

**28<sup>th</sup>**  
**Annual Report**  
**2011-2012**



***Raasi Enterprises Limited***

**CORPORATE INFORMATION****Board of Directors**

Shri K.V.Vishnu Raju	-	Chairman
Shri R.Ravichandran	-	Whole-time 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, 5<sup>th</sup> Floor, "Kautilya"  
6-3-652, Somajiguda  
Hyderabad - 500 482.

**Bankers**

Indian Bank  
Indian Overseas Bank

**Registrars and Share Transfer Agents**

M/s. Karvy Computershare Private Limited  
Plot No.17 to 24, Vithal Rao Nagar, Madhapur,  
Hyderabad - 500 081.  
Phone No(s): 040-23420815 - 24, Fax No.040 - 23420814

**Registered Office**

Vishnupur, Garagaparru Road,  
Bhimavaram - 534 202  
West Godavari District



## NOTICE

**Notice** is hereby given that the **Twenty Eighth** Annual General Meeting of the members of the Company will be held on Saturday the 29<sup>th</sup> September 2012 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 31<sup>st</sup> March 2012 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 K.Hari Babu, Director who retires by rotation and being eligible offers himself for re-appointment.
3. 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:

4. APPOINTMENT OF SHRI K.V.VISHNU RAJU, CHAIRMAN AS A PERMANENT DIRECTOR (FOR LIFE), WHOSE OFFICE IS NOT LIABLE TO RETIREMENT BY ROTATION.

To Consider and if thought fit, to pass with or without modifications, the following resolutions as an Ordinary Resolution.

**RESOLVED THAT** pursuant to the Provisions of Section 255 read with Section 256 of the Companies Act, 1956, Memorandum and Articles of Association of the Company and any other applicable provisions, if any, Shri K.V.Vishnu Raju, Chairman of the Company is hereby appointed as a Permanent Director (for life) of the Company and whose period of office shall not be liable for determination for retirement by rotation at the Annual General Meetings of the Company.

5. REVISION OF REMUNERATION OF SHRI R. RAVICHANDRAN, WHOLE-TIME DIRECTOR.

To Consider and if thought fit, to pass with or without modifications, the following resolutions as an Special Resolution.

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 309, 310 read with Schedule XIII to the Companies Act, 1956, Notification of MCA vide GSR No.534(E) dated 14<sup>th</sup> July, 2011, other applicable provisions of the Notifications and Circulars issued by the Ministry of Corporate Affairs from time to time and in super session of the earlier resolution (s) passed in this regard, the consent of the Company be and is hereby accorded to revise the remuneration payable to **Shri R. Ravichandran, Whole-time Director** of the Company with effect from 2<sup>nd</sup> November, 2011 to the extent of ₹ 15,00,000/- per annum including basic, perquisites, commission and other benefits.

**RESOLVED FURTHER THAT** in case of absence or inadequacy of profits during any financial year during the tenure of office of Shri R. Ravichandran, Whole-time Director, the above remuneration shall be payable subject to the limits prescribed under Section II, Part II of Schedule XIII to the Companies Act, 1956 and provisions of Notification of MCA vide GSR No.534(E) dated 14<sup>th</sup> July, 2011 ".

For Raasi Enterprises Limited

Place : Hyderabad  
Date : 14.08.2012

R.Ravichandran  
Wholetime Director



**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 28<sup>th</sup> 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 28<sup>th</sup> 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 25<sup>th</sup> September 2012 to 29<sup>th</sup> September 2012 (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 Rs 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 31.03.2012.
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.**



## Explanatory Statement

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

### Item 4: Appointment of Shri K. V. Vishnu Raju as permanent Director of the Company.

Shri K.V.Vishnu Raju is the core promoter of the Company. He is qualified in Chemical Engineering. He has been Associated with the Company for the last 25 years since the inception of the Company. He is instrumental in development and growth of the Company by virtue of his vast experience and knowledge in various facets of Corporate World. The Company thought fit to use his knowledge and experience on continuous basis and has proposed this resolution.

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

### Item 5: Revision of Remuneration of Shri R. Ravichandran, Whole-time Director.

Shri R. Ravichandran is the Whole-time Director of the Company and he is not having any interest in the Capital of the Company directly or indirectly and not related to the Directors or Promoters of the Company at any point of time and is having graduate level qualification with expert and specialized knowledge in the field of his profession. Since his induction to the Board, he steered the Company with total dedication, hard work and effective leadership into diversified activities, resulting in the profitable growth of the Company's operations. In spite of the slowdown of the business for a very long period during the past, the Company has always kept its spirit high both in words and action due to the untiring efforts of Shri R. Ravichandran.

The Board reviewed the performance achieved by the Company during the year under review and appreciated the management for their untiring efforts in achieving the exponential growth, both in terms of total income and profitability. The Board is excited about the projections given by the Whole-time Director and has decided to remunerate him suitably to encourage, motivate him. It is proposed to revise the remuneration as mentioned in the above resolution. Remuneration Committee has approved the said proposal.

The Board of Directors proposes to revise the remuneration payable to him as mentioned in the above resolution. Such proposal requires the approval of members in general meeting as per the Companies Act, 1956 and Notification of MCA vide GSR No.534(E) dated 14<sup>th</sup> July, 2011. Remuneration Committee has approved the revision in remuneration payable to him and the same was noted in the Board Meeting.

The explanatory statement together with the accompanying notice may be treated as an abstract of the terms of remuneration payable to Shri R. Ravichandran pursuant to Section 302 of the Companies Act, 1956.

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

For Raasi Enterprises Limited

Place : Hyderabad

Date : 14.08.2012

R.Ravichandran  
Wholetime Director



**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	: 49 Years
Qualification	: IIM - Calcutta
Expertise	: Industrialist
Other Directorships	: 02
Shareholding in the Company	: Nil

Name	S.Ram Kumar
Age	: 61 Years
Qualification	: B.Com, IICA - Banking
Expertise	: Finance
Other Directorships	: 02
Shareholding in the Company	: Nil

Name	P.V.R.L. Narasimha Raju
Age	: 48 Years
Qualification	: B.Com
Expertise	: Industrialist
Other Directorships	: 05
Shareholding in the Company (No of shares)	: 800

Name	K.Hari Babu
Age	: 57 years
Qualification	: B.Com
Expertise	: Business
Other Directorships	: Nil
Shareholding in the Company	: Nil

## DIRECTORS' REPORT

The Members of  
**M/s. Raasi Enterprises Limited**

The Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of the Company together with audited Annual Accounts for the year ended 31<sup>st</sup> March 2012.

### Financial results

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
Total income	<b>1426.78</b>	1299.59	<b>105.82</b>	99.63
Operating profit before interest, depreciation and tax	<b>173.09</b>	146.60	<b>75.92</b>	67.30
Interest and financial charges	<b>86.36</b>	54.92	<b>58.04</b>	25.64
Depreciation	<b>43.66</b>	42.57	<b>12.76</b>	12.70
Profit before taxation	<b>43.07</b>	49.11	<b>5.12</b>	28.96
Provisions for taxation	<b>15.39</b>	13.16	<b>2.53</b>	8.73
Profit after taxation	<b>27.68</b>	35.95	<b>2.59</b>	20.23
Less: Minority interest	<b>6.54</b>	4.10	-	-
Transfer to General Reserves	-	-	-	-
Provision for dividend	-	-	-	-
Provision for dividend tax	-	-	-	-
Surplus carried to Balance Sheet	<b>21.14</b>	31.85	<b>2.59</b>	20.23

### Results of operations

Effective operations are instrumental in driving the success of any organization. Our company has continued to show robust triple digit growth with Sales up from ₹11.80 Crs to ₹13.00 Crs giving us a strong 15% increase. Our goal is to increase EBIDTA margins in the long run though we are prepared to sacrifice margins on the short run in exchange for more rapid growth. Detailed planning coupled with a strong financial base, forms the elixir of success. The strength of our financials imparts confidence in our actions that lead us to our success. We continue to explore innovative financing routes that can optimise the financial engineering of our growth.

### 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 31<sup>st</sup> March, 2012.

**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 Directors' 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 an 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 2011-12 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:**

In accordance with the provisions of Section 255 & 256 the Companies Act, 1956 and the Articles of Association of the Company, Sri K.V.Vishnu Raju and Sri K.Hari Babu shall retire by rotation and being eligible offer themselves 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 28<sup>th</sup> 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 28<sup>th</sup> 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 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March 2012, 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 them-selves 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.

By order of the Board

Place : Hyderabad  
Date : 14.08.2012

**R.Ravichandran**  
Wholetime Director