

RAGHAVA ESTATES & PROPERTIES LIMITED

Twenty Second Annual Report

2009 - 2010

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 K.Koteswara Rao | Director |
| Sri M.K.S.Prakasa Rao | Director |
| Sri A.Srinivas | Director |
| Sri P.S.P.Bhushan Maruthi | Additional Director |
| Sri B.V.R.Kumar Maruthi | Additional Director |

AUDITORS

SURESH AND BABU
Chartered Accountants
36-14-3/1, Mogalrajapuram
Vijayawada – 520 010

BANKERS

State Bank of India
ING Vysya Bank Ltd

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

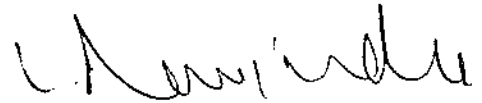
“RESOLVED THAT Sri P.S.P.Bhushan Maruthi who was appointed as additional Director of the company pursuant to section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by Rotation.”

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



(L.RAVINDRA RAO)

Chairman & Managing Director

Place : Vijayawada

Date : 02-09-2010

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.

Item no.5 :

Sri P.S.P. Bhushan Maruthi Aged 51 years is a Graduate In commerce and has rich experience in marketing and Administration of business.

Item no.6 :

Sri B.V.R.Kumar Maruthi Aged 40 years is a Graduate In commerce and has rich experience in Trading and marketing in business.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act. 1956)

Item no. 7

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. 8

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 & forth coming projects, the board has not recommended any dividend.

PERFORMANCE:

The Progress of new apartment ventures called Aananda Vihar at Edupugallu near Sreenivasapuram Colony and Pakruthi Vihar 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.

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 outgo nil

CORPORATE GOVERNANCE:

As per clause 49 of the Listing Agreement your 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:

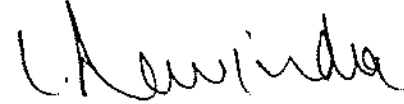
Your Directors take this opportunity to express their thanks to the various State Government Departments, Development Authorities, Banks & Financial Institutions, Customers and Suppliers for their valuable assistance & support.

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

Place : Vijayawada

Date : 02 .09.2010

For and on behalf of the Board



L.RAVINDRA RAO
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 & 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 2010 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 is 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 and suggestions and recommendations, if any, made by the committee will be carried out.

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 mobilization 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 | 16,29,402 | 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 slightly increased to Rs. 87.62 lakhs from 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 OFFICE(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:
 - (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 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 polices 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 and 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 endeavoring 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 and 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 2010

| 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 | 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 | Promoter Non-Exe Director | --- | 1 | --- | --- |
| 5 | Ch.Anjaneyulu | Non-Exe&Independent | --- | --- | --- | --- |
| 6 | A.Srinivas | Non-Exe&Independent | --- | 1 | --- | --- |
| 7 | B.V.R.K.Maruthi | Non-Exe&Independent | --- | --- | --- | --- |
| 8 | K.KoteswaraRao | Non-Exe&Independent | --- | 1 | --- | --- |
| 9 | P.S.P.B.Maruthi | Non-Exe&Independent | --- | --- | --- | --- |
| 10 | M.K.S. Prasaka Rao | Non-Exe&Independent | --- | --- | --- | --- |

Independent director means a director who, apart from receiving 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:

Nine Board Meetings were held during the Financial Year 2009-2010. They were held on 30/04/2009, 20/07/2009, 31/07/2009, 01/09/2009, 31/10/2009, 02/01/2010, 25/01/2010, 30/01/2010 and 17/02/2010.

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 | 9 | Yes |
| L.Tulasi Prasad | 9 | Yes |
| T.Sri Rambabu | 9 | Yes |
| K.Harischandra Prasad | 6 | Yes |
| Ch.Anjaneyulu | 5 | Yes |
| P.S.P.Bhushan Maruthi | 3 | Yes |
| A.Srinivas | 5 | Yes |
| B.V.R.Kumar Maruthi | 5 | Yes |
| K.Koteswara Rao | 5 | Yes |
| M.K.S.Prakasa Rao | 5 | 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:

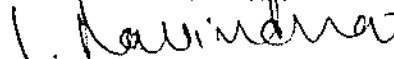
The two committees of the Board are – the Audit Committee and the Investor Services Committee. The respective chairman convenes the committees. The composition of the committees and the related attendance are provided below. Since there is no Company Secretary in employment with the company, Chairman of the respective committee is 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, 2010, 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



LINGAM RAVINDRA RAO

Chairman & Managing Director

Place : Vijayawada
Date : 01.09.2010

Audit Committee:

The Audit Committee of the company provides reassurance 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 | 13.05.2009 | 3 | 3 |
| 02 | 09.07.2009 | 3 | 3 |
| 03 | 12.10.2009 | 3 | 3 |
| 04 | 12.01.2010 | 3 | 3 |

Details of the attendance of the members.

| Director | No.of Meetings Attended |
|-------------------|-------------------------|
| Ch.Anjaneyulu | 3 |
| M.K.S.Prakash Rao | 3 |
| K. Koteswara Rao | 3 |

Remuneration Committee:

1. No separate remuneration committee has been constituted. The Board of Directors of the Company with the interested Executive Directors, not participating or voting, considers matters of remuneration of Executive Directors. The terms of remuneration of Executive Directors is approved by the shareholders at the Annual General Meeting.
2. The company does not have any stock option scheme.
3. As such the company currently does not pay any remuneration including sitting fees to its Non-Executive Directors.
4. 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, Mrs. B.V.R.Kumar Maruthi and Mr.K.H.Prasad are members of committee. Mr.K.Koteswara Rao is the Compliance Officer.

Attendance:

Details of the meetings held during the year

| Sl.No. | Date | Committee Strength | No.of Member 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 postal ballot.

Extra Ordinary 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

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 strictures 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. 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 Eenadu, 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 : 20th September, 2010 to 29th September, 2010 (Both days inclusive)
- D Dividend Payment Date : N.A.
- E Listing on Stock Exchange : The company's shares are listed on Madras & Mumbai stock Exchange.
- F Stock Code : Not available.
- G Stock Price Date : The Company's stock is not quoted during the last financial year on any of the stock exchanges listed above.
- H Stock Performance : The Company's stock is not quoted during the last Financial year on any of the stock exchanges listed above.

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 meets 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 | 31.68 | 98,600 | 01.96 |
| 5,001 - 10,000 | 158 | 17.03 | 1,41,300 | 02.81 |
| 10,001- 20,000 | 140 | 15.09 | 2,34,700 | 04.67 |
| 20,001- 30,000 | 69 | 07.44 | 1,73,100 | 03.45 |
| 30,001- 40,000 | 57 | 06.14 | 2,14,900 | 04.28 |
| 40,001- 50,000 | 72 | 07.76 | 3,50,700 | 06.98 |
| 50,001-1,00,000 | 74 | 07.97 | 5,93,900 | 11.82 |
| 1,00,001and above | 64 | 06.90 | 32,17,100 | 64.03 |
| TOTAL | 928 | 100.00 | 50,24,300 | 100.00 |

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 & Properties Limited
64-9-2, Kanuru Subbaiah Blds.
Patamata lanka, Vijayawada-520 010

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 form the Statutory Auditors will be sent to the Stock Exchanges along with the Annual Report of the Company.

SURESH AND BABU
Chartered Accountants
36-14-3/1, Santhi Nagar
Opp: Madhu Kala Mandapam
VIJAYAWADA - 520 010

CERTIFICATE

To
The Members of
M/s Raghava Estates & Properties 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 Exchanges 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.

Place : Vijayawada
Date : 02-09-2010



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

(P. JANARDHAN)

Partner

Membership NO.26498

AUDITORS' REPORT

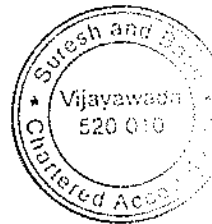
To
The Members of
M/s.Raghava Estates & Properties Limited

1. We have audited the attached Balance Sheet of M/s.Raghava Estates & Properties Limited as at 31st March, 2010 and also 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.
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 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) 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;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in Section 211(3C) of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956;



- (vi) 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:
- a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2010; and
 - b) In the case of the Profit and Loss account, of the Profit for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Vijayawada
Date : 02.09.2010



for Suresh And Babu
Chartered Accountants
Firm Reg.No:004254S

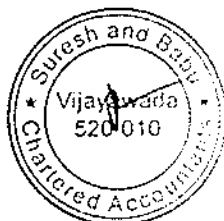
Thang

(P.Janardhan)
Partner.
M.No:26498

Annexure to the Auditors' 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 at 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 procedure of physical verification of inventories 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, 1956. Hence the provisions of clause 4(iii) of Companies(Audit 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 controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into 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, 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 lakhs in respect of any party during the year.
- (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.
- (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, 2010 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, 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 of 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 holders.
- (xi) The company has not granted loans and advances on the basis of security by way of pledge of shares, 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 (Auditor's 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 (Auditor's Report) Order, 2003 are not applicable to the company.



SURESH AND BABU

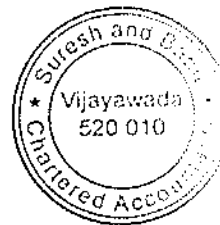
CHARTERED ACCOUNTANTS

Contd. Sheet


- (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 bank 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.
- (xvii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties 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 the 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 under audit.
- (xx) 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.

Place : Vijayawada

Date : 02.09.2010



for Suresh And Babu
Chartered Accountants
Firm Reg.No: 004254S


(P. Janardhan)
Partner
M.No:26498

RAGHAVA ESTATES & PROPERTIES LIMITED

Balance Sheet As at 31st March, 2010

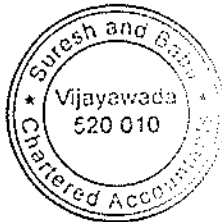
| PARTICULARS | Schedules | AS at 31st March, 2010 | AS at 31st March, 2009 |
|---------------------------------------------------|-----------|---------------------------|---------------------------|
| SOURCES OF FUNDS | | | |
| Share holder's Funds | | | |
| a) Share Capital | 1 | 40,217,500 | 40,217,500 |
| b) Reserves & Surplus | 2 | 91,121,998 | 90,423,589 |
| LOAN FUNDS | | | |
| a) Secured Loans | 3 | 56,454,343 | 54,369,812 |
| b) Unsecured Loans | | - | - |
| Deferred Tax liability | | 1,273,731 | 1,329,630 |
| | | 189,067,572 | 188,340,531 |
| APPLICATION OF FUNDS: | | | |
| Fixed Assets | | | |
| Gross Block | 4 | 35,799,727 | 39,744,307 |
| Less: Depreciation | | 23,529,474 | 26,565,391 |
| Net Block | | 12,270,253 | 13,178,916 |
| Investments | 5 | 3,344,270 | 3,444,270 |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| A) Current Assets | 6 | 154,051,440 | 178,852,503 |
| B) Loans & Advances | 7 | 510,225,843 | 525,997,685 |
| Total Current Assets | | 664,277,283 | 704,850,188 |
| Less: Current Liabilities & Provisions | | | |
| a) Liabilities | 8 | 485,740,484 | 530,806,405 |
| b) Provisions | 9 | 5,083,750 | 4,328,438 |
| Total current liabilities | | 490,824,234 | 535,132,843 |
| NET CURRENT ASSETS | | 173,453,049 | 169,717,345 |
| | | 189,067,572 | 188,340,531 |

Significant Accounting Policies and Notes forming part of the Accounts

13

As per our Report of even date

For Suresh and Babu
Chartered Accountants
Firm Reg. NO.004254S



[Signature]

(P. JANARDHAN)
Partner

Membership No, 26498
PLACE: VIJAYAWADA
DATE: 02-09-2010

For and on Behalf of the Board

[Signature]
L. RAVINDRA RAO
Managing Director

[Signature]
L. TULASI PRASAD
Jt. Managing Director

[Signature]
T. SRI RAMABABU
Executive Director

RAGHAVA ESTATES & PROPERTIES LIMITED

Profit & Loss Account for the year ended 31st March, 2010

| PARTICULARS | Schedules | For the year ended 31st March, 2010 | For the year ended 31st March, 2009 |
|--------------------------------------------------------------------|-----------|----------------------------------------|----------------------------------------|
| INCOME | 10 | | |
| A) Property Development Projects | | 95,979,591 | 114,128,727 |
| B) Other income | | 116,113 | 102,843 |
| | | 96,095,704 | 114,231,570 |
| EXPENDITURE | | | |
| Purchase of Land | | - | 15,545,000 |
| Property Development, General, Administrative & Marketing Expenses | 11 | 67,595,093 | 86,694,399 |
| (Increase)/Decrease in cost of Stock-in-Trade and Work-in-progress | 12 | 17,179,245 | (1,500,027) |
| Total | | 84,774,338 | 100,739,372 |
| Profit before Depreciation & Interest | | 11,321,366 | 13,492,198 |
| Interest | | 8,762,057 | 8,414,762 |
| Depreciation | | 1,629,402 | 1,680,895 |
| Profit after Depreciation & Interest | | 929,907 | 3,396,541 |
| Misc. Expenditure written off | | - | - |
| Profit Before tax | | 929,907 | 3,396,541 |
| <u>Provision for tax</u> | | | |
| Current tax | | 287,397 | 592,329 |
| Deferred Tax | | (55,899) | (84,284) |
| Fringe Benefit Tax | | - | 94,010 |
| Profit after tax | | 698,409 | 2,794,486 |
| Add: Balance brought forward from previous year | | 90,423,589 | 87,629,103 |
| Profit available for appropriation | | 91,121,998 | 90,423,589 |
| Appropriations: | | | |
| Surplus carried to balance sheet | | 91,121,998 | 90,423,589 |
| | | | |
| 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
Chartered Accountants
Firm Reg.No.004254S

(Signature)

(P.JANARDHAN)
Partner

Membership No.26498



(Signature)
L.RAVINDRA RAO
Managing Director

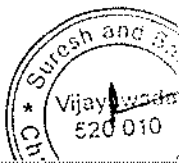
(Signature)
L.TULASI PRASAD
Jt.Managing Director

(Signature)
T.SRI RAMBABU
Executive Director

PLACE: VIJAYAWADA
DATE : 02-09-2010

RAGHAVA ESTATES & PPROPERTIES LIMITED

| SCHEDULES | As at 31st March, 2010 | As at 31st March, 2009 |
|----------------------------------------------------------|---------------------------|---------------------------|
| SCHEDULE -1 SHARE CAPITAL | | |
| SHARE HOLDERS FUNDS | | |
| AUTHORISED CAPITAL | | |
| 55,00,000 Equity Shares of Rs.10/- each | 55,000,000 | 55,000,000 |
| Issued, Subscribed & Paid up | | |
| 50,24,300 Equity Shares of Rs.10 each | 50,243,000 | 50,243,000 |
| Less: Calls in arrears | 10,025,500 | 10,025,500 |
| TOTAL | 40,217,500 | 40,217,500 |
| SCHEDULE -2 RESERCVES & SURPLUS | | |
| RESERVES & SURPLUS A/C | | |
| 90,423,589 | 90,423,589 | 87,629,103 |
| Add: Transferred from Profit & Loss Account | 698,409 | 2,794,488 |
| TOTAL | 91,121,998 | 90,423,589 |
| SCHEDULE-3 LOAN FUNDS | | |
| SECURED LOANS | | |
| a) Shriram Transport Finance Ltd | 2,255,415 | 2,576,176 |
| b) Ashok Leyalnd Finance Ltd | 337,436 | 783,892 |
| c) HDFC (vehicle loan) | - | 24,621 |
| d) APSFC | 50,996,507 | 48,674,916 |
| e) Shriram City Union Finance Ltd | 2,288,922 | 2,310,207 |
| f) Reliance Capital Ltd | 576,063 | - |
| TOTAL | 56,454,343 | 54,369,812 |
| SCHEDULE -5 INVESTMENTS | | |
| a) Investments -Shares | 3,344,270 | 3,444,270 |
| SCHEDULE -6 CURRENT ASSETS | | |
| a) Property Development Projects(WIP) | 24,481,499 | 23,652,093 |
| b) Stock in Trade (Land) | 126,815,167 | 144,674,078 |
| c) Material at Site | 175,610 | 325,350 |
| d) Cash & Bank Balances | | |
| Ing Vysya Bank Ltd(1262) | 3,584 | 17,016 |
| State Bank of Hyderabad | 193,582 | 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 | 3,529,366 |
| Punjab National Bank | - | 700 |
| Swarna Bank | - | 750 |
| Vysya Bank(Khammam) | - | 1,839 |
| Union Bank of India(RVR) | 2,567 | 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 |
| Indus Ind Bank | 10,821 | - |
| UCO Bank | 10,773 | 10,773 |
| SBI-Poranki | 5,000 | 5,000 |
| Dhana Lakshmi Bank Ltd | 8,639 | - |
| UBI Escrow (210033) | 5,982 | 6,072 |
| Cash on hand | 2,203,093 | 6,538,034 |
| TOTAL | 154,051,440 | 178,852,503 |
| SCHEDULE -7 LOANS AND ADVANCES | | |
| a) Advances for purchases of Lands | 308,288,463 | 344,385,187 |
| b) Advances for Workers & Suppliers | 13,186,858 | 11,255,018 |
| c) Deposits | 1,210,591 | 1,109,259 |
| d) Other assets | 187,539,931 | 169,248,223 |
| TOTAL | 510,225,843 | 525,997,685 |
| SCHEDULE - 8 CURRENT LIABILITIES & PROVISIONS | | |
| CURRENT LIABILITIES | | |
| Sundry creditors | 7,845,499 | 10,097,868 |
| Creditors for Trade | 6,968,858 | 10,377,119 |
| Advances recd against proposed projects | 470,926,127 | 510,331,418 |
| TOTAL | 485,740,484 | 530,806,405 |
| SCHEDULE - 9 PROVISIONS | | |
| For Outstanding Expenses | 5,083,750 | 4,326,438 |



For Raghava Estates & Properties Ltd.

Managing Director

RAGHAVA ESTATES & PROPERTIES LIMITED
STATEMENT OF DEPRECIATION FOR THE PERIOD ENDING 31-03-2010
AS PER SCHEDULE XIV OF THE COMPANIES ACT

SCHEDULE -4

| NAME OF THE ASSET | RATE OF DEP % | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------------|---------------|---------------------|----------------|------------------|---------------------|---------------------|------------------|------------------|------------------------|---------------------|---------------------|
| | | AS ON 01.04.2009 | ADDITIONS | DELETIONS | AS ON 31.03.2010 | AS ON 01.04.2009 | DELETIONS | FOR THE YEAR | UPTO 31- 03-2010 | AS ON 31.03.2010 | AS ON 01.04.2009 |
| MOTOR CARS | 25.89% | 2,205,158 | 741,813 | - | 2,946,971 | 952,889 | - | 420,240 | 1,373,129 | 1,573,842 | 1,252,269 |
| MOTOR LORRIES | 40.00% | 7,175,966 | - | 4,896,356 | 2,279,610 | 6,837,365 | 4,665,319 | 43,026 | 2,215,072 | 64,538 | 338,601 |
| FAX, EPABX & COMPUTERS | 40.00% | 1,518,700 | 132,400 | - | 1,651,100 | 1,340,369 | - | 74,150 | 1,414,519 | 236,581 | 178,331 |
| PLANT & MACHINERY | 13.91% | 5,451,294 | 77,563 | - | 5,528,857 | 2,076,282 | - | 473,089 | 2,549,371 | 2,979,486 | 3,375,012 |
| FURNITURE & FIXURES | 18.10% | 2,097,428 | - | - | 2,097,428 | 1,767,893 | - | 59,646 | 1,827,539 | 269,889 | 329,535 |
| ELEC.EQUIPMT (TRANSFORMERS) | 20.00% | 922,900 | - | - | 922,900 | 805,500 | - | 23,480 | 828,980 | 93,920 | 117,400 |
| SEWAGE TREATMENT PLANT | 13.91% | 2,428,259 | - | - | 2,428,259 | 2,213,981 | - | 29,809 | 2,243,770 | 184,489 | 214,298 |
| BUILDINGS | 5.00% | 824,974 | - | - | 824,974 | 386,268 | - | 21,935 | 408,203 | 416,771 | 438,706 |
| CENTERING MATERIAL | 13.91% | 7,787,788 | - | - | 7,787,788 | 5,975,995 | - | 252,020 | 6,228,016 | 1,559,773 | 1,811,793 |
| CLUB COMPLEX | 5.00% | 3,500,000 | - | - | 3,500,000 | 1,556,510 | - | 97,175 | 1,653,685 | 1,846,316 | 1,943,490 |
| SHOPPING COMPLEX | 5.00% | 5,349,000 | - | - | 5,349,000 | 2,652,359 | - | 134,832 | 2,787,191 | 2,561,809 | 2,698,641 |
| LANDS | | 482,840 | - | - | 482,840 | - | - | | | 482,840 | 482,840 |
| TOTALS | | 39,744,307 | 951,776 | 4,896,356 | 35,799,727 | 26,565,391 | 4,665,319 | 1,629,402 | 23,529,474 | 12,270,253 | 13,178,916 |



For Raghava Estates & Properties Ltd.

L. Navin
 Managing Director

RAGHAVA ESTATES & PROPERTIS LTD LIMITED
SCHEDULE -10 INCOME

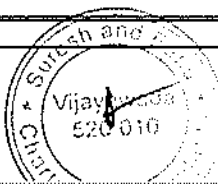
| PARTICULARS | As at 31st March, 2010 | As at 31st March, 2009 |
|-----------------------------------------|---------------------------|---------------------------|
| A) PROPERTY DEVELOPMENT PROJECTS | | |
| i) Buildings & Infrastructure | 28,604,134 | 65,990,227 |
| ii) Sale of Lands | 67,375,457 | 48,138,500 |
| | 95,979,591 | 114,128,727 |
| Other Income | | |
| Misc Receipts | 87,150 | 102,843 |
| Profit on sale of Motor tornes | 28,963 | - |
| | 116,113 | 102,843 |

**SCHEDULE - 11 PROPERTY DEVELOPMENT, GENERAL,
ADMINISTRATIVE & MARKETING EXPS**

| PARTICUALRS | As at 31st March, 2010 | As at 31st March, 2009 |
|-------------------------------------------------|---------------------------|---------------------------|
| a) Expenditure on Property development projects | 49,284,917 | 56,746,016 |
| b) Staff Cost | | |
| i) Salanes | 2,715,343 | 2,391,080 |
| ii) Employees Allowances | 1,577,864 | 1,601,978 |
| iii) Provident Fund | 300,817 | 288,112 |
| iii) E.S.I | 99,417 | 105,558 |
| iv) Staff Welfare | 86,052 | 22,500 |
| v) Bonus | - | 116,934 |
| c) Insurance | 264,375 | 403,899 |
| d) Office Expenses | 2,160,793 | 2,713,007 |
| e) Professional Tax | 2,500 | 2,500 |
| f) Printing & Stationery | 110,839 | 503,577 |
| g) Postage & Telegrams | | |
| i) Postage & Courier | 23,291 | 17,686 |
| ii) Telephone charges | 582,653 | 848,269 |
| h) Finance Charges | 285,868 | 1,158,553 |
| i) Vehicle Expenses | 2,602,037 | 6,165,411 |
| j) Bank Charges | 151,084 | 499,930 |
| k) Donations | 1,116 | 231,516 |
| l) Remuneration to Auditors for | | |
| i) Statutory Audit | 35,000 | 35,000 |
| ii) Tax Audit | 5,000 | 5,000 |
| iii) Tax Representation | 10,000 | 10,000 |
| v) Service Tax on the above | 5,150 | 5,150 |
| m) Directors Remuneration | 1,620,000 | 1,620,000 |
| n) Electricity charges | 384,965 | 441,292 |
| o) Rent | 114,000 | 114,000 |
| p) Rates, taxes & Licenses | 2,276,322 | 4,976,072 |
| q) Sales & Marketing Exps | 963,686 | 786,407 |
| r) Compensation | 111,300 | 582,460 |
| s) Advertisement | 1,139,853 | 2,840,223 |
| t) Traveling & Conveyance | 335,428 | 420,267 |
| v) VAT & Service Tax | 345,423 | 1,042,002 |
| | 67,595,093 | 86,694,399 |

**SCHEDULE - 12 Increase/Decrease In Cost of
Stock-In-Trade land, Projects In progress**

| | As at 31st March, 2010 | As at 31st March, 2009 |
|--------------------------|---------------------------|---------------------------|
| Opening | | |
| Stock In Trade(Land) | 144,674,078 | 153,256,689 |
| Material at site | 325,350 | 528,600 |
| Building & Infrastructre | 23,652,093 | 13,366,205 |
| | 168,651,521 | 167,151,494 |
| Closing | | |
| Stock In Trade(Land) | 126,815,187 | 144,674,078 |
| Material at site | 175,610 | 325,350 |
| Building & Infrastructre | 24,481,499 | 23,652,093 |
| | 151,472,276 | 168,651,521 |
| | 17,179,245 | (1,500,027) |



For Raghava Estates & Properties Ltd.

Managing Director

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 FXED 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 into consideration the estimate cost to complete)
- iii) Land (stock in trade) is valued at the lower of cost and net realizable value.

1.6 REVENUE RECOGNITION:

- i) The company follows the mercantile system of accounting and recognizes Income and expenditure on accrual basis.
- ii) Turnover on property development projects:
The company follows the percentage of completion method.

1.7 RETIRMENT 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 accounts.

1.8 DIVIDENDS:

No dividend has been recommended by the board.



2. 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 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 | 2008-2009 |
|--------------------------------------|------------------|------------------|
| | RS. | RS. |
| Remuneration (including perquisites) | 16,20,000 | 16,20,000 |
| Sitting fees | | |
| | <u>16,20,000</u> | <u>16,20,000</u> |

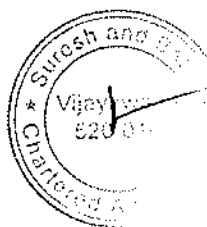
PAYMENT TO AUDITORS:

| | 2009-2010 | 2008-2009 |
|------------------------------|-----------|-----------|
| | RS. | 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.

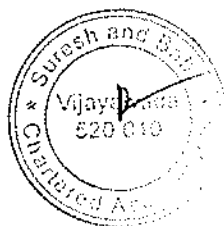


2.6 Related party Transactions:

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 | Nature of Relation ship | Nature of Transaction | Amount of Transaction (Rs) | Outstanding amount as on 31/3/2010 |
|------|----------------------|---------------------------------------------|---------------------------------------|----------------------------|------------------------------------|
| 1. | Ravindra Oil Company | Directors have controlling in the said firm | Purchase of HSD for Transportation | 27,41,273 | 3,25,077(Dr.) |
| 2. | R.P.Transporters | Directors have controlling in the said firm | Advance for purchase of vehicles | 4,02,90,156 | 69,73,820(Dr.) |
| 3. | PANC Transporters | Directors have controlling in the said firm | Advance for purchase of vehicles | 2,16,10,024 | 1,37,23,507(Dr) |
| 4. | L.Ravindra Rao | Managing Director | Payment of Salary, Perks & Allowances | 6,00,000 | 3,02,353(Cr.) |
| 5. | L.Tulasi Prasad | Jt.Managing Director | Payment of Salary, Perks & Allowances | 6,00,000 | 3,38,159(Cr) |
| 6. | T.S.Rambabu | Executive Director | Payment of Salary, Perks & Allowances | 4,20,000 | 2,18,743(Cr.) |



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 01-04-2010 |
|------------------------------------------------|----------------------------------|-----------------------------|----------------------------------|
| 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 confirm to this year's classification.

2.11 Figures have been rounded off to the nearest rupee.

Signature to Schedules '1' to '13' and notes

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

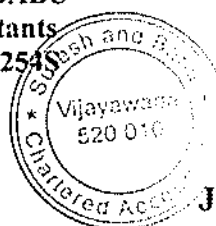
For SURESH AND BABU
Chartered Accountants
Firm Reg.No.004254

P.JANARDHAN
Partner

Membership No.26498

Place: Vijayawada

Date : 02-09-2010



L.TULASI PRASAD
Jt.Managing Director

L.RAVINDRA RAO
Managing Director

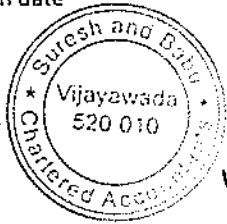
T.SRI RAMBABU
Executive Director


M/s.RAGHAVA ESTATES & PROPRITIES LIMITED
VIJAYAWADA
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

| PARTICULARS | RS. | RS. |
|------------------------------------------------------|------------|------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit after tax and extra-ordinary 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) | 10306597 |
| Operating profit before working capital changes | | 11005006 |
| inventories | 17179245 | |
| Loans & Advances | 15771842 | |
| Trade payables | (44308609) | (11357522) |
| CASH GENERATED FROM OPERATIONS | | (352516) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (951776) | |
| sale of fixed assets | 260000 | (691776) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| INTEREST PAID | (6440466) | |
| INTEREST RECD | | |
| Repayment of long term borrowings | (752060) | |
| Proceeds from long term borrowings | 615000 | (6577526) |
| Net increase/decrease in Cash & Cash Equivalents | | (7621818) |
| Cash & Cash equivalents at the beginning of the year | | 10200982 |
| Cash & Cash equivalents at the end of the year | | 2579164 |

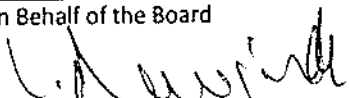
As per our Report of even date
for Suresh and Babu
Chartered Accountants


(P.JANARDHAN)
Partner




L.Tulasi Prasad
Jt. Managing Director

For and on Behalf of the Board


L.Ravindra Rao
Managing Director


T. Sri Rambabu
Executive Director

PLACE : VIJAYAWADA
DATE : 02-09-2010