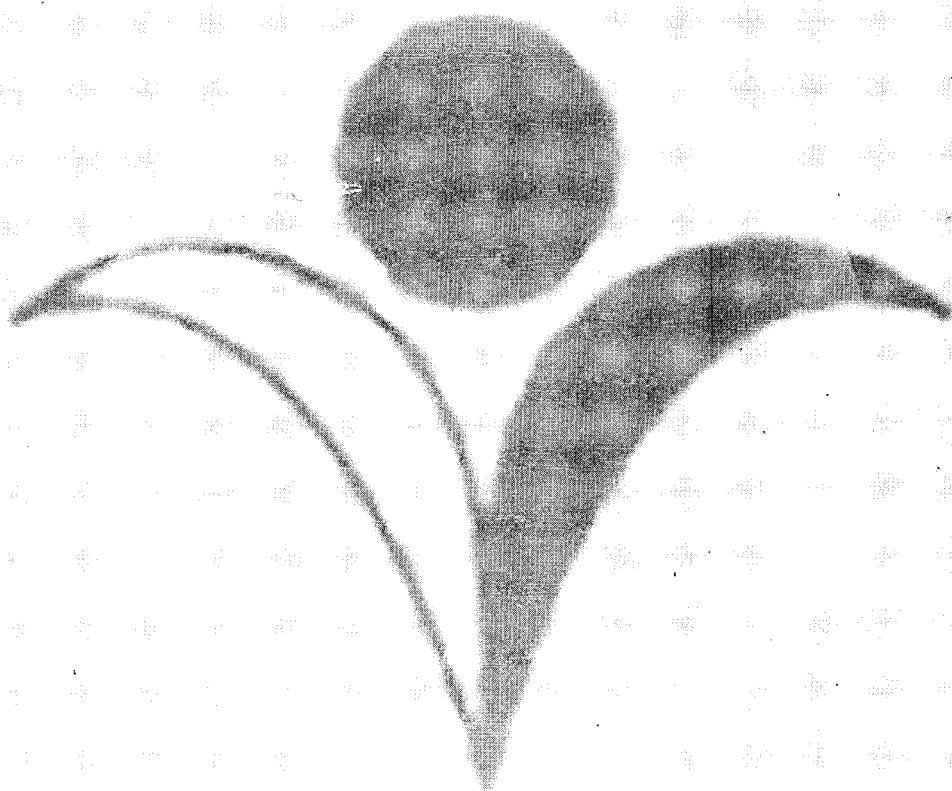


25th

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 Rs.	2007-08 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	Attendance 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.



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	:	3 rd / 4 th Week of
June 30, 2009	:	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"

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



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 and Investment Limited) for the year ended on 31st March, 2009, 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.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Shareholders' / Investors' Grievance Committee.

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.

For M. Bhaskara Rao & Co.,
Chartered Accountants
V.Raghunandan

Place: Hyderabad
Date: 30.06.2009

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 2009, 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.

1. 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.
2. 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.
3. 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 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 5 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 2009;
 - ii) in the case of the Profit and Loss Account, of the loss 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

Place : Hyderabad
Date: 30 -06-2009

V.Raghunandan
Partner
Membership No. 26255

Re: RAASI ENTERPRISES LIMITED**Statement referred to in Paragraph (1) of our report of even date**

01. (a) The company has compiled the fixed assets register showing full particulars including quantitative details, location and situation of the fixed assets. However in respect of fully depreciated assets on hire and lease the particulars including quantitative details, location and situation of the fixed assets are not entered in the register.
- (b) No physical verification of fixed assets was carried out by the management during the year; hence we are unable to comment on the discrepancies, if any.
- (c) In our opinion, the Company has not disposed off substantial part of the fixed assets during the year and the going concern status of the company is not affected.
02. (a) The company has no inventories. Hence, the question of conducting physical verification by the management at reasonable intervals and the reasonableness of frequency of such verification does not arise.
- (b) As there are no inventories, the question of reasonableness and adequacy of the procedures of physical verification followed by the management does not arise.
- (c) As there are no inventories, the question of maintenance of proper records of inventory and discrepancies on physical verification does not arise.
03. (a) According to the information and explanations given to us, the Company has granted unsecured loan to M/s Anjani Portland Cement Limited covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1,95,95,743/- and year end balance of the loans granted to such party is Rs.1,18,94,106/-
- Further, the company has granted an unsecured loan of Rs.80,00,000/- to M/s.Hitech Print Systems Limited, a party covered in the Register maintained under Section 301 during the year. The maximum amount involved during the year was Rs.80,94,749/- and the yearend balance of the loans granted to such party is Nil.
- (b) According to the information given to us, the terms and conditions of such loan is prima facie not prejudicial to the interest of the Company.
- (c) The party is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (d) There is no overdue amount of loan granted to the Company listed in the register maintained under Section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (ii) (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
04. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, sale of goods and services. During the course of our audit, we have not observed any major weaknesses in the Internal Controls.
05. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts and arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered in the register maintained under the said section have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs 5,00,000/- and above in respect of each party.
06. The company has not accepted any deposits from the public during the year.
07. The Company has no internal audit system in vogue.

08. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 for the activities of the Company.
09. (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing the Provident Fund dues with the appropriate authorities. According to the information and explanations given to us, the provisions of Employees' State Insurance Act, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess are not applicable to the company at present. The total amount of unclaimed dividends outstanding for more than seven years and payable to Investor Education and Protection Fund account is Rs 7,90,874/- (Previous Year Rs 7,90,874/-)
(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty outstanding as at 31st March 2009 for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, there are no dues of Sales Tax, Customs duty, Wealth Tax, Service Tax, Excise duty & Cess, which have not been deposited on account of any dispute except Income Tax Demand amounting to Rs.6.80 lakhs as on 31st March 2009 (Previous Year Rs.6.80 lakhs) which has not been paid as the matter is under appeal with Commissioner of Income Tax (Appeals) and Rs.4,77,706/- (Previous Year Rs.4,77,706/-) towards lease income from buildings in respect of which the company has filed an appeal with Commissioner Income Tax (Appeals).
10. The company has no accumulated losses as on 31st March 2009. Further, it has not incurred cash losses in the financial year under report and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks.
12. According to the information and explanations given to us during the course of the audit, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The provisions of any special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us during the course of the audit, the company does not deal or trade in shares, securities, debentures or other investments.
15. In our opinion and according to the information and explanations given to us during the course of the audit, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. During the year the company has taken a term loan from a Nationalised Bank, which was utilized for the purpose for which it was availed.
17. During the year the company has not raised any funds on short-term basis, hence the question of its applicability for long-term investment does not arise.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us during the year, no debentures have been issued by the Company hence the question of creation of securities does not arise.
20. The Company has not raised any money by public issues during the year; hence the question of disclosure and verification of end-use of such money does not arise.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For M. Bhaskara Rao & Co.,
Chartered Accountants

Place : Hyderabad
Date : 30.06.2009

V.Ragunandan

Partner
Membership.No.26255

Balance Sheet As At 31st March 2009

	Sch No	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
Sources of Funds			
1 Share Holders Funds			
a) Share Capital	1	39,458,280	39,458,280
b) Reserves & Surplus	2	34,308,580	<u>44,528,708</u>
		73,766,860	83,986,988
2 Loan Funds			
a) Secured Loans	3	20,824,237	25,218,927
b) Unsecured Loans	4	2,377,405	<u>2,377,405</u>
		23,201,642	27,596,332
3 Deferred Tax Liability (Net)		4,168,998	-
Total		101,137,500	<u>111,583,320</u>
Application of Funds			
1 Fixed Assets	5		
a) Gross Block		121,420,210	121,420,210
Less: Depreciation		42,445,972	<u>41,117,624</u>
Net Block		78,974,238	80,302,586
2 Investments	6	17,155,740	17,155,740
3 Deferred Tax Asset (Net)		-	7,811,349
4 Current Assets, Loans and Advances	7		
a) Sundry Receivables		1,339,356	1,878,499
b) Cash and Bank Balances		975,924	2,022,581
c) Loans and Advances		38,518,042	<u>46,450,746</u>
		40,833,322	50,351,826
Less: Current Liabilities and Provisions	8	35,825,800	<u>44,038,181</u>
Net Current Assets		5,007,522	<u>6,313,645</u>
Total		101,137,500	<u>111,583,320</u>
Significant Accounting policies and Notes on Accounts	12		

As per our report attached
for M.BHASKARA RAO & CO.,
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner
Membership No.26255
Place: Hyderabad
Date: 30.06.2009

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Champak K Burma
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

		Year Ended 31.03.2009, Rs.	Year Ended 31.03.2008, Rs.
A INCOME			
Interest & Other Income		8,925,951	8,207,635
Total		<u>8,925,951</u>	<u>8,207,635</u>
B EXPENDITURE			
Employee Cost	9	1,096,493	1,704,048
Administrative Expenses	10	591,072	437,663
Interest and Financial Charges	11	3,917,878	3,524,195
Depreciation	5	1,328,348	1,360,945
Total		<u>6,933,791</u>	<u>7,026,851</u>
C Profit Before Tax (A-B)		<u>1,992,160</u>	<u>1,180,784</u>
Provision for Taxation -			
Current Tax		(224,886)	(121,621)
Deferred Tax Asset/(Liability)		(11,980,347)	(570,750)
Fringe Benefit Tax		(7,055)	(22,677)
D Profit / (Loss) after tax		<u>(10,220,128)</u>	<u>465,736</u>
Profit / (Loss) brought forward		<u>16,336,360</u>	<u>15,870,624</u>
E Profit / (Loss) carried to Balance Sheet		<u>6,116,232</u>	<u>16,336,360</u>
Basic & Diluted Earnings Per Share		(2.56)	0.12
Significant Accounting Policies and Notes on Accounts	12		

As per our report attached
for M.BHASKARA RAO & CO.,
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner
Membership No.26255
Place: Hyderabad
Date: 30.06.2009

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Champak K Burma
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	Year Ended 31.03.2009, Rs.	Year Ended 31.03.2008, Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items:	1,992,160	1,180,784
Adjustments for:		
Depreciation on fixed assets	1,328,348	1,360,945
Interest and Finance Charges paid	3,917,878	3,524,195
	<u>5,246,226</u>	<u>4,885,140</u>
Operating Profit before Working Capital Changes Adjustments for:	7,238,386	6,065,924
(Increase)/ Decrease in Sundry Receivables	539,144	(372,095)
(Increase)/ Decrease in Loans and Advanc	7,932,704	(8,190,968)
Increase/ (Decrease) in Current Liabilities	<u>(8,212,381)</u>	<u>8,641,456</u>
Cash Generated from Operations	<u>7,497,852</u>	<u>6,144,317</u>
Income tax paid	(231,941)	(144,298)
Net Cash Flow from Operating Activities	7,265,911	6,000,019
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Net Cash Flow from Investing Activities	-	-
C CASH FLOW FROM FINANCIAL ACTIVITIES		
(Repayment)/ Proceeds from Secured Loans	(4,394,690)	(3,473,236)
Interest Paid	(3,917,878)	(3,524,195)
Net Cash Flow from Financing Activities	<u>(8,312,568)</u>	<u>(6,997,431)</u>
D NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,046,657)	(997,412)
Cash and Cash Equivalents as at the commencement for the year	2,022,581	3,019,993
Cash and Cash Equivalents as at the close of the year	<u>975,924</u>	<u>2,022,581</u>

Note: Previous year's figures have been regrouped and recast wherever necessary to conform with current year's classification.

As per our report attached
for M.BHASKARA RAO & CO.,
Chartered Accountants

For and on behalf of the Board

V.Raghunandan
Partner
Membership No.26255
Place: Hyderabad
Date: 30.06.2009

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Champak K Burma
Company Secretary

Schedules to Accounts

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED	<u>50,000,000</u>	<u>50,000,000</u>
50,00,000 equity shares of Rs.10/- each		
ISSUED CAPITAL		
40,00,000 equity shares of Rs.10/- each	<u>40,000,000</u>	<u>40,000,000</u>
Less: Calls in Arrears	<u>541,720</u>	<u>541,720</u>
	<u>39,458,280</u>	<u>39,458,280</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
General Reserve	<u>6,930,294</u>	<u>6,930,294</u>
Reserve Fund	<u>18,946,054</u>	<u>18,946,054</u>
Investment Allowance Reserve	<u>2,316,000</u>	<u>2,316,000</u>
Opening Balance of P & L account	<u>16,336,360</u>	<u>15,870,624</u>
Add: Profit / (loss) for the year	<u>(10,220,128)</u>	<u>465,736</u>
	<u>6,116,232</u>	<u>16,336,360</u>
TOTAL	<u>34,308,580</u>	<u>44,528,708</u>
SCHEDULE - 3		
SECURED LOANS		
A .Term loans from Banks	<u>20,442,749</u>	<u>24,717,128</u>
B. Vehicle Loan	<u>381,488</u>	<u>501,799</u>
Total	<u>20,824,237</u>	<u>25,218,927</u>
SCHEDULE - 4		
UNSECURED LOANS		
Unsecured Loans		
- From Others	<u>2,377,405</u>	<u>2,377,405</u>
TOTAL	<u>2,377,405</u>	<u>2,377,405</u>

Schedule - 5

(Amounts in Rs.)

Fixed Assets

		Gross Block at cost			Depreciation			Net Block	
		As At 31.03.2008	Additions / (Deletions) during the period	As at 31.03.2009	Upto 31.03.2008	For the Year	Upto 31.03.2009	As at 31.03.2009	As At 31.03.2008
1	Land	13,109,470		13,109,470	-	-	-	13,109,470	13,109,470
2	Buildings	72,925,905	-	72,925,905	6,537,806	1,188,692	7,726,498	65,199,406	66,388,099
3	Furniture & Fixtures	378,449	-	378,449	347,189	23,956	371,145	7,305	31,260
4	Office Equipment	240,873	-	240,873	210,882	15,247	226,129	14,744	29,991
5	Air Conditioner	27,930	-	27,930	27,930	-	27,930	-	-
6	Motor Vehicles	914,064		914,064	190,773	86,836	277,609	636,455	723,291
7	Wooden Partitions	222,883	-	222,883	222,883	-	222,883	-	-
8	Computers	268,183		268,183	257,308	10,875	268,183	-	10,875
9	Electrical Equipment	38,777	-	38,777	29,177	2,742	31,919	6,858	9,600
	Assets on Hire								
1	Plant and Machinery	9,775,324	-	9,775,324	9,775,324	-	9,775,324	-	-
	Assets on Lease								
1	Plant and Machinery	13,048,413	-	13,048,413	13,048,413	-	13,048,413	-	-
2	Vehicles	1,738,587	-	1,738,587	1,738,587	-	1,738,587	-	-
3	Electric Meters	7,301,728	-	7,301,728	7,301,728	-	7,301,728	-	-
4	Temporary Sheds	1,429,624	-	1,429,624	1,429,624	-	1,429,624	-	-
		121,420,210	-	121,420,210	41,117,624	1,328,348	42,445,972	78,974,238	80,302,586
	Previous Year	121,420,210	-	121,420,210	39,756,679	1,360,945	41,117,624	80,302,586	81,663,531

Schedules to Accounts

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE - 6		
INVESTMENTS		
A. Government Securities - At cost - unquoted		
14% GOI Loan 2006 (Face Value of Rs.1,00,000/-)	100,000	100,000
B LONG TERM INVESTMENTS (AT COST)		
Quoted		
M/s. Regency Ceramics Limited 100 fully paid equity shares of Rs.10/- each	1,789	1,789
In Non Trade Investments		
Unquoted		
M/s.Andhra Pradesh Steel Limited 10200 fully paid equity shares of Rs.10/- each	1	1
M/s. Sparteck Ceramics Limited 50 fully paid equity shares of Rs.10/- each	3,950	3950
M/s. Sai Aditya Foods and Retails Private Limited 120946 fully paid equity shares of Rs.100/- each	17,000,000	17,000,000
C OTHER INVESTMENTS		
Mutual Funds : At Cost Quoted		
M/s.Morgan Stanely Mutual Fund (Growth Fund) 5000 fully paid units of Rs.10/- each	50,000	50,000
TOTAL	<u>17,155,740</u>	<u>17,155,740</u>
SCHEDULE - 7		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
Tax deducted at Source	1,339,356	1,878,499
Sundry Receivables		
Considered Good	-	-
Considered Doubtful	10,120	10,120
Less: Provision for doubtful debts	<u>10,120</u>	<u>10,120</u>
TOTAL	<u>1,339,356</u>	<u>1,878,499</u>
Cash and Bank Balances		
a) Cash on Hand	1,949	551,922
b) Balance with Scheduled Banks in Current Accounts	973,975	1,470,659
TOTAL	<u>975,924</u>	<u>2,022,581</u>

Schedules to Accounts

	31st	As at March 2009, Rs.	31st	As at March 2008, Rs.
B LOANS AND ADVANCES				
a) Advances recoverable in cash or kind or for value to be received (Unsecured and considered good)		14,166,126		23,367,043
Considered doubtful	276,707		276,707	
Less: Provision for doubtful Debts	276,707	-	276,707	-
b) Deposits		260,530		260,530
c) Advance Tax		24,054,011		22,746,182
d) Hire Purchase Suspense		37,375		76,991
TOTAL		<u>38,518,042</u>		<u>46,450,746</u>
SCHEDULE - 8				
CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
Sundry Creditors				
- Others	150,306		150,306	
Investor Education and Protection Fund	790,875		790,875	
Other Liabilities	3,266,429		11,702,405	
Interest Accrued	<u>3,007,353</u>		<u>3,007,353</u>	
		7,214,963		15,650,939
B PROVISIONS				
Provisions for Income Tax	28,610,837		28,387,243	
		<u>28,610,837</u>		<u>28,387,243</u>
TOTAL		<u>35,825,800</u>		<u>44,038,181</u>
		Year Ended 31.03.2009, Rs.		Year Ended 31.03.2008, Rs.

SCHEDULE - 9

EMPLOYEE COST

Salaries & Wages	868,488	1,352,518
Contribution to Provident Fund & Other Funds	76,605	126,030
Staff & Workmen welfare expenses	151,400	225,500
	<u>1,096,493</u>	<u>1,704,048</u>

Schedules to Accounts

	Year Ended 31.03.2009, Rs.	Year Ended 31.03.2008, Rs.
SCHEDULE - 10		
ADMINISTRATIVE EXPENSES		
Advertisement and Publicity Charges	154,966	122,498
Travelling and Conveyance Expenses	7,500	650
Printing & Stationery	65,809	61,957
Telephone and Postal Expenses	50,252	62,806
General Expenses	60,981	8,694
Auditors' Remuneration		
Statutory Audit Fee	33,090	33,708
Tax Audit Fee	16,545	16,854
Insurance	37,472	13,669
Legal & Professional Charges	64,878	73,860
Listing Fee, Board & General Meeting Expenses	88,012	42,967
Vehicle Maintenance	6,567	-
Rates and Taxes	5,000	-
TOTAL	591,072	437,663
SCHEDULE - 11		
INTEREST AND FINANCIAL CHARGES		
a) Interest on Term Loans	3,707,247	3,341,649
b) Interest on Others	165,717	167,201
c) Bank charges	44,914	15,345
TOTAL	3,917,878	3,524,195

SCHEDULE – 12
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:
I. SIGNIFICANT ACCOUNTING POLICIES:

The company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) in India

1. INCOME RECOGNITION:

Income from lease transaction, interest and other income are recognized on accrual basis.

2. EXPENSES ACCOUNTING:

a) In respect of gratuity, the company has covered all eligible employees under group gratuity scheme of LIC. Accordingly the company pays annual premium to LIC and difference between annual gratuity liability and annual premium paid is provided in books.

b) Leave encashment to employees is provided on an estimated basis.

3. FIXED ASSETS AND DEPRECIATION:

a) Fixed Assets including Leased Assets are accounted for on historical cost.

b) Depreciation on Fixed Assets including Leased Assets is provided on straight-line method at rates and in the manner stipulated in Schedule XIV to the Companies Act, 1956.

c) All fixed assets are tested for any indications of impairment at the end of each financial year. On such indication, impairment loss, being the excess of carrying value over recoverable value of the assets, is charged to profit and loss account in the respective financial years. The impairment loss recognised in the prior years is reversed in cases where the recoverable value exceeds the carrying value upon reassessments in the subsequent years.

4. INVESTMENTS:

Long Term Investments are valued at cost after providing for any permanent diminution in value.

5. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

6. Taxes on Income

a) The provision for current tax is made for the tax payable in accordance with provisions of Income Tax Act, 1961.

b) Deferred Tax is recognised in accordance with the Accounting Standard – 22 "Accounting for Taxes on Income".

7. Contingent Liabilities:

Contingent liabilities arising from claims, litigations, assessments, fines, penalties, etc., are provided when it is probable that a liability may be incurred and the amount can be reliably estimated.

II. NOTES ON ACCOUNTS:
1. CONTINGENT LIABILITIES NOT PROVIDED FOR:

i) Disputed Income Tax demands for the asst.year 1998-99 Rs. 6.80 lakhs (previous year Rs.6.80 lakhs).

ii) Disputed Income Tax Liability for the asst.year 2004-05 Rs.9.78 lakhs towards lease income from buildings in respect of which the company has filed an appeal with Commissioner Income Tax (Appeals).

2. The company has been advised that its present practice of recognizing income on rentals though presently disputed by Income Tax Department will ultimately be decided in favour of the Company.

3. Buildings situated at Bhimavaram, W.G.District are constructed on a land belonging to Sri Vishnu Educational Society, a society registered under the Public Registration Societies Act, 1860.

4. Aggregated Related Party Disclosures

Related Parties:

Enterprises owned or significantly influenced by Key Management personnel or relatives

- Anjani Portland Cement Limited
- Sri Vishnu Educational Society
- Dr.B.V.Raju Foundation
- Hitech Print Systems Limited

Subsidiary Company

- Sai Aditya Foods and Retail Private Limited

Key Management Personnel

Shri K.V.Vishnu Raju	-	Chairman
Shri B.V.N.Satyanarayana Raju	-	Director
Shri S.Ram Kumar	-	Director
Shri P.V.R.L.Narasimha Raju	-	Director
Shri R.Ravichandran	-	Director

Following are the transactions with related parties during the year ended 31.03.2009.

Particulars	Subsidiary Personnel	Key Managerial Personnel	Relatives of the key Key Managerial Personnel	Amount (Rs.) Enterprises of Key Managerial
Rentals received from				61,98,702
Sri Vishnu Educational Society				61,98,702
Interest on Loan received from Anjani Portland Cement Limited				23,63,034
Balances outstanding as on 31.03.2009				16,01,089
Anjani Portland Cement Limited- Unsecured loan				1,18,94,105 (Cr)
Sri Vishnu Educational Society				1,98,50,011 (Cr)
Dr.B.V.Raju Foundation				2,72,796 (Dr)
				99,59,548 (Cr)
				1,50,000 (Cr)
				1,50,000 (Cr)
Hitech Print Systems Limited				28,980 (Cr)
Dr.B.V.Raju Institute of Technology				Nil
Sai Aditya Food and Retail Private Limited	18,56,859 (Cr)			Nil
	16,17,072 (Dr)			3,00,000 (Cr)

Figures in italics represent previous year's figures

- Balances with Scheduled Banks, Loans & Advances, Unsecured loans and Creditors are subject to confirmation and reconciliation.
- The term loan from Indian Overseas Bank, Bhimavaram Branch, is secured against the Lease Rentals receivable on the buildings let out to Sri Vishnu Educational Society, Bhimavaram. Further they are secured by equitable mortgage on land and building situated at Bhimavaram. Sri K.V.Vishnu Raju, Chairman of the Company in his personal capacity and Sri Vishnu Educational Society stood as guarantors for the said loan.
- Deferred Tax Asset / Liability:
In accordance with Accounting Standard 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the company has a Net Deferred Tax Liability aggregating to Rs.41,68,998/- (Previous Year Net Deferred Tax Asset Rs.78,11,349/-).

Deferred tax assets and liabilities arising due to timing differences comprise of:

Particulars	As at 31.03.2009, Rs.	As at 31.03.2008, Rs.
a) Deferred Tax Asset – (Unabsorbed Losses)	40,51,985	1,50,79,200
b) Deferred Tax Liability – (Depreciation)	82,20,983	72,67,851
c) Net Deferred Tax Liability / (Asset) (b-a)	41,68,998	(78,11,349)

8.	Earnings per share: Particulars	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
	a) Profit / (Loss) after tax	(1,02,20,128)	4,65,736
	b) Weighted average No. Of shares	40,00,000	40,00,000
	c) Earnings per share –Basic	(2.56)	0.12
	Diluted	(2.56)	0.12

9. Previous year's figures have been re-grouped / reclassified wherever necessary to conform to the current year's classification.

As per our report attached
for M.BHASKARA RAO & CO.,
Chartered Accountants

For and on behalf of the Board

V.Raghunandan
Partner
Membership No.26255
Place: Hyderabad
Date: 30.06.2009

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Champak K Burma
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY GENERAL PROFILE

1 Registration Details.

Registration No. 01 4005 State Code 0 1

Balance Sheet Date 31 03 2009

2 Capital raised during the year (Amount in Rs.Thousands)

Public Issue N I L Rights Issue N I L

Bonus Issue N I L Private Placement N I L

3 Position of Mobilisation and Deployment of Funds (Amt. In Rs.Thousands)

Total Liabilities 0 1 0 1 0 4 Total Assets 0 1 0 1 0 4

Source of Funds:

Paid-Up Capital 3 9 4 5 8 Reserves & Surplus 3 4 3 0 9

Secured Loans 2 0 8 2 4 Unsecured Loans 0 2 3 7 7

Application of Funds:

Net Fixed Assets 1 2 4 2 0 Investments 1 7 1 5 5

4 Performance of Company (Amount In Rs.Thousands)

Turnover Total 0 8 9 2 5 Expenditure 0 6 9 3 3

+/- Profit/Loss Before Tax + 1 9 9 2 +/- Profit / Loss After Tax - 1 0 2 2 0

5 Generic Name of Four Principal of Company (as per Monetary terms):

Item Code No:

As per our report of even date attached
for M.Bhaskara Rao & Co.,
Chartered Accountants

for and on behalf of

V.Raghunandan
Membership No.26255

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Place: Hyderabad
Date: 30.06.2009

Champak K Burma
Company Secretary

Consolidated Financial Accounts of Raasi Enterprises Limited

AUDITORS' REPORT ON CONSOLIDATED ACCOUNTS

The

Board of Directors

Raasi Enterprises Limited

Hyderabad

We have examined the attached Consolidated Balance Sheet of the Raasi Enterprises Limited (formerly Raasi Finance & Investment Limited) and its subsidiary Sai Aditya Foods and Retail Private Limited (formerly Sai Aditya Hotels & Supermarkets Private Limited) as at 31st March 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year there ended.

These financial statements are the responsibility of the Raasi Enterprises Limited's management. Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the 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 mis-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 a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary, whose financial statements reflect total asset of Rs. 471.39 lacs as at March 31, 2009 and the total revenue of Rs.896.72 lacs for the year ended. These financial statements have been audited by other auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, and the basis of the separate audited financial statements of the Raasi Enterprises Limited and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Raasi Enterprises Limited and its subsidiary, and subject to Note 2 regarding the method of depreciation followed by subsidiary company and Note 8 regarding pending reconciliation and confirmation of Sundry Creditors, Sundry Debtors, Unsecured Loans, Loans and Advances of the parent Company, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Raasi Enterprises Limited and its subsidiary as at March 31, 2009.
- (b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Raasi Enterprises Limited and its subsidiary for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of Raasi Enterprises Limited and its subsidiary for the year ended on that date.

For M.BHASKARA RAO & CO
Chartered Accountants

V.Raghunandan

Partner

Membership No.26255

Place : Hyderabad

Date : 30.06.2009

Consolidated Balance Sheet As At 31st March 2009

	Schedule No	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SOURCES OF FUNDS			
1 Share Holders Funds			
a) Share Capital	1	39,458,280	39,458,280
b) Reserves & Surplus	2	37,220,131	46,632,735
		76,678,411	86,091,015
2 Minority Interest		4,150,648	3,866,185
3 Loan Funds			
a) Secured Loans	3	46,048,886	52,520,058
b) Unsecured Loans	4	6,165,405	6,377,405
		52,214,291	58,897,463
4 Deferred Tax Liability (Net)		4,168,998	-
TOTAL		137,212,348	148,854,663
APPLICATION OF FUNDS			
1 Fixed Assets			
A) Goodwill		8,131,353	8,131,353
B) Other Fixed Assets	5		
a) Gross Block		159,050,888	149,788,145
Less: Depreciation		58,531,047	45,891,633
Net Block		100,519,841	103,896,512
b) Capital Work In Progress		9,508,486	9,351,393
		110,028,327	113,247,905
2 Investments	6	155,740	155,740
3 Deferred Tax Asset (Net)		-	7,811,349
4 Current Assets, Loans and Advances	7		
a) Inventories		8,923,069	7,714,713
b) Sundry Receivables		7,385,201	6,767,157
c) Cash and Bank Balances		2,038,547	3,863,366
d) Loans and Advances		41,333,663	50,895,781
		59,680,480	69,241,018
Less: Current Liabilities and Provisions	8	40,783,552	49,732,701
Net Current Assets		18,896,928	19,508,316
TOTAL		137,212,348	148,854,663
Significant of Accounting Policies and Notes on Accounts	14		

As per our report attached
for M.BHASKARA RAO & CO.,
Chartered Accountants

For and on behalf of the Board

V.Ragunandan
Partner
Membership No.26255
Place: Hyderabad
Date: 30.06.2009

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Champak K Burma
Company Secretary

Consolidated Profit and Loss account for the year ended 31st March 2009

	Schedule No	Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
A INCOME			
Sales		87,463,806	65,751,218
Interest and Other Income		9,926,000	9,154,291
TOTAL		97,389,806	74,905,509
B EXPENDITURE			
Manufacturing Expenses	9	67,444,609	50,931,530
(Increase) / Decrease in Stocks	10	(1,208,356)	(2,331,106)
Employee Cost	11	10,365,703	8,531,007
Administrative Expenses	12	6,024,708	4,769,735
Interest and Financial Charges	13	7,399,011	5,892,429
Depreciation	5	4,244,284	4,822,995
TOTAL		94,269,959	72,616,590
C Consolidated Profit Before Taxation (A-B)		3,119,847	2,288,919
Provision for Taxation:			
Current Tax		(224,886)	(121,621)
Deferred Tax Liability		(11,980,347)	(570,750)
Fringe Benefit Tax		(42,755)	(32,777)
D Consolidated Profit After Tax		(9,128,141)	1,563,771
(before adjst. For Minority Interest)			
Less: Share of Minority Interest in profit / (loss)		284,463	286,038
Consolidated Profit after minority interest		(9,412,604)	1,277,733
Balance in Profit and Loss Account brought forward		18,440,387	17,162,654
E Balance carried to Balance Sheet		9,027,783	18,440,387
Basic & Diluted Earnings Per Share		(2.35)	0.32
Significant Accounting Policies and Notes on Accounts	14		

As per our report attached
for M.BHASKARA RAO & CO.,
Chartered Accountants

For and on behalf of the Board

V.Raghunandan
Partner
Membership No.26255
Place: Hyderabad
Date: 30.06.2009

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Champak K Burma
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	Year Ended 31st March 2009 Rs. In lacs	Year Ended 31st March 2008 Rs. In lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items:	31.19	22.89
Adjustments for:		
Depreciation on fixed assets	42.44	48.23
Interest and Finance Charges paid	73.02	57.17
	<u>115.46</u>	<u>105.40</u>
Operating Profit before Working Capital Changes	<u>146.65</u>	<u>128.29</u>
Adjustments for:		
(Increase)/ Decrease in Inventories	(12.07)	(23.31)
(Increase)/ Decrease in Sundry Receivables	(6.18)	(38.36)
(Increase)/ Decrease in Loans and Advances	78.81	(76.30)
(Increase)/ Decrease in Deposits	(2.02)	(0.85)
(Increase)/ Decrease in Prepaid Insurance	0.25	(0.20)
Increase/ (Decrease) in Current Liabilities	<u>(70.92)</u>	<u>115.07</u>
	(12.13)	(23.95)
Cash Generated from Operations	146.65	128.29
Income tax paid	<u>(2.68)</u>	<u>(1.54)</u>
Net Cash Flow from Operating Activities	<u>131.84</u>	<u>102.80</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(20.25)	(208.68)
Proceeds from sale of Fixed Assets	10.00	10.00
Net Cash Flow from Investing Activities	<u>(10.25)</u>	<u>(198.68)</u>
C CASH FLOW FROM FINANCIAL ACTIVITIES		
(Repayment)/ Proceeds from Secured Loans	(44.49)	(30.96)
Proceeds from Long term borrowings	(28.07)	118.07
Increase / (Decrease) in Cash Credit Utilisation	7.85	39.31
Interest Paid	(73.02)	(57.17)
(Repayment)/ Proceeds from unsecured Loans	<u>(2.12)</u>	<u>20.00</u>
Net Cash Flow from Financing Activities	<u>(139.85)</u>	<u>89.25</u>
D NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(18.25)</u>	<u>(6.63)</u>
Cash and Cash Equivalents as at the commencement for the year	38.64	45.27
Cash and Cash Equivalents as at the close of the year	20.38	38.64

Note: Previous year's figures have been regrouped and recast wherever necessary to conform with current year's Classification

As per our report attached
for M.BHASKARA RAO & CO.,
Chartered Accountants

For and on behalf of the Board

V.Raghubandan
Partner
Membership No.26255
Place: Hyderabad
Date: 30.06.2009

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Champak K Burma
Company Secretary

Consolidated Financial Statements

	As at 31st March 2009	As at 31st March 2008
	Rs.	Rs.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED	<u>50,000,000</u>	<u>50,000,000</u>
50,00,000 equity shares of Rs.10/- each		
ISSUED CAPITAL		
40,00,000 equity shares of Rs.10/- each	40,000,000	40,000,000
Less: Calls in Arrears	<u>541,720</u>	<u>541,720</u>
	39,458,280	39,458,280
SCHEDULE - 2		
RESERVES AND SURPLUS		
General Reserve	6,930,294	6,930,294
Reserve Fund	18,946,054	18,946,054
Investment Allowance Reserve	2,316,000	2,316,000
Opening Balance of P and L account	18,440,387	17,162,654
Add: Profit / (Loss) for the year	<u>(9,412,604)</u>	<u>1,277,733</u>
	9,027,783	18,440,387
TOTAL	<u>37,220,131</u>	<u>46,632,735</u>
SCHEDULE - 3		
SECURED LOANS		
A. Term loans from Banks	37,727,215	44,809,018
B. Bank Over Draft	7,617,452	6,831,819
C. Vehicle Loans	704,219	879,221
TOTAL	<u>46,048,886</u>	<u>52,520,058</u>
SCHEDULE - 4		
UNSECURED LOANS		
Unsecured Loans		
- From Directors	2,200,000	1,000,000
- From Others	<u>3,965,405</u>	<u>5,377,405</u>
TOTAL	<u>6,165,405</u>	<u>6,377,405</u>

Raasi Enterprises Limited
Schedule - 5
Consolidated Fixed Assets

		Gross Block at - cost			Depreciation				Net Block	
		As At 31.03.2008	Additions during the year	Deletions during the Year	As at 31.03.2009	Upto 31.03.2008	For the Year	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	Land	13,109,470	-	-	13,109,470	-	-	-	13,109,470	13,109,470
2	Buildings	77,861,777	-	-	77,861,777	8,147,802	1,354,986	9,502,788	68,358,989	69,713,975
3	Furniture & Fixtures	12,359,179	1,012,747	-	13,371,926	3,958,887	956,070	4,914,957	8,456,969	8,400,292
4	Office Equipment	240,873	-	-	240,873	210,882	15,247	226,129	14,744	29,991
5	Air Conditioner	27,930	-	-	27,930	27,930	-	27,930	(0)	(0)
6	Motor Vehicles	2,557,114	21,000	-	2,578,114	1,191,524	258,564	1,450,088	1,128,026	1,365,590
7	Wooden Partitions	222,883	-	-	222,883	222,883	-	222,883	-	-
8	Computers	1,476,430	133,092	-	1,609,522	1,186,243	175,837	1,362,080	247,442	290,187
9	Electrical Equipment	38,777	-	-	38,777	29,178	2,742	31,920	6,857	9,599
10	Machinery and Equipment	16,995,165	700,775	1,000,000	16,695,940	6,017,758	1,480,838	7,498,596	9,197,344	10,977,407
	B.Assets on Hire	-	-	-	-	-	-	-	-	-
1	Plant and Machinery	9,775,324	-	-	9,775,324	9,775,324	-	9,775,324	-	-
	C.Assets on Lease	-	-	-	-	-	-	-	-	-
1	Plant and Machinery	13,048,413	-	-	13,048,413	13,048,413	-	13,048,413	-	-
2	Vehicles	1,738,587	-	-	1,738,587	1,738,587	-	1,738,587	-	-
3	Electric Meters	7,301,728	-	-	7,301,728	7,301,728	-	7,301,728	-	-
4	Temporary Sheds	1,429,624	-	-	1,429,624	1,429,624	-	1,429,624	-	-
		158,183,274	1,867,614	1,000,000	159,050,888	54,286,763	4,244,284	58,531,047	100,519,841	103,896,511
	Previous Year	132,760,826	17,027,319	-	149,788,145	41,068,638	4,822,995	45,891,633	103,896,512	91,692,188



Consolidated Financial Statements

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE - 6		
INVESTMENTS		
A. Government Securities - at cost - Unquoted		
14.00% GOI Loan 2006	100,000	100,000
Face Value of Rs.1,00,000/-		
B. LONG TERM INVESTMENTS (AT COST)		
Un quoted		
M/s.Andhra Pradesh Steel Limited	1	1
10200 fully paid equity shares of Rs.10/- each		
M/s.Sparteck Ceramics Limited	3,950	3,950
50 fully paid equity shares of Rs.10/- each		
M/s. Gorintla Hotels Private Limited	-	1,000,000
1250 fully paid equity shares		
Quoted		
M/s. Regency Ceramics Limited	1,789	1,789
100 fully paid equity shares of Rs.10/- each		
C. OTHER INVESTMENTS		
Mutual Funds (Growth Fund) : At Cost Quoted		
M/s. Morgan Stanely Mutual Fund	50,000	50,000
5000 fully paid units of Rs.10/- each		
Total	155,740	1,155,740
SCHEDULE - 7		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
Inventories		
Closing Stock of Goods	8,923,069	7,714,713
Sundry Receivables		
a) Debts outstanding for a period exceeding six months:	6,045,845	4,888,658
Unsecured, Considered Good		
b) Other Debtors,: Secured, Considered Good, Unsecured, Considered Good	1,339,356	1878499.32
Considered Doubtful	10,120	10,120
Less: Provision for Doubtful	10,120	10,120
Total	7,385,201	6,767,157
Cash and Bank Balances		
a) Cash on Hand	954,529	2,304,452
b) Balance with Scheduled Banks in Current Accounts	1,084,018	1,558,914
Total	2,038,547	3,863,366



Consolidated Financial Statements

	As At 31st March 2009 Rs.	As At 31st March 2008 Rs.
B LOANS AND ADVANCES		
a) Advances recoverable in cash or kind or for value to be received (Unsecured and considered good)	15,986,067	26,993,763
Considered Doubtful	276,707	276,707
Less: Provision for Doubtful	276,707	-
b) Deposits	1,233,756	1,031,721
c) Advance Tax	24,054,011	22,746,182
d) Hire Purchase Suspense	37,375	76,991
e) Prepaid Insurance	22,454	47,124
TOTAL	41,333,663	50,895,781
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors		
- For Goods & Services	5,056,026	4,326,398
- Others	150,306	150,306
Investor Education and	790,875	790,875
Other Liabilities	3,168,156	13,070,527
Interest accrued	3,007,353	3,007,353
	12,172,716	21,345,459
B PROVISIONS		
Provisions for Income Tax	28,610,837	28,387,243
	28,610,837	28,387,243
TOTAL	40,783,553	49,732,701
SCHEDULE - 9		
MANUFACTURING EXPENSES		
1 Purchases and Rawmaterials	54,616,394	42,786,261
2 Transport Charges	524,514	181,458
3 Consumption of Packing Material	4,973,605	3,492,788
4 Showroom, Generator Maintenance	1,197,090	552,724
5 Sales Commission	367,786	67,040
6 Business Promotion	36,958	53,881
7 Water Charges	122,606	174,824
8 Repairs and Maintenance	2,999,450	1,545,187
9 Electricity Charges	2,606,206	2,077,367
Total	67,444,609	50,931,530
SCHEDULE - 10		
(INCREASE) / DECREASE IN STOCKS		
Opening Stocks	8,923,069	7,714,713
Closing Stocks	7,714,713	5,383,607
(Increase) / Decrease in Stocks	1,208,356	2,331,106
SCHEDULE - 11		
EMPLOYEE COST		
Salaries and Wages	8,082,957	6,145,477
Contribution to Provident Fund and Other Funds	824,862	670,025
Staff & Workmen Welfare Expenses	1,457,884	1,715,505
TOTAL	10,365,703	8,531,007

Consolidated Financial Statements

	Year ended 31st March 2009 (Rs.)	Year ended 31st March 2008 (Rs.)
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SCHEDULE - 12

ADMINISTRATIVE EXPENSES,

Advertisement and Publicity Charges	237,769	146,031
Rent, Rates and Taxes	2,562,648	1,942,396
Travelling and Conveyance Expenses	165,307	192,807
Vehicle Maintenance	889,413	519,492
Printing and Stationery	343,198	291,868
Telephone and Postal Expenses	399,650	361,419
General Expenses	455,405	241,873
Auditors' Remuneration		
Statutory Audit Fee	82,725	73,034
Tax Audit Fee	16,545	16,854
Legal and Professional Charges	195,678	356,091
Listing Fee, Board and General	88,012	42,967
Meeting Expenses		
Security Charges	305,198	258,971
Audit Expenses	12,524	14,424
Car Hire Charges	167,000	230,700
Insurance	103,636	80,808
Total	6,024,708	4,769,735

SCHEDULE - 13

INTEREST AND FINANCIAL CHARGES

a) Interest on Term Loans	6,108,018	5,023,220
b) Interest on Overdraft	948,297	499,042
c) Interest on Others	200,790	179,521
c) Bank Charges	141,906	190,646
TOTAL	7,399,011	5,892,429

SCHEDULE – 14**CONSOLIDATION OF ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:****I. SIGNIFICANT ACCOUNTING POLICIES:**

The company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) in India.

01. Principles of Consolidation:

The Consolidated financial statements relate to Raasi Enterprises Limited ('the Company') and its Subsidiary Company M/s Sai Aditya Foods and Retail Private Limited ("the Subsidiary"). Goodwill arising out of acquisition of subsidiary is shown under Fixed Assets. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its Subsidiary company are combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit and losses in accordance with the Accounting Standard (AS) 21 issued by the Institute of Chartered Accountants of India.
- b. Minority Interest's share of net profit for the year is identified and adjusted against the consolidated income in order to arrive at the net income attributable to shareholders of the Company.
- c. Minority Interest's share of net assets is identified and presented in the consolidated balance sheet separate from liabilities and equity of the Company's shareholders.

02. INCOME RECOGNITION:

- i) Income from Lease transactions, interest and other income is recognized on accrual basis.
- ii) Revenue recognition – Sales are recognized when goods are supplied in accordance with the terms of sale.

03. EXPENSES ACCOUNTING:

- i)
 - a) In respect of gratuity, the company has covered all eligible employees under group gratuity scheme of LIC. Accordingly the company pays annual premium to LIC and difference between annual gratuity liability and annual premium paid is provided in books.
 - b) Leave encashment to employees is provided on an estimated basis.
- ii) **FIXED ASSETS AND DEPRECIATION:**
 - a) Fixed Assets including Leased Assets are accounted for on historical cost.
 - b)
 - i) Depreciation on Fixed Assets including Leased Assets is provided on straight-line method at rates and manner stipulated in Schedule XIV to the Companies Act, 1956 in the parent Company.
 - ii) In respect of Subsidiary Company depreciation on Fixed Assets is provided on Written Down Value method at the rates higher specified by Schedule XIV of the Companies Act 1956.
 - c) All fixed assets are tested for any indications of impairment at the end of each financial year. On such indication, impairment loss, being the excess of carrying value over recoverable value of the assets, is charged to profit and loss account in the respective financial years. The impairment loss recognised in the prior years is reversed in cases where the recoverable value exceeds the carrying value upon reassessments in the subsequent years.

- iii) **INVESTMENTS:**
a) Long Term Investments are valued at cost after providing for any permanent diminution in value.
b) Inventories:-
Finished goods are valued at cost or net realizable value whichever is lower and Raw materials, Stores & Spares are valued at cost in the books of Subsidiary.
c) Assets & Liabilities are recorded at historical cost in the books of Subsidiary.
- iv) **BORROWING COSTS:**
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- v) **Taxes on Income**
a) The provision for current tax is made for the tax payable in accordance with provisions of Income Tax Act, 1961.
b) Deferred Tax is recognized as Tax effect on the timing differences in accordance with the Accounting Standard -22 "Accounting for Taxes on Income".
- vi) **Contingent Liabilities:**
Contingent liabilities arising from claims, litigations, assessments, fines, penalties, etc., are provided when it is probable that a liability may be incurred and the amount can be reliably estimated.

II. NOTES ON ACCOUNTS:

01. The Subsidiary Company considered in the consolidated financial statement is:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Sai Aditya Foods and Retail Private Limited	India	73.95%

02. In respect of Subsidiary Company Fixed Assets comprising of 31.29% of total Consolidated Fixed Assets have been depreciated on written down value method as against the straight line method followed by the Holding Company.
03. **CONTINGENT LIABILITIES NOT PROVIDED FOR:**
a) Disputed Income Tax demands for the years 1998-99 amounting to Rs. 6.80 lakhs (previous year Rs.6.80 lakhs).
b) Disputed Income Tax Liability for A.Y.2004-05 Rs.9.78 lakhs towards lease income from buildings in respect of which the company has filed an appeal with Commissioner Income Tax (Appeals).
04. The company has been advised that its present practice of recognizing income on rentals though presently disputed by Income Tax Department will ultimately be decided in favour of the Company.
05. Buildings situated at Bhimavaram, W.G.District are constructed on a land belonging to Sri Vishnu Educational Society, a society registered under the Public Registration Societies Act, 1860.
06. a) The term loan availed from Indian Overseas Bank, Bhimavaram Branch is secured against the Lease Rentals receivable on the buildings let out to Sri Vishnu Educational Society, Bhimavaram. Further they are secured by equitable mortgage on land and building situated at Bhimavaram. Sri K.V.Vishnu Raju, Chairman of the Company is his personal capacity and Sri Vishnu Educational Society stood as guarantors for the said loan.
b) In the books of Subsidiary the term loan is secured on the whole of the various items of Machinery & Interior Wood work etc., by a deed of Hypothecation with Indian Bank, Dabagardens Brach, Visakhapatnam. The cash credit facility extended by Indian Bank, Dabagardens Branch, Visakhapatnam is secured by a charge on all inventories (Stocks & Goods) in favour of Indian Bank, Visakhapatnam.
07. **Aggregated Related Party Disclosures**
Related Parties



Raasi Enterprises Limited

Enterprises owned or significantly influenced by Key Management personnel or relatives

- Anjani Portland Cement Limited
- Sri Vishnu Educational Society
- Dr.B.V.Raju Foundation
- Hitech Print Systems Limited

Key Management Personnel

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

Following are the transactions with related parties during the year ended 31.03.2009.

Particulars	Amount (Rs.)		
	Key Managerial Personnel	Relatives of the key Managerial Personnel	Enterprises of Key Managerial Personnel
Rentals received from Sri Vishnu Educational Society	-	-	61,98,702
			<i>61,98,702</i>
Interest on Loan received from Anjani Portland Cement Limited	-	-	23,63,034
			<i>16,01,089</i>
Anjani Portland Cement Limited- Unsecured loan	-	-	1,18,94,105 (Cr)
			<i>1,98,50,011 (Cr)</i>
Sri Vishnu Educational Society	-	-	2,72,796 (Dr)
			<i>99,59,548 (Cr)</i>
Dr.B.V.Raju Foundation	-	-	1,50,000 (Cr)
			<i>1,50,000 (Cr)</i>
Hitech Print Systems Limited	-	-	28,980 (Cr)
			<i>Nil</i>
Dr.B.V.Raju Institute of Technology	-	-	Nil
			<i>3,00,000 (Cr)</i>

Figures in italics represent previous year's figures

08. Balances with Scheduled Banks, Sundry Debtors, Loans & Advances, Unsecured loans and Creditors are subject to confirmation and reconciliation.

09. Deferred Tax Asset / Liability:

In accordance with Accounting Standard 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the company has a Net Deferred Tax Liability aggregating to Rs.41,68,998/- (Previous Year Net Deferred Tax Asset Rs.78,11,349/-).

Deferred tax assets and liabilities arising due to timing differences comprise of:

Particulars	As at 31.03.2009, Rs.	As at 31.03.2008, Rs.
a) Deferred Tax Asset – (Unabsorbed Losses)	40,51,985	1,50,79,200
b) Deferred Tax Liability – (Depreciation)	82,20,983	72,67,851
c) Net Deferred Tax Liability / (Asset) (b-a)	41,68,998	(78,11,349)

10. Earnings per share:

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
a) Consolidated Profit / (Loss)	(94,12,604)	12,77,733
b) Weighted average No. Of shares	40,00,000	40,00,000
e) Earnings per share– Basic	(Rs.2.35)	Rs.0.32
- Diluted	(Rs.2.35)	Rs.0.32

11. The Company has computed the goodwill considering the Post and Pre-acquisition profits. Consequently, the previous year figures of goodwill and Profit and Loss account balance have been restated.

12. Previous year's figures have been re-grouped / reclassified wherever necessary to conform to the current year's classification.

As per our report attached
for M.BHASKARA RAO & CO.,
Chartered Accountants

For and on behalf of the Board

V.Raghunandan
Partner
Membership No.26255
Place: Hyderabad
Date: 30.06.2009

K.V.Vishnu Raju
Chairman

S.Ram Kumar
Director

Champak K Burma
Company Secretary



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATION TO COMPANY'S INTEREST ON SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Sai Aditya Foods and Retail Private Limited
01. The Financial Year of the Subsidiary Company ended on	31.03.2009
02. Date from which they become Subsidiary Company	01.04.2005
03. a. Number of Shares held by Raasi Enterprises Limited with its nominee in the Subsidiary at the end of the financial year of the Subsidiary Company.	1,20,946 equity shares of 100/- each Fully Paid Up
b. Extent interest of Holdings Company at the end of Financial Year of the Subsidiary Company	73.95%
04. The net aggregate amount of the Subsidiary Company Profit /(Loss) so far as it concerns the members of the Holding Company	
A. Not dealt with in the Holding Company Accounts for the Financial Year ended 31st March 2009	Rs. 8,07,524
For the previous financial years of the Subsidiary Company since it became the s Holding Company's subsidiary	Rs. 21,04,028
B. Dealt with in Holding Company's Accounts for the financial year ended 31st March 2009	--
For the previous financial years of the Subsidiary Company since it became the Holding Company's subsidiary	--

Sai Aditya Foods and Retail Private Limited

NOTICE

Notice hereby given that the 15th Annual General Meeting of the Company will be held on Monday, the 24th August, 2009 at 4.00 p.m. at Registered Office of the Company to transact The following business:

ORDINARY BUSINESS:

01. To Consider and adopt the Director's Report, the Audited Profit & Loss Account for The year ended 31st March-2009 and Balance Sheet as on that date.
02. To appoint Auditors for the Company to hold the office till the conclusion of the next Annual General Meeting and fix their remuneration.
03. Any other matter with the permission of the Chair.
By the Order of the Board

Director

Place: Hyderabad

Date: 10.06.2009

DIRECTORS REPORT

To
The Members,

Your Director's have pleasure in presenting the 15th Annual Report and Audited Accounts for the year ended 31st March-2009.

Operations

During the year under review, your company has earned a Net profit of Rs.10,91,987/- (Rupees Ten lakhs Ninty one Thousand nine hundred and eight seven only).

Director's Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 pertaining to Director's Responsibility Statement, the Directors confirm:

1. That in preparation of the annual accounts, the applicable Accounting Standards had been followed and that no material departures have been made from the same.

2. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors have prepared the accounts for the financial year ended 31st March,2009 on a going concern basis.

Deposit:

During the year your company has not invited or accepted any deposits from the public for which the provisions of section 58 A of the Companies Act, 1956 Apply.

Cash Flow :

A Cash Flow Statement for the year ended 31.03. 2009 is attached to the Balance Sheet.

Auditors:

M/s. B.N &Company, Chartered Accountants, Hyderabad, Auditors of the Company retired and eligible for reappointment.

For and behalf of the Board

K. V. Vishnu Raju
Director

Place: Hyderabad
Date : 10.06.2009

Sai Aditya Foods and Retail Private Limited

AUDITORS REPORT

To
The Members,
M/s. Sai Aditya Foods and Retail Private Limited

We have audited the attached Balance Sheet of M/s. Sai Aditya Foods and Retail Private Limited as at 31st March-2009 the Profit & Loss Account and Cash Flow statement for the year ended on that date 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain a 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 a reasonable basis for our opinion.

1. As required by the Company (Auditors Report) Order 2003, issued by the Central Government of India in terms of Section 227 (4A) of the companies Act, 1956, we have enclosed a statement on the matters specified in the paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to paragraph above we state that
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b) In our opinion, proper books of Accounts as required by Law have been kept by the company so far as appeared from our

examination of such books.

c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts.

d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to Sub-Section (3C) of Section 211 of the Companies Act, 1956.

e) On the basis of written representations received from the directors, as on 31-03-2009, and taken on record by the Board of directors, we report that none of the director is disqualified as on 31-03-2009 from being appointed as a director in terms of clause (g) of Sub-section(1) of Section 274 of the Company Act, 1956.

f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts 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.

1. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March-2009 and
2. In the case of the Profit & Loss Account, of the profit for the year ended on that date.
3. In the case of the Cash Flow Statements, of the Cash Flows for the year ended on that date.

As per my report of even date
For B.N. & COMPANY
Chartered Accountants

N.BUDDHA RAJU
M. No.18192

Place : Hyderabad
Date : 10.06.2009

Sai Aditya Foods and Retail Private Limited

ANNEXURE TO THE AUDITORS REPORT:

Referred to paragraph 1 of our report of even date. On the basis of such checking of the Books and Records of the company, we considered appropriate, the information and explanations given to us during the course of our Audit we further state that in our opinion:

1. a) The company had maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) All the assets have been physically verified by the management during the year and there is a regular programme of verification, which is our opinion, is reasonable having regards to the size of Company. No material discrepancies with respect to book records were noticed on such verification.
c) During the year, company has not disposed of any substantial major part of fixed assets.
2. a) As explained to us, the inventory has been physically verified by the management reasonable intervals.
b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
c) The discrepancies noticed on physical verification of inventory as compared to Book records were not material and these have been properly dealt with in the Books of accounts.
3. a) The company has not taken any loans, secured or unsecured, from companies Firms, or other parties covered in the Register maintained under section 301 of The Companies Act, 1956.
b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima-facie prejudicial to the interest of the company.
4. a) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory, Fixed Assets and also for the sale of goods. There is no major weakness in the internal control procedures.
5. a) In our opinion and according to the information and explanations given to us, there are no transactions during the year need to be entered in the registered Maintained under section 301 of the Companies Act, 1956, therefore provisions of Clause 4 (v) (b) is not applicable.
6. The Company has not accepted any deposits from Public.
7. In our opinion, the internal audit system of the company is commensurate with its size and nature of its business.
8. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the activities of the Company.
9. According to the records of the Company, the undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax and Income Tax have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than Six months from the date they become payable.
10. The Company has accumulated losses and has not incurred any Cash Losses during the financial year covered by our audit or in the immediately proceeding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares and other securities.
13. In our opinion the company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
14. In our opinion and according to the information given to us, the company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us,

Sai Aditya Foods and Retail Private Limited

- the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The term loans are applied for the purpose for which they were taken.
17. As per the information and explanations given to us, we are of the opinion that the company has not utilized any short-term sources towards long-term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. Public issue not applicable to the company.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed during course of our audit.
As per my report of even date

For B.N.& COMPANY
Chartered Accountants

N.BUDDHA RAJU

M. No.18192
Place: Hyderabad.
Date: 10.06.2009.

Sai Aditya Foods and Retail Private Limited

Balance Sheet as at 31st March 2009

	Schedule	As At 31st, March 2009 Rs.	As At 31st, March 2008 Rs.
SOURCE OF FUNDS			
Share Holders Funds :			
Share Capital	A	16,356,000	16,356,000
Loan Funds			
Secured Loans	B	25,224,649	27,301,131
Unsecured Loans	C	3,788,000	4,000,000
TOTAL		<u>45,368,649</u>	<u>47,657,131</u>
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		47,139,164	46,114,457
Less : Depreciation		<u>16,085,074</u>	<u>13,169,138</u>
		31,054,090	32,945,319
Current Assets, Loans and Advances			
Loans Advances	F	3,676,800	3,626,720
Sundry Debtors		6,045,845	4,888,658
Deposits	G	973,226	771,191
Cash & Bank Balances	H	1,062,623	1,840,785
Closing Stock		8,923,069	7,714,713
Pre-paid Insurance		22,454	47,124
Less : Current Liabilities	I	<u>(6,814,612)</u>	<u>(5,694,520)</u>
		13,889,405	13,194,671
Profit and Loss Account		425,154	1,517,141
TOTAL		<u>45,368,649</u>	<u>47,657,131</u>

Notes on Accounts

As per our report attached
for B & N Company
Chartered Accountant

For and on behalf of Board

Director

Director

N.Budda Raju
M.No. 18192
Place: Hyderabad
Date: 10-06-2009

Sai Aditya Foods and Retail Private Limited

"Profit and Loss Account for the year ended 31st March 2009 "

	Sch	Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
Income			
Sales		87,463,806	65,751,218
Other Receipts	J	1,000,049	946,656
Increase in Stocks	K	1,208,356	2,331,106
TOTAL		<u>89,672,211</u>	<u>69,028,980</u>
Expenditure			
Manufacturing & selling expenses	L	67,593,576	51,022,202
Administrative expenses	M	14,650,871	11,243,660
Interest on Loans	N	3,384,141	2,192,933
Depreciation	E	2,915,936	3,462,050
TOTAL		<u>88,544,524</u>	<u>67,920,845</u>
Profit before Tax		1,127,687	1,108,135
Provision for Taxation			
Current Tax (MAT & FBT)		35,700	10,100
Profit after Tax carried over to Balance Sheet		<u>1,091,987</u>	<u>1,098,035</u>
Notes on Accounts			

As per our report attached
for B & N Company
Chartered Accountants

For and on behalf of Board

Director

Director

N.Buddha Raju

M.No. 18192

Place: Hyderabad

Date: 10.06.2009

Sai Aditya Foods and Retail Private Limited

Cash Flow Statement for the year ended 31st March 2009

	31.03.2009 Rs.in Lacs	31.03.2008 Rs.in Lacs
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit /Loss before Tax :	11.27	11.08
Adjustment for :		
Depreciation	29.16	34.62
Interest and Finance Charges	33.84	21.93
Deferred Revenue Expenses		
Operating profit before Working Capital Changes	74.27	67.63
(Increase) / Decrease in Inventories	(12.07)	(23.31)
(Increase) / Decrease in Sundry Debtors	(11.57)	(34.64)
(Increase) / Decrease in Loans and Advances	(0.52)	5.61
(Increase) / Decrease in Deposits	(2.02)	(0.85)
(Increase) / Decrease in Prepaid Insurance	0.25	(0.20)
(Increase) / Decrease in Current Liabilities	11.20	28.66
Cash Generation from operations	59.54	42.90
Direct Taxes Paid	(0.36)	(0.10)
Net Cash Flow from Operating Activities	59.18	42.80
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Inflow / (Outflow)		
Purchase of Fixed Assets	(20.25)	(208.68)
Proceeds from sale of Fixed Assets	10.00	10.00
Net Cash Flow from Investing Activities	(10.25)	(198.68)
C) CASH FLOW FROM FINANCIAL ACTIVITIES :		
Inflow / (Outflow)		
Proceeds from Issue of Equity Shares		
(Increase) / (Decrease) in Long Term Borrowings	(28.07)	118.07
(Increase) / (Decrease) in Cash Credit Utilisation	7.85	39.31
Proceeds / (Repayment) from Unsecured Loans	(2.12)	20.00
Increase in Car Loan	(0.54)	3.77
Interest Paid	(33.84)	(21.93)
Net Cash Flow from Financial Activities	(56.72)	159.22
D) NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS :	(7.79)	3.34
Cash and Cash Equivalents as at the Commencement of the year	18.41	15.07
Cash and Cash Equivalents as at the Close of the year	10.62	18.41

As per our report attached
for B & N Company
Chartered Accountants

For and on behalf of Board

Director

Director

N.Buddha Raju

M.No. 18192

Place: Hyderabad

Date: 10.06.2009

Sai Aditya Foods and Retail Private Limited

Particulars	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Schedule A		
SHARE CAPITAL		
Authorised Capital (200000 shares @ Rs.100/- each)	<u>20,000,000</u>	<u>20,000,000</u>
Issued & Paid - up capital (163560 shares @ Rs.100/- each) (Previous Year 163560 shares@100/-each)	16,356,000	16,356,000
Schedule B		
Secured Loans		
Term loan from Bank	17,284,466	20,091,890
Bank Over Draft	7,617,452	6,831,819
Car Loan	<u>322,731</u>	<u>377,422</u>
	<u>25,224,649</u>	<u>27,301,131</u>
Schedule C		
Unsecured Loans		
Loan from Director	2,200,000	1,000,000
Loan from Others	1,588,000	3,000,000
Total	<u>3,788,000</u>	<u>4,000,000</u>
Schedule D		
Profit & Loss Account		
Brought forward loss	1,517,141	2,615,176
Less: Profit for the year	<u>1,091,987</u>	<u>1,098,035</u>
Loss transferred to Balance Sheet	<u>425,154</u>	<u>1,517,141</u>
Schedule F		
Loans & Advances		
Salary advance	79,071	160,089
Rent advance	1,193,887	1,520,999
Advance for Machinery	211,933	-
Other advances	2,191,909	1,818,132
MAT Paid for the A.Y.2007-08	-	127,500
TOTAL	<u>3,676,800</u>	<u>3,626,720</u>

Schedule - E
FIXED ASSETS

		Gross Block				Depreciation			Net Block	
Sl. No.	PARTICULARS	As at 31.03.2008	Additions/	Deletions	As at 31.03.2009	upto 31.03.2008	for the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
1.	Machinery Equipment	16,995,165	700,775	1,000,000	16,695,940	6,017,758	1,480,838	7,498,596	9,197,344	10,977,407
2.	Furniture and Fixtures	11,980,730	1,012,747		12,993,477	3,611,699	932,114	4,543,813	8,449,664	8,369,031
3.	Motor Vehicles	369,090	21,000		390,090	158,953	59,841	218,794	171,296	210,137
4.	Cars	1,273,960	-		1,273,960	841,798	111,887	953,685	320,275	432,162
5.	Buildings	4,935,872	-		4,935,872	1,609,995	166,294	1,776,289	3,159,583	3,325,877
6.	Computers	1,208,247	133,092		1,341,339	928,935	164,962	1,093,897	247,442	279,312
7.	Work In Progress	9,351,393	157,093		9,508,486	-	-	-	9,508,486	9,351,393
TOTAL :		46,114,457	2,024,707	1,000,000	47,139,164	13,169,138	2,915,936	16,085,074	31,054,090	32,945,319

Sai Aditya Foods and Retail Private Limited

	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Schedule G		
Deposits		
APSEB Deposit	883,213	684,696
Department Deposit (ACB)	-	5,000
Sales Tax Deposit	5,000	5,000
Telephone Deposit	29,723	29,723
Central Excise Deposit	-	1,032
Agricultural Market Committee	500	500
Bottle Deposit	10,840	10,140
Other Deposits	43,950	35,100
TOTAL	973,226	771,191
Schedule H		
Cash & Bank Balances		
Andhra Bank	77,315	55,527
Corporation Bank	21,984	21,984
Bank of India	10,744	10,744
Cash on Hand (H.O)	144,898	130,598
Cash on Hand (Branch Offices)	807,682	1,621,932
TOTAL	1,062,623	1,840,785
Schedule I		
Current Liabilities		
Sundry Creditors	5,056,026	4,326,398
Outstanding Expenses	1,758,586	1,368,122
TOTAL	6,814,612	5,694,520
Schedule J		
Other Receipts		
Miscellaneous Receipts	672,276	633,990
Discount Received	47,896	133,227
Display Charges	171,877	179,439
Rent Received	108,000	
TOTAL	1,000,049	946,656
Schedule k		
Increase in Stock		
Closing Stock	8,923,069	7,714,713
Less: Opening Stok	7,714,713	5,383,607
TOTAL	1,208,356	2,331,106

Sai Aditya Foods and Retail Private Limited

	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
SCHEDULE L		
MANUFACTURING & SELLING EXPENSES		
Purchases & Rawmaterial	54,616,394	42,786,261
Transport Charges	524,514	181,458
Packing Material	4,973,605	3,492,788
Electricity Charges	2,606,206	2,077,367
Repairs & Maintainance	2,999,450	1,545,187
Showroom Maintainance	1,012,705	465,122
Generator Maintainance	184,385	87,602
Sales Commission	367,786	67,040
Insurance	66,164	67,139
Business promotion expenses	36,958	53,881
Advertisement Charges	82,803	23,533
Water Charges	122,606	174,824
TOTAL	67,593,576	51,022,202
SCHEDULE M		
ADMINISTRATIVE EXPENSES		
Salaries & Wages	7,214,469	4,792,959
Postage & Telegrams/Telephones	349,398	298,613
Rent, Rates & Taxes	2,557,648	1,942,396
Travelling & Conveyance	157,807	192,157
Staff Welfare	1,306,484	1,490,005
Printing & Stationery	277,389	229,911
Bank Charges	96,992	175,301
ESI	136,963	109,231
Provident Fund	611,294	434,764
Vehicles Maintainance	717,746	519,492
Professional Charges	130,800	282,231
Miscellaneous Expenses	394,424	233,179
Auditors Remuneration	49,635	39,326
Car Hire Charges	167,000	230,700
Audit Expenses	12,524	14,424
Car Maintenance	165,100	-
Security Charges	305,198	258,971
TOTAL	14,650,871	11,243,660
SCHEDULE N		
INTEREST ON LOANS		
Interest on term loans	2,400,771	1,681,571
Interest on overdraft	948,297	499,042
Interest on Car Loan	35,073	12,320
TOTAL	3,384,141	2,192,933

Sai Aditya Foods and Retail Private Limited

Significant Accounting Policies:

1. Assets & Liabilities are recorded at historical cost.
2. All Incomes & Expenditure are accounted on accrual basis.
3. Inventories:
 - Finished goods – Valued at cost or Net Realisable Value which ever is lower.
 - Raw Material, Stores and Spares – Valued at cost.
4. Depreciation is provided on W.D.V. method at the rates specified in Schedule XIV to The Companies Act, 1956.
5. Depreciation has been provided for the period for which the Assets are put to use.
6. Revenue recognition – Sales & Services are recognized when goods are supplied in accordance with the terms of Sales.

NOTES ON ACCOUNTS:

1. The term loan is secured on the whole of the various items of Machinery & Interior Wood Work etc., by a deed of Hypothecation with Indian Bank, Dabagardens Branch, Vishakapatnam. The Cash credit facility extended by Indian Bank, Dabagardens Branch, Vishakapatnam is secured by a charge on all inventories (Stocks & Goods) in favour of Indian Bank, Vishakapatnam.
2. Previous year figures have been re-grouped/re-arranged where ever necessary.
3. This Company is Subsidiary of “ RAASI ENTERPRISES LIMITED “

As per our report of even date
For B.N. & COMPANY
Chartered Accountants

For and on behalf of Board

N.Budda Raju
M. No.18192

Director

Director

Place: Hyderabad
Date: 10.06.2009.

Sai Aditya Foods and Retail Private Limited

BALANCE SHEET ABSTRACT AND COMPANY GENERAL PROFILE

1. Registration Details.

Registration No.

01

 -

17555

 State Code :

0	1
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Balance Sheet Date

3	1	-	0	3	-	2	0	0	9
---	---	---	---	---	---	---	---	---	---

2. Capital raised during the year (Amount in Rs.Thousands)

Public Issue

N	I	L
---	---	---

 Rights Issue

N	I	L
---	---	---

 Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

3. Position of Mobilisation and Deployment of Funds (Amt. In Rs.Thousand)

Total Liabilities

0	4	5	3	6	9
---	---	---	---	---	---

 Total Assets

0	4	5	3	6	9
---	---	---	---	---	---

Sources of Funds:

Paid-Up Capital

1	6	3	5	6	
---	---	---	---	---	--

 Reserves&Surplus

--	--	--	--	--	--

 Secured Loans

2	5	2	2	5
---	---	---	---	---

 Unsecured Loans

37	8	8
----	---	---

APPLICATION OF FUND:

Net Fixed Assets

3	1	0	5	4	
---	---	---	---	---	--

 Investments

0	0	0	0		
---	---	---	---	--	--

4. Performance of Company (Amount in Rs.Thousands)

5. Turnover Total

8	9	6	7	2
---	---	---	---	---

 Expenditure

8	8	5	4	5
---	---	---	---	---

 +/- Profit / Loss Before Tax

0	1	1	2	8
---	---	---	---	---

 +/-Profit /Loss After Tax

0	1	0	9	2
---	---	---	---	---

As per our report of even date attached
for B.N &Company
Chartered Accountants

for and on behalf of Board

N. Buddha Raju
M. No.18192

Director

Director

Place: Hyderabad
Date: 10.06.2009.





Raasi Enterprises Limited

Raasi Enterprises Limited
Vishnupur, Bhimavaram – 534 202, W.G.District.

Folio :
No of Shares held :

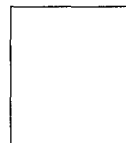
FORM OF PROXY

I/We _____ Of
_____ in the district Of
_____ being a Member/Members of the Above named
Company, hereby appoint Sri / Smt. _____
of _____ in the district of _____ or failing
him /her/Sri/Smt. _____ of _____ in the district of
_____ as my/our Proxy in vote for me/us and on
my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held on 9th September
2009 at 10.30 AM and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Signature of the Proxy
Attested

Signature



Signature of the Member

- NOTE: 1. Every instrument of Proxy should contain proper identification of the non-member Proxy holder by attestation of specimen signature of the Proxy by the member concerned.
2. This instrument of Proxy should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time for holding the meeting.



Raasi Enterprises Limited

Vishnupur, Bhimavaram – 534 202, W.G.District.

Folio No :
No of Shares held :

Attendance Slip

I hereby record my presence at the Twenty Fifth Annual General Meeting of Raasi Enterprises Limited at Administrative Building, Dr.B.V.Raju Foundation, Vishnupur, Bhimavaram, W.G.District, on 9th September 2009 at 10.30 A.M.

01. Full Name of the Member: _____
(In Block Letter)
02. * Full Name of the Proxy : _____
(In Block Letter)
03. Regd. Folio No : _____
04. Number of Shares held : _____
05. Signature of the Member/
Proxy attending : _____

- To be filled in if the Proxy attends instead of the Member(s)
- No Gifts are distributed.



Raasi Enterprises Limited

PRINTED MATTER

BOOK - POST

If undelivered, Please return to:

Raasi Enterprises Limited

(Formerly Raasi Finance & Investment Limited)

Registered Office: Vishnupur,

Durgapur, Garagaparru Road,

Bhimavaram-534 202, W.G. District, A.P.