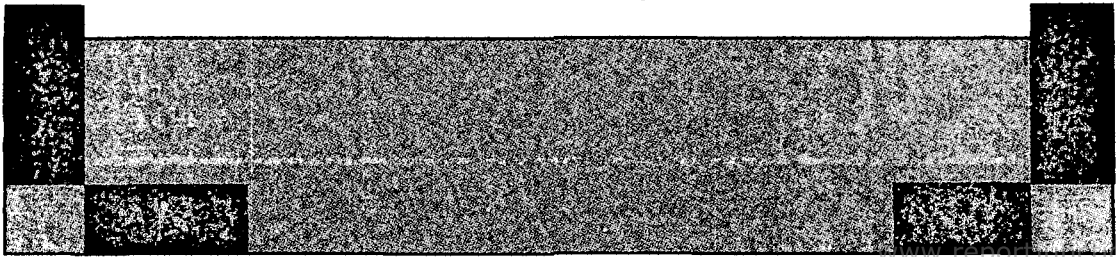


Twentieth Annual Report 2007 - 2008

For Raghava Estates Limited


Managing Director



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TWENTIETH ANNUAL GENERAL MEETING

at 10.00 a.m.

On Monday 29th September, 2008

at 64-9-2, Kanuru Subbaiah Buildings, Beside Eenadu

Vijayawada - 520 010.

BOARD OF DIRECTORS

Sri L.V. Raghava Rao	Executive Chairman
Sri L. Ravindra Rao	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 Pradeep Kumar	Director
Sri A. Srinivas	Director
Sri B. Suhasini	Director
Sri K. Koteswara Rao	Director
Sri S.V.K. Satyanarayana	Director
Sri M.K.S. Prakasa Rao	Director

AUDITORS

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Suresh and Babu

Chartered Accountants
36-14-3/1, Moghalrajapuram
Vijayawada- 10.

BANKERS

State Bank of India
ING Vysya Bank Limited

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the company will be held at 10.00 a.m. on Monday, the 29th day of September, 2008 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, 2008 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. S.V.K. Satyanarayana 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 Pradeep Kumar 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".

For and on behalf of the Board

Place : Vijayawada
Date : 01.09.2008

(L.RAVINDRA RAO)
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 members will also remain closed from 22-9-2008 to 29-9-2008 (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. 02:

Sri S.V.K. Satyanarayana aged 49 years is a Graduate in Commerce and has rich experience in trading and marketing business. He is the member of the Share holders committee, Share Transfer Committee, Audit Committee and Remuneration Committee of the Company.

Item No. 03:

Sri Ch. Anjaneyulu aged 55 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 Committee, Audit Committee and Remuneration Committee of the Company.

Item No. 04:

Sri Pradeep Kumar aged 45 years is a Chartered Accountant and has rich experience in trading and marketing business. He is the member of the Share holders committee, Share Transfer Committee, Audit Committee and Remuneration Committee of the Company.

DIRECTORS' REPORT

Your Directors have great pleasure in presenting 20th Annual Report together with the Annual Audited Accounts for the Financial year ended 31st March, 2008.

	For the Year Ended 31-03-2008	For the Year Ended 31-03-2007
FINANCIAL RESULT	Rs.	Rs.
Profit before interest and depreciation	2,85,93,949	2,41,30,144
Interest	1,09,11,305	1,33,47,139
Depreciation	15,57,249	14,84,973
Profit for the Year	1,61,25,395	92,98,032
Miscellaneous Expenditure written off	0	0
Profit before tax	1,61,25,395	92,98,032
Provision for Income Tax	-----	-----
— Current Tax	(17,82,765)	(10,32,030)
— Fringe Benefit Tax	(85,248)	(83,251)
— Deferred Tax	61,069	(17,052)
Profit after tax	1,43,18,451	81,65,699
Profit/Loss brought forward from Previous period	7,33,10,652	6,51,44,953
Profit carried to Balance Sheet	8,76,29,103	7,33,10,652
Earning per share		
Basic/Diluted.	3.56	2.03

DIVIDEND:

In view of the 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 were announced and they had good response from the customers.

FUTURE PROSPECTS:

Your company views the future with optimism as the demand for Housing is growing day by day. The Directors have pleasure in announcing the new housing venture at Prodduturu on Joint Venture with M/s. Watermarke Villas Private Limited. Your Company is hoping for an enormous increase in turnover during the forthcoming years.

DIRECTORS:

Sri S.V.K. Satyanarayana 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 Pradeep Kumar who retires by rotation and being eligible offers himself for re-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.

CORPORATE GOVERNANCE:

A report on corporate governance has been obtained from the statutory auditors of the company and form 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 2008 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 : 01.09.2008

LINGAM 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:

Indian 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 2008 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.

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	2007-2008	2006-2007
Net Sales	16,34,02,464	10,86,37,961
Other Income	1,80,444	22,04,192
Work in Progress	1,33,66,205	1,77,69,200
Total Income	16,35,82,908	11,08,42,153
PBDIT	2,85,93,949	2,41,30,144
Finance Charges	1,09,11,305	1,33,47,139
Depreciation	15,57,249	14,84,973
Profit before Tax	1,61,25,395	92,98,032
Profit after Tax	1,43,18,451	81,65,699
EPS – Basic	3.56	2.03
Net Worth	12,78,46,603	11,35,28,152

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. 1634.02 Lakhs.