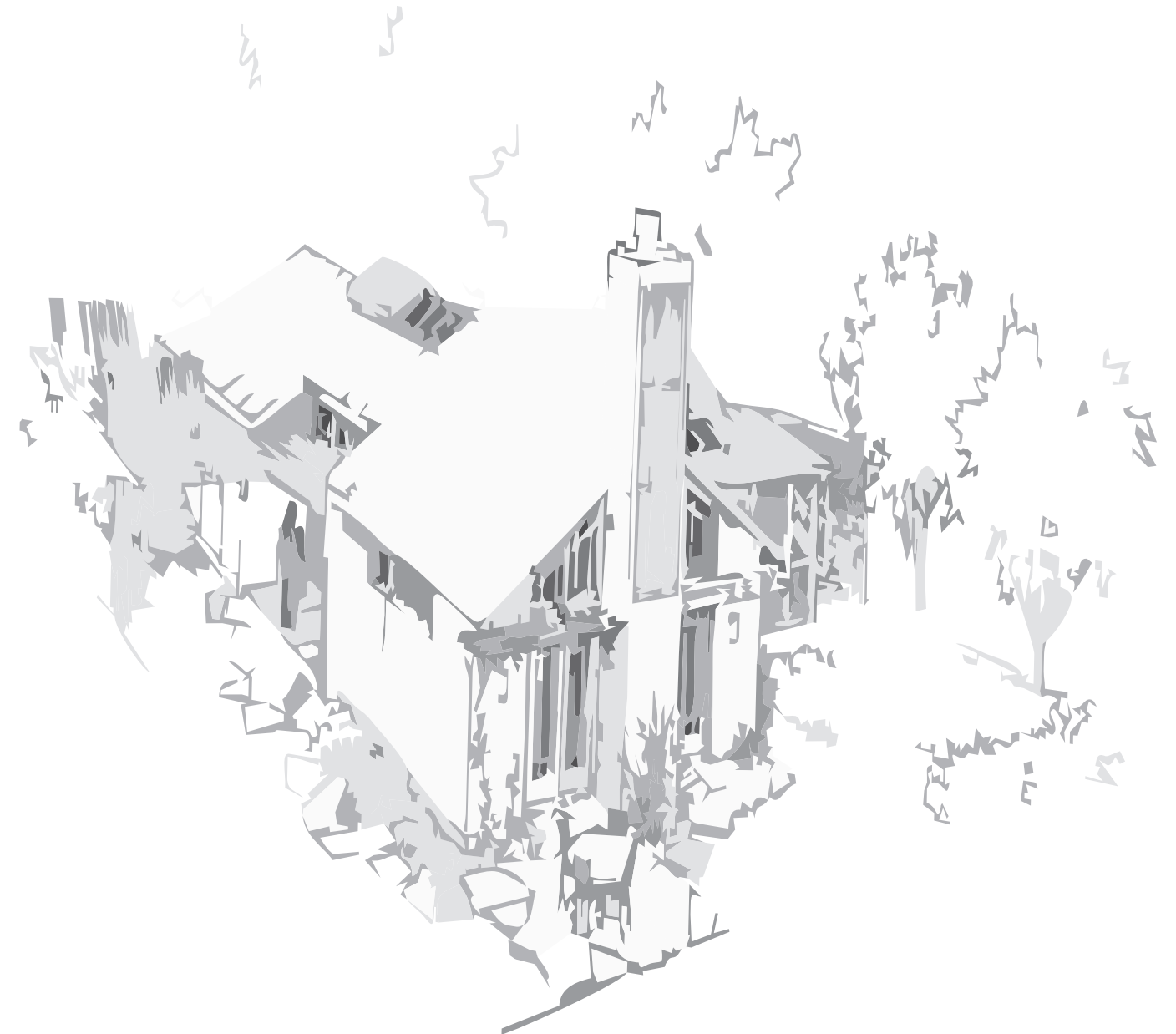




RDB Realty & Infrastructure Limited

Annual Report 2009-2010



RDB REALTY INFRASTRUCTURE LIMITED
8/1, Lal Bazar Street (1st floor) Kolkata - 700 001
Phone : +91 33 2230 5666 (8 lines)
Fax : +91 33 2242 0588
e-mail : info@rdbindia.com
Website : www.rdbindia.com

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Corporate information

Board of Directors

Sunder Lal Dugar - Managing Director
Pradeep Kumar Pugalia - Executive Director
Ravi Prakash Pincha - Independent Director
Mahendra Pratap Singh - Independent Director
Abhishek Satyanarayan Rathi - Independent Director
Om Prakash Rathi - Independent Director

Company Secretary and Compliance Officer

Ashish Mishra

Auditors

M. K. Surana & Co..
Chartered Accountants
20 Sinagogue Street,
Kolkata 700 001

Bankers

State Bank of India
Oriental Bank of Commerce
Axis Bank Ltd.
Standard Chartered Bank
Corporation Bank
IDBI Bank

Registrar and Share Transfer Agent

Niche Technologies Private Limited
D 511 Bagree Market,
71, B.R.B. Basu Road,
Kolkata - 700 001

Solicitors

Dipayan Choudhury, Advocates

Registered office

"Bikaner Building"
8/1 Lal Bazar Street, 1st Floor,
Kolkata 700001

Disclaimer

In this annual report we have disclosed forward-looking information to enable investors and comprehend our prospects and take informed investment decisions. This report and other statements ...written and oral....that we periodically make content forward-looking statements that set out anticipated results based on management's plans and assumptions. We have tried wherever possible to identify such statements using words such as "anticipate", "estimate", "expects", "projects", "intends", "plans", "believes", and words of similar substance in connection of future performance.

We cannot guarantee that this forward-looking statements will do realise, although we believe we have been prudent in assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Should known or unknown risk or uncertainties met-realise or should underline assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicity update. Any forward-looking statement wether as a result of new information, future events otherwise.

“ 2009-10 will be remembered as one of the most eventful years in the history of RDB and will be remembered as a year when the Company re-learnt its way of doing business and in the process actually became aware of many of its latent strengths.

”

Showcase projects Residential



Regent Ganga, Kolkata, West Bengal

Regent Ganga will be a self-sustaining residential township on the banks of the River Ganges. It will have its own retail complex. The total built-up area of the complex will be 30,000 sq mts (appx) with a total of 285 housing units.

Regent Paradise, Guwahati, Assam

The Company is constructing Regent Paradise, a residential township, in joint venture with the Assam State Housing Board. This integrated township with its own shopping complex will have a total built-up area of over 65,000 sq mts (appx).



Regent City, Rajarhat, Kolkata, West Bengal

Regent City is being constructed in Rajarhat near Kolkata. This residential township with its own retail complex will have a total built-up area of 40,000 sq mts (appx). In the first phase of construction, this complex will have over 255

Regent Sonarpur, Kolkata, West Bengal

RDB is constructing Regent Sonarpur in South 24 Parganas near Kolkata. This residential township with all modern facilities has a total built-up area of 21,800 sq mts (appx) and 176 housing units.



Regent Heritage, Jhapatapur, Kharagpur, West Bengal

The Company is constructing Regent Heritage in Jhapatapur near Kharagpur, West Bengal. This residential township with its own shopping complex will have a total built-up area of 7,100 sq mts (appx).



Regent Crown, Burdwan, West Bengal

This residential township with an integrated shopping centre will be located in Burdwan, a Tier-II city in eastern India. With a total built-up area of 11,000 sq mts (appx) and a total of 70 units, this project will change the face of housing in that region.



Showcase projects Commercial



Regent Centre, Kolkata, West Bengal

RDB is constructing a shopping centre in B.T. Road, Kolkata with a total built-up area of 70,000 sq mts (appx); this centre will comprise outlets of reputed brands along with a cineplex, an entertainment zone and a food court.

Regent Centre, Uttarpara, West Bengal

Regent Centre will be located in Uttarpara near G.T. Road, Hooghly, with a total area of 7,000 sq mts (appx); this mall will have an entertainment zone and a food court, apart from retail units.



Regent Centre, Burdwan, West Bengal

RDB is constructing a mall in Burdwan (near Municipality) the shopping centre will have a built-up area of 10,000 sq mts (appx). Apart from retail units of reputed brands, the centre will have a three-screen multiplex, an entertainment zone & a food court.

Regent Centre, Haldia, West Bengal

This shopping centre will be located at Brajnath Chowk, Haldia. Possessing a total built-up area of 24,000 sq mts (appx);, the mall will feature a three-screen multiplex, an entertainment zone and a food court.



Regent Heritage Plaza, Malancha, Kharagpur, WB

Regent Heritage will be located on Malancha Road in Jhapatapur near Kharagpur. The mall will possess a total built-up area of 9,700 sq mts (appx) with its own entertainment zone and food court, apart from retail units.

Regent Knowledge Centre, Surat, Gujrat

"Education Mall" in the form of Regent Knowledge Centre. This is the first project exclusively for Education and training Institute in Surat. With all the facilities and infrastructure that a world class Education Complex would Need.



Regent Textile Market, Surat, Gujarat

Regent Textile Market is a commercial complex exclusive for the Textile dealers with all modern amenities, located in the heart of commercial hub of Surat. It will feature multiplex, entertainment zone, food court & retail units, possessing a total built-up area of over 30,325 sq mts (appx).

Regent High Street Mall, Surat, Gujarat

Regent High Street Mall is a commercial complex with all modern amenities, located in the heart of commercial hub of Surat. It will feature multiplex, entertainment zone, food court & retail units, possessing a total built-up area of over 11,000 sq mts (appx).



Major ongoing projects

Regent Paradise: Residential complex. Spread across 7 lacs square feet (appx). Offers convenience without complications. Located in Guwahati.

Regent City: Residential project. Spread across more than 4.09 lacs square feet (appx). Located in Rajarhat, Kolkata.

Regent Ganga: Residential and commercial project. Spread across 3.82 lacs square feet (appx). Located in Hooghly, Howrah (near Kolkata).

Regent Heritage: Residential and commercial project located in Kharagpur. Spread over 0.56 Lacs square feet (appx.)

Regent Heritage Plaza: Largest in Kharagpur. Spread over 1.04 Lacs square feet (appx).

Millennium Towers: Commercial project. Spread over 0.95 Lacs square feet (appx). Located in Haldia, West Bengal.

Regent New Town Square Mall: Spread over 2.50 lakh square feet (appx). Located in Rajarhat, Kolkata.

Regent City Shopper. Mall: Spread over 72,000 square feet (appx). Located in one of the largest textile centres in Asia, near Kolkata.

Industry optimism

The Indian real estate industry currently worth USD 12 billion and is expected to reach USD 90 billion by 2015.

The optimism across the markets of RDB's presence is indicated below:

Kolkata

Kolkata is the fourth-largest city in India.

It is home to nearly 13 million people.

It is among the seven leaders in the country's IT-BPO growth story, registering an annual growth rate of 15 percent (Nasscom).

It reported a 20–60 percent appreciation in property prices in two years.

It has a meagre 0.7 percent vacancy rate in prime locations (peripheries of Salt Lake and Rajarhat), indicating a robust real estate potential.

Guwahati

Guwahati is home to 24 percent of the urban population of Assam.

It is the economic nerve-centre of Northeast India.

It is an important service centre for the oil industry and tea plantations as well as a hub for important tea auctions.

Its population has grown by almost 40 percent during the last 10 years.

It witnessed a significant growth in organised retail, financial services and industry, driving the demand for commercial and residential units.

Guwahati figures among the 100 fastest-growing cities of the world (Source: Times of India).

Haldia

Haldia is a major trade port intended chiefly for bulk cargo.

It has a population of around 1.5 million.

It is renowned as an industrial hub with such conglomerates like the Haldia Petrochemicals Limited.

Burdwan

Burdwan is one of the largest cities of West Bengal with a population of around six million.

It is located in the Durgapur–Asansol belt, surrounded by the fastest-growing industrial hubs of Dhanbad, Dumka, Murshidabad, Hooghly, Birbhum and Purulia, among others.

It is famous for its rich cultural heritage with a number of educational institutions, engineering colleges and universities.

Surat

Surat is the economic capital of Gujarat and its GDP growth rate is estimated at 16 percent.

It is best known as the city of diamonds and synthetic fabrics. Out of the 12 diamonds processed in the world, Surat processes around 10, contributing a whopping Rs. 45,000 cr or 65 percent of the total export of diamonds from India.

Textile exports from the city were valued at around Rs 16 bn, contributing 12 percent and 40 percent of the total man-made fibre and filament fabrics exports from India.

Its population more than doubled to an estimated 3.5 million in less than 15 years, making it India's ninth-largest city.

Around 60 percent of the city's population consists of migrants connected with the textiles and diamond sectors.

An apparel SEZ in Sachin and a gems and jewellery SEZ in Ichhapore, near Surat, are expected to generate more than 4.5 lakh jobs. The 'Twin City' project connecting Surat to neighbouring Navsari is likely to grow the real estate market.

Surat figures among the 100 fastest-growing cities of the world (Source: Times of India).

Jaipur

Jaipur is a famous tourist destination and is commonly referred to as the 'pink city of India'.

It has a population of over 3.3 million.

It is one of the well-planned cities of the country with a number of historical monuments, including forts and palaces.

It is home to traditional as well as modern industries, including hospitality, diamond polishing and traditional art and crafts.

Beyond Realty - Contract Business

Post Demerger the company is focused on the development of Real Estate projects under taken across the country. Now the company is having basically two work segment within the Company:-

- Development of Real Estate
- Development of Central Government Projects – EPC Business

A couple of years back, the company started EPC Business by bagging a small but prestigious contracts of construction of 72 dwelling units for the DG-MAP (Director General Married Accommodation Project) covering an construction area of 1.50Lacs sq. ft. at Kolkata Fort William having tender value of Rs.20.91 crore. A part of the Project is successfully handed over to the authority concerned and full hand over is expected by October 2010.

The segment also strengthen its foothold in civil engineering by bagging some more prestigious contracts from AIIMS (All India Institute of Medical Science) for setting up residential complex at Patna for its own purpose..

The tender value awarded amount to Rs.29.00 crore

The segment gets further boost by bagging another prestigious contract from IICB (Indian Institute of Chemical Biology) for construction and development of New Campus and its maintenance during the defect liability period at Salt Lake City, Kolkata. The awarded contract value is Rs.27.41 crore.

Recently the bidding of the company for one of the another prestigious contract at Chennai by DG-MAP is considered as lowest one for the tender value of Rs.29.87 crore, where in the total construction area would be 2.40Lac sq. ft.

In addition a list of firms / companies prequalified for DG MAP Phase-II project issued by the Director General married Accommodation Project wherein your company is now eligible for Rs.154.37 Cr single bidding and available capacity of the company is also assessed at Rs.268.50 Cr.

The Company is also participating in many other prestigious contracts on regular basis.

With the Central Governments focus on accelerated spending on construction activities and development of Infrastructural facilities across the country there is ample scope ahead to capitalize on the opportunities in this work segment. The Company has drawn up some major plans to make aggressive bidding during the current financial year and the years to come.

Showcase projects

Director General, Married Accommodation Project, Fort William, Kolkata



more

VALUE PER SQUARE FEET

At RDB, we believe that the value that a customer receives must always exceed the price paid.

The ability to demonstrate this consistently transforms a product in to a brand; it extends a transaction in to a relationship.

This recall represents RDB`s most effective marketing collateral.

Result: Properties are sold as soon as they are conceived.

At RDB, this recall has been consistently achieved through ongoing discipline-defined and documented systems for tendering, cost estimation, material procurement and execution- that have eliminated the scope for arbitrary decision-making, while leaving room for innovation within the specified deliverables. Some of these key processes include:

- The preparation of a comprehensive estimate of resources required at the project outset.
- Real time project monitoring based on the consumption of material, resources and time compared with the budgeted estimate.
- Procedures and protocols to control deviations from estimates.
- Implementation of random and periodic audits and checks on material inventory with expenditure verifications across each project site.
- Regular review meetings to discuss project related issues.

As a result, RDB manages various projects concurrently across the areas of its presence.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Fourth Annual Report and audited accounts for the year ended 31st March 2010.

Performance Highlight

(Rupees in Lacs)

Particulars	2009-10	2008-09
Income from operations	4,571.47	- - -
Other income	162.28	- - -
Profit before interest and depreciation	850.00	(0.09)
Less: a) Interest	173.09	- - -
b) Depreciation	46.54	- - -
Profit before taxation	630.37	(0.09)
Less: Provisions for current tax, deferred tax and fringe benefit tax	88.39	- - -
Profit (Loss) After Tax	541.98	(0.09)
Add: Balance brought forward from last year	(2.05)	(1.96)
Add: Balance transferred from RDB Industries Limited on demerger of Real Estate Undertaking	948.81	- - -
Balance available for appropriation	1,488.74	(2.05)
Balance carried to the Balance Sheet	1,488.74	(2.05)

Review of operations

Pursuant to the scheme of demerger, the Real Estate Undertaking of RDB Industries Limited has been demerged to the company and by virtue of the same the operations and profit after tax of your Company stood at Rs 4571.47 lacs towards Sales and Rs 541.98 lacs towards Profit after tax of the company. The same is not comparable with previous year as there was no such business in the company.

During the year under review, the Company has not brought any changes in its accounting policies.

Demerger

The Scheme of Arrangement of RDB Realty & Infrastructure Limited (the Company) with RDB Industries Limited was approved by the Hon'ble High Court of Calcutta, vide Order dated 12.04.2010. The Certified copy of the order of the Hon'ble High Court was filed with the Registrar Of Companies, West Bengal under Section 391(2) & 394 of the Companies Act, 1956 on 24.05.2010. The Share Exchange Ratio being fixed as 1:1.

Dividend

With a view to conserve the resources for long-term growth your directors do not consider declaration of dividend for the year under review

Directors

Mr. Abhishek Satyanarayan Rathi and Mr. Mahendra Pratap Singh, Independent Directors, retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

Your Directors recommend the above appointment/re-appointment.

None of the Directors of your Company is disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956.

Particulars of employees

The Company does not have any employee falling within the scope of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of the Employees) Rules, 1975.

Directors' responsibility statement

As required under section 217(2AA) of the Companies Act, 1956, your Directors confirm:-

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors have prepared the annual accounts on a going concern basis;

Auditors

M/s M.K. Surana & Co., Chartered Accountants, the statutory auditors of the Company who are to retire at the ensuing Annual General Meeting, being eligible, have offered themselves for re-appointment and have further confirmed that the said re-appointment will be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

Auditors observation

Observations of the auditors when read together with relevant notes on accounts and accounting policies are self-explanatory and do not require any further comments.

Public deposit

During the year under review, the Company has neither accepted nor renewed any public deposit and has no overdue or unclaimed public deposit, as defined under Section 58 (A) of the Companies Act, 1956, read with Companies (Acceptance of Deposit) Rules, 1975.

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the annexure attached hereto and forms a part of this Report.

Subsidiary companies

Pursuant to the scheme of Arrangement of RDB Realty & Infrastructure Limited (the Company) with RDB Industries Limited, following companies have now become the subsidiary companies of RDB Realty & Infrastructure Limited:-

- Bahubali Tie-Up Pvt. Ltd.
- Baron Suppliers Pvt. Ltd.
- Bhagwati Builders And Development Pvt. Ltd.
- Bhagwati Plasto Works Pvt. Ltd.
- Headman Mercantile Pvt. Ltd.
- Kasturi Tie-Up Pvt. Ltd.
- Raj Construction Projects Pvt. Ltd.
- Rathi Essen Finance Company Pvt. Ltd.
- Triton Commercial Pvt. Ltd.

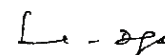
Further in conjunction with the consolidated financial statements enclosed with the accounts, prepared in accordance with the Accounting Standard 21. Your company have already applied to the Central Government for exemption from the provisions of Section 212(1) of the Companies Act, 1956 relating to the attachment of the accounts of its subsidiaries, and therefore the accounts of the subsidiary companies would not be attached with accounts of your company, if exemption under Section 212(8) of the Companies Act, 1956 is granted by the Central Government and consequently a statement to this effect would be provided to the members along with the notice convening the forthcoming Annual General Meeting. Annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any shareholder at your company's registered office and that of the subsidiary companies concerned.

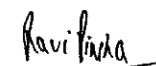
Acknowledgments

Your Directors would like to place on record their sincere gratitude to the shareholders, bankers, business associates, retailers, suppliers, customers, government and other regulatory agencies for their continued support and faith in the Company. Your Directors are also happy to place on record their appreciation for the whole-hearted co-operation, commitment and contribution made by all the employees and look forward to their continued support.

For and on behalf of the Board

Place: Kolkata
Date: 29.05.2010


S. L. Dugar
Director


R. P. Pincha
Director

Annexure to the Directors' Report

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo

Information under section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forms a part of the Directors' Report.

A. Conservation of energy

The disclosure of particulars relating to conservation of energy in Form A under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is not applicable to the Company.

B. Technology absorption, foreign exchange earning and outgo

The Company has no particulars related to research and development, technology absorption, adaptation and innovation as per Form B under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Foreign exchange earning :	Rs. 204,550
Foreign exchange outgo :	Rs. Nil

AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of RDB REALTY & INFRASTRUCTURE LIMITED as at 31st March, 2010, the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that –

1. 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.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
4. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. 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 is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and based on the information and according to the explanations given to us, the said account read with Notes appearing in Schedule 21 give the information required by the Companies Act, 1956 in the manner so required and give true and fair view:

- (a) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;
- (b) in the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and according to information and explanations given to us, the matters specified in the said order are given hereunder to the extent to which they are applicable.

- I) a) The Company is maintaining proper records showing, full particulars including quantitative details and situation of fixed assets.
 - b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
 - c) In our opinion, a substantial part of fixed assets has not been disposed off by the company during the year.
- ii) a) In our opinion, the inventory of the Company has been physically verified by the management at reasonable intervals during the year. In respect of material lying with third parties, these have substantially been confirmed by them.
 - b) In our opinion, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies ascertained on physical verification between the physical stocks and the book records of inventories were not material in relation to the operations of the Company.

- iii) a) The Company has granted unsecured loan to a company covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs.39,821,129/- and the year end balance of loan granted to such party was Rs.8,488,089/-
- b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to such companies covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the Company.
- c) The Parties have repaid the principal amount as stipulated and have been regular in the repayment of interest.
- d) There is no overdue amount of loan granted to company covered in the register maintained under section 301 of the Companies Act, 1956.
- e) The Company has taken unsecured loan from 2 companies covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs69,679,979/- and the year end balance of loans taken from such parties were Rs.51,273,385/-
- f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from such Companies covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the Company.
- g) The Company has repaid the principal amount as stipulated and have been regular in the repayment of interest.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) a) In our opinion and according to information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of Cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us and as far as ascertained from the records produced for our verification, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of disputes.
- x) The Company does not have accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.
- xii) In our opinion, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv) In our opinion and according to information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institution.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanation 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 by the Company.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) The Company has no debentures outstanding at any time during the year and hence question of creating security in respect thereof does not arise.
- xx) As informed to us, the Company has not raised any money by way of a public issue during the period covered by our audit report.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

20, Synagogue Street, 2nd Floor,
Kolkata - 700 001.

The 29th day of May, 2010

For M.K. Surana & Co.
Chartered Accountants

Kirti Kumar Surana
Kirti Kumar Surana
Partner
Membership No. 061605

Balance Sheet as at 31st March 2010

(amount in rupees)

	Schedule No.	As at 31st March 2010	As at 31st March 2009
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	500,000	500,000
b) Share Capital (Pending Allotment) [Refer Note 2 to Schedule 20]		107,500,000	---
c) Reserves & Surplus	2	454,964,316	562,964,316
2. Deferred Tax Liability		246,035	---
3. Loan Funds			
a) Secured Loans	3	42,635,722	---
b) Unsecured Loans		90,713,562	133,349,284
Total		696,559,635	500,000
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	4	49,070,063	---
b) Less: Depreciation		8,703,208	---
c) Net Block		40,366,855	---
2. Investments	5	52,728,134	---
3. Current Assets, Loans and Advances			
a) Inventories	6	812,422,465	---
b) Sundry Debtors	7	37,149,641	---
c) Cash & Bank Balances	8	51,008,065	296,017
d) Loans & Advances	9	1,037,561,801	---
		1,938,141,972	296,017
Less : Current Liabilities & Provisions	10		
a) Current Liabilities		1,325,118,455	1,500
b) Provisions		9,558,871	---
		1,334,677,326	1,500
Net Current Assets		603,464,646	294,517
4. Profit & Loss Account (Debit Balance)		---	205,483
Total		696,559,635	500,000
Notes to the accounts	20		

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For M. K. SURANA & CO.
Chartered Accountants

Kirti Kumar Surana
KIRTI KUMAR SURANA
Partner
Membership No.061605

Kolkata
The 29th day of May 2010

S. L. Dugar
S. L. Dugar
Director

Ravi Pincha
R. P. Pincha
Director

Profit and Loss Account for the year ended on 31st March 2010

(amount in rupees)

	Schedule No.	For the year ended 31st March 2010	For the year ended 31st March 2009
INCOME			
Sales	11	440,446,762	---
Profit from Partnership Firm	12	16,700,501	---
Other Income	13	16,227,629	---
Increase / (Decrease) In Stocks	14	267,302,400	---
		740,677,292	---
EXPENDITURE			
Construction Activity Expenses	15	630,726,550	---
Payment to and Provision for Employees	16	5,106,904	---
Selling and Distribution Expenses	17	9,244,996	---
Administrative and General Expenses	18	9,048,033	9,162
Interest and Finance Charges	19	18,859,915	---
Depreciation	4	4,654,069	---
		677,640,467	9,162
Profit Before Taxation		63,036,825	(9,162)
Less: Provision For Taxation			
- Current Income Tax		8,593,000	---
- Deferred Tax (Assets) / Liabilities		246,035	---
		54,197,790	(9,162)
Balance Brought Forward		(205,483)	(196,321)
Add: Balance Transferred from RDB Industries Limited on demerger of Real		94,880,947	---
Profit Available for Appropriation		148,873,254	(205,483)
APPROPRIATIONS			
Balance Carried to Balance Sheet		148,873,254	(205,483)
		148,873,254	(205,483)
Earnings Per Share :- (Face Value Rs.10/- each)			
Basic & Diluted		5.02	(0.18)
[Refer Note 3 to Schedule 20]			
Notes to the accounts	20		

Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

For M. K. SURANA & CO.
Chartered Accountants

Kirti Kumar Surana
KIRTI KUMAR SURANA
Partner
Membership No.061605

Kolkata
The 29th day of May 2010

S. L. Dugar
S. L. Dugar
Director

Ravi Pincha
R. P. Pincha
Director

Cash Flow Statement for the year ended 31st March, 2010

(amount in rupees)

Cash Flow Statement	For the year ended 31st March, 2010	For the year ended 31st March, 2009
A. Cash flow from operating activities :		
Net profit before tax as per Profit & Loss account	63,036,825	---
Adjustments for		
Depreciation	4,654,069	---
(Profit) on Sale of Fixed Assets	(2,910,301)	---
Interest Paid	17,309,328	---
Liabilities no longer required Written Back	(146,874)	---
Interest Received	(8,371,342)	---
Provision for Employee Benefits	128,975	---
Provision for Rental Income	(363,403)	---
Operating profit before working capital changes	73,337,277	(9,162)
(Increase) / Decrease in Inventories	(267,302,400)	---
(Increase) / Decrease in Trade and other receivables	(315,068,215)	---
Increase / (Decrease) in Trade Payables	654,300,294	---
Cash generated from operations	145,266,956	(9,162)
Less: Direct taxes paid	4,829,234	-
Cash Flow before Exceptional Items	140,437,722	(9,162)
Exceptional Items	-	-
Net cash Generated/(used) from operating activities	140,437,722	(9,162)
B. Cash flow from investing activities :		
Purchase of fixed assets	(2,897,510)	---
Sale of fixed assets	30,263,627	---
Interest Received	12,073,687	---
Investment with Subsidiaries and Firms	82,218,555	---
Sale of Investment with Associates / Subsidiaries	405,000	---
Loans Refund	21,126,102	---
	143,189,461	---
Net cash from investing activities	143,189,461	---
C. Cash flow from financing activities :		
Proceeds / (Repayment) of borrowings	(258,796,318)	---
Interest Paid	(13,275,430)	(272,071,748)
Net cash generated/(used) in financing activities	(272,071,748)	---
Net increase/(decrease) in cash and cash equivalents (A+B+C)	11,555,435	(9,162)
Cash and cash equivalents -Opening balance	296,017	305,179
Add: Transfer from RDB Industries Limited on demerger of Real Estate Undertaking.	39,156,613	39,452,630
Cash and cash equivalents -Closing balance	51,008,065	296,017
CASH AND CASH EQUIVALENT COMPRISE:		
Cash on hand	914,968	292,330
Cheques on hand	1,216,195	---
<u>Balances with Scheduled Banks on:</u>		
Current Accounts	19,883,846	3,687
Fixed Deposit Accounts	28,993,056	---
	51,008,065	296,017

This is the Cash Flow Statement referred to in our report of even date.

For **M. K. SURANA & CO.**
Chartered Accountants
Kirti Kumar Surana
KIRTI KUMAR SURANA
Partner
Membership No.061605
Kolkata
The 29th day of May 2010

For and on behalf of the Board

S. L. Dugar
S. L. Dugar
Director

Ravi Pincha
R. P. Pincha
Director

Schedules to the Accounts

(amount in rupees)

	As at 31st March 2010	As at 31st March 2009
Schedule - 1 SHARE CAPITAL		
Authorised		
1,000,000 Equity Shares of Rs.10/- each*	10,000,000	10,000,000
* The authorised share capital has been increased to 20,000,000 equity shares of Rs.10/-each with effect from 06/05/2010		
	10,000,000	10,000,000
Issued, Subscribed and Paid up:		
50,000 Equity Shares of Rs.10/- each [Refer Note 2 to Schedule 20]	500,000	500,000
	500,000	500,000
Schedule - 2 RESERVES & SURPLUS		
Securities Premium Account		
Opening Balance	---	---
Add : Transfer from RDB Industries Limited on demerger of Real Estate Undertaking	377,500,000	---
Less: 10,750,000 Equity Shares of Rs.10/- each pending allotment to the Equity Share Holders of RDB Industries Ltd. in pursuance of the scheme of Arrangement for demerger of "Real Estate Undertaking" of RDB Industries Ltd.	107,500,000	270,000,000

General Reserve		
Opening Balance	---	---
Add : Transfer from RDB Industries Limited on demerger of Real Estate Undertaking	36,091,062	---

Profit & Loss Account		
Balance as per Profit & Loss Account	148,873,254	---
	454,964,316	---
Schedule - 3 LOAN FUNDS		
Secured Loans		
Over Draft Facility from Bank	20,090,212	---
Secured by Equitable Mortgage of Specific immovable assets and by Personal guarantee of Director		---
Term Loan from Banks	22,545,510	---
Secured by Equitable Mortgage of Specific immovable assets and by Personal guarantee of Director		---
(Amount Repayable within a year Rs. 9,693,765/- Previous Year Rs.Nil)		---
	42,635,722	---
Unsecured Loans		
From Bodies Corporate (Includes interest accrued and due Rs. 7,699,840 (Previous Year Nil))	90,713,562	---
	90,713,562	---

Schedules to the Accounts

(amount in rupees)

Schedule - 4 FIXED ASSETS

Description of Assets	As at 1st April 2009	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Transfer from Transferor Company on Demerger	Additions During the Year	Deductions During the Year	As at 31st March 2010	Up to 31st March 2009	Transfer from Transferor Company on Demerger	For the Year	Deductions During the Year	Up to 31st March 2010	As at 31st March 2010	As at 31st March 2009
Building	---	66,840,439	---	30,000,000	36,840,439	---	2,147,805	2,889,013	2,802,308	2,234,510	34,605,929	---
Plant & Machinery	---	2,333,373	2,803,738	1,730	5,135,381	---	732,981	716,686	---	1,449,667	3,685,714	---
Furniture & Fixtures	---	317,469	27,355	---	344,824	---	242,433	15,194	---	257,627	87,197	---
Vehicles	---	3,840,247	---	194,760	3,645,487	---	2,380,798	357,594	39,126	2,699,266	946,221	---
Computers	---	3,037,516	66,416	---	3,103,932	---	1,386,556	675,582	---	2,062,138	1,041,794	---
Total	---	76,369,044	2,897,509	30,196,490	49,070,063	---	6,890,573	4,654,069	2,841,434	8,703,208	40,366,855	---
Previous Year	---	---	---	---	---	---	---	---	---	---	---	---

(amount in rupees)

	As at 31st March 2010	As at 31st March 2009
Schedule - 5 INVESTMENTS		
Long Term		
Trade Investments (at cost)		
(I) Subsidiary Companies*		
Unquoted		
Bahubali Tie-up Private Ltd. 10000 Equity Shares of Rs.10/- each, fully paid	100,000	---
Baron Suppliers Private Ltd. 10000 Equity Shares of Rs.10/- each, fully paid	100,000	---
Bhagwati Builders & Development Private Ltd. 27200 Equity Shares of Rs.10/- each, fully paid	12,920,000	---
Bhagwati Plasto Works Private Ltd. 562870 Equity Shares of Rs.10/- each, fully paid	11,257,400	---
Headman Mercantile Private Ltd. 10010 Equity Shares of Rs.10/- each, fully paid	100,100	---
Kasturi Tie-up Private Ltd. 10000 Equity Shares of Rs.10/- each, fully paid	100,000	---
Raj Construction Projects Pvt. Ltd. 18544500 Equity Shares of Rs.10/- each, fully paid	21,011,413	---
Rathi Ess En Finance Co. Pvt. Ltd. 129700 Equity Shares of Rs.10/- each, fully paid	1,950,370	---
Triton Commercial Private Ltd. 10000 Equity Shares of Rs.10/- each, fully paid	100,000	---
	47,639,283	---
(II) In Others		
Unquoted*		
Infravision Developers Private Ltd. 500000 Equity Shares of Rs.10/- each, fully paid	5,000,125	---
Rimjhim Vanijya Private Ltd. 5000 Equity Shares of Rs.10/- each, fully paid	50,000	---
	5,050,125	---
(III) Invesments in the Capital of Partnership Firm*		
M/s Bindi Developers * Refer note 7 of notes to the accounts	38,726	---
* Transfer from RDB Industries Limited on demerger of Real Estate Undertaking.		---
	52,728,134	---

Schedules to the Accounts

(amount in rupees)

	As at 31st March 2010	As at 31st March 2009
Schedule - 6 INVENTORIES		
Work-in-Progress		
- Own Construction Projects	744,009,892	---
- Construction Contracts	52,266,766	---
Finished Goods	16,145,807	---
	812,422,465	---
Schedule - 7 SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	12,512,309	---
Other Debts	24,637,332	---
	37,149,641	---
Schedule - 8 CASH & BANK BALANCES		
Cash on hand (As certified by the management)	914,968	292,330
Cheques on hand	1,216,195	---
Balances with Scheduled Banks in:		
Current Accounts	19,883,846	3,687
Fixed Deposit Account	28,993,056	---
(Pledged with respective Bank against credit facilities availed by the Company)		
	51,008,065	296,017
Schedule - 9 LOANS & ADVANCES		
(Unsecured, considered good)		
Loans to Subsidiary (including interest accrued)	8,488,089	---
Advances (Recoverable in cash or in kind or for value to be received)	969,177,959	---
Sundry Deposits	54,461,588	---
Payment of Income Tax	4,829,234	---
Prepaid Expenses	604,931	---
	1,037,561,801	---
Loans to Subsidiaries comprise of :		
Name	Maximum amount outstanding during the year	Closing Balance
Rathi Ess En Finance Co. Pvt. Ltd.	39,821,129	8,488,089
		Maximum amount outstanding during the year
		Closing Balance

Schedule - 10		
1. CURRENT LIABILITIES		
Sundry Creditors *	79,256,259	---
Advances from Customers	1,088,444,822	---
Sundry Deposits	9,766,032	---
Other Liabilities	142,802,427	1,500
Bank Book Overdrawn	4,848,915	---
	1,325,118,455	1,500
2. PROVISIONS		
Income Tax	8,593,000	---
Retirement Benefits	965,871	---
	9,558,871	---
* No amount due to Small, Medium & Micro Enterprise		

Schedules to the Accounts

(amount in rupees)

	For the year ended 31st March 2010	For the year ended 31st March 2009
Schedule - 11		
SALES & SERVICES		
Construction Activities	439,808,677	---
Miscellaneous	638,085	---
	440,446,762	---
Schedule - 12		
PROFIT FROM PARTNERSHIP FIRM		
M/s Bindi Developers	16,700,501	---
	16,700,501	---
Schedule - 13		
OTHER INCOME		
Rental Income	4,780,222	---
Interest Received*		
-Capital with Partnership Firm	4,690,376	---
-Loans & Fixed Deposits with Banks	3,680,966	8,371,342
Profit on Sale of Fixed Assets		2,910,301
Liabilities/advances no longer payable written back		146,874
Miscellaneous Income		18,890
	16,227,629	---
*Tax Deducted at Source Rs.399,005/- (Previous Year Rs.Nil)		
Schedule - 14		
INCREASE / (DECREASE) IN STOCKS		
Opening stock		
Work-in-Progress		
Opening stock		
Add: Work-in-Progress transferred from RDB Industries Limited on demerger of Real Estate Undertaking	524,616,965	524,616,965
Finished Goods		
Opening stock		
Add: Finished Goods transferred from RDB Industries Limited on demerger of Real Estate Undertaking	20,503,100	20,503,100
	545,120,065	---
Closing stock		
Work-in-Progress	796,276,658	---
Finished Goods	16,145,807	---
	812,422,465	---
Increase / (Decrease) in Stocks	267,302,400	---

Schedules to the Accounts

(amount in rupees)

	For the year ended 31st March 2010	For the year ended 31st March 2009
Schedule - 15 CONSTRUCTION ACTIVITY EXPENSES		
Cost of Land and Development Charges	110,634	---
Construction and other Materials	509,235,532	---
Contract Labour Charges	70,679,036	---
Interest on Project Loan	17,010,074	---
Professional Charges	444,041	---
Other Construction Expenses	33,247,233	---
	630,726,550	---
Schedule - 16 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	4,147,059	---
Contribution to Provident and Other Funds	321,851	---
Employee Welfare and other amenities	509,019	---
Gratuity	128,975	---
	5,106,904	---
Schedule - 17 SELLING AND DISTRIBUTION EXPENSES		
Advertisement & Publicity Expenses	6,227,916	---
Commission to Selling Agents	3,017,080	---
	9,244,996	---
Schedule - 18 ADMINISTRATIVE AND GENERAL EXPENSES		
Legal and Professional Charges	3,894,214	1,200
Postage, Telegraph & Telephones	481,463	---
Motor Vehicle Expenses	578,977	---
Rates & Taxes	69,917	4,450
Rent	390,000	---
Travelling & Conveyance Expenses	338,386	---
Audit Fee	1,500	1,500
Repairs - Building	977,557	---
Printing & Stationary	651,315	---
Miscellaneous Expenses	1,664,704	2,012
	9,048,033	9,162
Schedule - 19 INTEREST AND FINANCE CHARGES		
Interest Paid		
On Loans from Bodies Corporate	8,264,797	---
On Term Loans from Banks	7,418,244	---
On Working Capital Loans	1,625,276	---
Others	1,012	---
Finance Charges	1,550,586	---
	18,859,915	---

SCHEDULE "20" NOTES TO THE ACCOUNTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL STATEMENTS

The financial statements are prepared under historical cost convention on accrual basis as a going concern and in accordance with the Generally Accepted Accounting Principles (GAAP), the Companies Act, 1956 and in compliance with Companies (Accounting Standard) Rules, 2006, except those with significant uncertainty. Accounting policies not stated explicitly otherwise are consistent with Generally Accepted Accounting Principles.

B. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and amounts of income and expenses during the year. Examples of such estimates include contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Actual results could differ from those estimates. The effects of adjustment arising from revisions made to the estimates are included in the Profit and Loss statement of the year in which such revisions are made.

C. REVENUE RECOGNITION

- a) Revenue from own construction projects are recognised on percentage of completion method. Units for which agreement for sale is executed till reporting date are considered for it. Revenue recognition starts when 20% of estimated project cost excluding land and marketing cost is incurred. Further, units for which Deed of Conveyance is executed or possession is given, revenue is recognised to full extent.
- b) Revenue from Joint Venture Development Agreement under work sharing arrangements are recognized on the same basis as similar to own construction projects independently executed by the company to the extent of the company's share in joint venture.
- c) Revenue from Construction Contracts are recognised on percentage of completion method measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.
- d) Revenue from services are recognised on rendering of services to customers except otherwise stated.
- e) Rental income from assets given on operating lease is recognised using straight line method. Contingent rent is recognised as income to reflect systematic allocation of earning over the lease period. This policy is not applicable for variable rental income based on turnover of the tenant.
- f) Interest income is recognised on accrual basis on a time proportion basis.

D. FIXED ASSETS

Fixed Assets, including those given on operating lease, are stated at cost of acquisition inclusive of freight incurred, duties and taxes (net of CENVAT/ Sales Tax) and incidental expenses less accumulated depreciation. Cost incurred on construction of fixed assets consists of all directly attributable expenditure.

Software is capitalized, where it is expected to provide future enduring economic benefits. Capitalisation cost includes license fees, duties and taxes and cost of implementation.

SCHEDULE "20" NOTES TO THE ACCOUNTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

E. DEPRECIATION

Depreciation is provided on fixed assets including those given on operating lease on written down value method at the rates and in the manner specified in Schedule-XIV of the Companies Act, 1956, except Software.

Software costs are amortised over their useful lives or five years whichever is lower.

F. INVESTMENTS

All investments are bifurcated into Long Term Investments and Current Investments. Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long Term. Current Investments are carried at lower of cost or fair market value, determined on an individual investment basis. Long Term Investments are carried at cost. Provision for Diminution in the value of Long Term Investments is made, only if such a diminution is other than temporary.

G. INVENTORIES

a) Finished Goods: At lower of cost or net realisable value.

b) Work-in-Progress: At lower of cost or net realisable value.

Cost comprises of cost of land and development, material cost including material lying at respective sites, construction expenses, finance and administrative expenses which contribute to bring the inventory to their present location and condition.

Provision for obsolescence in inventories is made, wherever required.

H. FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of payments / receipts.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

I. SALES

Real Estate: Sales is inclusive of service tax and value added tax, if any, net of sales return.

Rental Income: Rental income is exclusive of service tax.

K. EMPLOYEE BENEFITS

i) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of ex-gratia is recognised in the period in which the employee renders the related service.

ii) Post-employment benefits

a) Defined Contribution Plan: Employee benefits in the form of Employees State Insurance Corporation and Provident Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

SCHEDULE "20" NOTES TO THE ACCOUNTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- b) Defined Benefit Plan: Employee benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and are provided for on the basis of an independent actuarial valuation, using the projected unit credit method, as at the Balance Sheet date as per requirements of Accounting Standard-15 (Revised 2005) on "Employee Benefits".

Actuarial gains/losses, if any, are immediately recognised in the Profit and Loss Account.

L. TAXATION

- a) Current Tax: Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternative Tax credit available under section 115JB of the Income Tax Act, 1961 will be accounted in the year in which the benefits are claimed.
- b) Deferred Tax: Deferred tax is recognised subject to consideration of prudence on the basis of timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be realised in future.

M. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. Impairment is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

N. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use or sale. Other borrowing costs are recognised as an expense in the year in which they are incurred.

O. PROVISIONS/CONTINGENCIES

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation as at the Balance Sheet date. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent liability and are disclosed by way of note.

2. PENDING ALLOTMENT OF EQUITY SHARES:-

Pursuant to the scheme of Demerger of the real estate undertaking from RDB Industries Limited, the Company will issue and allot its shares to the shareholders of RDB Industries Limited in the ratio of one equity share of face value of Rs.10/- each fully paid up in the company for every one equity shares of Rs.10/- each held by the shareholders of RDB Industries Limited. Pending allotment of these shares, the amount of Rs.107, 500, 000/- is disclosed as 'Share Capital - pending allotment'. As per the scheme, RDB Realty & Infrastructure Limited ceased to be the subsidiary of the company.

SCHEDULE "20" NOTES TO THE ACCOUNTS

3. EARNINGS PER SHARE

(amount in rupees)

Earnings per share is computed as under:-	2009-10	2008-09
A) Profit after Taxation	54,197,790	(9,162)
B) Weighted average number of Equity Shares outstanding	10,800,000	50,000
Paid up Equity Shares	50,000	
Pending Allotment (Refer Note No. 2)	10,750,000	
Total Equity Shares	10,800,000	
Earnings per share (Face value of Rs.10/- per share) Basic & Diluted (A/B) (Rs.)	5.02	(0.18)

4. In terms of disclosures required to be made under the Accounting Standard - 7 (Revised) on "Construction Contracts" the amounts considered in the financial statements upto the reporting date are as follows:-

(amount in rupees)

PARTICULARS	2009-10	2008-09
Contract revenue recognised during the year	131,748,998	- - -
Contract Cost incurred and recognised profits (less recognised losses) for all the contracts.	134,176,293	- - -
Advances received	72,194,269	- - -
Retentions	22,991,937	- - -
Due from customer for contract work	- - -	- - -
Due to suppliers for contract work	51,515,241	- - -

5. In terms of Accounting Standard - 19 on "Leases", disclosures for operating lease arrangements are as under:

(amount in rupees)

S.No.	PARTICULARS	2009-10	2008-09
I	Asset under leasing arrangement-Building *		
	a) Gross Block	36,840,438	- - -
	b) Less: Accumulated Depreciation	2,235,510	- - -
	c) Net Block	34,604,928	- - -
II	Depreciation during the year	1,821,311	- - -
III	Total contingent rents recognised as income in the statement of Profit and Loss Account	363,403	- - -
IV	General Description: The Company has entered into cancelable operating lease arrangements which vary from 26 months to 15 years considering renewals at regular intervals.		

SCHEDULE "20" NOTES TO THE ACCOUNTS

6. EMPLOYEE DEFINED BENEFITS:-

- a) Defined Contribution Plans: The Company has recognised an expense of Rs.321,851/- (Previous Year Rs. Nil) towards the defined contribution plans.
- b) Defined Benefit Plans : As per actuarial valuation as on March 31, 2010 and recognised in the financial statements in respect of Employee Benefit Schemes:

		(Rs. in Lacs)	
PARTICULARS		2009-10	2008-09
		Gratuity	Gratuity
I	Components of Employer Expense		
1	Current Service Cost	1.74	---
2	Interest Cost	0.72	---
3	Expected Return on Plan Assets	---	---
4	Curtailement Cost/ (Credit)	---	---
5	Settlement Cost/ (Credit)	---	---
6	Past Service Cost	---	---
7	Actuarial Losses/ (Gains)	(1.17)	---
8	Total employer expense recognised in the statement of Profit & Loss Account	1.29	---
Gratuity expense is recognised in "Gratuity" and Leave Encashment in "Salary, Wages and Bonus" under Schedule -17.			
II	Net Asset/ (Liability) recognised in Balance Sheet		
1	Present Value of Defined Benefit Obligation	9.66	---
2	Fair Value of Plan Assets	---	---
3	Funded Status [Surplus/ (Deficit)]	(9.66)	---
4	Unrecognised Past Service Costs	---	---
5	Net Asset/ (Liability) recognised in Balance Sheet	(9.66)	---
III	Change in Defined Benefit Obligation (DBO)		
1	Present Value of DBO at the Beginning of Period	8.37	---
2	Current Service Cost	1.74	---
3	Interest Cost	0.72	---
4	Curtailement Cost/ (Credit)	---	---
5	Settlement Cost/ (Credit)	---	---
6	Plan Amendments	---	---
7	Acquisitions	---	---
8	Actuarial Losses/ (Gains)	(1.17)	---
9	Benefit Payments	---	---
10	Present Value of DBO at the End of Period	9.66	---
IV	Change in Fair Value of Assets		
1	Plan Assets at the Beginning of Period	---	---
2	Acquisition Adjustment	---	---
3	Expected Return on Plan Assets	---	---
4	Actual Company Contributions	---	---
5	Actuarial Gain/ (Loss)	---	---
6	Benefit Payments	---	---
7	Plan Assets at the End of Period	---	---
V	Actuarial Assumptions		
1	Discount Rate	8.00%	---
2	Expected Return on Assets	N.A	---
3	Salary Escalations	5.00%	---
4	Mortality	LIC (1994-96) Ultimate	---
5	The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.		
6	Discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches with that of liabilities		

SCHEDULE "20" NOTES TO THE ACCOUNTS

7. Details of Investment in the capital of **partnership firm** are as under

Name of Partnership Firm	Name of Partners	Total Capital (Rs.)	Profit Sharing Ratio
Bindi Developers	1. RDB Industries Ltd.	38,726	75.00%
	2. Nilesh Dayabhai Patel	(4,743,411)	25.00%

8. SEGMENT REPORTING:-

- a) The Business of the company falls under a single segment i.e, Development of Real Estate & Infrastructure". In view of the general classification issued by the Institute of Chartered Accountants of India for Companies operating in single segment, the disclosure requirement as per Accounting Standard -17 on "Segment Reporting" are not applicable to the company.
- b) The Company's business is mainly concentrated in similar geographical, political and economical conditions; hence disclosure for Geographical segment is not required.

9. RELATED PARTY DISCLOSURES:-

In terms of Accounting Standard-18 are as under:

- I) Enterprises where control exists
(A) Subsidiaries:-

S. No.	Name of Company	S.No.	Name of Company
1	Bahubali Tie-Up Private Ltd.	6	Kasturi Tie-Up Private Ltd.
2	Baron Suppliers Private Ltd.	7	Triton Commercial Private Ltd.
3	Bhagwati Builders & Development Pvt. Ltd.	8	Rathi Ess En Finance Co. Private Ltd.
4	Bhagwati Plasto Works Private Ltd.	9	Raj Construction Projects Private Ltd.
5	Headman Mercantile Private Ltd.		

Following companies ceased to be a subsidiary

Sl. No.	Name of Company	S.No.	Name of Company
1	Oswal Manufacturing Co. Private Ltd.*	2	RD Devcon Pvt. Ltd.**
	*with effect from 30.07.2009		**with effect from 31.03.2010

(B) Partnership Firm:-

Sl. No.	Name of Firm
1	Bindi Developers

II) Other related parties with whom the company had transactions:-

A) Key Management Personnel & their relatives:-

Sl. No.	Name	Designation /Relationship
1	Sunder Lal Dugar	Director
2	Ravi Prakash Pincha	Director

B) Enterprises over which Key Management Personnel/Major Shareholders/Their Relatives have Significant Influence:-

S.No.	Name of Enterprise	S.No.	Name of Enterprise
1	Humraj Commodities Pvt. Ltd.	3	RD Motors Private Ltd.
2	Pyramid Sales Private Ltd.	4	Sri S.L.Dugar Charitable Trust
5	Khatod Investment & Finance Co. Ltd.	6	Somani Estates Pvt. Ltd.
7	Vitol Commercial Pvt. Ltd.	8	Veekay Apartment Pvt. Ltd.
9	Johri Towers Pvt. Ltd.	10	RDB Builders Pvt. Ltd.
11	Rekha Benefit Trust	12	Ankur Construction Pvt. Ltd.

SCHEDULE "20" NOTES TO THE ACCOUNTS

(iii) Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31.3.2010

(amount in rupees)

Nature of Transactions	Subsidiaries	Partnership Firms	Associates	Key Management Personnel & their Relatives	Enterprises over which KMP & their relatives have significant influence
Interest Income	1,429,054	4,690,376	---	---	---
Share of Profit Earned	---	16,700,501	---	---	---
Rent Paid	90,000	---	---	---	300,000
Interest Paid	---	---	---	---	4,409,966
Repair Services Availed	---	---	---	---	111,635
Fixed Assets Sold	---	---	---	---	30,070,000
Equity Share Purchased	---	---	---	4,893,000	651,000
Equity Share Sold	---	---	---	30,000	55,000
Unsecured Loan Received	---	---	---	---	93,405,000
Unsecured Loan Repaid	---	---	---	---	96,279,900
Capital Introduced in Partnership Firm	---	5,002,385	---	---	---
Refund of Capital by Partnership Firm	---	115,100,000	---	---	---
Advance Received	---	---	---	---	456,925,000
Refund of Advance Received	---	---	---	---	244,223,000
Advance Given	65,000	---	---	---	80,822,368
Refund of Advance Given	65,000	---	---	---	4,100,000
Loan Given	47,400,000	---	---	---	---
Refund of Loan with interest	73,657,501	---	---	---	---
Closing Balance					
Payables	---	---	---	1,850,000	253,210
Advance Given	---	---	---	---	144,297,368
Advance Taken	---	---	---	---	364,747,000
Loan Given	8,488,089	---	---	---	---
Unsecured Loan Taken	---	---	---	---	61,657,113
Capital with Partnership Firm	---	38,726	---	---	---

SCHEDULE "20" NOTES TO THE ACCOUNTS

IV) The significant transactions during the year with related parties are as under:

(amount in rupees)

Name & Nature of Transactions	Related Parties	2009-10	2008-09
Interest Income	Rathi Ess En Finance Co. Private Ltd.	1,429,054	---
	Bindi Developers	4,690,376	---
Share of Profit from Partnership Firm	Bindi Developers	16,700,501	---
Rent Paid	Johri Towers Pvt. Ltd.	300,000	---
	Raj Construction Projects Private Ltd.	90,000	---
Interest Paid	Pyramid Sales Private Ltd.	2,569,008	---
	Veekay Appartment Pvt. Ltd.	1,317,794	---
Repair Services Availed	RD Motors Private Ltd.	111,635	---
Fixed Assets Sold	RDB Builders Pvt. Ltd.	30,000,000	---
Equity Share Purchased	Vinod Dugar	2,532,000	---
	Pyramid Sales Pvt. Ltd.	651,000	---
Equity Share Sold	Pyramid Sales Pvt. Ltd.	40,000	---
	Rekha Benefit Trust	30,000	---
	Veekay Appartment Pvt. Ltd.	15,000	---
Unsecured Loan Received	Pyramid Sales Pvt. Ltd.	43,080,000	---
	Khatod Investment & Finance Co. Ltd.	10,450,000	---
	Veekay Appartment Pvt. Ltd.	26,295,000	---
Unsecured Loan Repaid	Pyramid Sales Pvt. Ltd.	59,147,893	---
	Veekay Appartment Pvt. Ltd.	27,813,985	---
Capital Introduced in Partnership Firm	Bindi Developers	5,002,385	---
Refund of Capital by Partnership Firm	Bindi Developers	115,100,000	---
Advance Received	Pyramid Sales Pvt. Ltd.	404,625,000	---
	Veekay Appartment Pvt. Ltd.	52,050,000	---
Refund of Advance Received	Pyramid Sales Pvt. Ltd.	203,350,000	---
	Veekay Appartment Pvt. Ltd.	37,200,000	---
Advance Given	RDB Builders Pvt. Ltd.	78,006,000	---
Refund of Advance Given	Ankur Construction Pvt. Ltd.	3,100,000	---
	Sri S.L.Dugar Charitable Trust	1,000,000	---
Loan Given	Rathi Ess En Finance Co. Private Ltd.	47,400,000	---
Refund of Loan with interest	Rathi Ess En Finance Co. Private Ltd.	73,657,501	---

Note:

- Related party relationships are identified by the Company on the basis of available information.
- Previous year figures have not been given as there was no transaction with related parties.

10. The Company is in communication with its suppliers to ascertain the applicability of "The Micro, Small and Medium Enterprises Development Act, 2006". As on the date of this Balance Sheet the Company has not received any communications from any of its suppliers regarding the applicability of this Act to them.

SCHEDULE "20" NOTES TO THE ACCOUNTS

11. The break-up of major components of Deferred Tax Assets & Liabilities calculated in accordance with Accounting Standard -22 on "Accounting for Taxes on Income", is as under:

PARTICULARS	2009-10	2008-09
Deferred Tax Assets on		
Provision for Gratuity	328,300	- - -
	<u>328,300</u>	<u>- - -</u>
Deferred Tax Liabilities on		
Depreciation Allowance on fixed assets	270,001	- - -
Provisional Rental Income	304,334	- - -
	<u>574,335</u>	<u>- - -</u>
Deferred Tax Assets / (Liabilities) (Net)	<u>(246,035)</u>	<u>- - -</u>

12. Interest amounting to Rs.17, 010, 074/- paid on loans taken for real estate projects has been included in the value of inventory.

13. Quantitative Information:-
The management is of the view that the provisions of clause 3 (ii) of Schedule VI of Part II of the Companies Act, 1956 are not applicable to the company and as such no quantitative details are given.

14. Contingent Liabilities:-

- On account of Guarantee Rs.940, 000 /- (Previous year Rs. Nil/-) issued by the company's bankers.
- On account of corporate guarantee given to bank for secured loan taken by Associates and Subsidiary of the Company, Rs.564,700,000/- (Previous year Rs. Nil).
- In view of the judgment of Hon'ble Delhi High Court in case of Home Solutions Retail Private Limited & Others, the tenants have stopped re-imburement of service tax on rental income. They may re-imbure the same in case the service tax liability finally arises in future. The nature of the service tax being an indirect tax, the company can claim the same from the tenants. Accordingly, bills for rental income are raised along with service tax, and the amount of service tax so charged in the bills is credited in "Service Tax on Rent" account and included in "Other Liabilities" shown under the head "Current Liabilities" in the Balance Sheet.


15. In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.

16. Figures for the Previous Year are not comparable due to demerger of "Real Estate Undertaking" of RDB Industries Ltd. with the company with effect from 01/04/2009 in terms of the scheme of arrangement as approved by the Hon'ble High Court of Calcutta vide its order dated 12/04/2010 filed with the Registrar of Companies on 24/05/2010.

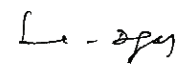
17. The figures of Previous Year have been recast and regrouped wherever considered necessary.

Signatories to Schedules 1 to 20 forming part of the Accounts

For M. K. SURANA & CO.
Chartered Accountants


KIRTI KUMAR SURANA
Partner
Membership No.061605

Kolkata
The 29th day of May 2010


S. L. Dugar
Director


R. P. Pincha
Director

For and on behalf of the Board

Balance Sheet Abstract and Company's General Business Profile

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

1. Registration Details

Registration No. 1 1 0 0 3 9 State Code 2 1
Balance Sheet Date 3 1 0 3 2 0 1 0

2. Capital raised during the year (Amount in Rs. '000s)

Public Issue N I L Rights Issue N I L
Bonus Issue N I L Private Placement N I L

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000s)

Total Liabilities 2 0 3 1 2 3 7 Total Assets 2 0 3 1 2 3 7

Sources of Funds

Paid-up Capital 5 0 0 0 Reserves & Surplus 4 5 4 9 6 5
Paid-up Capital (Pending Allotment) 1 0 7 5 0 0 Unsecured Loans 9 0 7 1 4
Secured Loans 4 2 6 3 6 Deferred Tax Liabilities 2 4 6

Application of Funds

Net Fixed Assets 4 0 3 6 7 Investments 5 2 7 2 8
Net Current Assets 6 0 3 4 6 5 Miscellaneous Expenditure N I L

4. Performance of Company (Amount in Rs. '000s)

Turnover & Other Income 4 7 3 3 7 5 Total Expenditure 4 1 0 3 3 8
+ - Profit/Loss Before Tax + 6 3 0 3 7 + Profit/Loss After Tax + 5 4 1 9 8
Earning Per Share in Rs. 5 . 0 2 Dividend rate (%) N I L

5. Generic Names of three principal products / services of the Company (in monetary terms)

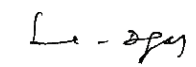
Item Code No (ITC Code)

N . A .

Product Description

C	O	N	S	T	R	U	C	T	I	O	N
A	C	T	I	V	I	T	Y				

For and on behalf of the Board


S. L. Dugar
Director


R. P. Pincha
Director



CONSOLIDATED FINANCIAL STATEMENTS


Consolidated Auditor`s Report

Report of the auditor`s to the Board of Directors of **RDB REALTY & INFRASTRUCTURE LIMITED**

1. We have audited the attached Consolidated Balance Sheet of RDB REALTY & INFRASTRUCTURE LIMITED and its subsidiaries and associates (collectively referred to as group`) as at 31st March, 2010, the Consolidated Profit and Loss Account for the year ended on that date annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated 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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. 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. We did not audit the financial statements of certain subsidiaries and associates whose financial statements reflect total assets of Rs.502,559,185/- as at 31st march 2010 and total revenues of Rs.368,177,810/-for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates the amount included in respect of these subsidiaries, associates and joint ventures is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirement of Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23 "Accounting for Investment in Associates in consolidated Financial Statements", notified by the companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of RDB Realty & Infrastructure Limited, its subsidiaries and associates included in the consolidated financial statements.
5. On the basis of the information and explanations given to us on consideration of the separate audit reports on individual audited financial statements of RDB Realty & Infrastructure Limited, its aforesaid subsidiaries and associates in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March,2010;
 - b) In case of the Consolidated Profit & Loss Account, of the Profits of the Group for the year ended on that date; and
 - c) In case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

Kolkata
The 29th day of May 2010

For M. K. SURANA & CO.
Chartered Accountants


KIRTI KUMAR SURANA
Partner
Membership No.061605

Consolidated Balance Sheet as at 31st March 2010 (amount in rupees)

	Schedule No.	As at 31st March 2010	As at 31st March 2009
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	500,000	500,000
b) Share Capital (Pending Allotment) [Refer Note 1 to Schedule 19]		107,500,000	---
c) Reserves & Surplus	2	535,993,329	643,993,329 (205,483) 294,517
2. Minority Interest			
		2,659,404	---
3. Deferred Tax Liabilities			
		184,826	---
4. Loan Funds			
a) Secured Loans	3	162,171,994	---
b) Unsecured Loans		90,713,562	252,885,556 --- ---
Total		899,723,115	294,517
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	4	94,205,333	---
b) Less: Depreciation		13,793,769	---
c) Net Block		80,411,564	---
d) Capital Work-in-Progress		11,929,562	92,341,126 --- ---
2. Investments			
	5	1,640,632	---
3. Current Assets, Loans and Advances			
a) Inventories	6	1,375,334,294	---
b) Sundry Debtors	7	28,980,954	---
c) Cash & Bank Balances	8	60,065,891	296,017
d) Loans & Advances	9	1,186,473,122	---
		2,650,854,261	296,017
Less : Current Liabilities & Provisions	10		
a) Current Liabilities		1,821,021,181	1,500
b) Provisions		24,091,723	---
		1,845,112,904	1,500
Net Current Assets		805,741,357	294,517
Total		899,723,115	294,517
Notes to the accounts	19		

Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For M. K. SURANA & CO.
Chartered Accountants

Kirti Kumar Surana
KIRTI KUMAR SURANA
Partner
Membership No.061605

Kolkata
The 29th day of May 2010

S. L. Dugar
S. L. Dugar
Director

Ravi Pincha
R. P. Pincha
Director

Consolidated Profit and Loss Account for the year ended on 31st March 2010 (amount in rupees)

	Schedule No.	For the year ended 31st March 2010	For the year ended 31st March 2009
INCOME			
Sales & Services	11	825,307,082	---
Other Income	12	22,771,635	---
Increase / (Decrease) In Stocks	13	187,787,605	---
		1,035,866,322	---
EXPENDITURE			
Construction Activity Expenses	14	885,066,807	---
Payment to and Provision for Employees	15	6,778,042	---
Selling and Distribution Expenses	16	10,478,127	---
Administrative and General Expenses	17	14,210,391	9,162
Interest and Finance Charges	18	24,465,570	---
Depreciation	4	6,745,085	---
		947,744,022	9,162
Profit Before Share of Profit / Loss in Associates		88,122,300	(9,162)
Less: Share of loss in Associates		1,017,902	---
Profit Before Taxation		87,104,398	(9,162)
Less: Provision For Taxation			
- Current Income Tax		23,125,852	---
- Tax adjustments for earlier years		35,172	---
- Deferred Tax (Assets) / Liabilities		237,357	23,398,381 --- ---
Profit After / (Loss) Taxation		63,706,017	(9,162)
Minority's Share in PAT		(2,639,746)	---
Net Profit / (Loss) After Tax		61,066,271	(9,162)
Balance Brought Forward		104,436,480	(196,321)
(Including Rs.94,880,947/- Transferred from RDB Industries Limited on demerger of Real Estate Profit Available for Appropriation		165,502,751	(205,483)
APPROPRIATIONS			
Balance Carried to Balance Sheet		165,502,751	(205,483)
Earnings Per Share :- (Face Value Rs.10/- each)		165,502,751	(205,483)
		5.65	(0.18)
Basic & Diluted			
[Refer Note 2 to Schedule 19]			
Notes to the accounts	19		

Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

For M. K. SURANA & CO.
Chartered Accountants

Kirti Kumar Surana
KIRTI KUMAR SURANA
Partner
Membership No.061605

Kolkata
The 29th day of May 2010

S. L. Dugar
S. L. Dugar
Director

Ravi Pincha
R. P. Pincha
Director

Consolidated Cash Flow Statement for the year ended 31st March, 2010 (amount in rupees)

Cash Flow Statement	For the year ended 31st March,2010	For the year ended 31st March,2009
A. Cash flow from operating activities :		
Net profit before tax as per Profit & Loss account	88,122,300	(9,162)
Adjustments for		
Depreciation	6,745,085	---
(Profit) on Sale of Fixed Assets	(2,910,301)	---
Bad Debts Written Off/ Provision Written Back	20,135	---
Interest Paid	22,884,336	---
Liabilities no longer required Written Back	(207,960)	---
Interest Received	(2,751,622)	---
Provision for Employee Benefits	128,975	---
Provision for Rental Income	(363,403)	---
Operating profit before working capital changes	111,667,545	(9,162)
(Increase) / Decrease in Inventories	(187,787,605)	---
(Increase) / Decrease in Trade and other receivables	(303,421,173)	---
Increase / (Decrease) in Trade Payables	823,104,567	---
Cash generated from operations	443,563,334	(9,162)
Less: Direct taxes paid/ Refunds including Interest (Net)	6,589,955	---
Net cash Generated/(used) from operating activities	436,973,379	(9,162)
B. Cash flow from investing activities :		
Purchase of fixed assets	(3,388,806)	---
Sale of fixed assets	30,196,490	---
Purchase of Mutual Funds	---	---
Sale of Mutual Funds	---	---
Share of Loss of Associates	(1,017,902)	---
Interest Received	2,751,622	---
Investment in Subsidiaries and Firms	611,063	---
Sale of Investment in Associates / Subsidiaries	405,000	---
Purchase of Minority Interest in subsidiary	(84,521,715)	---
Purchase of Interest in subsidiary	(37,668,252)	---
Loans Refund	78,169	(92,554,331)
Net cash from investing activities	(92,554,331)	---
C. Cash flow from financing activities :		
Proceeds / (Repayment) of borrowings	(320,873,843)	---
Interest Paid	(18,850,437)	---
	(339,724,280)	---
Net cash generated/(used) in financing activities	(339,724,280)	---
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4,694,768	(9,162)
Cash and cash equivalents -Opening balance	296,017	305,179
Add: Cash & Bank Balances of Subsidiaries and transfer from RDB Industries Limited on demerger	55,075,106	55,371,123

		305,179
Cash and cash equivalents -Closing balance	60,065,891	296,017
CASH AND CASH EQUIVALENT COMPRISE:		
Cash on hand	1,572,444	292,330
Cheques on hand	1,396,195	---
<u>Balances with Scheduled Banks on:</u>		
Current Accounts	24,407,677	3,687
Fixed Deposit Accounts	32,689,575	---
	60,065,891	296,017

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For M. K. SURANA & CO.

Chartered Accountants

Kirti Kumar Surana

KIRTI KUMAR SURANA

Partner

Membership No.061605

Kolkata

The 29th day of May 2010

S. L. Dugar

S. L. Dugar

Director

Ravi Pincha

R. P. Pincha

Director

Schedules to the Consolidated Accounts

(amount in rupees)

	As at 31st March 2010	As at 31st March 2009
Schedule - 1 SHARE CAPITAL		
Authorised		
1,000,000 Equity Shares of Rs.10/- each*	10,000,000	10,000,000
* The authorised share capital has been increased to 20,000,000 equity shares of Rs.10/-each with effect from 06/05/2010		
	10,000,000	10,000,000
Issued, Subscribed and Paid up:		
50,000 Equity Shares of Rs.10/- each fully paid up.	500,000	500,000
	500,000	500,000
Schedule - 2 RESERVES & SURPLUS		
Capital Reserve		
Opening Balance	---	---
On consolidation		
*(Refer note number 14 of notes to the accounts)	64,399,516	64,399,516

Securities Premium Account		
Opening Balance	---	---
Add : Transfer from RDB Industries Limited on demerger of Real Estate Undertaking	377,500,000	---
Less: 10,750,000 Equity Shares of Rs.10/- each pending allotment to the Equity Share Holders of RDB Industries Ltd. in pursuance of the scheme of Arrangement for demerger of "Real Estate Undertaking" of RDB Industries Ltd.	107,500,000	270,000,000

General Reserve		
Opening Balance	---	---
Add : Transfer from RDB industries Limited on demerger of Real Estate Undertaking	36,091,062	36,091,062

Profit & Loss Account		
Balance as per Profit & Loss Account	165,502,751	(205,483)
	535,993,329	(205,483)
Schedule - 3 LOAN FUNDS		
Secured Loans		
Cash Credit from Banks	20,090,212	---
Secured by Equitable Mortgage of Specific immovable assets and by Personal guarantee of the Director		
Term Loan from Banks	102,545,510	---
Secured by Charge/ Mortgage of Specific movable/ immovable assets and by Personal guarantees of the Chairman and Executive Director. (Amount Repayable within a year Rs. 29,693,765/- Previous Year Nil)		
Loan Against Rent Securitisation	39,536,272	---
* Secured by way of assignment of lease rentals charge and equitable mortgage of title deed of immovable property (Amount Repayable within a year Rs.12,138,747/- Previous Year Nil)		
	162,171,994	---
Unsecured Loans		
From Bodies Corporate (Includes interest accrued and due Rs.7,699,840./- Previous Year Nil)	90,713,562	---
	90,713,562	---

Schedules to the Consolidated Accounts

Description of Assets	(amount in rupees)										
	GROSS BLOCK					DEPRECIATION					NET BLOCK
As at 1st April 2009	Transfer from Transferor Company on Demerger	Additions During the Year	Deductions During the Year	As at 31st March 2010	Up to 31st March 2009	Transfer from Transferor Company on Demerger	For the Year	Deductions During the Year	Up to 31st March 2010	As at 31st March 2010	As at 31st March 2009
Land	4,608,471	- - -	- - -	4,608,471	- - -	- - -	- - -	- - -	- - -	4,608,471	- - -
Other Building	37,077,079	- - -	30,000,000	73,917,518	1,505,628	2,147,805	4,667,586	2,802,308	5,518,711	68,398,807	- - -
Plant & Machinery	775,996	2,333,373	1,730	6,266,976	260,015	732,981	826,970	- - -	1,819,966	4,447,010	- - -
Furniture & Fixtures	1,249,190	317,469	98,326	1,664,985	623,913	242,433	118,200	- - -	984,546	680,439	- - -
Vehicles	598,400	3,840,247	194,760	4,243,887	361,138	2,380,798	419,021	39,126	3,121,831	1,122,056	- - -
Computers	334,839	3,037,516	- - -	3,503,496	248,851	1,386,556	713,308	- - -	2,348,715	1,154,781	- - -
Total	44,643,975	76,369,044	30,196,490	94,205,333	2,999,545	6,890,573	6,745,085	2,841,434	13,793,769	80,411,564	- - -
Previous Year	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Capital Work in Progress	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	11,929,562	- - -

Note: Opening Balances comprises of Balances of Subsidiaries of the company on Pursuant to the Scheme of Demerger of Real Estate Undertaking of RDB Industries Ltd.

Schedules to the Consolidated Accounts

(amount in rupees)

	As at 31st March 2010	As at 31st March 2009
Schedule - 5 INVESTMENTS		
Long Term		
Trade Investments (at cost)		
(i) Unquoted		
Infravision Developers (P) Ltd.* 500,000 Equity Shares of Rs.10/- each, fully paid	1,176,597	- - -
Rimjhim Vanijya (P) Ltd.** 5,000 Equity Shares of Rs.10/- each, fully paid	79,681	- - -
Dalton Kunj (P) Ltd. 40,000 Equity Shares of Rs.10/- each, fully paid	80,000	- - -
Manavata Vyapaar (P) Ltd. 50,000 Equity Shares of Rs.10/- each, fully paid	100,000	- - -
Persi Fashion (P) Ltd. 90,000 Equity Shares of Rs.10/- each, fully paid	180,000	- - -
	<u>1,616,278</u>	- - -
* Investment is net of post acquisition loss Rs.3,823,528/- ** Investment is net of post acquisition gain Rs.29,681/-		
(ii) In Others		
National Savings Certificate	24,354	- - -
	<u>1,640,632</u>	- - -
Schedule - 6 INVENTORIES		
Work-in-Progress		
- Own Construction Projects	1,306,921,721	- - -
- Construction Contracts	52,266,766	- - -
Finished Goods	16,145,807	- - -
	<u>1,375,334,294</u>	- - -
Schedule - 7 SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	16,831,968	- - -
Other Debts	12,148,986	- - -
	<u>28,980,954</u>	- - -
Schedule - 8 CASH & BANK BALANCES		
Cash on hand (As certified by the management)	1,572,444	292,330
Cheques on hand	1,396,195	- - -
Balances with Scheduled Banks on:		
Current Accounts	24,407,677	3,687
Fixed Deposit Account (Pledged with respective Bank against credit facilities availed by the Company)	32,689,575	- - -
	<u>60,065,891</u>	<u>296,017</u>
Schedule - 9 LOANS & ADVANCES		
(Unsecured, considered good)		
Advances (Recoverable in cash or in kind or for value)	1,122,686,513	- - -
Sundry Deposits	54,685,810	- - -
Payment of Income Tax	8,495,868	- - -
Prepaid Expenses	604,931	- - -
	<u>1,186,473,122</u>	- - -
Schedule - 10		
1. CURRENT LIABILITIES		
Sundry Creditors*	116,232,338	- - -
Advances from Customers	1,510,797,197	- - -
Sundry Deposits	19,329,821	- - -
Other Liabilities	168,781,693	1,500
Bank Book Overdrawn	5,880,132	- - -
* No amount due to Small, Medium & Micro Enterprise		
	<u>1,821,021,181</u>	<u>1,500</u>
2. PROVISIONS		
Income Tax	23,125,852	- - -
Retirement Benefits	965,871	- - -
	<u>24,091,723</u>	- - -

Schedules to the Consolidated Accounts		(amount in rupees)	
	For the year ended 31st March 2010	For the year ended 31st March 2009	
Schedule - 11 SALES & SERVICES			
Construction Activities	824,254,487	---	
Miscellaneous	1,052,595	---	
	825,307,082	---	
Schedule - 12 OTHER INCOME			
Rental Income	16,817,571	---	
Interest Received	2,751,622	---	
Profit from Sale of Fixed Assets	2,910,301	---	
Liabilities/ advances no longer payable written back	207,960	---	
Miscellaneous Income	84,181	---	
	22,771,635	---	
Schedule - 13 INCREASE / (DECREASE) IN STOCKS			
Opening stock			
Work-in-Progress	1,167,043,590	---	
Finished Goods	20,503,100	---	
	1,187,546,690	---	
Closing stock			
Work-in-Progress	1,359,188,488	---	
Finished Goods	16,145,807	---	
	1,375,334,295	---	
Increase / (Decrease) in Stocks	187,787,605	---	
Schedule - 14 CONSTRUCTION ACTIVITY EXPENSES			
Cost of Land and Development Charges	361,152	---	
Construction and other Materials	659,136,944	---	
Contract Labour Charges	127,142,221	---	
Interest	31,005,706	---	
Professional Charges	2,771,344	---	
Other Construction Expenses	64,649,440	---	
	885,066,807	---	
Schedule - 15 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
Salaries, Wages and Bonus	5,803,668	---	
Contribution to Provident and Other Funds	321,851	---	
Employee Welfare and other amenities	523,548	---	
Gratuity	128,975	---	
	6,778,042	---	
Schedule - 16 SELLING AND DISTRIBUTION EXPENSES			
Advertisement & Publicity Expenses	6,569,047	---	
Commission to Selling Agents	3,909,080	---	
	10,478,127	---	
Schedule - 17 ADMINISTRATIVE AND GENERAL EXPENSES			
Legal and Professional Charges	4,693,698	1,200	
Postage, Telegraph & Telephones	603,304	---	
Motor Vehicle Expenses	829,910	---	
Rates & Taxes	1,342,976	4,450	
Rent	331,237	---	
Travelling & Conveyance Expenses	719,111	---	
Insurance	111,638	---	
Auditors Remuneration :			
Statutory Audit Fee	58,030	1,500	
Tax Audit Fee	6,500	---	1,500
Electricity Expenses	619,255	---	
Other Repairs	998,262	---	
Printing & Stationary	710,595	---	
Bad Debts/ Advances Written Off	20,135	---	
Miscellaneous Expenses	3,165,740	---	
	14,210,391	9,162	
Schedule - 18 INTEREST AND FINANCE CHARGES			
Interest Paid			
On Loans from Bodies Corporate	8,564,143	---	
On Term Loans from Banks	12,693,905	---	
On Working Capital Loans	1,625,276	---	
Others	1,012	---	
	1,581,234	---	
Finance Charges			
	24,465,570	---	

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I) PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of RDB Realty & Infrastructure Limited, the parent company, and its subsidiaries and joint ventures (collectively referred to as "Group") on the following basis:

- A) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard-21 on "Consolidated Financial Statements", Accounting Standard-23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard-27 on "Financial Reporting of Interests in Joint Ventures", notified by the Companies (Accounting Standard) Rules, 2006.
- B) The financial statement of the parent company and its subsidiaries are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after adjustments / elimination of inter-company transactions, balances including unrealized profit etc.
- C) The surplus/deficit of cost of investment in the subsidiary over the proportionate share in equity of subsidiary as at the date of investment is recognised as goodwill/ capital reserve.
- D) Capital Reserve (net of goodwill) arising out of consolidation is stated at cost.
- E) Minority interest in the net assets of consolidated subsidiaries consists of:
- I) The amount of equity attributable to minorities at the date on which the control in a subsidiary is transferred; and
 - ii) Minorities share of movement in equity since the date the parent-subsidiary relationship came into existence.
- F) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the parent company's standalone financial statements. However, no effect in respect of different method of charging depreciation by various subsidiaries, other than the method adopted by parent company, has been considered.
- G) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company i.e. 31st March, 2010.

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

II) BASIS OF PRESENTATION

A) The subsidiaries (which alongwith RDB Realty & Infrastructure Limited, the parent company, constitute the Group) considered in preparation of these consolidated financial statements are:

Name of Company	Country of Incorporation	Percentage of ownership interest as at 31st March, 2010	Percentage of ownership interest as at 31st March, 2009
Bahubali Tie-Up Private Ltd.	India	100	100
Baron Suppliers Private Ltd.	India	100	100
Bhagwati Builders & Development Private Ltd.	India	100	100
Bhagwati Plasto Works Private Ltd.	India	51	51
Headman Mercantile Private Ltd.	India	100	100
Kasturi Tie-Up Private Ltd.	India	100	100
Oswal Manufacturers Private Ltd.	India	60.76*	60.76
Raj Construction Projects Private Ltd.	India	100#	65.1
Rathi Ess En Finance Co. Private Ltd.	India	100	100
RD Devcon Pvt. Ltd.	India	100**	100
Triton Commercial Private Ltd.	India	100	100
Bindi Developers	India	75	75

* Ceased to be subsidiary with effect from 30.07.2009

** Ceased to be subsidiary with effect from 31.03.2010

Became wholly owned subsidiary with effect from 31.03.2010

B) The Group's associates are:

Name of Company	Country of Incorporation	Percentage of ownership interest as at 31st March, 2010	Percentage of ownership interest as at 31st March, 2009
Infravision Developers Private Ltd.	India	50	50
Rimjhim Vanijya Private Ltd.	India	50	50

C) Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and guide to better understanding of the consolidated position of the Group. Recognising, this purpose, only such notes from the individual financial statements are disclosed which fairly present the required disclosures.

D) The subsidiaries of the parent Company are those entities in which the parent company directly or indirectly owns more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of Directors/ Governing Body of such entities.

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

E) The financial statements of subsidiaries are consolidated from the date on which the control is transferred to the Parent Company.

III) OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the notes to the accounts in the stand alone financial statements of parent company and its subsidiaries.

A. FINANCIAL STATEMENTS

The financial statements are prepared under historical cost convention on accrual basis as a going concern and in accordance with the Generally Accepted Accounting Principles (GAAP), the Companies Act, 1956 and in compliance with Companies (Accounting Standard) Rules, 2006, except those with significant uncertainty. Accounting policies not stated explicitly otherwise are consistent with Generally Accepted Accounting Principles.

B. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and amounts of income and expenses during the year. Examples of such estimates include contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Actual results could differ from those estimates. The effects of adjustment arising from revisions made to the estimates are included in the Profit and Loss statement of the year in which such revisions are made.

C. REVENUE RECOGNITION

- Revenue from own construction projects are recognised on percentage of completion method. Units for which agreement for sale is executed till reporting date are considered for it. Revenue recognition starts when 20% of estimated project cost excluding land and marketing cost is incurred. Further, units for which Deed of Conveyance is executed or possession is given, revenue is recognised to full extent.
- Revenue from Joint Venture Development Agreement under work sharing arrangements are recognized on the same basis as similar to own construction projects independently executed by the company to the extent of the company's share in joint venture.
- Revenue from Construction Contracts are recognised on percentage of completion method measured by reference to the survey of works done up to the reporting date and certified by the client before finalisation of projects accounts.

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- d) Revenue from services are recognised on rendering of services to customers except otherwise stated.
- e) Rental income from assets given on operating lease is recognised using straight line method. Contingent rent is recognised as income to reflect systematic allocation of earning over the lease period. This policy is not applicable for variable rental income based on turnover of the tenant.
- f) Interest income is recognised on accrual basis on a time proportion basis.

D. FIXED ASSETS

Fixed Assets, including those given on operating lease, are stated at cost of acquisition inclusive of freight incurred, duties and taxes (net of CENVAT/ Sales Tax) and incidental expenses less accumulated depreciation. Cost incurred on construction of fixed assets consists of all directly attributable expenditure. Software is capitalized, where it is expected to provide future enduring economic benefits. Capitalisation cost includes license fees, duties and taxes and cost of implementation.

E. DEPRECIATION

Depreciation is provided on fixed assets including those given on operating lease on written down value method at the rates and in the manner specified in Schedule-XIV of the Companies Act, 1956, except Software.

Software costs are amortised over their useful lives or five years whichever is lower.

F. INVESTMENTS

All investments are bifurcated into Long Term Investments and Current Investments. Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long Term. Current Investments are carried at lower of cost or fair market value, determined on an individual investment basis. Long Term Investments are carried at cost. Provision for Diminution in the value of Long Term Investments is made, only if such a diminution is other than temporary.

G. INVENTORIES

- a) Finished Goods: At lower of cost or net realisable value.
- b) Work-in-Progress: At lower of cost or net realisable value.

Cost comprises of cost of land and development, material cost including material lying at respective sites, construction expenses, finance and administrative expenses which contribute to bring the inventory to their present location and condition.

Provision for obsolescence in inventories is made, wherever required.

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

H. FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of payments/ receipts.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

I. SALES

Real Estate: Sales is inclusive of service tax and value added tax, if any, net of sales return.

Rental Income: Rental income is exclusive of service tax.

K EMPLOYEE BENEFITS

i) Short term employee benefits:-

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of ex-gratia is recognised in the period in which the employee renders the related service.

ii) Post-employment benefits:-

a) Defined Contribution Plan: Employee benefits in the form of Employees State Insurance Corporation and Provident Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

b) Defined Benefit Plan: Employee benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and are provided for on the basis of an independent actuarial valuation, using the projected unit credit method, as at the Balance Sheet date as per requirements of Accounting Standard-15 (Revised 2005) on "Employee Benefits".

Actuarial gains/losses, if any, are immediately recognised in the Profit and Loss Account.

L. TAXATION

a) Current Tax: Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternative Tax credit available under section 115JB of the Income Tax Act, 1961 will be accounted in the year in which the benefits are claimed.

b) Deferred Tax: Deferred tax is recognised subject to consideration of prudence on the basis of timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be realised in future.

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

M. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. Impairment is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

N. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use or sale. Other borrowing costs are recognised as an expense in the year in which they are incurred.

O. PROVISIONS/CONTINGENCIES

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation as at the Balance Sheet date. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent liability and are disclosed by way of note.

NOTES TO THE ACCOUNTS

1. Pending Allotment of Equity Shares:-

In Consideration of the Demerger of the real estate undertaking from RDB Industries Ltd., the Company will issue and allot its shares to the shareholders of RDB Industries Limited in the ratio of one equity share of face value of Rs.10/- each fully paid up in the company for every one equity shares of Rs.10/- each held by the shareholders of RDB Industries Limited. Pending allotment of these shares, the amount of Rs.107,500,000/- is disclosed as 'Share Capital - pending allotment'. Consequent to the allotment of the new shares as per the scheme, the company shall cease to be the subsidiary of RDB Industries Limited.

2. Earnings per share

Earnings per share is computed as under:-	2009-10	2008-09
A) Profit after Taxation	61,066,271	(9,162)
B) Weighted average number of Equity Shares outstanding	10,800,000	50,000
Paid up Equity Shares	50,000	
Pending Allotment (Refer Note No. 2)	10,750,000	
Total Equity Shares	10,800,000	
Earnings per share (Face value of Rs.10/- per share) Basic & Diluted (A/B) (Rs.)	5.65	(0.18)

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS

3. In terms of disclosures required to be made under the Accounting Standard - 7 (Revised) on "Construction Contracts" the amounts considered in the financial statements upto the reporting date are as follows:-

PARTICULARS	2009-10	2008-09
Contract revenue recognised during the year	131,748,998	---
Contract Cost incurred and recognised profits (less recognised losses) for all the contracts.	134,176,293	---
Advances received	72,194,269	---
Retentions	22,991,937	---
Due from customer for contract work	---	---
Due to suppliers for contract work	51,515,241	---

4. The break-up of major components of Deferred Tax Assets & Liabilities calculated in accordance with Accounting Standard -22 on "Accounting for Taxes on Income", is as under

PARTICULARS	2009-10	2008-09
<u>Deferred Tax Assets on</u>		
Provision for Gratuity	328,300	---
	328,300	---
<u>Deferred Tax Liabilities on</u>		
Depreciation Allowance on fixed assets	208,792	---
Provisional Rental Income	304,334	---
	513,126	---
Deferred Tax Assets / (Liabilities) (Net)	(184,826)	---

5. In terms of Accounting Standard - 19 on "Leases", disclosures for operating lease arrangements are as under:

S.No.	PARTICULARS	2009-10	2008-09
I	Asset under leasing arrangement-Building *		
	a) Gross Block	36,840,438	---
	b) Less: Accumulated Depreciation	2,235,510	---
	c) Net Block	34,604,928	---
II	Depreciation during the year	1,821,311	---
III	Total contingent rents recognised as income in the statement of Profit and Loss Account	363,403	---
IV	General Description: The Company has entered into cancelable operating lease arrangements which vary from 26 months to 15 years considering renewals at regular intervals.		

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS

6. Employee Defined Benefits:-

- a) Defined Contribution Plans: The Company has recognised an expense of Rs.321,851/- (Previous Year Rs. Nil) towards the defined contribution plans.
- b) Defined Benefit Plans : As per actuarial valuation as on March 31, 2010 and recognised in the financial statements in respect of Employee Benefit Schemes:

PARTICULARS	(Rs. in Lacs)	
	2009-10 Gratuity	2008-09 Gratuity
I Components of Employer Expense		
1 Current Service Cost	1.74	---
2 Interest Cost	0.72	---
3 Expected Return on Plan Assets	---	---
4 Curtailment Cost/ (Credit)	---	---
5 Settlement Cost/ (Credit)	---	---
6 Past Service Cost	---	---
7 Actuarial Losses/ (Gains)	(1.17)	---
8 Total employer expense recognised in the statement of Profit & Loss Account	1.29	---

Gratuity expense is recognised in "Gratuity" and Leave Encashment in "Salary, Wages and Bonus" under Schedule -17.

II Net Asset/ (Liability) recognised in Balance Sheet		
1 Present Value of Defined Benefit Obligation	9.66	---
2 Fair Value of Plan Assets	---	---
3 Funded Status [Surplus/ (Deficit)]	(9.66)	---
4 Unrecognised Past Service Costs	---	---
5 Net Asset/ (Liability) recognised in Balance Sheet	(9.66)	---
III Change in Defined Benefit Obligation (DBO)		
1 Present Value of DBO at the Beginning of Period	8.37	---
2 Current Service Cost	1.74	---
3 Interest Cost	0.72	---
4 Curtailment Cost/ (Credit)	---	---
5 Settlement Cost/ (Credit)	---	---
6 Plan Amendments	---	---
7 Acquisitions	---	---
8 Actuarial Losses/ (Gains)	(1.17)	---
9 Benefit Payments	---	---
10 Present Value of DBO at the End of Period	9.66	---
IV Change in Fair Value of Assets		
1 Plan Assets at the Beginning of Period	---	---
2 Acquisition Adjustment	---	---
3 Expected Return on Plan Assets	---	---
4 Actual Company Contributions	---	---
5 Actuarial Gain/ (Loss)	---	---
6 Benefit Payments	---	---
7 Plan Assets at the End of Period	---	---
V Actuarial Assumptions		
1 Discount Rate	8.00%	---
2 Expected Return on Assets	N.A	---
3 Salary Escalations	5.00%	---
4 Mortality	LIC (1994-96) Ultimate	---
5 The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.		
6 Discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches with that of liabilities		

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS

7. Related Party Disclosures:-

In terms of Accounting Standard-18 are as under:

(i) Other related parties with whom the company had transactions:-

A) Associate:-

S.No.	Name of Company	S.No.	Name of Company
1	Infravision Developers Private Ltd.	2	Rimjhim Vanijya Private Ltd.

B) Key Management Personnel & their relatives:-

Sl. No.	Name	Designation /Relationship
1	Sunder Lal Dugar	Director
2	Ravi Prakash Pincha	Director

C) Enterprises over which Key Management Personnel/Major Shareholders/Their Relatives have Significant Influence: -

Sl.No.	Name of Enterprise	S.No.	Name of Enterprise
1	Humraj Commodities Pvt. Ltd.	3	RD Motors Private Ltd.
2	Pyramid Sales Private Ltd.	4	Sri S.L.Dugar Charitable Trust
5	Khatod Investment & Finance Co. Ltd.	6	Somani Estates Pvt. Ltd.
7	Vitol Commercial Pvt. Ltd.	8	Veekay Appartment Pvt. Ltd.
9	Johri Towers Pvt. Ltd.	10	RD Builders Pvt. Ltd.

(iii) Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31.3.2010

Nature of Transactions	Associates	Key Management Personnel & their Relatives	(amount in rupees)	
			Enterprises over which KMP & their relatives have significant influence	
Rent Paid	---	---		300,000
Interest Paid	---	---		4,409,966
Repair Services Availed	---	---		111,635
Fixed Assets Sold	---	---		30,070,000
Equity Share Purchased	---	4,893,000		651,000
Equity Share Sold	---	30,000		55,000
Unsecured Loan Received	---	---		93,405,000
Unsecured Loan Repaid	---	---		96,279,900
Advance Received	---	---		456,925,000
Refund of Advance Received	---	---		244,223,000
Advance Given	---	---		80,822,368
Refund of Advance Given	---	---		4,100,000
Closing Balance				
Payables	---	1,850,000		253,210
Advance Given	---	---		144,297,368
Advance Taken	---	---		364,747,000
Unsecured Loan Taken	---	---		61,657,113

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS

IV) The significant transactions during the year with related parties are as under: (amount in rupees)

Name & Nature of Transactions	Related Parties	2009-10	2008-09
Rent Paid	Johri Towers Pvt. Ltd.	300,000	- - -
	Raj Construction Projects Private Ltd.	90,000	- - -
Interest Paid	Pyramid Sales Private Ltd.	2,569,008	- - -
	Veekay Appartment Pvt. Ltd.	1,317,794	- - -
Repair Services Availed	RD Motors Private Ltd.	111,635	- - -
Fixed Assets Sold	RDB Builders Pvt. Ltd.	30,000,000	- - -
Equity Share Purchased	Vinod Dugar	2,532,000	- - -
	Pyramid Sales Pvt. Ltd.	651,000	- - -
Equity Share Sold	Pyramid Sales Pvt. Ltd.	40,000	- - -
	Rekha Benefit Trust	30,000	- - -
	Veekay Appartment Pvt. Ltd.	15,000	- - -
Unsecured Loan Received	Pyramid Sales Pvt. Ltd.	43,080,000	- - -
	Khatod Investment & Finance Co. Ltd.	10,450,000	- - -
	Veekay Appartment Pvt. Ltd.	26,295,000	- - -
Unsecured Loan Repaid	Pyramid Sales Pvt. Ltd.	59,147,893	- - -
	Veekay Appartment Pvt. Ltd.	27,813,985	- - -
Advance Received	Pyramid Sales Pvt. Ltd.	404,625,000	- - -
	Veekay Appartment Pvt. Ltd.	52,050,000	- - -
Refund of Advance Received	Pyramid Sales Pvt. Ltd.	203,350,000	- - -
	Veekay Appartment Pvt. Ltd.	37,200,000	- - -
Advance Given	RDB Builders Pvt. Ltd.	78,006,000	- - -
Refund of Advance Given	Ankur Construction Pvt. Ltd.	3,100,000	- - -
	Sri S.L.Dugar Charitable Trust	1,000,000	- - -

Note:

- Related party relationships are identified by the Company on the basis of available information.
- Previous year figures have not been given as there was no transaction during previous year with related parties.

SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS

8. During the year the parent Company has sold its investment in 2 subsidiaries and details thereof is as under: (amount in rupees)

Name	Cost of Investment	Sale Proceeds	Profit (Loss) on sale of Investment
Oswal Manufacturers Private Ltd.	305,000	305,000	Nil
RD Devcon Pvt. Ltd.	100,000	100,000	Nil

The effect of disposal of investment in subsidiaries on the financial position of the Group is as under:

Name	Revenue	Net Profit/ (Loss)	Net Assets
Oswal Manufacturers Private Ltd.	- - -	(35,854)	24,061,540
RD Devcon Pvt. Ltd.	13,958,207	(2,250,567)	39,015,400

Note: Figures of subsidiaries companies mentioned above are based on Audited Financial Statements for the year 2008-09.

9. Segment Reporting:-

- The Business of the company falls under a single segment i.e, Development of Real Estate & Infrastructure". In view of the general classification issued by the Institute of Chartered Accountants of India for Companies operating in single segment, the disclosure requirement as per Accounting Standard -17 on "Segment Reporting" are not applicable to the company.
- The Company's business is mainly concentrated in similar geographical, political and economical conditions; hence disclosure for Geographical segment is not required.

10. Interest amounting to Rs.31, 005,706/- paid on loans taken for real estate projects has been included in the value of inventory.

11. The Company is in communication with its suppliers to ascertain the applicability of "The Micro, Small and Medium Enterprises Development Act, 2006". As on the date of this Balance Sheet the Company has not received any communications from any of its suppliers regarding the applicability of this Act to them.

12. Contingent Liabilities:-

- On account of Guarantee Rs.940, 000 /- (Previous year Rs. Nil/-) issued by the company's bankers.
- On account of corporate guarantee given to bank for secured loan taken by Associates of the Company, Rs.365,700,000/- (Previous year Rs. Nil).
- In view of the judgment of Hon'ble Delhi High Court in case of Home Solutions Retail Private Limited & Others, the tenants have stopped re-imbursement of service tax on rental income. They may re-imburse the same in case the service tax liability finally arises in future. The nature of the service tax being an indirect tax, the company can claim the same from the tenants. Accordingly, bills for rental income are raised along with service tax, and the amount of service tax so charged in the bills is credited in "Service Tax on Rent" account and included in "Other Liabilities" shown under the head "Current Liabilities" in the Balance Sheet. There is a contingent liability on the company to the extent of money not received/ short received.


SCHEDULE "19" NOTES TO THE CONSOLIDATED ACCOUNTS
NOTES TO THE ACCOUNTS

- 13.** In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.
- 14.** Capital Reserve (net of goodwill) amounting to Rs. 64,399,516/-(Previous year Rs. Nil) arising on account of consolidation has been shown under the head capital reserves on consolidation.
- 15.** Reserves shown in the consolidated financial statements represent the Group's share in the respective reserves of subsidiary companies. Retained earnings comprise general reserve and profits & loss account.
- 16.** Figures for the Previous Year are not comparable due to demerger of "Real Estate Undertaking" of RDB Industries Ltd. with the company with effect from 01/04/2009 in terms of the scheme of arrangement as approved by the Hon'ble High Court of Calcutta vide its order dated 12/04/2010 filed with the Registrar of Companies on 24/05/2010.
- 17.** Figures relating to subsidiaries, associates and joint ventures have been re-grouped/classified wherever considered necessary to bring them in line with parent company's financial statements.
- 18.** The figures of Previous Year have been recast and regrouped wherever considered necessary.


Signatories to Schedules 1 to 19 forming part of the Accounts

For and on behalf of the Board

For **M. K. SURANA & CO.**
Chartered Accountants


KIRTI KUMAR SURANA
Partner
Membership No.061605

Kolkata
The 29th day of May 2010

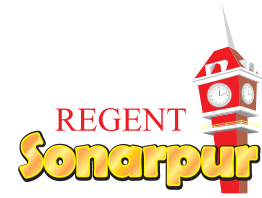

S. L. Dugar
Director


R. P. Pincha
Director

Section 212
Under Section 212(8) of the Companies Act, 1956 for the year ended 31st March, 2010

Sl.No	Name of the Company	Paid Up Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) Before Tax	Provision For Tax	Profit/(Loss) After Tax	Proposed Dividend
1	Bahubali Tie-Up Private Limited	100,000	- - -	20,580,976	20,580,976	- - -	- - -	(9,313)	- - -	(9,313)	- - -
2	Baron Suppliers Private Limited	100,000	- - -	20,575,976	20,575,976	- - -	- - -	(8,486)	- - -	(8,686)	- - -
3	Bhagwati Plasto Works Private Limited	11,036,000	- - -	131,288,892	131,288,892	360,000	1,577,217	(5,973,508)	- - -	(5,973,508)	- - -
4	Bhagwati Builders and Development Private Limited	272,000	16,254,811	274,853,134	274,853,134	- - -	30,947,560	5,710,994	1,079,000	4,631,994	- - -
5	Headman Mercantile Private Limited	100,100	- - -	20,631,076	20,631,076	- - -	- - -	(8,514)	- - -	(8,514)	- - -
6	Kasturi Tie-Up Private Limited	100,000	- - -	20,680,976	20,680,976	- - -	- - -	(8,530)	- - -	(8,530)	- - -
7	Raj Construction Projects Private Limited	18,544,500	90,340,699	225,504,145	225,504,145	12,654	27,293,728	10,696,793	2,693,395	8,003,398	- - -
8	Rathi Essen Finance Company Private Limited	1,297,000	- - -	91,505,963	91,505,963	- - -	- - -	(197,092)	- - -	(197,092)	- - -
9	Triton Commercial Private Limited	100,000	- - -	20,630,976	20,630,976	- - -	- - -	(6,286)	- - -	(6,286)	- - -

Regent Sonarpur



Dream Homes

Simultala, Sonarpur Station Road, Sonarpur, 24pgs(S)

Contact Nos.: +91 33 2230 5666, 99039 09392/93

e-mail : marketing@rdbindia.com, SMS : RDB Regent Sonarpur to 57007