are not having their e-mail ID's. A copy of the 27th Annual Report shall be sent by post to those members who make a specific request for physical copy. Hence members are requested to send their email-ID's to the Registrar and Share Transfer Agent / to the Company for proper correspondence.
4. The Register of members and Share Transfer Books of the Company will remain closed from 21st September, 2011 to 26th September, 2011 (both days inclusive).
5. Voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution, or by those holding paid-up capital of at least ₹ 50,000. A proxy shall not vote except on a poll
6. It may be noted that no claim will be entertained against the Company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the fund. There were no outstanding unpaid dividends amount as at 31.03.2011
7. Members who hold shares in dematerialized form are requested to write their client ID and DP ID. Those who hold shares in physical form are required to write their Folio Number in the Attendance slip for attending the meeting.
8. Members holding shares in physical form are requested to notify/send any change in their address to the Company's share transfer agents, or to the Company at its Registered Office.
9. Members holding shares in dematerialisation form are requested to notify/send any changes in their address to the concerned depository participant (s).
10. In case of joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
11. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
12. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B.
13. Members/Proxies should bring duly filled in attendance slips sent herewith for attending the meeting along with the copies of annual reports to the Annual General Meeting.
14. Pursuant to the requirement of Corporate Governance code under the Listing Agreement entered into by the Company, the information about the Directors proposed to be appointed/re-appointed is given in the **Annexure to this Notice.**

DIRECTORS' REPORT

The Members of
M/s. Raasi Enterprises Limited

The Directors have pleasure in presenting the 27th Annual Report of the Company together with audited Annual Accounts for the year ended 31st March 2011.

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31-03-2011	31-03-2010	31-03-2011	31-03-2010
Total income	1299.59	1125.51	99.63	101.65
Operating profit before interest, depreciation and tax	146.60	160.27	67.30	83.61
Interest and financial charges	54.92	52.77	25.64	22.34
Depreciation	42.57	44.01	12.70	13.00
Profit before taxation	49.11	63.49	28.96	48.27
Provisions for taxation	13.16	-31.85	8.73	-34.93
Profit after taxation	35.95	95.34	20.23	83.19
Transfer to General Reserves	-	-	-	-
Provision for dividend	-	-	-	-
Provision for dividend tax	-	-	-	-
Surplus carried to Balance Sheet	214.31	182.45	164.58	144.35

Outlook

We will strive to build customer and market delight, develop collaborative solutions and incubate disruptive solutions in the coming years. We constantly recognize the need to reinvent ourselves; as a result we continue to refine our operational processes while infusing greater efficiency into our systems. These measures enable us to offer exemplary service to our guests and make us what we are today.

Share Capital

The paid-up Share Capital of your Company stands at ₹ 4,00,00,000/- (Rupees Four Crore only) as on 31st March, 2011.

SUBSIDIARIES

We have one subsidiary Company i.e. M/s. Sai Aditya Foods and Retail Private Limited. As per Section 212 of the Companies Act, 1956, we are required to attach the Director's Report, Balance Sheet and Profit and Loss Account of our subsidiaries. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided and exemption to Companies from complying with Section 212, provided such Companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2010-11 does not contain the financial statements of your subsidiaries. The audited annual accounts and related information of our subsidiaries, where applicable, will be made available upon request. These documents will also be available for inspection during business hours at our registered office.

The statement pursuant to Section 212 of the Company's Act, 1956 and as per Accounting Standard - 21, containing details of subsidiary of the Company M/s. Sai Aditya Foods and Retail Private Limited forms part of the Annual Report.

OPERATIONS AND FUTURE PLANS

The Company could carry normal activities during the financial year under consideration. As you are aware of that the Company has acquired a profit making unit in the food industry as a subsidiary company. To serve the shareholders in the long run on a consistent basis, now the Company is planning to merge with the subsidiary company. It has prepared a plan of action for merging with subsidiary company.

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

The Company has not accepted any public deposits within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposit) Rules, 1975 and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

DIRECTORS:

During the year Sri B.V.N.Satyanarayana Raju, has resigned from office of the Directorship of the Company. And in his place Sri K.Hari Babu was appointed as the Additional Director of the Company with effect from 13th February 2011. A member of the Company has proposed Sri K.Hari Babu for his appointment as Director of the Company and a resolution to that effect is submitted in the Notice of the 27th Annual General Meeting of the Company for the members' approval.

In accordance with the provisions of Section 255 & 256 the Companies Act, 1956 and the Articles of Association of the Company, Sri R.Ravichandran, Sri S. Ramkumar and Sri P.V.R.L. Narasimha Raju shall retire by rotation and being eligible offer himself for re-appointment.

GREEN INITIATIVE WITH RESPECT TO CORPORATE GOVERNANCE:

As per the circular no. 18/2011 issued by The Ministry of Corporate Affairs with respect to the Green Initiative in the Corporate Governance members those who are having their e-mail ID's shall be sent the soft copies of the 27th Annual Report of the Company by e-mail. Physical copies shall be sent to those investors who are not having their e-mail ID's. A copy of the 27th Annual Report shall be sent by post to those members who make a specific request for physical copy.

In addition to that the soft copies of the Annual Report in electronic mode are posted on the website of the company. News paper advertisement about the availability of the same is made in both English and Telugu News paper in compliance with circular no. 18/2011 issued by Ministry of Corporate Affairs.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis of financial condition including the results of operations of the Company for the year under review as required under clause 49 of the listing agreement with the stock exchanges, is given as a separate statement in the Annual Report.

CASH FLOW ANALYSIS

The Cash Flow Statement for the year, under reference in terms of Clause 32 of the Listing Agreement entered by the Company with the Stock Exchanges, is annexed hereto.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS – 21 on Consolidated Financial Statements read with Accounting Standard AS – 23 on Accounting for Investment in Associates and with reference in terms of Clause 32 and 41 of the Listing Agreement, your Directors provide the Audited Consolidated Financial Statements in the Annual Report

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors accepts responsibility for integrity and objectivity of the financial statements. The Board has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. 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, 2011 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, 2011 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 2011, have been prepared on a going concern basis.

CORPORATE GOVERNANCE

We continue to be a pioneer in benchmarking our corporate governance policies with the best in the world. Our efforts are widely recognized by the investors. We have documented our internal policies on corporate governance in line with the committee's recommendations. Our code of conduct was updated to make it relevant and responsive to the changing needs of our business. 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 themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1) of the Companies Act, 1956.

The notes to the accounts referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

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

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy. 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

We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board of Directors thank the Company's customers, vendors, investors, business associates, bankers and academic institutions for their support to the Company.

The Directors also thank the Government of India, the concerned State Governments, Government Departments and Governmental Agencies for their co-operation.

The Directors appreciate and value the contributions made by every member of the Company across the world.

The Directors wish to place on record their sincere appreciation of the dedicated services rendered by all the employees of the Company.

For Raasi Enterprises Limited

K. V. Vishnu Raju
Chairman

Place : Hyderabad

Date : 12.08.2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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. The Board of the Company has surrendered the registration certificate with Reserve Bank of India and discontinued operations in the financial services sector.

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. 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 Indian economy is expected to grow according to world Economic Outlook. With the recovery in the global markets, there is expected to be an increase in the commodity prices, in turn increasing the input costs. Interest rates and liquidity may be affected as a result of inflationary pressures. 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 sq ft 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 ₹ 1299.58 lakhs as against ₹ 1125.51 lakhs in the previous year.

The consolidated net profit/(loss) for the year was ₹ 31.85 lakhs against ₹ 92.17 lakhs.

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.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organisation most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organisation and of their own role as trustees on behalf of the shareholders.

By combining ethical values with business acumen, globalisation with national interests and core business with emerging business, the Company aims to be amongst the largest and most respected global organisations. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the growth of the business company.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges. The Company has moved ahead in its pursuit of excellence in corporate 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.

BOARD OF DIRECTORS:

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.

The Board of the Company presently consists of five Directors, One Non-Executive Chairman, One Whole-time Director and Three 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 R.Ravi Chandran	Whole-time Director
03.	Sri S.Ram Kumar	Independent and Non-Executive
04.	Sri P.V.R.L.Narasimha Raju	Independent and Non Executive
05.	Sri K.Hari Babu	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. During the period Mr. B.V.N.Satyanarayana Raju has resigned from the Directorship of the Company and Sri K.Hari Babu was appointed as the Additional Director of the Company with effect from 13.02.2011.

The brief profile of the Directors those who are appointed is attached as Annexure to the Notice of AGM.

None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2011 have been made by the Directors.

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 2010-11, the Board of Directors met Four times in the following dates. 15th May 2010, 14th August 2010, 13th November 2010 and 12th February 2011.