



RAGHAVA

ESTATES & PROPERTIES LIMITED

TWENTY-FOURTH ANNUAL REPORT

2011-2012

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TWENTY-FOURTH ANNUAL GENERAL MEETING

at 10.00 a.m.

On Saturday 29th September, 2012

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

Vijayawada - 520 010.

Regd. Office : 64-9-2, Kanuru Subbaiah Buildings, Beside Eenadu, Vijayawada - 520 010.

BOARD OF DIRECTORS

Sri L. Ravindra Rao	Managing Director
Sri L. Tulasi Prasad	Joint Managing Director
Sri T. Sri Rambabu	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	Director
Sri B.V.R Kumar Maruthi	Director

AUDITORS

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 Twenty-fourth Annual General Meeting of the Company will be held at 10.00 a.m. on Saturday, the 29th day of the September, 2012 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, 2012 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.Koteswara Rao who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Sri A.Srinivasa Rao who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director in place of Sri M.K.S Prakasa 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."

For and on behalf of the Board

Place : Vijayawada
Date : 02-09-2012

Sd/-
(L.RAVINDRA RAO)
Managing Director

Note:

1. Any 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. Pursuant to Section 154 of the Companies Act 1956 and applicable provisions of the Listing Agreement, Register of Members and Share Transfer Books of the Company shall remain closed from 21st September, 2012 to 28th September, 2012 (both days inclusive) for the purpose of the Annual General Meeting.
3. Member holding shares in electronic form who wish to change their address are requested to intimate the same to the Registrars and Share Transfer Agents M/s. XL Softech Systems Ltd, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 (Tele No.040-2354513/14/15: Fax No.040-23553214).
4. Members desirous of making Nomination in respect of their shareholding are requested to submit Form 2B to the Registrars and Share Transfer Agents.
5. Shareholders are requested to convert their physical shareholdings into electronic shareholdings for their own convenience. Members are requested to quote Folio No. DP ID and Client ID in all correspondence and intimate any change in their address to the Company's Share Transfer Agents.
6. Member/Proxies are requested to bring duly filled in attendance slips to the meeting.
7. As required under Clause 49 of the Listing Agreement with Stock Exchange, brief particulars of Sri K.Koteswara Rao, Sri A.Srinivas, and Sri. M.K.S.Prakasa Rao, who are to be re-appointed as Directors are provided hereunder:

Item no. 1:

Sri K.Koteswara Rao aged 59 years is a Graduate in Civil Engineering and has rich experience in trading and marketing business. He is a member of the Share holders committee, Share Transfer Committee and Audit Committee of the Company.

Item no.2 :

Sri A.Srinivasa Rao aged 52 years is a Graduate in Mechanical Engineering and has rich experience in trading and marketing business. He is the member of the share holders committee and Share Transfer Committee of the Company.

Item no.3 :

Sri M K S Prakasa Rao Aged 54 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.

DIRECTORS' REPORT

Dear Shareholders,

We are delighted to present before you the Twenty Fourth Annual Report on business and operations along with the Audited financial statements and the Auditors Report of your company for the financial year ended March 31, 2012.

(` in Lakhs)

Particulars	For the Year Ended 31-03-2012	For the Year Ended 31-03-2011
FINANCIAL RESULT		
Total Revenues	1325.48	787.71
Total Expenditure	1734.11	693.09
Earnings before Interest, Depreciation & Tax	(408.63)	97.50
Interest	60.28	74.20
Depreciation & Amortisation	11.94	14.98
Profit/(Loss) before tax	(480.85)	8.31
Provision for Tax	(0.31)	(0.47)
Profit after tax	(480.54)	8.78
Surplus/(Deficit) brought forward from Pervious year	1020.26	911.22
Transferred from Forward from previous year	-	100.26
Balance in Profit & Loss Account	539.72	1020.26

DIVIDEND:

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

FUTURE PROPOSECTS:

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.Koteswara Rao, Sri A.Srinivas and Sri M.K.S.Prakasa Rao shall retire by rotation at the ensuing Annual General Meeting and being eligible are proposed for re-appointment.

AUDITORS:

The Statutory Auditors M/s SURESH AND BABU, Chartered Accountants, Vijayawada retire at the ensuing Annual General Meeting, and have confirmed their eligibility and willingness to accept office, if re-appointed.

INFORMATION AS PER SEC. 217(2A) OF THE COMPANIES ACT, 1956

There were no employees in receipt of remuneration in excess of the amounts specified in Section 217(2A) of the Companies Act, 1956 read with Rule 2 of Companies (particulars of Employees) Rules of 1975, as amended.,

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:

We strive to maintain high standards of corporate governance in all our interactions with our stake holders. The company has confirmed the corporate governance code as stipulated under the listing agreement with the stock exchange. 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, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 that period.
- 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 frauds and other irregularities.
- iv) That the Directors have prepared the accounts 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 : 02.09.2012

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:

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 2012 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	March 31, 2012	March 31, 2011
Net Sales	13,15,54,541	7,87,70,602
Other Income	9,93,284	2,88,320
Work in Progress	8,66,37,620	6,51,67,489
Total Income	13,25,47,825	7,90,58,922
PBDIT	(4,08,63,054)	94,93,581
Finance Charges	60,27,999	74,20,228
Depreciation	11,93,802	14,98,202
Profit before Tax	(4,80,84,855)	8,31,177
Profit after Tax	(4,80,53,860)	8,78,508
EPS – Basic	(15.92)	0.29
Net Worth	8,41,64,146	13,22,18,006

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. 1315.54 Lakhs.