

RAGHAVA ESTATES & PROPERTIES LIMITED

REGD. OFFICE : 64-9-2, KANURU SUBBAIAH BUILDINGS
 BESIDE EENADU, VIJAYAWADA - 520 010

ATTENDANCE SLIP

22nd ANNUAL GENERAL MEETING - 29TH SEPTEMBER 2010

Reg. Folio No. I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I here by record my presence at the **Raghava Estates Limited, 64-9-2, Kanuru subbaiah Buildings, Beside Eenadu, Vijayawada - 10** on

Member's/proxy's Name in Block Letters Member's/proxy's Signature

Note : Please fill this attendance slip and hand it over at the Entrance of the Hall

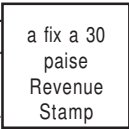
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RAGHAVA ESTATES & PROPERTIES LIMITED

REGD. OFFICE : 64-9-2, KANURU SUBBAIAH BUILDINGS
 BESIDE EENADU, VIJAYAWADA - 520 010

FORM OF PROXY

I/We of in the district of..... being a member/members/of the above named company hereby appoint..... my/our behalf at the **Twenty-Second Annual General Meeting** of the Company to be held on and at any adjournment thereof.



Signed this day.....2009
 Signature.....
 Reg. Folio No.....

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

CONTENTS

- 01. Notice
- 02. Director's Report
- 03. Corporate Governance
- 04. Auditor's Report
- 05. Balance Sheet
- 06. Profit and Loss Account
- 07. Schedules Forming Part of Accounts
- 08. Notes Forming Part of Accounts
- 09. Balance Sheet Abstract and Company's General Business Profile
- 10. Cash Flow Statement
- 11. Attendance Slip
- 12. Form of Proxy

TWENTY-SECOND ANNUAL GENERAL MEETING
 at 10.00 a.m.
 On Tuesday 29th September, 2010
 at 64-9-2, Kanuru Subbaiah Buildings, Beside Eenadu
 Vijayawada - 520 010.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956**

BOARD OF DIRECTORS

Sri L. Ravindra Rao	Chairman & Managing Director
Sri L. Tulasi Prasad	Joint Managing Director
Sri T. Sri Rambabu	Executive Director
Sri K. Harischandra Prasad	Director
Sri Ch. Anjaneyulu	Director
Sri A. Srinivas	Director
Sri K. Koteswara Rao	Director
Sri M.K.S. Prakasa Rao	Director
Sri P.S.P Bhushan Maruthi	Additional Director
Sri B.V.R. Kumar Maruthi	Additional Director

AUDITORS

Suresh and Babu
Firm Reg.No.004254S
Chartered Accountants
36-14-3/1, Moghalrajapuram
Vijayawada- 10.

BANKERS

State Bank of India
ING Vysya Bank Limited

I. REGISTRATION DETAILS :	State Code : 01		
Registration No :	Registration No. 01-09300		
Balance Sheet Date :	31st March, 2010		
II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in Thousands)			
Public Issue : NIL	Rights Issue : NIL		
Bonus Issue : NIL	Private Placement (Promoters) : NIL		
Share application : NIL			
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)			
Total Liabilities	189,067	Total Assets	189,067
Sources of Funds		Application of Funds	
Paid up Capital	40,218	Net Fixed Assets	12,120
Reserves & Surplus	91,121	Investments	3,444
Secured Loans	56,454	Net Current Assets	1,73,453
Differed Tax	1,274	Misc-Expenditure	---
IV. PERFORMANCE OF COMPANY (Amount in Rs. thousands)			
Turnover	96,095	Total Expenditure	95,165
Profit Before Tax	930	Profit After Tax	698
Earnings Per share is Rs.	0.17	Dividend	-----
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)			
Item Code No. (ITC Code):	Not Alloted		
Products/Service Description:	Real Estates Business		

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

for **SURESH and BABU**
Firm Reg.No.004254S

P. JANARDHAN
Partner
Membership No.26498

L.Ravindra Rao
Chairman & Managing Director

Place : Vijayawada
Date : 02.09.2010

L. Tulasi Prasad **T. Sri Rambabu**
Jt. Managing Director Executive Director

M/s. RAGHAVA ESTATES & PROPERTIES LIMITED, Vijayawada.**Cash flow Statement for the year ended 31st March 2010**

A. Cash flow from Operating Activities :		
Net Profit after Tax and Extraordinary items		698409
adjustment for Depreciation	1629402	
Misc.exps written off	0	
Interest received	0	
Increase in payables	0	
Deferred Tax Liability	(55899)	
Interest paid	8762057	
Profit on sale of Fixed Assets	(28963)	<u>10306597</u>
Operating profit before working capital changes		11005006
Inventories	17179245	
Loans & Advances	15771842	
Trade Payables	(44308609)	<u>(11357522)</u>
Cash Generated from Operations		(352516)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	260000	(691776)
Sale of Fixed Assets		
C. Cash flow from Financing Activities		
Interest Paid	(6440466)	
Interest Recd	0	
Repayment of long term borrowings	(752060)	
Proceeds from long term borrowings	615000	<u>(6577526)</u>
Net decrease in Cash and Cash Equivalents		(7621818)
Cash and Cash Equivalents at the beginning of the year		10200982
Cash and Cash Equivalents at the end of the year		2579164

AS PER OUR REPORT OF EVEN DATE

for **SURESH and BABU**
Firm Reg.No.004254S**P. JANARDHAN**
Partner
Membership No.26498Place : Vijayawada
Date : 02.09.2010

FOR AND ON BEHALF OF THE BOARD

L.Ravindra Rao
Chairman & Managing Director**L. Tulasi Prasad**
Jt. Managing Director**T. Sri Rambabu**
Executive Director**NOTICE**

NOTICE is hereby given that the Twenty-second Annual General Meeting of the Company will be held at 10.00 a.m. on Wednesday, the 29th day of the September, 2010 at the Registered Office of the company at Door No.64-9-2, Patamatalanka, Vijayawada-10 to transact the following business:-

ORDINARY BUSINESS:

01. To receive, consider and adopt the audited balance sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the report of the Directors' and Auditors' thereon.
02. To appoint a Director in place of Sri K.Harischandra Prasad who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Sri Ch. Anjaneyulu who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director in place of Sri M.K.S Praksasa Rao who retires by rotation and being eligible, offers himself for re-appointment.
05. To consider, and if thought fit, to pass, with or without modification (s) the following resolution as Ordinary Resolution.

“RESOLVED THAT the retiring Auditors M/s.SURESH AND BABU Chartered Accountants be and are hereby re-appointed as auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration in addition to reimbursement of actual out of pocket expenses incurred in connection with the Company's audit.”

SPECIAL BUSINESS:

06. Appointment of Sri P.S.P.Bhushan Maruthi as Director.

To Consider and if thought fit to pass with or without Modification(s) the following Resolution as a Ordinary Resolution

“RESOLVED THAT Sri P.S.P.Bhushan Maruthi who was appointed as additional Director of the company pursuant to section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by Rotation.”

07. Appointment of Sri B.V.R.Kumar Maruthi as Director.

To Consider and if thought fit to pass with or without Modification(s) the following Resolution as a Ordinary Resolution

“RESOLVED THAT Sri B.V.R.Kumar Maruthi who was appointed as additional Director of the company pursuant to section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by Rotation.”

For and on behalf of the Board

Place : Vijayawada
Date : 01-09-2010

(L.RAVINDRA RAO)
Chairman & Managing Director

Note:

1. A member entitled to attend and vote 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 proxy should, however, be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of the members will also remain closed from 20-9-2010 to 29-9-2010(both days inclusive). The transfer books of the Company will remain closed for the aforesaid period.
3. Explanatory statement pursuant to Section 173(2) of the companies Act, 1956 is annexed hereto.
4. The members are requested to :-
 - (a) Intimate change, if any, in their registered address immediately
 - (b) Quote ledger folio number in all their correspondence.

Additional information on Directors seeking reappointment at the Annual General Meeting (Pursuant to Clause (49) of the listing Agreement)

Item no. 2:

Sri K.Harischandra Prasad aged 55 years is a Graduate in Mechanical I Engineering and has rich experience in trading and marketing business. He is the member of the Share holders committee, Share Transfer Committee and Audit Committee of the Company.

Item no.3 :

Sri Ch.Anjaneyulu aged 57 years is a Post Graduate in Structural Engineering and has rich experience in trading and marketing business. He is the member of the share holders committee , Share Transfer and Audit Committee of the Company.

Item no.4 :

Sri M K S Prakasa Rao Aged 51 years is a Graduate In commerce and has rich experience in trading and marketing business. He is the member of the Audit Committee of the Company.

2.7 Earnings per share (EPS)

EARNING PER SHARE AS PER ACCOUNTING STANDARD-20

Particulars	2009-2010	2008-2009
a) Profit attributable to equity Shareholders (Rs.) (A)	6,98,409	27,94,486
b) Basic / Weighted average number of equity shares outstanding during the year (B)	40,21,750	40,21,750
c) Nominal value of equity share (Rs.)	10.00	10.00
d) Basic earning per share (A/B)	0.17	0.69
e) Diluted earning per share (A/B)	0.17	0.69

2.8 Deferred Tax Liability

The movement of provision for Deferred Tax for the year ended 31-03-2009 is as given below.

Particulars of timing difference on account of	Liability/Asset As at 01-04-2009	Charges/Credit for the year	Liability/Asset as at 01-4-2010
Depreciation on Assets	(13,29,630)	55,899	(12,73,731)
	(13,29,630)	55,899	(12,73,731)

2.9 Cash Flow statement for the year ended 31-3-2010 is given in Annexure.

2.10 Previous Year's figures have been reclassified wherever necessary to conform to this year's classification.

2.11 Figures have been rounded off to the nearest rupee.

Signatures to schedules 1 to 13 and notes

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

for **SURESH and BABU**
Firm Reg.No.004254S

P. JANARDHAN
Partner
Membership No.26498

L.Ravindra Rao
Chairman & Managing Director

Place : Vijayawada
Date : 01.09.2010.

L. Tulasi Prasad **T. Sri Rambabu**
Jt. Managing Director Executive Director

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)

2.6 Related Party Transactions

The Company has transactions with related parties. The details are as per annexure.

Transactions with Related Parties Pursuant to Accounting Standard - 18

S.No.	Name of the Party	Narure of Relationship	Nature of Transaction	Amount of Transaction (Rs.)	Outstanding Amount as on 31-3-2010 (Rs.)
1.	Ravindra Oil Company	Directors have controlling interest in the said firm	Purchase of HSD for Transportation	27,41,273.00	3,25,077.00(Dr)
2.	R.P. Transporters	Directors have controlling in the said firm	Advance for Purchase of Vehicles	4,02,90,156.00	69,73,820.00(Dr)
3.	PANC Transporters	Directors have controlling in the said firm	Advance for Purchase of Vehicles	2,16,10,024.00	1,37,23,507.00(Dr)
4.	L. Ravindra Rao	Managing Director	Payment of Salary, Perks & Allowances	6,00,000.00	3,02,353.00(Cr)
5.	L. Tulasi Prasad	Jt. Managing Director	Payment of Salary, Perks & Allowances	6,00,000.00	3,38,159.00(Cr)
6.	T.S. Rambabu	Executive Director	Payment of Salary, Perks & Allowances	4,20,000.00	2,18,743.00 (Cr)

Item no. 5

Sri. P.S.P.Bhushan Maruthi was appointed as Additional Director of the company by the Board of Directors at their meeting held on 25th January,2010, and he holds office to the date of forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Sri. P.S.P.Bhushan Maruthi for the office of Director under the provisions of Section 257 of the Companies Act,1956, together with the requisite deposit. Your Directors recommend the resolution for approval of the shareholders.

None of the Directors except Sri. P.S.P.Bhushan Maruthi is concerned or interested in the said resolution.

Item no. 6

Sri. Sri B.V.R.Kumar Maruthi was appointed as Additional Director of the company by the Board of Directors at their meeting held on 25th January,2010, and he holds office to the date of forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Sri B.V.R.Kumar Maruthi for the office of Director under the provisions of Section 257 of the Companies Act,1956, together with the requisite deposit. Your Directors recommend the resolution for approval of the shareholders.

None of the Directors except Sri B.V.R.Kumar Maruthi is concerned or interested in the said resolution.

DIRECTORS' REPORT

Your Directors have great pleasure in presenting 22nd Annual Report together with the Annual Audited Accounts for the Financial year ended 31st March, 2010.

	For the Year Ended 31-03-2010	For the Year Ended 31-03-2009
FINANCIAL RESULT	Rs.	Rs.
Profit before interest and depreciation	1,13,21,366	1,34,92,198
Interest	87,62,057	84,14,762
Depreciation	16,29,402	16,80,895
Profit for the Year	9,29,907	33,96,541
Miscellaneous Expenditure written off	0	0
Profit before tax	9,29,907	33,96,541
Provision for Income Tax	-----	-----
— Current Tax	(2,87,397)	(5,92,329)
— Fringe Benefit Tax	0	(84,284)
— Deferred Tax	55,899	94,010
Profit after tax	6,98,409	27,94,486
Profit/Loss brought forward from Previous period	9,04,23,589	8,76,29,103
Profit carried to Balance Sheet	9,11,21,998	9,04,23,589
Earning per share		
Basic/Diluted.	0.17	0.69

DIVIDEND:

In view of the working capital requirements for the on going & forthcoming projects, the Board had not recommended any dividend.

PERFORMANCE:

The new apartment ventures called "Aananda Vihar" at Edupugallu near Sreenivaasapuram Colony and "Prakruthi Vihaar" adjacent to Narayanapuram Colony are going to be completed in the next financial year.

FUTURE PROSPECTS:

Your company views the future with optimism as the demand for Housing is growing day by day. and keeping in view the demand the management is anticipating good increase in turnover during the forthcoming years.

DIRECTORS:

Sri K.Harischandra Prasad who retires by rotation and being eligible offers himself for re-appointment.

Sri Ch.Anjaneyulu who retires by rotation and being eligible offers himself for re-appointment.

Sri M.K.S Prakasa Rao who retires by rotation and being eligible offers himself for re-appointment.

Sri. P.S.P.Bhushan Maruthi, was appointed as Additional Director at the Board meeting held on 25th January,2010, to hold office till the conclusion of ensuing Annual General meeting. Company has received proposal along with requisite deposit from the shareholders to appoint him as Director liable to retire by Rotation at the ensuing Annual General meeting. Board recommends for his appointment.

Sri B.V.R.Kumar Maruthi, was appointed as Additional Director at the Board meeting held on 25th January,2010, to hold office till the conclusion of ensuing Annual General meeting. Company has received proposal along with requisite deposit from the shareholders to appoint him as Director liable to retire by Rotation at the ensuing Annual General meeting. Board recommends for his appointment.

AUDITORS:

M/s. SURESH AND BABU, Chartered Accountants, Vijayawada Auditors of the Company, retire and are eligible for re-appointment for the Current year.

Information as per Sec. 217(2A) of the Companies Act, 1956**PARTICULARS OF EMPLOYEES:**

There were no employees in receipt of remuneration in excess of the amounts specified in Section 217(2A) of the Companies Act, 1956.

2.0 OTHER NOTES:

2.1 Loans and advances include loans to staff of the company accounting to Rs.3,89,286/ (Maximum amount due at any time during the year is Rs. 4,56,791/-)

2.2 Balances of sundry debtors / creditors and other loans & advances have been taken at values as stated in the books of account and have not been confirmed by the parties.

2.3 DIRECTOR'S REMUNERATION :

	2009-2010 Rs.	2008-2009 Rs.
Remuneration (including perquisites)	16,20,000	16,20,000
Sitting Fees	-----	-----
	<u>16,20,000</u>	<u>16,20,000</u>

PAYMENT TO AUDITORS :

	<u>2009-2010</u> Rs.	<u>2008-2009</u> Rs.
for Statutory Audit	35,000	35,000
for Tax Audit	5,000	5,000
for Tax Representation	10,000	10,000
and service tax on the above	5,150	5,150

2.4 The information required in regard to licensed capacity, installed capacity, actual production, consumption of raw material, opening and closing stock of goods are not applicable to this company.

2.5 Segment Reporting :

As the Company's business activity falls within a single primary business segment i.e., Real Estate, property Development, etc., the disclosure requirements of accounting standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered relevant.

SCHEDULE - 13

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

1. Significant Accounting Policies :

1.1 METHOD OF ACCOUNTING :

The Company maintains its accounts on accrual basis. The financial statements are prepared under the historical cost conversion and on the accounting principles of a going concern.

1.2 FIXED ASSETS :

Fixed Assets are stated at cost less depreciation.

1.3 DEPRECIATION :

Depreciation of fixed assets put to use have been provided for on the WDV method at the rates as specified by Schedule XIV of the Companies Act, 1956.

1.4 INVESTMENTS :

All Investments are considered as long term Investments and are stated at cost.

1.5 INVENTORY VALUATION :

- i) Raw Materials and stores are valued at lower of cost or net realisable value.
- ii) Property development projects in progress are valued at lower of cost and net realisable value (taking consideration the estimate cost to complete)
- iii) Land (Stock in trade) is valued at the lower of cost and net realisable value.

1.6 REVENUE RECOGNITION :

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
- i) Turnover on property development projects :
The Company follows the percentage of completion method.

1.7 RETIREMENT BENEFITS :

- a) Contribution to provident Fund is made on actual liability and accounted for on accrual basis. No provision has been made for the retirement benefits of the employees.
- b) Provisions of payment of Gratuity Act applies to the Company. Even though there are employees who have put in qualifying service to be eligible for Gratuity, Provision against Liability was not made in the accounts.
- c) Provisions of payment of Bonus Act are applicable to the company. Hence as per the Act Bonus @ of 8.33% amount of Rs. 2,26,188/- and the same was not provided in the books of accounts.

1.8 DIVIDENDS :

No Dividend has been recommended by the Board.

CONSERVATION of Energy ,Technology absorption, Foreign Exchange and outgo:

Information regarding compliance of rules relating to conservation of Energy and Technology absorption is not provided, as the same is not applicable to the Company.

Foreign Exchange earning and out go NIL

CORPORATE GOVERNANCE:

As per clause 49 of the Listing Agreement our company has obtained corporate governance report from the statutory auditors of the company and annexed to this report and a separate section on Management Analysis and Discussion has been forming part of this report.

Directors' Responsibility Statement:

Pursuant to the requirement U/s 217(2AA) of the Companies Act, 1956, with respect to Directors responsibility statement, it is hereby confirmed

- i) That in the presentation of Annual accounts, applicable accounting standards have been followed and there is no material departure.
- ii) 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 or loss of the company for the year under review.
- iii) 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the accounts for the financial year ended 31st March 2010 on a going concern basis.

Acknowledgement:

Your Directors take this opportunity to express their thanks to the various State Government Departments, Development Authorities, Banks & Financial Institutions, Customers and Suppliers for their valuable assistance and support.

Your Directors wish to place on record their appreciation of the efforts put in by the employees of your company at all levels.

For and on behalf of the Board

Place : Vijayawada
Date : 02.09.2010

LINGAM RAVINDRA RAO
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Over view:

The financial statements have been prepared in compliance with the requirements of the provisions of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The estimates and judgments relating to the financial statements have been on a prudent and reasonable basis, in order that the statements reflect, in a true and fair manner, the state of affairs and profits for the year. This report may also contain certain statements that the company believes are or may be considered to be 'Forward Looking Statements' which are subject to certain risks and uncertainties.

INDUSTRY AND STRUCTURE

Construction Industry:

India by population stood in second place in the World. India has a vast land and natural resources but they are not utilizing proportionately. Each and every common man wanted primary needs such as food, shelter and clothes. The Indian Real Estate sector after being on a high for almost three years is witnessing a slight correction throughout the country. Growth over these last three years was characterized by strong economic fundamentals, increasing purchase capacity of the investors, leading to rise in demand which in turn, led to increase in supply by developers who wanted to capitalize on the opportunity

The company feels that the fundamentals will remain positive in 2011 and prices may moderate in the markets, however, the property market may witness a slowdown with some moderate correction which will vary from region to region. The demand - supply gap is anticipated to be much closer this year. The company expects that developers will be reluctant to reduce prices and may indulge in adding sweeteners to their deals rather than engaging in direct reduction in prices. The company's main aspect to provide shelter within the affordable price and quality construction.

Company Infrastructure:

Your company operates from its registered office at Vijayawada. The company's site offices are at 2 locations, one at Poranki, Penamaluru Mandal, Krishna District about 6 KM from the registered office at Vijayawada and the second one at Edupugallu Village, Krishna District about 9 Kms from the registered office at Vijayawada.

Internal Control Systems:

The Company has an effective internal control system in place and this is continually reviewed for effectiveness and is amplified by written policies and guidelines. The company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control procedures.

The internal control system of the company is subject matter of Audit Committee's periodical review, suggestions and recommendations, if any are made by the committee will be carried out.

PARTICULARS	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
q) Compensation	1,11,300	5,82,460
r) Advertisement	11,39,853	28,40,223
s) Traveling & Conveyance	3,35,428	4,20,267
t) VAT & Service Tax	3,45,423	10,42,002
	6,75,95,093	8,66,94,399
SCHEDULE - 12		
Increase / Decrease in Cost of		
Stock-in-Trade land, Projects in progress		
Opening		
Stock in Trade (Land)	14,46,74,078	15,32,56,689
Material at Site	3,25,350	5,28,600
Building & Infrastructure	2,36,52,093	1,33,66,205
	16,86,51,251	16,71,51,494
Closing		
Stock in Trade (Land)	12,68,15,167	14,46,74,078
Material at Site	1,75,610	3,25,350
Building & Infrastructure	2,44,81,499	2,36,52,093
	15,14,72,276	16,86,51,521
	1,71,79,245	(15,00,027)

PARTICULARS	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE - 11		
PROPERTY DEVELOPMENT, GENERAL ADMINISTRATIVE & MARKETING EXPENSES		
a) Expenditure on property development Projects	4,92,84,917	5,67,46,016
b) Staff Cost		
Salaries	27,15,343	23,91,080
Employees Allowances	15,77,864	16,01,978
Provident Fund	3,00,817	2,88,112
E.S.I.	99,417	1,05,558
Staff Welfare	86,052	22,500
Bonus	-	1,16,934
c) Insurance	2,64,375	4,03,899
d) Office Maintenance		
Office Expenses	21,60,293	27,13,007
Professional Tax	2,500	2,500
e) Printing and Stationary	1,10,839	5,03,577
f) Postage and Telegrams		
Postage & Courier	23,291	17,686
Telephone Charges	5,82,653	848,269
g) Finance Charges	2,85,868	11,58,553
h) Vehicle Expenses	26,02,037	61,65,411
i) Bank Charges	1,51,084	4,99,930
j) Donations	1,116	2,31,516
k) Remuneration to Auditors for:		
Statutory Audit	35,000	35,000
Tax Audit	5,000	5,000
Tax Representation	10,000	10,000
Service Tax on the above	5,150	5,150
l) Director's Remuneration	16,20,000	16,20,000
m) Electricity	3,84,965	4,41,292
n) Rent	1,14,000	1,14,000
o) Rates, taxes & Licenses	22,76,322	49,76,072
p) Sales & Marketing expenses	9,63,686	7,86,407

OPPORTUNITIES AND THREATS

With the tax exemptions offered by the Government and ample services of the private and public financial institutions, Geographical area of city limits are expanding vastly by mobilisation of the people from one place to another for getting employment, which results the more opportunities for the company.

In rare occasions, uncertainty of land and material costs, chronic deviations in getting of land acquisition permits from the competent authorities.

Risks and concerns:

The Company's Current and Fixed assets are adequately insured against various risks. The Company constantly strives to adequately protect itself from various business risks and concerns and takes appropriate measures to address the same.

Operational Performance :

Particulars	2009-2010	2008-2009
Net Sales	9,59,79,591	11,41,28,727
Other Income	1,16,113	1,02,843
Work in Progress	2,44,81,499	2,36,52,093
Total Income	9,60,95,704	11,42,31,570
PBDIT	1,13,21,366	1,34,92,198
Finance Charges	87,62,057	84,14,762
Depreciation	16,29,409	16,80,895
Profit before Tax	9,29,907	33,96,541
Profit after Tax	6,98,409	27,94,486
EPS – Basic	0.17	0.69
Net Worth	13,13,39,498	13,06,41,089

Sales Turnover:

Your Company is developing Housing colonies and Apartments in various locations. The On-going venture called 'Padmanabhapuram Colony', 'Jaganadhapuram Colony' and 'Sreenivaasapuram Colony'. In this financial year major part of construction and infrastructure activities are completed. Your company achieved a turn over of Rs. 959.80 Lakhs.

Expenses:

The Company has achieved cost efficiency due to overall control on overheads. This increased the profits of the company for the previous year.

Finance charges:

The volume of finance charges have been decreased at Rs.87.62 lakhs as from against Rs.84.14 lakhs for the year 2009-2010.

Profits before Depreciation, Interest and Taxes (PBDIT):

PBDIT decreased due to fall in sales turnover. An amount of Rs. 2,87,397/- has been provided for taxation during the year.

Profit After Tax (PAT):

PAT decreased from Rs.27,94,486/- in the year 2008-2009 to Rs. 6,98,409/-.

Earnings Per Share (EPS):

EPS decreased from Rs. 0.69 to Rs. 0.17 as against last year due to decrease in profit.

Inventories:

Major items of inventories as on 31st March 2010 are as

Particulars	31/03/2010	31/03/2009
Materials at site	1,75,610	3,25,350
Work-in-Progress	2,44,81,499	2,36,52,093
Stock in Trade	12,68,15,167	14,46,74,078

CHIEF EXECUTIVE OFFICER (CFO)/CHIEF FINANCE OFFIER(CFO) CERTIFICATION:

The CEO, i.e. the Managing Director or Manager appointed in terms of the Companies Act, 1956 and the CFO i.e. the whole-time Finance Director or 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:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.

PARTICULARS	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE - 7		
Loans And Advances		
a) Advances for Purchases	30,82,88,463	34,43,85,187
b) Advances for Workers & Suppliers	1,31,86,858	1,12,55,016
c) Deposits	12,10,591	11,09,259
d) Other assets	18,75,39,931	16,92,48,223
	51,02,25,843	52,59,97,685
SCHEDULE - 8		
CURRENT LIABILITIES:		
Sundry Creditors	78,45,499	1,00,97,868
Creditors for Trade	69,68,858	1,03,77,119
Advances received against Proposed Projects	47,09,26,127	51,03,31,418
	48,57,40,484	53,08,06,405
SCHEDULE - 9		
PROVISIONS:		
FOR OUTSTANDING EXPENSES	50,83,750	43,26,438
SCHEDULE - 10		
INCOME		
A) PROPERTY DEVELOPMENT PROJECTS		
i) Buildings & Infrastructure	2,86,04,134	6,59,90,227
ii) Sale of Developed Lands	6,73,75,457	4,81,38,500
	9,59,79,591	11,41,28,727
Other Income		
Misc. Receipts	87,150	1,02,843
Profit on Sale of asset	28,963	-
	1,16,113	1,02,843

PARTICULARS	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE - 6		
Current Assets, Loans & Advances :		
A) Current Assets		
a) Property Development Projects (WIP)	2,44,81,499	2,36,52,093
b) Stock in Trade (Land)	12,68,15,167	14,46,74,078
c) Material at Site	1,75,610	3,25,350
d) Cash and Bank Balances		
ING Vysya Bank Ltd.	3,584	17,616
State Bank of Hyderabad	1,93,582	9,147
Vijaya Bank	16,507	16,507
ING Vysya Bank Ltd (KTR)	10,121	10,121
Union Bank of India (Vizag)	--	2,800
Oriental Bank of Commerce	2,477	35,29,386
Punjab National Bank	--	700
Swarna Bank	--	750
Vysya Bank (Khammam)	--	1,839
Union Bank of India (RVR)	2,657	2,657
U.B.I. (Siddi Amber Bazar)	3,070	3,885
Vysya Bank (Hyd)	--	5,916
S.B.I. (Damanjodi)	8,415	8,415
Indian Overseas Bank	11,281	11,359
S.B.I. 80585 SIB Autonagar)	69,441	11,576
United Bank of India	1,429	1,429
HDFC Bank Ltd	5,382	--
Bank of Baroda	7,000	7,000
Indusind Bank	10,821	--
UCO Bank	10,773	10,773
SBI Poranki	5,000	5,000
Dhanalakshmi Bank Ltd	8,639	--
UBI Escrow (210033)	5,982	6,072
Cash on Hand	22,03,093	65,38,034
	15,40,51,440	17,88,52,503

(c) They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of 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 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.

REPORT ON CORPORATE GOVERNANCE

The Directors present the company's Report on Corporate Governance.

Raghava Estates & Properties Limited is one of the fore runners in the field of construction industry to have forwarded a formalized system of Corporate Governance.

THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate philosophy is aimed at total commitment to the ethical practices in the conduct of business while endeavouring to grow with profits, enhance shareholders value and to provide prompt and qualitative products to the customers. In order to achieve this mission, the Company has evolved the following Corporate Philosophy.

"People at large should perceive us as a Real Estates developer & builder which is manned by efficient, dedicated and professionally profound personnel, who are untiringly working supported by state of the art technology, to meet the ever increasing needs of the customers and for achieving the highest levels of customers delight and to enhance the shareholders value."

BOARD OF DIRECTORS:

The primary role of the Board is that of trusteeship and ensuring the company is set clearly on goals to enhance shareholder value constantly. They set strategic goals, provide direction for accomplishment and seek accountability. Thus, they manage the company and periodically review their own functioning.

COMPOSITION OF THE BOARD:

The following is the composition of the Board on 31st March 2009

Category	No of Directors	Percentage of Total No of Directors
Promoter Executive Director	3	30%
Promoter Non executive Director	1	10%
Non executive Independent Directors	6	60%
Total	10	100%

The composition of the Board of Directors of the Company is in conformity with the code of Corporate Governance under the Listing Agreement with the Stock Exchanges. Details of the directors/memberships in Committees of other companies (Excluding Raghava Estates & Properties Limited) are as under.

Sl NO.	Name of the Director	Category of Director	No. of Directorships in other companies		Committee Memberships	
			Chairman	Member	Chairman	Member
1	L.Ravindra Rao	Executive Director	.....	.....	.....	.....
2	L.Tulasi Prasad	Executive Director	.....	1	.....	.....
3	T.S.Rambabu	Executive Director	.....	.....	.....	.....
4	K.H.Prasad	Promote Non-Exe Director	.....	1	.....	.....
5	Ch.Anjaneyulu	Non-Exe & Independent	.....	.....	.....	.....
6	A.Srinivas	Non-Exe & Independent	.....	1	.....	.....
7	K.KoteswaraRao	Non-Exe & Independent	.....	1	.....	.....
8	M.K.S. Prakash Rao	Non-Exe & Independent	.....	.....	.....	.....
9	B.V.R.K.Murthy	Non-Exe & Independent	.....	.....	.....	.....
10	P.S.P.B. Maruthi	Non-Exe & Independent	.....	.....	.....	.....

**RAGHAVA ESTATES & PROPERTIES LIMITED, VIJAYAWADA
STATEMENT OF DEPRECIATION FOR THE PERIOD ENDING 31-03-10
AS PER SCHEDULE XIV OF THE COMPANIES ACT**

NAME OF THE ASSET	RATE OF DEP	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		AS ON 1-4-2009	ADDI-TIONS	DELE-TIONS	BALANCE AS ON 31-3-10	AS ON 1-4-09	DELE-TIONS	FOR THE YEAR	UPTO 31-3-10	AS ON 31-3-10	AS ON 1-4-09
Motor Cars A/c	25.89%	2205159	741813	.....	2946971	962889	.....	420240	1373129	1573942	1252269
Fax Epabx & Computers A/c	40.00%	1518700	132400	.....	1651100	1340369	.....	74150	1414519	236681	178331
Motor Lorries	40.00%	7175966	.....	4896356	2279610	6837365	4665319	43026	2215072	64538	338601
Plant & Machinery A/c	13.91%	5451294	75563	.....	5528857	2076282	.....	473089	2549371	2979486	3375012
Furniture & Fixures A/c	18.10%	2097428	.....	.....	2097428	1767893	.....	59646	1827539	269889	329535
Elec. Equipmt (Transformers)A/c	20.00%	922900	.....	.....	922900	805500	.....	23480	828980	93920	117400
Sewage Treatment Plant A/c	13.91%	2428259	.....	.....	2428259	2213961	.....	29809	2243770	184489	214298
Buildings A/c	5.00%	824974	.....	.....	824974	386268	.....	21935	408203	416771	438706
Centering Material A/c	13.91%	7787788	.....	.....	7787788	5975995	.....	252020	6228016	1559773	1811793
Club Complex A/c	5.00%	3500000	.....	.....	3500000	1556510	.....	97175	1653685	1846316	1943490
Shopping Complex A/c	5.00%	5349000	.....	.....	5349000	2662359	.....	134832	2787191	2561809	2696641
Lands	.....	482840	.....	.....	482840	.....	.....	.....	.....	482840	482840
		39744307	951776	4896356	35799727	26565391	4665319	1629402	23529474	12270253	13178916

PARTICULARS	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
<u>SCHEDULE - 1</u>		
SHAREHOLDERS' FUNDS		
Authorised Capital		
55,00,000 Equity shares of Rs. 10/- each	5,50,00,000	5,50,00,000
Issued, Subscribed & Paid Up		
50,24,300 equity shares of Rs. 10/- each	5,02,43,000	5,02,43,000
Less : Calls in arrears	1,00,25,500	1,00,25,500
	4,02,17,500	4,02,17,500
<u>SCHEDULE - 2</u>		
RESERVES & SURPLUS A/c	9,04,23,589	8,76,29,103
PROFIT AND LOSS A/c	6,98,409	27,94,486
	9,11,21,998	9,04,23,589
<u>SCHEDULE - 3</u>		
SECURED LOANS		
Reliance Capital Limited	5,76,063	--
Shriram Transport Finance Limited	22,55,415	25,76,176
Indusind Bank Limited	3,37,436	7,83,892
HDFC Vehicle Loan	--	24,621
APSFC	5,09,96,507	4,86,74,916
Shriram City Union Finance Ltd	22,88,922	23,10,207
	5,64,54,343	5,43,69,812
<u>SCHEDULE - 5</u>		
Investments :		
a) Investments - Shares A/c	33,44,270	34,44,270
	33,44,270	34,44,270

Independent director means a director who, apart from receiving a Directors remuneration, does not have any other material pecuniary relationship or transactions with the company, its promoters, its management, or its subsidiaries, which in the judgment of the Board may effect the independence of judgment of the director.

Number of Board Meetings held in Financial year 2009-2010 with dates and attendance of Directors:

Six Board Meetings were held during the Financial Year 2009-2010. They were held on 30th April, 09, 31th July 09, 01^h September 09, 31st October 09, 31st Jan 10 and 16TH March 2010.

The attendance record of each director was as under :

Name of the Director	Number of Board Meetings Attended	Attendance at last AGM
L.Ravindra Rao	6	Yes
L.Tulasi Prasad	6	Yes
T.Sri Rambabu	6	Yes
K.Harischandra Prasad	5	Yes
Ch.Anjaneyulu	4	Yes
P.S.P. Bhusan Maruthi	2	Yes
A.Srinivas	4	Yes
K.Koteswara Rao	4	Yes
M.K.S.Prakash Rao	4	Yes
B.V.R. Kumar Maruthi	4	Yes

CODE OF CONDUCT:

In terms of Clause 49 of Listing of Agreement Company had adopted a code of Board of Directors and Senior Members of management personnel of the Company. It has been placed circulated to all members of Board of Directors and Senior members of management personnel and compliance of the same is affirmed annually. The declaration signed by the Managing Director of the Company forms part of this report.

Committees of the Board:

The two committees of the Board are – the Audit Committee and the Investor Services Committee. The respective chairman convenes the committees. The composition of the committees and the related attendance are provided below. Since there is no Company Secretary in employment with the company, Chairman of the respective committee is also acting as Secretary also.

DECLARATION

This is confirmed that code of conduct by Board of Directors and Senior members of Management personnel.

I confirm that the Company as in respect of the financial year ended March, 2009, received from the Senior Members of Management of the Company and members of the Board and declare of the Compliance with the code of conduct as applicable to them.

For and on behalf of the Board

Place : Vijayawada
Date : 01.09.2009

LINGAM RAVINDRA RAO
Chairman & Managing Director

Audit Committee:

The Audit Committee of the company provides re-assurance to the Board on the existence of an effective internal control environment in the company. It is also empowered to investigate on the terms of reference by the Board and oversee the company’s financial reporting and compliances with statutes are a few to list. The constitution of the committee is also in compliance with Section 292A of the Companies Act, 1956.

Composition:

The Audit committee comprises of Mr.M.K.S.Prakash Rao, Chairman, Mr.CH.Anjaneyulu and Mr.K.Koteswara Rao all being non-executive and independent directors. The statutory auditor of the company is permanent invitee to the Audit Committee.

Attendance:

Details of the meetings held during the year.

S.No.	Date	Committee Strength	No. of Members Present
01	14.04.2008	3	3
02	12.07.2008	3	3
03	16.10.2008	3	3
04	10.01.2009	3	3

RAGHAVA ESTATES & PROPERTIES LIMITED

Profit & Loss Account For the Period Ending 31st March 2010

PARTICULARS	Schedule No.	As On 31-03-2010	As On 31-03-2009
INCOME :	10		
a) Property Development Projects		9,59,79,591	11,41,28,727
b) Other Income		1,16,113	1,02,843
		9,60,95,704	11,42,31,570
EXPENDITURE :			
Purchase of Land		-	1,55,45,000
Property Development, General Administrative & Marketing Expenses	11	6,75,95,093	8,66,94,399
(Increase) / Decrease in Cost of Stock in Trade and Work-in-progress	12	1,71,79,245	(15,00,027)
Total		8,47,74,338	10,07,39,372
Profit before Depreciation & Interest		1,13,21,366	1,34,92,198
Interest		87,62,057	84,14,762
Depreciation		16,29,402	16,80,895
Profit after Depreciation & Interest		9,29,907	33,96,541
Misc. expenditure written off		-	-
Profit Before tax		9,29,907	33,96,541
Provision for Tax			
Current Tax	2,87,397	5,92,329	
Deferred Tax	(55,899)	(84,284)	
Fringe Benefit Tax	-	2,31,498	94,010
Profit After Tax		6,98,409	27,94,486
Add : Balance brought forward from Previous year		9,04,23,589	8,76,29,103
Profit available for appropriation		9,11,21,998	9,04,23,589
Appropriations :			
Surplus carried to balance Sheet		9,11,21,998	9,04,23,589
Earning per share (Basic/Diluted)		0.17	0.69
Significant Accounting Policies and Notes forming part of the Accounts	13		

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

for **SURESH and BABU**
Firm Reg.No.004254S

P. JANARDHAN
Partner
Membership No.26498

L.Ravindra Rao
Chairman & Managing Director

Place : Vijayawada
Date : 02.09.2010

L. Tulasi Prasad **T. Sri Rambabu**
Jt. Managing Director Executive Director

RAGHAVA ESTATES & PROPERTIES LIMITED

Balance Sheet As At 31st March 2010

Particulars	Schedule No.	As at 31-03-2010	As at 31-03-2009
SOURCES OF FUNDS			
Shareholder's Funds			
a) Share Capital	1	4,02,17,500	4,02,17,500
b) Reserves & Surplus	2	9,11,21,998	9,04,23,589
LOAN FUNDS :			
a) Secured Loans	3	5,64,54,343	5,43,69,812
b) Unsecured Loans		-	-
Deferred Tax liability		12,73,731	13,29,630
		18,90,67,572	18,63,40,531
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	3,57,99,727	3,97,44,307
Less : Deperciation		2,35,29,474	2,65,65,391
Investments	5	33,44,270	34,44,270
CURRENT ASSES, LOANS & ADVANCES			
a) Current Assets	6	15,40,51,440	17,88,52,503
b) Loans & Advances	7	51,02,25,843	52,59,97,685
Total Current Assets		66,42,77,283	70,48,50,188
Less : Current Liabilities & provisions			
a) Liabilities	8	48,57,40,484	53,08,06,405
b) Provisions	9	50,83,750	43,26,438
Total current liabilities		49,08,24,234	53,51,32,843
Net Current Assets		17,34,53,049	16,97,17,345
		18,90,67,572	18,63,40,531
Significant Accounting Policies and Notes forming part of the accounts	13		

AS PER OUR REPORT OF EVEN DATE

for **SURESH and BABU**
Firm Reg.No.004254S

P. JANARDHAN
Partner
Membership No.26498

Place : Vijayawada
Date : 02.09.2010

FOR AND ON BEHALF OF THE BOARD

L.Ravindra Rao
Chairman & Managing Director

L. Tulasi Prasad **T. Sri Rambabu**
Jt. Managing Director Executive Director

Details of the attendance of the members.

Director	No.of Meetings Attended
P.S.P.Bhushan Maruthi	4
M.K.S.Prakash Rao	4
B.V.R.Kumar Maruthi	2
K. Koteswara Rao	2

Remuneration Committee:

- No separate remuneration committee has been constituted. The Board of Directors of the Company with the interested Executive Directors, not participating or voting, consider matters of remuneration of Executive Directors. The terms of remuneration of Executive Directors is approved by the shareholders at the Annual General Meeting.
- The company does not have any stock option scheme.
- As such the company currently does not pay any remuneration including sitting fees to its Non-Executive Directors.
- Details of the remuneration to Directors.

Name	Salary Per Annum
L.Ravindra Rao	Rs. 6,00,000
L.Tulasi Prasad	Rs. 6,00,000
T.S.Rambabu	Rs. 4,20,000

Investor Services Committee:

The Investor Services Committee under the nomenclature of Investor Grievance Committee overseas redressal of shareholder and investor grievances, and approves sub-division/transmission of shares, issue of duplicate share certificate etc.

Composition:

The committee is headed by Mr. K. Koteswara Rao and Mr. A. Srinivas, Mr.B.V.R.Kumar Maruthi and Mr. K.H Prasad are members of the committee. Mr. K. Koteswara Rao is the Compliance Officer.

Attendance:

Details of the meetings held during the year.

SI.No.	Date	Committee Strength	No.of Members Present
1	15.05.2009	4	4
2	15.07.2009	4	4
3	15.12.2009	4	4
4	05.02.2010	4	4

Details of the attendance of the members.

Director	No.of Meetings Attended
K. Koteswara Rao	4
B.V.R.Kumar Maruthi	4
A. Srinivas	4
K.H.Prasad	4

Terms of Reference

1. To approve share transfer proposals.
2. To approve share transmission proposals.
3. To approve proposals of duplicate/Split & Consolidated shares.
4. To redress the grievances of Investors.

Shareholder complaints:

The Company did not receive any complaints during the year ended 31st March 2010.

Nature of Complaints:

Since there are no complaints the question does not arise.

GENERAL BODY MEETINGS**Annual General Meeting:**

The Annual General Meetings of the shareholders of the company for the last three years were held as under:

Year	Venue	Date	Time
2006-2007	Registered Office of the Company	29-09-2007	10:00 AM
2007-2008	Registered Office of the Company	29-09-2008	10:00 AM
2008-2009	Registered Office of the Company	29-09-2009	10:00 AM

No special resolutions were put through postal ballot last year. Presently, the Company does not have any proposal for the postal ballot.

Extraordinary General Meeting:

Two Extra Ordinary General Meeting of the shareholders of the company was held during the year 2009-2010 on dated 31st Aug, 2009 & 15th March, 2010 at the Registered office.

- xvii) According to the information and explanations given to us, 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. In our opinion, the price at which shares have been issued is not prejudicial to interest of the company
- xviii) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- xix) The company has not raised any money by public issue of shares during the year covered by audit.
- xx) According to the informant and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for **SURESH AND BABU**
Chartered Accountants
Firm Reg.No.004254S

Place : Vijayawada
Date : 02-09-2010

(P. JANARDHAN)
Partner
Membership No.26498

- c) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- vi) The company does not have formal internal audit department but the company's internal control procedures together with the internal checks conducted by the management staff during the year can be considered as an adequate internal audit system commensurate with the size and nature of its business.
- vii) We have been informed that the Central Government has not prescribed maintenance of cost records under section 209 (1)(d) of the companies Act. 1956 for the company.
- viii) **a)** The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, income tax, sales tax, excise duty and other material statutory dues applicable to it.
- b)** According to the information and explanations given to us. no undisputed amounts payable in respect of income tax, wealth tax, sales Tax, Customs duty, excise duty, and cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they become payable.
- c)** According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- ix) In our opinion, there was no accumulated losses and the company has been deriving cash profits during the financial year covered by our audit and the immediately preceding financial year.
- x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holder.
- xi) The company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- xii) The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiii) In our opinion, the company is not dealing in or trading in shares, securities debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xv) In our opinion, the term loans have been utilized for the purpose for which they were raised.
- xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.

Disclosures:

Company does not have any materially significant related party transactions, which may have potential conflict with the interests of the Company. Other related party transactions have been reported at S.No.2.6 of Notes on Accounts.

Cases of Non-Compliance:

There has been no instance of Non-compliance by the company on any matter related to capital markets during the last three years. Hence, the question of penalties or structures being imposed by SEBI or the stock exchange does not arise.

Means of Communication:

1. Quarterly, Half yearly and Annual financial results of the company will be communicated to the stock exchanges immediately after the same are considered by the Board and will be published in prominent English and Telugu News papers. The company does not have any website. However during the year, unaudited financial results for 2009 - 2010 and 4th quarter financial results have been communicated to Stock Exchange and published in Deccan Chronicle and Andhra Bhoomi.
2. As the equity shares of the company are listed with Stock Exchanges, the annual results have been published as per listing agreements in prominent English and Telugu News papers.
3. Management Discussion and Analysis forms part of this Annual Report.

General Shareholder Information:

A Annual General Meeting	
Date and Time	: 29 th September, 2010 at 10.00 A.M.
Venue	: D.No : 64-9-2, Kanuru Subbaiah Buildings, Beside Enadu, Patamatalanka, VIJAYAWADA – 520 010.
B Financial Year 2009-2010	
First Quarter Results	: July/August, 2009
Second Quarter Results	: October/November, 2009
Third Quarter Results	: January/February, 2010
Fourth Quarter Results	: April, 2010
Annual Results	: June, 2010
C Dates of Book Closure	: 19 th September, 2010 to 29 th September, 2010 (Both days inclusive)
D Dividend Payment Date	: N.A.

- E Listing on Stock Exchange : The company's shares are listed on Madras and Mumbai stock Exchanges.
- F Stock Code : Not available.
- G Stock Price Date : The trading of securities of the Company is suspended.
- H Stock Performance : The trading of securities of the Company is suspended.

I. Registrar and Share Transfer Agents:

M/s. XL Softech Systems Ltd are acting as the Registrar and Transfer Agents of the Company for handling the share related matters both in physical and dematerialized.

XL Softech Systems Ltd
3, Sagar Society,
Road No.2, Banjara Hills,
HYDERABAD - 500 034.

Contact Person: Mr. R.Ram Prasad, *Manager*
Tel: 040 - 23545913/14/15
Fax: 040 - 23553214

J. Share Transfer System

The applications for transfer of shares received by the company in physical form are processed and registered within 30 days of receipt of the documents valid in all respects. Shares under objection are returned within a fortnight's time. The Investor Services Committee meet generally once in a month to consider the transfer applications and other proposals to transmission, etc.

K. Share Holding Pattern

Range- Rs.	No.of Shareholders	% of Total Shareholders	No.of Shares held	% of Shareholding
1 - 5,000	294	31.75	98,800	01.97
5,001 - 10,000	158	17.01	1,41,300	02.81
10,00 - 20,000	140	15.18	2,36,300	04.70
20,001- 30,000	69	07.43	1,72,400	03.43
30,001- 40,000	57	05.92	2,07,300	04.13
40,001- 50,000	72	07.64	3,46,500	06.90
50,001 - 1,00,000	74	08.29	6,13,900	12.22
1,00,001 and above	64	06.78	32,07,800	63.85
TOTAL	928	100.00	50,24,300	100.00

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date.

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) We were informed that all the fixed assets of the Company have been physically verified by the management during the year as reasonable intervals and no discrepancies were noticed on such verification.
- c) During the year, the company has not disposed any part of the Plant & Machinery and the question of affect on the going concern status of the company does not arise.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 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 the nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act. Hence the provisions of Clause 4 (iii) of Companies (Auditors Report) Order, 2003 are not applicable to the company.
- iv) 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 inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956
- b) In our opinion, according to the information and explanations given to us there are transactions which were made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon and significant accounting policies 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 Balance Sheet, of the State of affairs of the Company as at 31st March, 2010 and
- ii) In the case of the Profit and Loss accounts of the Profit for the year ended on that date and
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for **Suresh and Babu**
Chartered Accountants
Firm Reg.No.004254S

Place : Vijayawada
Date : 02-09-2010

(P. Janardhan)
Partner
Membership No.26498

L. Dematerialization of Shares and Liquidity:

Equity shares of the company are compulsorily traded in dematerialized form and are available for trading under both the depositories i.e., NSDL and CDSL.

M. Address for Correspondence:

1. For any unresolved complaints

THE MANAGING DIRECTOR

Raghava Estates Limited

64-9-2, Kanuru Subbaiah Blds.

Patamata lanka, Vijayawada - 520010.

Compliance Certificate of the Auditors:

The statutory Auditors have certified that the company has complied with the conditions of *corporate governance* as stipulated in clause 49 of the Listing Agreement with the stock exchanges and the same is annexed to the Report of Directors. The certificate from the Statutory Auditors will be sent to the Stock Exchanges along with the Annual Report of the Company.

AUDITOR'S REPORT

To
The Members of
M/S. RAGHAVA ESTATE & PROPERTIES LIMITED,

CERTIFICATE

To
The Members of
M/s. Raghava Estates Limited

We have examined the compliance of the conditions of corporate governance by M/s. Raghava Estates & Properties Limited for the year Ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The compliance of the conditions of corporate governance is the responsibility of the Management. Our examination was held to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate Governance. 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, the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreements.

As per the information and explanations given to us by the management, the company did not receive any complaints from Shareholders and investors during the year ended 31st March, 2010.

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 **SURESH AND BABU**
Chartered Accountants
Firm Reg.No.004254S

Place : Vijayawada.
Date : 02.09.2010

(P. JANARDHAN)
Partner
Membership No.26498

1. We have audited the attached Balance Sheet of **M/S. RAGHAVA ESTATES & PROPERTIES LIMITED**, as at 31st March, 2010 and also the profit and 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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.
3. As required by the Companies (Auditors Report) Order 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, We enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to 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 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 appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the above books of accounts.
 - d) In our opinion, the balance sheet, profit and Loss Account and the Cash flow statement dealt with by this report comply with the Accounting standards referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of 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 are disqualified as on 31st March, 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.



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Twenty-Second Annual Report 2009 - 2010

