RDB GROUP
GOING TOGETHER
GROWING TOGETHER

RDB INDUSTRIES LIMITED
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GOING TOGETHER
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RDB Industries Limited

Annual Report 2008-09

Inside the pages

Corporate information

Board of Directors

Sunder Lal Dugar - Chairman and Managing Director
Ravi Prakash Pincha - Executive Director
Manish Kumar Jain - Independent Director
Krishna Gopal Sinha - Independent Director
Mahendra Pratap Singh - Independent Director
Abhishek Satyanarayan Rathi - Independent Director

Company Secretary and Compliance Officer

Purushottam Kejriwal

Auditors

S. M. Daga & Co.
Chartered Accountants
11 Clive Row, 2nd Floor,
Kolkata 700 001

Bankers

State Bank of India
Oriental Bank of Commerce
Axis Bank Ltd.
Standard Chartered Bank
Corporation Bank
HDFC Bank
Kotak Mahindra Bank Ltd.
Citi Bank
IDBI Bank

Registrar and Share Transfer Agent

Niche Technologies Private Limited

Solicitors

Dipayan Choudhury, Advocates

Registered office

“Bikaner Building”
8/1 Lal Bazar Street
Kolkata 700001

Factory

149 B.T. Road
Kamarhatti, Agarpara
Kolkata 700 058

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 statments 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.

IMAGE OF STALL
Participation in CREDAI Bengal Realty Expo '08
as Principal Sponsors of the event

“2008-09 will be remembered as one of the most eventful years in the history of most companies. However, RDB will remember it as a period of self-discovery – 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.”

From the desk of the Chairman & Managing Director

Over the twenty five years, RDB has been through many decisive stages in its development. We have broadened and consolidated, diversified and have become a key player in our areas of expertise.

Dear Shareholders,

In 2008, we experienced some of history's most severe economic turbulence. No one can deny the reality of the situation, neither can they claim to have predicted or prepared for it. This is as true for the political leaders as it is of corporate leaders. While we may not be able to change the course of events, we are responsible to respond to changes as they arise, to take decisive action to adapt and lay the groundwork for future growth. Pragmatism, rather than optimism or pessimism, must dictate how we are to function in this unusual period. While the analysis of recent events inspires caution, we must also maintain the dexterity we need to take advantage of the many opportunities that lie ahead.

Thanks to our solid foundation, sound business model and numerous strengths, RDB Industries faces 2009 with composure. Overall, the real estate market in India has weathered the storm better than the rest of the world. We have shown our responsiveness by reacting promptly to the declining economic environment. Our strategic choices have proven their worth in this new context, particularly where diversification are concerned. There is appreciation for the importance of the real estate industry for the economy and for society. Keeping in mind the need of the hour and RDB's tradition to build quality residential and commercial spaces - we are dedicated to making your building experience pleasant and smooth.

Our markets are sound and promising, with an immediate shortage of urban housing units and fast growing Tier-II cities, RDB already has a significant land-bank advantage; we have the resources and finance to seize opportunities, we resolve to build your dreams and homes not houses, prudently with composure.
We undertake careful analysis and take decisive action to give you the edge. We will continue to grow by acting with foresight and initiative while staying on the course and continue to build for a resurgent India.

RDB industries are poised to take on the challenge and emerge as a leader in this ever changing market scenario and based on our inimitable strengths:

Strong brand Value: We enjoy a rich 18-year experience in the real estate business; our long-term presence has resulted in the creation of a strong and established Regent brand.
Expertise: We possess the skills to identify, acquire and consolidate land holdings. Besides, our strong capabilities enable us to identify land parcels, overcoming regulatory hurdles and securing purchases.
Associations: We partner with renowned associates like Agarwal & Agarwal, Salient Studios, Raj Agarwal & Associates, SPA Consultants, RL Gaggar & Company, ensuring customer priority and satisfaction.
Assurance: We deliver quality projects on time and as per schedule. We are among the few real estate companies in eastern India to be awarded the globally recognised ISO 9001-2000 certification.
People: We possess a rich intellectual capital, reflected in the recruitment of management professionals, civil engineers, architects and chartered accountants. We manage our human resource through a spirit of continuous learning, trust, relationships, opportunities and empowerment. Our average organisational age is 32.

Beyond realty - EPC Business

With entry into the Indian Defence sector by bagging prestigious contracts of construction of dwelling units for the MAP (Married Army Personnel) covering an area of 1.5 lakh sq ft in Fort William, Kolkata, the company is further strengthening its foothold in civil engineering by bagging contracts from Government parties like AIIMS, Patna (Ministry of Health & Family Welfare).
The company is also participating on regular basis in many other prestigious contracts like IICB (Indian Institute of Chemical Biology) and contracts from ESIC (Employees' State Insurance Corporation of India) etc. on continuous basis.
With the Government of India's focus on accelerated spending on construction activities and developing infrastructural facilities across the country, there is ample scope ahead to capitalize on the opportunities in this segment. With our initial forays made into the civil construction of Government /Semi-government/Autonomous bodies, we have drawn up major plans to make aggressive bidding during the current Financial Year and also in the coming years.

Strength of our tobacco division: We possess the fifth-largest cigarette license capacity in India. We pioneered mentholated and filter cigarette manufacture in India. Our Regent, No. 10 and Cool brands of cigarettes are popular and available across most price points. We will reinforce our industry standing through investments, leading to high-asset automation and modernisation.

Acknowledgement
The range of opportunities that beckon us is mammoth, notwithstanding the domestic and global economic scenario. RDB will continue to bank on innovation and would like to ensure that its own growth translates into higher substantial value appreciation for all stakeholders and contributes to the development of our society.
We hope to continue to get your support in our future endeavours; we assure you of a journey that is fulfilling and enriching.
I would like to take this opportunity to sincerely appreciate your contribution to the Company's growth. I am also thankful to our customers, employees, partners, suppliers and community members. I must assure you that the Company will continue to practice what it has always done---enhance value for all those who depend on us, work with us and invest in us.

Sincerely,

Sunder Lal Dugar
Chairman and Managing Director

Business Engagements

- Reality & Infrastructure
- Tobacco

Highlights

- RDB Industries Limited (established in 1991 and listed in 1994) is the flagship company of the RDB Group. The Group enjoys diversified industrial interests (real estate, infrastructure, packaging, automobile marketing, power transmission equipment, large-format retail stores, financial services as well as transportation and logistics).
- It entered the real estate business through the development of residences for the middle- and lower-income groups, gradually extending to the development of townships as well as retail and office property.
- It is the only listed real estate company from eastern India.
- It possesses the fifth-largest tobacco-processing capacity in India for cigarette manufacture.
- Its Regent 'No.10', 'Cool' and 'Prince Henry' are popular cigarette brands in West Bengal, Gujarat and Maharashtra and North India.
- RDB is among the few construction companies in eastern India to be awarded the globally-recognised quality certification ISO 9001:2000.
- It pioneered the use of diverse modern technologies and practices to create a number of real estate landmarks.

Rationale for presence

- RDB is headquartered in Kolkata, the largest city in eastern India.
- It enjoys a growing presence in Haldia, Kharagpur, Midnapur, and Burdwan as well as an entrenched presence in Surat, and Guwahati.
- It is present in some of the fastest-growing real estate verticals – group housing, integrated townships and commercial complexes.

Intellectually rich. Financially sound.

- RDB is promoted by Shri Sunderlal Dugar and Shri Vinod Dugar.
- It employs management professionals, civil and other engineers, architects as well as chartered and cost accountants, among others.
- It reported a turnover growth of 4.20 percent from Rs 40.21 cr in 2007-08 to Rs 41.90 cr in 2008-09.

Business segment review – 1

Real estate

Segment status within company: Largest

Portfolio: Residential and commercial real estate

Revenue, 2008-09: Rs. 28.33 cr

Contribution to the total revenue

in 2008-09: 67.60 %

Industry outline

The Indian real estate industry has grown aggressively in recent years. Growing at over thrice the rate of the national GDP, the sector has emerged as one of the most appealing investment avenues for Indian and foreign investors. The real estate share in total FDI increased from 10 percent in 2004-05 to over 25 percent in 2006-07. In addition, the entry of various foreign real estate and finance companies has strengthened the sector and the industry is likely to see increased investment. In view of this, the Indian real estate industry is likely to grow.

Segment overview

RDB Industries has been in the business of real estate (housing and commercial) for more than 15 years. The Company has created a niche in Tier-II and Tier-III Indian cities across. It possesses a rich land bank across Kolkata, Haldia, Kharagpur, Burdwan, Surat and Guwahati. The Company's realty division is managed by more than 50 members and associates, representing a rich intellectual capital comprising a prudent mix of experience and youth.

Segment strengths

- Experience: The division has developed a competence level in the management of large and complex projects.
- On-time delivery: The division has established reputation for timely delivery, generating repeat client bookings.
- Asset strength: The division possesses world-class equipment (batch mixer, concrete batching plant and crawler tower cranes) that enhance project quality and shrink commissioning tenure.
- Knowledge-centric approach: The division represents a prudent mix of academic and hands-on experience.
- Quality procurement: The division enjoys strong alliances with reputed manufacturers, protected by a three-tiered input check at the project site (across incoming, processed and finished products), leading to superior project quality.
- Brand: The division's popular Regent brand is associated with the best-in-class residential and commercial real estate at affordable prices.

Segment highlights, 2008-09

- The division consolidated its real estate activities.
- It initiated the demerger of the realty division from the tobacco division; both entities are expected to be independently listed by the end of 2009-10.
- Its ongoing residential and retail projects – Regent Ganga, Regent Sonarpur, Regent Paradise, Regent Pearl, Regent City, Regent Enclave-II, Regent Vista, Regent Heritage, Regent Crown, Millenium Tower, New Town Square, Regent City Shoppers, Regent Centre-Uttarpara, Regent Textile Mart, Regent Square, Regent Knowledge Centre, Regent High Street Mall and Regent Heritage Plaza.
- Its rental income stood at Rs 4.12 cr in 2008-09 .
- It was sanctioned saleable space of seven million square feet, which translated into projects.
- It was awarded a prestigious residential project by AIIMS at Patna.

Segment outlook

- The segment expects to continue the identification of prudent land acquisition opportunities, even as it intends to focus on the timely completion of its projects.

Showcase projects
Residential


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 50,000 sq mts (appx). In the first phase of construction, this complex will have over 219 units.


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 25,000 sq mts (appx) and 176 housing units.


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 37,000 sq mts (appx) with a total of 285 housing units.


Regent Pearl, Jessore Road, Kolkata, West Bengal

The Company is constructing Regent Pearl in Jessore Road Kolkata, West Bengal. This residential building with its own and exclusive shopping complex has a total built-up area of 5,500 sq mts (appx).


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 4,300 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 10,000 sq mts (appx) and a total of 70 units, it will change the face of housing in that region.


Regent Vista, Haldia, West Bengal

Regent Vista is a residential township in the industrial city of Haldia. This project will have its own shopping centre and will constitute an area of more than 28,000 sq mts (appx) and a total of 250 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).

Showcase projects
Commercial


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, 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 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 8,500 sq mts (appx) with its own entertainment zone and food court, apart from retail units.


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 Centre, Burdwan, West Bengal

RDB is constructing a mall in Burdwan (near Municipality) the shopping centre will have a built-up area of 20,000 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 Knowledge Centre, Surat, Gujarat

Regent Knowledge Centre is a commercial complex with all modern amenities, located in the heart of the commercial hub of Surat. It will feature corporate offices, retail outlets, entertainment & food court possessing a total built-up-area of 12,500 sq mts.


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 30,000 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 Enclave Phase II: Residential estate. Spread across more than 30,000 square feet (appx).

Featuring multi-facility apartments. Promises comfortable homes at affordable prices. Located in Kolkata.

- Regent Paradise: Residential complex. Spread across 7 lakh square feet (appx).

Offers convenience without complications. Located in Guwahati.

- Regent City: Residential and retail project. Spread across more than 5.15 lakh square feet (appx).

Located in Rajarhat, Kolkata.

- Regent Ganga: Residential and commercial project. Spread across 3.75 lakh square feet (appx).

Located in Hooghly, Howrah (near Kolkata).

- Regent Sonarpur: Residential project spread across 2.68 lakh square feet (appx). Located in Simultala, Sonarpur.
- Regent Heritage: Residential and commercial project located in Kharagpur. Spread over 55,000 square feet(appx.)
- Regent City Shopper. Mall: Spread over 72,000 square feet (appx). Located in one of the largest textile centres in

Asia, near Kolkata.

- Regent Heritage Plaza: Largest in Kharagpur. Spread over 65,000 square feet (appx).
- Millennium Towers: Commercial project. Spread over 95,000 square feet (appx). Located in Haldia, West Bengal.
- New Town Square. Mall: Spread over 2.17 lakh square feet (appx). Located in Rajarhat, Kolkata.
- Regent High Street Mall : Spread over 1.10 lakh sq feet (appx).Located in the heart of commercial hub of Surat.
- Regent Knowledge Centre: Spread over 1.25 lakh sq feet (appx).Located in the heart of commercial hub of Surat.
- Regent Square: Spread over 1 lakh sq feet (appx).Located in the heart of commercial hub of Surat
- Regent Textile Mart: Largest in Surat. Spread over 3.03 lakh square feet (appx).

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 such as 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).

Business segment review – 2

Tobacco

- Segment status within Company: Second
- Portfolio: Filter cigarettes
- Revenue, 2008-09: Rs. 11.53 cr
- Contribution to the total revenue in 2008-09: 27.52 percent

Industry outline

India is the largest producer and exporter of tobacco in the world. The aggregate annual tobacco production in India is stimated at 700 million kgs with the industry providing employment to nearly 25 million people (Source: Indian Tobacco Board). The rich and varied Indian geographic and agro-climatic conditions provide a wide range of tobaccos for export throughout the year. Indian tobacco, by virtue of its quality, volume and diversity, is well-accepted across over 80 countries; nearly 200 million kgs are exported annually. The size of the Indian cigarette market is estimated at nearly 100-billion sticks a year and roughly Rs 35,000 cr.

Segment overview

The tobacco division, New Tobacco Company (formerly National Tobacco Company Limited), was established in 1931 and is owned by RDB Industries. It is one of the oldest cigarette manufacturers in India with its brands marketed under the 'Regent', 'No. 10', 'Cool' and 'Prince Henry'. The Company enjoys the distinction of being the first filter-making and first menthol-making cigarette manufacturer in India. Its Agarpara unit (near Kolkata) was fully acquired by the Company on 19 April 2007. Today, the division enjoys the status of possessing the fifth-largest licensed cigarette manufacturing capacity in the country.

Segment strengths

Licensed capacity: The division's primary strength is its large manufacturing capacity, the fifth-largest in the country; it utilises a fraction of this capacity, which it expects to increase significantly.

Market presence: The division enjoys an established presence in West Bengal, Gujarat and North India.

Brands: The division possesses a brand portfolio comprising No. 10, Regent (sub-brands comprise Regent Special, Regent Mini King and Regent Premium), Cool, Deluxe Virginia and roll-your-own-tobacco Prince Henry, available across several price points.

Distribution network: The division enjoys strong relationships with distributors and dealers across various Indian states.

Segment highlights, 2008-09

The division discontinued cigarette sales in 'shell-and-slide' packs, replacing it with the 'youthful' hinge-lid packing (HLP) by investing in imported state-of-the-art HLP equipment from Bulgaria; the equipment enhanced aesthetic appeal and optimised the packaging paper consumption.

It embarked on a number of operational and manpower optimisation initiatives, which helped it control production cost.

Segment outlook

The division expects to launch brands comprising Regent Premium (non-filter cigarette), clove-flavoured and other such cigarettes to address emerging preferences across India.

It expects to strengthen its modernisation programme aimed at enhancing automation and cigarette quality. For instance, an investment in its primary manufacturing department will help utilise processed tobacco stems and reduce raw material costs by nearly 20 percent.

It intends to establish high-speed cigarette-making equipment, which will significantly increase the output coupled with high productivity and lower manpower.

Industry optimism

India figures among the three leading tobacco producers in the world. The size of its domestic market is nearly 10 times the which is size of its population. Besides, Indian tobacco enjoys one of the lowest conversion costs at about USD 0.80 per 1,000 sticks, far lower than USD 3.50 per 1,000 pieces in the UK and USD 4 per 1,000 sticks in the US. These factors represent an attractive export potential.


Certificate of Registration

MOODY INTERNATIONAL

This is to certify that the
Quality Management System of

RDB Industries Limited

Office: 8/1 Lal Bazar Street, 1st Floor, Kolkata - 700 001, INDIA

has been assessed and found compliant with the requirements of

ISO 9001:2000

Approval is hereby granted for registration providing the certification rules and conditions are observed at all times.

Certification Scope:

Infrastructure Development Including Development of Townships, City Centres, Big Residential and Commercial Complexes, Truck Terminals.

Certificate No. IKT-0176.07

Issue Date: 05 June 2007

Expiry Date: 04 June 2010

Authorised Signature

UKAS QUALITY MANAGEMENT 014

Moody International Certification Ltd.

www.moodyint.com

The use of the Accreditation Mark indicates accreditation in respect of those activities covered by the Accreditation Certificate 014. The certificate remains the property of Moody International Certification Limited to whom it must be returned on request.

Profile of our promoters and management team

Our promoter group

Mr Sunder Lal Dugar, Chairman and Managing Director, possesses more than three decades of experience in real estate and other industries comprising power, packaging, automobile marketing and financial services, among others. Besides business pursuits, he is actively involved with a number of social, charitable and religious organisations. Through the RDB Group, he lends a helping hand to over two dozen organisations engaged in the improvement of the society. The SL Dugar Charitable Trust is a personal initiative, playing a constructive role in propagating literacy and healthcare and several other forms of charitable work across India, of which the Aryans School on BT Road (near Agarpara) and Bodhna, a school for the disabled at Rajarhat (near Kolkata) are lively examples.

Our management team (Real estate)

Mr Ravi Prakash Pincha, Executive Director, has over eight years of experience in the real estate industry.

Mr Sanjay Kumar Agrawal, CFO, possessing over 15 years of experience in accounts and finance.

Mr Purushottam Kejriwal, Vice President, Finance & Company Secretary, possessing over 10 years of experience.

Mr M.S. Sharma, President, Legal, has been associated with the real estate industry for over 25 years.

Mr C.N. Dutta, Vice President, Legal, has been associated with the real estate industry for over 10 years.

Mr S.K. Singh, Vice President, HRD, possessing strong experience in HR for over 20 years.

Our management team (Tobacco)

Mr Prem Chand Khator, COO, possesses over 15 years of experience in the tobacco industry. He enjoys a wide exposure in legal issues, indirect taxes and accounts and finance.

Mr Lawrence Fernandes, GM, Operations, a mechanical engineer by profession. He has been associated with the tobacco industry for over 26 years.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Eighteenth Annual Report and audited accounts for the year ended 31st March 2009.

Performance Highlights

(Rs. in Lacs)

Particulars	Financial Year 2008-2009	Financial Year 2007-2008
Gross Sales	3409.44	2398.27
Other income	781.05	1622.96
Profit before interest and depreciation	610.92	1398.84
Less: a) Interest	173.03	42.29
b) Depreciation	146.93	112.35
Profit/ (Loss) before exceptional items	290.96	1244.20
Add:- Exceptional items	0.40	(5.38)
Profit before taxation	291.36	1238.83
Less:- Provisions for current tax, deferred tax and fringe benefit tax	22.44	(0.5)
Profit after tax	268.92	1239.33
Add: Balance brought forward from last year	2098.69	1022.25
Balance available for appropriation	2367.61	2261.58
Less: Appropriations		
a) Provision for proposed dividend on equity shares	53.75	53.75
b) Provision for dividend tax	9.13	9.13
c) Transfer to general reserves	100.00	100.00
Balance carried to the Balance Sheet	2204.73	2098.69

Review of operations

The segment-wise growth during the financial year 2008-09 is as under:

(Rs. in Lacs)

Total income	2008-09	2007-08	Growth (%)
Real estate division	2832.80	2736.74	3.51
Tobacco division	1152.80	1077.13	7.03

During the year under review, there were no changes in the accounting policies of the company.

There has been a decrease in the revenue of the real estate division due to the recessionary market conditions during the second half of the Financial Year. However, your Company has expanded operations and won major projects like development of AIIMS Residential Complex at Patna, extended work relating to residential-cum-commercial complexes and construction of dwelling units, striked greatest deal in terms of property size and value for building integrated township at Surat. The revenues from these projects will significantly bolster our financials over the coming years.

In continued pursuit of enhancing stakeholders' value, your Company has promoted/acquired two more subsidiaries during the last financial year.

The sales as well as revenue of the tobacco division increased as compared to the last financial year. This was a result of the quality improvisions of the product with the new machinery and technology adapted in the last financial year, launching new brands of cigarettes with superior quality and packaging and well planned sales and marketing techniques. The Company intends to aggressively pursue the growth of its tobacco business over the years to come.

More details about the business and operations of your Company are provided in the Management's discussion and analysis report, forming part of the Annual Report.

Dividend

Your Directors recommend, subject to approval of members, a dividend of Re. 0.50 per share on 10,75,0000 equity shares of Rs. 10 each for the financial year ended 31st March 2009.

The total proposed dividend amount will be Rs. 53,75,000, excluding dividend tax of Rs. 9,13,481 for the financial year ended 31st March 2009.

Demerger

In lieu of administrative conveniences and the time lag in implementation of the Scheme of Arrangement under Section 391-394 of the Companies Act, 1956, whereby the real estate undertaking of the Company would be demerged into RDB Realty & Infrastructure Limited (RDBRIL), a wholly- owned subsidiary of the Company, the Demerger Committee at its meeting held on 09.06.2009 approved an amendment in the appointed date from 15.02.2008 to 01.04.2009.The necessary Stock Exchange approvals had already been obtained. The Company is in the process of making application to the Hon'ble High Court, Calcutta under section 391 of the Companies Act for obtaining direction for convening the meeting of shareholders.

Listing

The Company has applied for listing of its equity shares on the National Stock Exchange Ltd.

Management Discussion and Analysis

A separate report on Management Discussion and Analysis as per Clause 49 of the Listing Agreement with the stock exchanges is annexed hereto as Annexure “A”.

Corporate Governance

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance, as provided under the amended Clause 49 of the Listing Agreement with the stock exchanges, are complied with.

A separate report on Corporate Governance along with the Auditors' Certificate for its due compliance is annexed hereto as annexure “B”, forming part of this Annual Report.

Directors

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

Mr. Sunder Lal Dugar was re-appointed w.e.f 01.04.2009 as the Managing Director of the Company for a further period of five years subject to approval of shareholders and Central Government pursuant to the applicable provisions of the Companies Act, 1956. Mr. Ravi Prakash Pincha was re-appointed w.e.f. 01.04.2009 as the Whole-Time Director of the Company subject to approval of shareholders of the Company pursuant to Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956.

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.

Subsidiary companies

The following may be read in conjunction with the consolidated financial statements enclosed with the accounts, prepared in accordance with the Accounting Standard 21. Your Company has 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.

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 S. M. Daga & Co., Chartered Accountants, as statutory auditors of the Company hold office until the conclusion of the ensuing Annul General Meeting, and 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. The Audit Committee has recommended their re-appointment.

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 as annexure "C" and forms a part of this Report.

Acknowledgements

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 & on behalf of the Board

S. L. Dugar
Chairman & Managing Director

Date: 30.06.2009
Place: Kolkata

Management Discussion And Analysis

Annexure - "A"

Fiscal 2008-09 has been a challenging year for the world economy and the global real estate sector in particular, it commenced with the Indian economy sliding into a cyclical slowdown after a five year record of extraordinary growth. While India hasn't witnessed the kind of major turmoil witnessed in some advanced economies it has certainly been impacted adversely.

High oil prices and rising domestic inflation were a source of concern, as was the possibility of a worsening of the American financial crisis which had surfaced in 2007. The financial crisis exploded post September 2008 into a global phenomenon. Spreading quickly across Europe and Japan, it has already pushed most developed economies into a prolonged recession that could extend well beyond 2009. The failure of some of the biggest and most well-known financial institutions has led to risk aversion on a global scale, eroding confidence in financial markets and systems. Thanks to the concerted and timely response of governments across the world, a total meltdown of the global economy was avoided. There is still uncertainty on whether the recession has hit the bottom. Historic analysis seems to suggest that financial crises tend to be prolonged, especially if they are a results of an asset market collapse.

In India, the cyclical downturn was aggravated by huge inflationary pressures in the economy in the first half of FY 2008-09. By the middle of the second Quarter of the year, inflation had reached an alarming level of 13%. While inflation in developed markets had also risen, the problem was particularly acute in emerging markets where food articles, which constitute a much larger portion of consumer price indices, had suffered a sharper rise in inflation. In the last Quarter of the financial year, inflation began to dissipate. A sharp decline was witnessed in the prices of commodities, including crude which dropped to a four year low of sub US $ 50 per barrel.

Industry Structure And Developments

The Indian real estate sector grew at an accelerated pace of 40%-45% per annum between 2004-05 and 2007-08. There was boom in demand for real estate across segments driven mainly by the sustained high growth trajectory of the Indian economy.

The two aggregate demand growth drivers, namely investment and private consumption have moderated in India. The sectoral growth drivers, i.e. manufacturing, agriculture, construction and communication have all experienced reduced growth rates. The Indian equity and foreign exchange markets were adversely impacted in the wake of withdrawal by the Foreign Institutional Investors (FIIs), triggered by their need for liquidity support in other markets. The money, debt and credit markets too were impacted. Thus, while the Indian banking sector remained largely unscathed by the global financial crisis, it could not escape a liquidity crisis, in turn impacting investment and consumption in the real economy. The government had no option but to introduce stimulus packages estimated at 2.9% of the GDP. Combined with the loan waivers and the hikes granted by the Sixth Pay Commission, the pump priming of the economy has worsened the fiscal deficit. The Reserve Bank of India on its part attempted to inject liquidity through a series of policy interventions. Unfortunately, despite enhanced liquidity, credit flow to kick-start the economy remains inadequate since the banking system continues to be risk averse in this weak economic environment. The RBI seems to be determined to not allow the increasing levels of Government borrowing to diminish the availability of credit for the private sector. Simultaneously, it is persuading the banking sector to pay heed to policy signals and reduce their lending rates to stimulate investments.

The latest World Economic Outlook brought out by the IMF expects global output to register a degrowth of 1.3% in 2009, its first fall in 60 years. Real GDP growth in advanced economies is likely to be a negative 4%. In emerging and developing economies, growth is likely to be sluggish at 1.6%, down from the 7-8% witnessed from 2004 onwards. World trade is expected to shrink by as much as 11%. Even though Governments across the world have pumped in billions of dollars of liquidity to ease credit flow and have undertaken tax cuts to stimulate demand, it is too early to predict the eventual outcome conclusively.

India is bracketed with China and other emerging countries that are less likely to enter contraction on account of their large domestic economies, which continue to show buoyancy. India is expected to clock a GDP growth of 6% in FY 2009-10. Against the backdrop of an improving macro environment, a 'green shoots' theory is emerging. While there are fragile signs of a pick-up, it is still too early to call it a recovery. Incremental data in India is veering towards the positive (cement shipments, port traffic, telecom subscribers, auto and retail sales, etc.). However, that is not the full story. Real estate and exports still remain deep in the red, adversely impacting employment. One of the key obstacles in the way of export recovery will be the recent tendency on the part of mature economies to resort to protectionism. While the members of the G-20 have pledged to work against protectionism, it remains to be seen whether they can deliver their promise in the face of political and social pressures in their home territories. Relative to other emerging economies, the inherent strengths of India will help it better withstand the adverse effects of the global financial crisis and the aftermath of the downturn in developed countries. With a fairly young population, skilled manpower, a tradition of saving reflected in the rising savings and investment rates, a vibrant service sector, a potentially large source of domestic demand (particularly rural) and the emergence of globally competitive firms, India has multiple growth drivers which hold out the promise of stable and sustained future growth. These strengths will get further augmented by the planned investments in infrastructure development envisaged in the Eleventh Five Year Plan.

Data from the Reserve Bank of India suggest that bank credit to the realty sector has actually expanded. Scheduled Commercial Banks' outstanding credit to real estate grew from 1.8 per cent of non-food credit at the end of March 2006 to 3.2 per cent by February 2009. Recently released annual reports of banks also suggest that loans outstanding to commercial real estate have seen strong growth.

Following expectations of a fast-paced reform agenda and 8-9% gross domestic product (GDP) growth in 2009-10, real estate developers and international property consultants expect the forthcoming union Budget to be aggressive and investment-led.

According to Sachin Sandhir, managing director, The Royal Institution of Chartered Surveyors (RICS) India, “As indicated by Manmohan Singh and the President, the government would give a further push to public investments, especially in infrastructure, to propel economic growth. The housing ministry has already asked the finance ministry for fiscal concessions for building affordable houses. We hope the housing sector is given ample boost with tools such as a dedicated fund for affordable housing, waiver or reduction in stamp duty, VAT and other government taxes for the EWS and restoration of tax holidays for low-cost housing projects.”

The need of the hour is to hold economy-reviving actions and address issues enhancing real estate spending where certain direct and indirect measures need to be taken up on priority.

Business Segments

As of today the Company has two main business segments- Real Estate and Tobacco, while there are some other smaller related businesses like packaging, automobile, finance, power & transmission, education, and textile with the Group. Clearly the Company's vim and vigor is on real estate. Construction has been the Company's traditional business domain. While it continues to execute some external projects, this business will strategically support the real estate business. Within the Tobacco & Cigarette business the Company continues to manufacture, process, distribute and sell tobacco & cigarettes across the Country. The Company has also entered into the EPC business since 2007-08. The management believes in the potential of this business and continues to work towards its growth and development.

Real Estate Business

An ISO 9001:2000 certified Company, managed by committed professionals and complemented by hired professional project management firms, the Company is adjudged as a growing concern in real estate development. Real Estate remains the Company's primary business segment accounting for over 66.87 % of the Company's income from operations. While Real Estate is a composite business segment, the Company has a diversified portfolio within this and includes residential, commercial, retail, entertainment and hospitality developments.

The Company extended its operations at Patna, Surat by adding up to the existing projects and has also indulged into the process of developing real estate, directly or through its subsidiaries and associate companies and firms, at various locations like Kolkata, Kamarhatti, Rajarhat, Kharagpur, Sonarpur, Guwahati, Haldia and Burdwan. The Company has been effectual in its continuing efforts to trickle the heavy congestion in the urban metropolis and extend the benefit of planned development and modern life style to the people living in suburban areas too. The operations of the Company caress the enduring aspects right from the identification and acquisition of land, to the planning, execution and marketing of our projects. The Company has been on the expansion surge in its business by diversifying its portfolio to build and sell or lease retail spaces.

Opportunities

The phenomenal growth in the Indian Real Estate has widened the opportunity spectrum of the sector even beyond the established asset classes' viz. commercial, retail, residential, industrial and hospitality. Driven by increasing urbanization, rising income and decreasing household sizes the residential segment in India has been on an upswing over the past few years

Growth in knowledge and technology intensive sectors :

Several sectors such as financial services, biotechnology, telecommunication, pharmaceuticals, insurance and consulting businesses are witnessing strong growth and have added to the rising demand.

Significant Growth in FDI :

Progressive liberalization and easing of FDI norms in various sectors have paved the way for growth in FDI. This has further led to burgeoning demand for office space from multinational companies and other foreign investors.

Increasing Number of Households :

The growing popularity of nuclear families in India has decreased the average household (HH) size in India leading to an increase in the number of households in the Country. In 2001 there were roughly 192 million HH in India, about 40 million more than those in 1991.

Growing number of first time home buyers :

Currently the working population in the working age group (16-65 years) is about 700 million representing about 64% of the total population. India is expected to emerge as the highest contributor to the global work force by 2010. With the average age of young home buyers falling fast the young working population would further push demand for housing units higher.

Increasing income levels :

The per capita disposable income has grown manifold in the past one decade. Several studies have indicated that salaries in India have been increasing on an average of 10-15 % on a year-on-year basis. This has increased the affordability of the homes in spite of higher property prices and has further created more discerning buyers.

Increasing affordability of homes :

With easier access to mortgage finance, longer loan tenures, higher loan-to-value ratios and tax incentives have increased home affordability.

Affordability of housing :

As per estimates of the National Council of Applied Economic Research(NCAER) the proportion of HH in the top five income brackets (<US $ 11,651 per annum) has increased from 0.6% in 1996 to 2.4% in 2006 and is likely to increase further to 4.5% in 2010.

Threats

The Industry is highly disjointed and competitive and increased competitive pressure may adversely affect our esults. Fluctuations in market conditions may affect our ability to sell our projects at expected prices, which could adversely affect our revenues and earnings.

Archaic Tenancy Laws.

The business is subject to extensive statutory or government regulations.

Considerable increase in prices or shortage of building materials could harm the Company's delivery schedule, results of operations and financial condition.

The projects in the real estate business involve purchasing small parcels of lands within a large area and failure to purchase any strategically located parcels may lead to failure of the entire project.

Covenants with institutional lenders and other contractual commitments may restrict operations and ability to expand which may hurt the business and results of operations and financial conditions.

Tobacco Business

The cigarette industry in India continues to operate in an environment of rapidly escalating challenges, particularly in the areas of taxation and regulations. The spate of regulations, influenced by trends that are more relevant in developed markets, together with prolonged punitive taxation targeted exclusively at the cigarette industry, have stifled cigarette consumption in India in comparison with other forms of tobacco consumption.

The per capita consumption of cigarettes in India is merely a tenth of the world average. This unique tobacco consumption pattern is a combination of tradition and more importantly the tax imposed on cigarettes over the last 2 decades. Cigarette smokers pay almost 85% of the total tax revenues generated from tobacco.

While the intent has been to reduce the aggregate consumption of tobacco, the discriminatory taxation and regulations on cigarettes has only served to constrict demand for cigarettes, even as the total consumption of tobacco in the country continues to grow. Unlike international markets, it is a serious misconception to equate tobacco consumption with cigarettes in India. On an average, cigarettes account for about 90% of tobacco consumption globally, with an even higher share of almost 100% in large markets like China. In sharp contrast, in India consumption of tobacco in cigarette form has steadily declined from 23% of total tobacco consumption in 1971/72 to less than 15% currently. That the structure of the tobacco industry in India has progressively become even more skewed over time, with the share of cigarettes declining.

The share of cigarettes in total tobacco consumption has reduced, even though the aggregate tobacco consumption has increased over the years. This situation has been further aggravated by the extraordinary increase in the rates of Central Excise Duty (CED) of the order of 140% and 390% respectively on regular and micro-sized non-filter cigarettes with effect from March 2008. This hike in rates, coming on the heels of a 30% equivalent increase in tax incidence due to the levy of VAT in April 2007, has forced the organised cigarette industry to substantially vacate this category. This, in turn, has caused a section of consumers to move to revenue-inefficient tobacco products, including smuggled and tax-evaded cigarettes, resulting in a sharp decline in volumes for the highly taxed legitimate sector of the cigarette industry. The vacuum created by the exit of the popular low priced micros and plain non-filter cigarettes has been occupied by duty-evaded regular size filter cigarettes which are sold to consumers at Rs.10/- per packet of 10 cigarettes.

These low priced tax-evaded illegal cigarettes are a growing threat to the legitimate industry, Government revenue, market stability and the social objective of regulating tobacco consumption. It is imperative that the authorities strengthen enforcement to eliminate this fast growing illegal industry. In addition, the Government could also consider the introduction of a new tax slab that would enable the legitimate industry to offer the consumer tax paid cigarettes at this price point.

The industry has been subjected to further stress with the implementation of smoking ban in public places. This will propel consumers to switch to inferior and revenue inefficient forms of non-smoking tobacco consumption. The objective of this regulation to protect against passive smoking can be well met by segregating space at public places, as is the practice internationally. It is apprehended that switching to cheaper tobacco products will have a significant adverse impact on the earnings of thousands of tobacco farmers, who gain the maximum realization from cultivating cigarette type tobaccos. This adverse impact on the farmers will become further acute with the imposition of graphic health warnings on tobacco products, which will be more impactful on cigarettes than other forms of tobacco products due to design specifications. At the same time it will provide a fillip to the growth of the smuggled contraband trade as these cigarette packs will not carry the specified graphic warnings.

A number of factors like increase in cost of raw materials, increase in excise duty, imposition of VAT etc. affected the tobacco business. Your Company retaliated by raising the MRP of brands necessitated for accommodating the increased cost and consequently the sales volume during the year dwindled. Whilst the menace of contraband and illegal domestic production coupled with the discriminatory tax framework are cause for concern, your Company is optimistic of its maneuver to increase its hold on the fragile market by enhancing the quality of existing Brands and launching new brands ordained for the upper middle segment of the market.

Opportunities

Asia, specially China & India emerging as major export hubs for future.

Cheap labour, abundant tobacco makes India a very viable proposition for exports.

India has decent infrastructure like ports, rail etc for transport.

All the big import markets (Middle East), are nearby, making it logistically easy.

Zero tax on cigarettes being exported out of India.

Threats

The pervasiveness of tobacco advertising and sponsorship is a major threat to the tobacco industry.

The opportunities the tobacco industry once had, both in marketing and with masked facts about their product, now cease to exist. In its place is a more conscious public, aware of the risks, and slower to begin the habit of smoking. This deterrence is cutting new profit margins the companies would have once had. Increased activity of smuggling cigarettes and dropping of prices in response to it by manufacturers is robbing governments of revenue and lowering sales of Manufacturers. Litigation against the tobacco industry has both exposed their past behaviour and led to the development of powerful hard hitting and effective counter-advertising. Similar approaches spreading worldwide.

Segment Wise Performance

The Company is operating in following segments and their performances are as under:-

Name of the Segment	% of Segment Revenue	Turnover (In lacs)
Real Estate	67.61	2832.80
Tobacco	27.52	1152.80
Others	4.87	204.88
	100.00	4190.48

Future Outlook

The current economic environment is creating demand for all kinds of real estate verticals and the Company is also expanding footprints in newer locations across the Country. So far as the tobacco industry is concerned, going forward, Tobacco Companies are likely to face tougher times with the government's intervention on the rise. However, considering that as per capita income increases there is a change in the demographic profile of the populace, there is still some scope for growth for the Indian tobacco industry.

Risks and Concerns

Price: Real estate price cycles have the greatest impact on the margins of the developers, because land costs account for a large portion of the constructed property. Real estate prices in the past have fluctuated in respect of procuring land,construction of the project and its eventual completion,thereby exposing project developers to the volatility of prices.

Demand: Demand risk for real estate developers indicates the ability to sell properties based on location, brand, track record, quality and timeliness of completion. In addition, demand is also strongly influenced by policy decisions relating to housing incentives.

Cost of development & execution: The costs in a housing project consist of land costs, construction costs and employee costs. The prices of steel and cement, which comprise a major portion of the construction cost, have risen very sharply over the last years. This increase in cost, however, is expected to be outpaced by the growth rate of individual disposable income and therefore is not likely to depress the demand growth for housing units. Moreover, supply and delivery of principal raw materials like cement and steel depend on the factors which are not in the control of the Company can adversely affect the execution and development schedule of various projects.

Interest rate: Real Estate Industry requires substantial investment for implementation of its projects. Therefore rise of interest cost is also an area of concern for the industry.

Political risk: Change in the Government may lead to change in the policies of the state. This may lead to delay in the sanctioning of the projects or adversely affect the growth plans of the Company

Internal control systems and their adequacy

The Company's internal control system and procedures are commensurate with its size and nature of operation. The system is reviewed and updated on an ongoing basis to enhance their efficacy and ensure financial and related records reliability. Effective and adequate systems are in place through out the organization, to ensure strict adherence to internal controls in the Company, so as to ensure that the assets are safeguarded and protected against unauthorized use or disposition. The significant observations made in internal audit reports on internal control deficiencies, if any and the status on implementation of recommended remedial measures, are regularly presented to and reviewed by the Audit Committee of the Board. In view of the ISO 9001:2000 certification received by the Company Quality/System Audit is undertaken on recurring basis.

Discussion on financial performance with respect to operational performance

During the year under review, the Company's Sales (including other income) increased by 4.43% to Rs. 4190.48 Lacs as compared to Rs. 4021.23 Lacs during the preceding year. The Profit After Tax during the year decreased by about 78.30% to Rs.268.92 Lacs as compared to Rs.1239.32 Lacs during the preceding year.

Company's financial performance during last five years

(Rs. in Lacs)

Particulars	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06	31-Mar-05
Revenue					
Net Sales	3821.66	2398.27	3720.86	2,755.96	1537.86
Other Income	368.82	1622.96	251.50	223.45	129.26
Total Income	4190.48	4021.23	3,971.86	2,979.40	1667.12
Expenditure					
(Increase)/Decrease in Stock	(1843.71)	(3291.19)	147.05	391.94	(779.21)
Central Excise Duty	747.98	823.57	1,022.04	974.17	783.47
Other Expenditure	4675.29	5091.01	1,682.80	1,416.10	1652.28
Income Before Interest & Depreciation	610.92	1398.84	1,119.97	197.19	10.59
Interest	173.03	42.29	4.40	4.14	1.33
Depreciation	146.93	112.35	98.48	53.83	52.96
Profit/ (Loss) before Exceptional Items	290.96	1244.20	1,017.09	139.21	(43.70)
Add: Exceptional Items	0.40	(5.38)	52.57	369.81	222.54
Profit Before Tax (PBT)	291.36	1238.82	1,069.66	509.02	178.84
Provision for Taxation	22.44	(0.50)	123.09	30.43	12.35
Profit After Tax (PAT)	268.92	1239.32	946.57	478.59	166.49

Human Resources

The Company has always acknowledged its human capital as the most important and fundamental source of its success. The Company's human resource plan is directed towards attracting, developing and retaining people to perform as a team to achieve its goal. The plan envisages fostering a culture of belonging and mutual trust. HR objectives encompass talent retention and building proper leadership style.

Several training and development initiatives including learning and up-gradation of technical skills, consumer orientation, self and organizational development, team building, managerial effectiveness, series of in-house presentations, etc. have been a constant feature during the period under review.

Employer employee relationship continued to be cordial throughout the year.
Total employees strength of the Company is 294 people.

Social Reporting

Your Company is aware of the needs for improving the socio – economic problems of the society. The Company is creating employment opportunities for eligible persons by way of expanding and diversifying its various activities; ensuring appropriate energy conservation and optimum utilization of available resources in its activities; ensuring timely contribution to Government exchequer

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be considered to be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied, depending upon the economic conditions, Government policies, tax regimes and other incidental/unforeseeable factors.

Report on Corporate Governance

Annexure - "B"

1. Company's philosophy on Corporate Governance

The Company firmly believes that Corporate Governance is about commitment to values and ethical business conduct. Your Company believes in discharging its Corporate Social Responsibility and has been enduring in its philosophy to enhance stakeholders' value and customers' satisfaction by consistently endeavoring to follow the best Corporate Governance practices.

2. Corporate Governance guidelines

Over the years,the government has developed guidelines to fulfil our corporate responsibilities to various stakeholders. This ensures that the Board will have the necessary authority and practices in place to review and evaluate our operations when required. Further, it allows the Board to make decisions that are independent of the management. The Board may change these guidelines from time to time to effectively achieve our stated objective.

3. Board of Directors

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees to the shareholders.

Composition

The composition of the Board of Directors of the Company is in conformity with the Code of Corporate Governance under the Listing Agreement with the stock exchanges. The Company has an optimum combination of Executive and Non-Executive Directors. There is one Promoter Managing Director, one Executive Director and four Non-Executive Independent Directors on the Board. The Board believes that the current size is appropriate, based on the Company's present circumstances.

Name of the Director	Designation	Category	No. of other Directorship(s)*	Membership(s)/ Chairmanship(s) of Board Committees of other companies*
Mr. Sunder Lal Dugar	Chairman & Managing Director	Executive & Promoter	5	-
Mr. Ravi Prakash Pincha	Executive Director	Executive	9	-
Mr. Krishna Gopal Sinha	Director	Non-executive & Independent	2	-
Mr. Manish Kumar Jain	Director	..Do..	2	2 (including 2 as Chairman)
Mr. Mahendra Pratap Singh	Director	..Do..	2	-
Mr. Abhishek Satyanarayan Rathi	Director	..Do..	2	-

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

* Directorships and positions held in committees of Indian Public Limited companies and its subsidiaries are considered.

Board meetings:

The Board meetings of the Company are decided in advance and tentative dates of Board meetings, in which quarterly/annual results are to be discussed forms a part of the Annual Report. The Chairman of the Board and the Company Secretary draft the agenda for each meeting, along with the agenda notes and explanatory statements, wherever required, are distributed in advance to the Directors. Every Board member is free to suggest items for inclusion on the agenda. The Board meets at least once in a quarter to review the quarterly results and other agendas.

During the financial year ended 31st March, 2009, thirteen meetings of the Board were held as follows:

Sl. No.	Date of the Meeting	Board Strength	No. of Directors present
1	02/04/2008	6	4
2	09/05/2008	6	4
3	30/06/2008	6	6
4	31/07/2008	6	6
5	30/08/2008	6	4
6	26/09/2008	6	6
7	31/10/2008	6	6
8	07/11/2008	6	4
9	29/11/2008	6	4
10	05/01/2009	6	4
11	30/01/2009	6	4
12	17/02/2009	6	4
13	21/03/2009	6	5

Attendance of Directors at Board Meetings and Annual General Meeting

Directors	No. of Board Meetings Held	Attended	Attendance at last AGM (26.09.2008)
Mr. Sunder Lal Dugar	13	13	Yes
Mr. Ravi Prakash Pincha	13	13	Yes
Mr. Krishna Gopal Sinha	13	13	Yes
Mr. Manish Kumar Jain	13	5	Yes
Mr. Mahendra Pratap Singh	13	13	Yes
Mr. Abhishek Satyanarayan Rathi	13	4	Yes

4. Appointment / re-appointment of directors

Mr. Mahendra Pratap Singh

Mr. Mahendra Pratap Singh, Director is retiring by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Mahendra Pratap Singh, aged about 62 years, was appointed on the Board of the Company on 18th March, 2008. He got his master's degree in Geophysics from the Banaras Hindu University in 1968. While doing his PhD as a Junior Research Fellow of CSIR in 1970, he was selected as Dy. Superintendent of Police in CRPF. He resigned in 1974 to pursue Master in Business Management Programme at AIM, Manila. Thereafter, he successfully spearheaded many renowned organisations at different managerial positions. Mr. Mahendra Pratap Singh has an extensive working experience of several years in diversified areas and has been a pioneer in bringing radical improvements in the organisations within his realm. His rich and varied experience and exposure can immensely help the Board to take appropriate strategic decisions in a competitive business era.

He is not related to any other Director on the Board of the company.

Mr. Mahendra Pratap is also holding directorship in the following companies:

1.RDB Realty & Infrastructure Limited
2.Aeroturbines India Limited
3.Alpenstock Consulting Private limited

Mr. Abhishek Satyanarayan Rathi

Mr. Abhishek Satyanarayan Rathi, Director is retiring by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Abhishek Satyanarayan Rathi, aged about 33 years, was appointed on the Board of the Company on 18th March, 2008. He is a civil engineer with a vast working experience of more than 10 years in real estate development which would prove helpful in augmenting growth in the business of the company.

He is not related to any other Director on the Board of the company.

Mr. Abhishek Satyanarayan Rathi is also holding directorship in the following companies:

1. RDB Realty & Infrastructure Limited
2. Raj Construction Projects Private Limited
3. Ess En Organisors Private Limited

Mr. Sunder Lal Dugar

Mr. Sunder Lal Dugar is re-appointed as Managing Director of the Company for a further period of five years w.e.f. 01.04.2009 subject to consent of the shareholders at ensuing Annual General Meeting and approval by the Central Government.

Mr. Sunder Lal Dugar, aged about 55 years, was appointed on the Board of the Company on 15th November, 1991. He had promoted the Company in the year 1991. He has rich experience of more than 30 years in real estate development. During this period he had promoted several residential/ commercial real estate projects and established the Company as reputed builders/ developers in Eastern India.

He is not related to any other Director on the Board of the company.

Mr. Sunder Lal Dugar is also holding directorship in the following companies:

1.Electrical Manufacturing Co. Ltd. *
2.EMC Hardware Ltd.
3.RDB Rasayans Ltd
4.Bhagwati Builders and Development Pvt. Ltd
5.RDB Realty & Infrastructure Ltd.
6.MKN Investment Pvt. Ltd
7.Metalind Pvt. Ltd
8.Loka Properties Pvt. Ltd
9.Ankur Constructions Pvt. Ltd
10.Siddha PSIDL Township Pvt. Ltd
11.Johri Towers Pvt. Ltd.
12.Regent Auto Trade Pvt. Ltd
13.RDB Builders Pvt. Ltd.

* Mr. Sunder Lal Dugar also holds Chairmanship of its Board of Directors.

Mr. Ravi Prakash Pincha

Mr. Ravi Prakash Pincha is re-appointed as Whole-Time Director of the Company for a further period of five years w.e.f. 01.04.2009 subject to consent of the shareholders at ensuing Annual General Meeting.

Mr. Ravi Prakash Pincha, aged about 31 years, is Executive Director of RDB Industries Limited having considerable experience in real estate business and is valued for his innovative ideas which inculcate a creative culture in the Company. Mr. Pincha is also a good administrator.

He is not related to any other Director on the Board of the company.

Mr. Ravi Prakash Pincha is also holding directorship in the following companies:

1. Bengal Regent Infrastructure Ltd.
2. Big Space Fashion India Limited
3. RDB Realty & Infrastructure Limited
4. RD Devcon Private Limited
5. Bhagwati Builders & Development Private Limited
6. Bahubali Tie-Up Private Limited
7. Baron Suppliers Private Limited
8. Headman Mercantile Private Limited
9. Kasturi Tie-Up Private Limited
10. Manglahat Construction & Builders Private Limited
11. Johri Towers Private Limited
12. Apeksha Commercial Pvt. Ltd
13. J.J. Enclave Pvt. Ltd
14. Namokar Duplicating Pvt. Ltd
15. Priti Tie-Up Pvt. Ltd
16. Ruchi Agencies Pvt. Ltd

5. Audit Committee

The Audit Committee of the Company acts as a link between the management, the statutory and internal auditors and the Board of Directors. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- investigate any activity within its terms of reference and to seek any information it requires from any employee;
- obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Audit Committee includes the following:

(a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(b) Recommending the appointment/re-appointment and removal of statutory auditors, internal auditors and fixation of their remuneration;

(c) Reviewing, with the management, the financial statements before submission to the Board, focusing primarily on:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
- Any changes in accounting policies and practices.
- Major accounting entries involving estimates based on exercise of judgment by the management.
- Qualifications in the draft audit report.
- Significant adjustments arising out of audit.
- The 'going concern' assumption.
- Compliance with Accounting Standards.
- Compliance with stock exchanges and legal requirements concerning financial statements.
- Any related party transactions.

(d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same, prior to endorsement by the Board;

(e) Reviewing the adequacy of the internal audit function, reporting structure, coverage and frequency of the internal audit;

(f) Reviewing reports of internal audit and discussion with internal auditors on any significant finding and follow-up thereon;

(g) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity of failure of internal control systems of a material nature and reporting the matter to the Board;

(h) Discussion with the external auditors, before the audit commences on the nature and scope of audit, as well as post-audit discussions, to ascertain areas of concern and review the comments contained in their draft report;

(i) Reviewing the Company's financial and risk management policies;

(j) Considering such other matters as may be required by the Board.

Composition of the Audit Committee

The Audit Committee comprised three non-executive directors, all of whom are independent directors. The Company Secretary is the Secretary to the Committee. All the members of the Committee are financially literate and the Chairman of the Committee has accounting and financial management expertise. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement.

Details of members and their attendance at the meetings:

Sl. No.	Name	Position	No. of Committee	
			Meetings Held	Attended
1	Mr. Manish Kumar Jain	Chairman	5	5
2	Mr. Krishna Gopal Sinha	Member	5	5
3	Mr. Abhishek Satyanarayan Rathi	Member	5	3

Details of Audit Committee Meetings and attendances:

During the financial year ended 31st March, 2009, five meetings of the Audit Committee were held as follows:

Sl. No.	Date of the meeting	Attendance
1	02/04/2008	2
2	30/06/2008	2
3	31/07/2008	3
4	31/10/2008	3
5	30/01/2009	3

6. Remuneration Committee

The Remuneration Committee of the Company, inter alia, recommends to the Board the compensation terms of the Executive Directors and other senior management personnel.

Composition of the Remuneration Committee:

Details of members and their attendance at the meetings:

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Krishna Gopal Sinha	Chairman	2	2
2	Mr. Manish Kumar Jain	Member	2	1
3	Mr. Abhishek Satynarayan Rathi	Member	2	2

During the financial year ended 31st March, 2009, two meetings of the Remuneration Committee were held as follows:

Sl. No.	Date of the meeting	Attendance
1	02/04/2008	3
2	09/12/2008	2

Remuneration Policy

RDB's remuneration strategy aims at attracting and retaining high- calibre talent. The remuneration policy, therefore, is market-led and takes into account respective job profile vis-à-vis the responsibility profile of individuals to attract and retain quality talent and leverage performance significantly.

Details of Remuneration of the Directors for the financial year ended 31st March, 2009 (Figures in Rs.)

Director	Consolidated Salary (Rs.)	Perquisites and other Benefits	Performance bonus/ Commission	Sitting Fees	Total
Mr. Sunder Lal Dugar	7,20,000/-	1,24,425	Nil	Nil	8,44,425/-
Mr. Ravi Prakash Pincha	2,16,000/-	Nil	Nil	Nil	2,16,000/-

No remuneration (including sitting fee) has been paid to the Non-Executive Directors in the financial year 2008-09. The Non-Executive Directors do not hold any shares and/or convertible instruments in the Company and also they do not have any pecuniary relationship or transaction with the Company. The Company has not granted any stock options to its Directors.

7. Code of Conduct

The Company is consistently endeavoring to conduct its business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved. The Board of Directors have adopted the Code of Conduct for the Directors and Senior Management ("the Code"). A copy of the Code has been put on the Company's website www.rdbindia.com. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below. "I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors & Senior Management in respect of financial year 2008-09."

S. L. Dugar

Chairman and Managing Director

8. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee of the Company oversees redressal of shareholders and investor grievances, and approves the sub-division, transfer / transmission of shares, issue of duplicate share certificates, etc. The committee also meets as and when required for approving share transfers. The processing activities with respect to requests received for share transfer are normally completed within 30 working days from the date of receipt of request. The Committee met twenty-one times during the financial year under review.

Composition

The Shareholders'/Investors' Grievance Committee comprises three members, all being Non Executive and Independent directors.

Sl. No.	Name	Position	No. of Committee	
			Meetings Held	Attended
1	Mr. Manish Kumar Jain	Chairman	21	21
2	Mr. Krishna Gopal Sinha	Member	21	21
3	Mr. Abhishek Satyanarayan Rathi	Member	21	4

Mr. Purushottam Kejriwal, Company Secretary, is the Compliance Officer of the Company. The shareholders may send their complaints at investors@rdbindia.com.

Details of shareholders' complaints

(a) Number of shareholders' complaints received during the year: 22

(b) Number of shareholders' complaints resolved during the year: 22

(c) Number of complaints not solved to the satisfaction of shareholders : Nil

(d) Number of complaints pending : Nil

9. Demerger Committee

The De-merger Committee was formed by the Board of Directors to implement its decision to restructure the business of the Company by way of de-merger or otherwise; in that connection the committee was empowered to decide upon modalities of de-merger, to evaluate the business segments of the Company, to appoint agencies/ consultants/ lawyers, etc. and any other ancillary and incidental matter for carrying out the de-merger.

Composition of the De-merger Committee

Details of members and their attendance at the meetings:

Sl. No.	Name	Position	No. of Committee	
			Meetings Held	Attended
1	Mr. Sunder Lal Dugar	Chairman	5	5
2	Mr. Ravi Prakash Pincha	Member	5	5
3	Mr. Krishna Gopal Sinha	Member	5	5

During the financial year ended 31st March, 2009, five meetings of the De-merger Committee was held on 3rd April, 2008, 10th November, 2008, 15th December, 2008, 10th February,2009 and 2nd March, 2009.

10. Details of General Body Meetings

The date, time, venue and the special resolutions passed in the last three Annual General Meetings are as under:-

Financial Year ended	Meeting	Date	Time	Location	No. of Special Resolution, if any, passed
2007-08	17th A.G.M	Friday 26.09.2008	9.00 a.m.	Shripati Singhania Hall 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata- 700 020	—
2006-07	16th A.G.M	Saturday 29.09.2007	2.00 p.m.	NTC Factory Complex, 149, Barrackpore Trunk Road, P.O. – Kamarhatti, Kolkata - 700058	1 #
2005-06	15th A.G.M	Monday 25.09.2006	3.30 p.m.	--Do--	—

Special Resolution for delisting from The Calcutta Stock Exchange Association Limited.

Postal Ballot

Special resolution(s) put through postal ballot during last year:

The Members approved, by means of postal ballot, a Special Resolution under Section 372A (1) of the Companies Act, 1956 to enable the Board or to ratify its act of making loan(s) and/or giving any guarantee(s)/ providing any security(ies) and/or acquiring by way of subscription, purchase or otherwise the securities of bodies corporate exceeding the limits prescribed as contained in the Notice to the shareholders dated 30th June, 2008. The salient features of the postal ballot, in respect of the above, are provided below:

- The Board of Directors of the Company, at its meeting held on 30th June, 2008, appointed Mr. Dilip Kumar Sarawagi as the Scrutiniser for conducting the Postal Ballot voting process;
- Notice along with the Postal Ballot Form was despatched to the Members whose names appeared on the
- Register of Members on 8th August, 2008; such despatch was completed on 19th August, 2008;
- The last date of the receipt of Postal Ballot Forms was 20th September, 2008;
- The Scrutiniser submitted his Report dated 25th September, 2008 to the Chairman of the Company;
- Based on the Scrutiniser's report, the result of the Postal Ballot was declared by Mr. Sunder Lal Dugar, Chairman & Managing Director of the Company, on 25th September, 2008 at its Registered Office, as follows:

Particulars	No of Members	No of shares voted	% of total valid votes cast
Total Postal Ballots received	46	6609170	-
Postal Ballots -Valid	40	6605965	-
Postal Ballots- Invalid	6	3205	-
Postal ballots- In favour of the Resolution	40	6605965	100
Postal ballots- Against the Resolution	Nil	Nil	0

RESULT: Passed with the requisite majority.

11. Disclosures

a) Disclosures on materially significant related party transactions: There is no materially significant related party transactions entered i.e. any transaction of material nature, with its promoters, directors or the management or relatives, etc. that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transactions with related parties have been disclosed in Note No. 12 of Schedule "21" in Notes to the Accounts forming part of the accounts for the year ended 31st March, 2009.

b) The Company is regular in complying with the requirements of the regulatory authorities on the matters relating to the capital market and no penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, during the last three years.

c) The Company does not have a whistleblower policy. However, no personnel of the Company have been denied access to the Audit committee.

d) The Company duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the stock exchanges.

12. Adoption of Non-mandatory requirements of Clause 49

The Company has complied with the non-mandatory requirement of Clause 49 with regard to the constitution of Remuneration Committee.

13. Means of communication

(a) The quarterly financial results and annual audited financial results are normally published in The Economic Times and/or The Financial Express in English, Kalantar, Dainik Lipi and/or Arthik Lipi in Bengali.

(b) The quarterly financial results and annual audited financial results of the Company are sent to The Calcutta Stock Exchange Association Limited and Bombay Stock Exchange Limited.

(c) The Company also files its quarterly and yearly compliances through EDIFAR Filing at www.sebiedifar.nic.in.

(d) The Company's financial results are also displayed in its website, www.rdbindia.com.

(e) The Company's website does not display any official news releases.

(f) No presentation was made to the institutional investors or to the analysts during the year under review.

(g) Annual Report containing, inter alia, Directors' Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.

14. Compliance certificate of the auditors

The statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed.

15. General shareholder information

Details of Annual General Meeting for F. Y. 2008-09	
Date :	Wednesday, 23rd September, 2009
Venue :	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 4th Floor, 36A, Shakespeare Sarani, Kolkata- 700017
Time :	9.00 a.m.
Book closure date :	From Saturday, 12th September, 2009 to Wednesday, 23rd September, 2009 (both days inclusive)

Dividend payment date: - On or after 23rd September, 2009.

Financial Calendar

Financial year: 1st April to 31st March

For the year ended 31st March, 2009,

results were adopted on:

- 31st July, 2008: First quarter (Un-audited)
- 31st October, 2008: Half yearly (Un-audited)
- 30th January, 2009: Third quarter (Un-audited)
- 30th June, 2009: Annual (Audited)

For the year ending 31st March, 2010,

the results are likely to be adopted:

- on or before 31st July, 2009 : First quarter (Un-audited)
- on or before 31st October, 2009: Half yearly (Un-audited)
- on or before 31st January, 2010: Third quarter (Un-audited)
- on or before 30th June, 2010: Annual (Audited)

Listing on stock exchanges

The shares of the Company are listed in the following Stock Exchanges, namely

1. The Calcutta Stock Exchange Association Limited
   7, Lyons Range, Kolkata – 700 001
   Website: www.cse-india.com

2. Bombay Stock Exchange Limited
   Phiroz Jeejabhoy Towers
   Dalal Street, Mumbai – 400 001
   Website: www.bseindia.com

The listing fees for the financial year 2009-10 have been paid to the above Stock Exchanges.

Stock Code

(a) Bombay Stock Exchange Limited : 526723

(b) The Calcutta Stock Exchange Association Limited: 28044

Depositories

(a) National Securities Depositories Limited
    Trade World, Kamala Mills Compound, Lower Parel, Mumbai - 400003

(b) Central Depositories Services Limited
    P J Towers, 28th Floor, Dalal Street, Mumbai – 400001

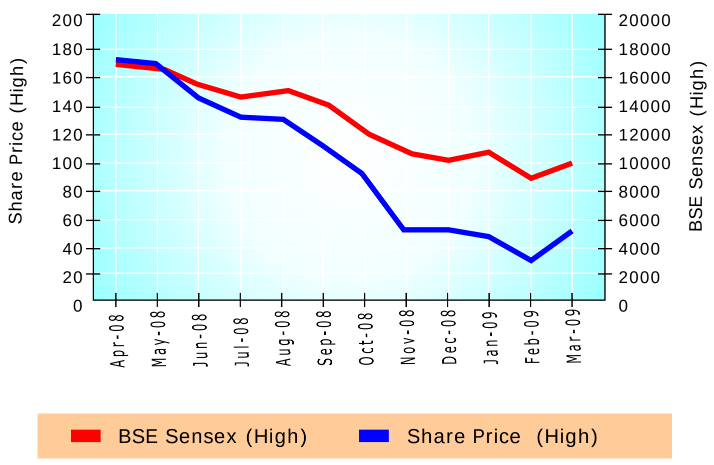
The fees to the depositories for the financial year 2009-10 have been paid.

Market price data

The monthly high and low share price data at the Bombay Stock Exchange Limited for the financial year 2008-09:

Month	Share Price (High)	Share Price (Low)	BSE Sensex (High)	BSE Sensex (Low)
Apr-08	174.00	117.15	17,480.74	15,297.96
May-08	167.80	130.00	17,735.70	16,196.02
Jun-08	144.85	96.00	16,632.72	13,405.54
Jul-08	132.90	86.10	15,130.09	12,514.02
Aug-08	128.80	93.00	15,579.78	14,002.43
Sep-08	110.20	70.00	15,107.01	12,153.55
Oct-08	83.20	36.05	13,203.86	7,697.39
Nov-08	50.80	27.50	10,945.41	8,316.39
Dec-08	51.00	26.55	10,188.54	8,467.43
Jan-09	46.40	28.10	10,469.72	8,631.60
Feb-09	35.60	26.40	9,724.87	8,619.22
Mar-09	51.90	30.50	10,127.09	8,047.17

Performance of Company's Script on BSE vs BSE Sensex



Registrar & Share Transfer Agents

M/s Niche Technologies Private Limited

D-511, Bagree Market, 71, B.R.B. Basu Road,

5th Floor, Kolkata – 700 001

Phone No. 033-2234-3576, 2235-7270, 2235-7271, and 2235-3070

Fax No. 033-2215-6823, e-mail: nichetechpl@nichetechpl.com

Contact Person – Mr. S. Abbas (Sr. Manager – Systems)

Share Transfer System –

The RTA performs all share transfer activities, which is a category-I Registrar and share transfer agent. Therefore, all correspondences should be made to the address mentioned above. Shareholders holding shares in the electronic form should address their correspondence to their respective depository participants.

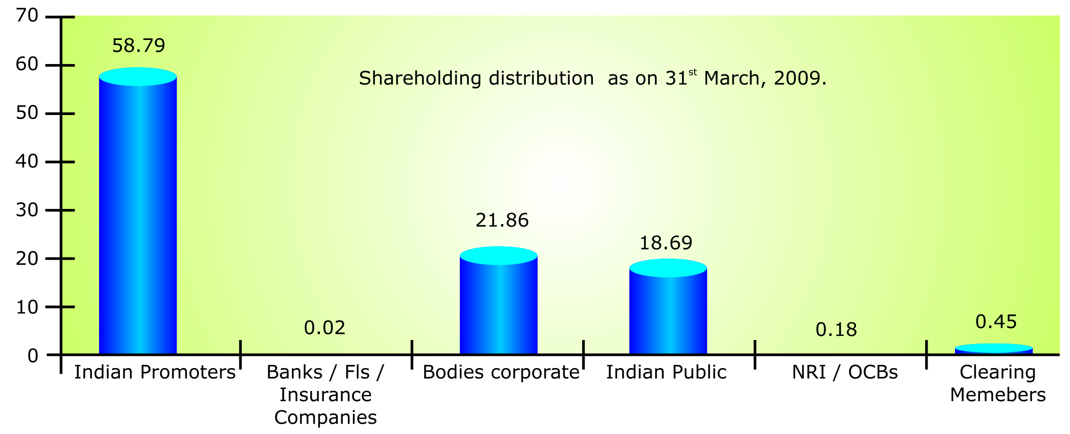
Distribution of Shareholding

Distribution of shareholding by size as on 31st March, 2009.

Range of Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	5282	89.16	708950	6.59
501 – 1000	324	5.46	264080	2.46
1001 – 5000	226	3.81	503241	4.68
5001 – 10000	40	0.67	306785	2.85
10001 – 50000	31	0.52	621848	5.78
50001 – 100000	9	0.15	596644	5.55
100001 and above	12	0.20	7748452	72.08
Total	5924	100.00	10750000	100.00

Distribution of share holding by category as on 31st March, 2009.

Category	Number of Shares	% of Total
Promoters and Promoter Group	6319775	58.79
Banks, Financial institutions etc.	2500	0.02
Private corporate bodies	2349794	21.86
Indian Public	2010039	18.69
NRIs/ OCBs	19364	0.18
Clearing Members	48528	0.45
Total	10750000	100.00



List of Top Ten Shareholders as on 31st March, 2009.

Sl. No.	Name of the Shareholder	No. of Shares held	% of Shareholding
1	Vinod Dugar	2068023	19.24
2	Sheetal Dugar	1000000	9.30
3	Khatod Investments And Finance Company Ltd.	921225	8.60
4	Teck Consultancy And Services Private Ltd.	750000	6.98
5	Shree Strips India Pvt. Limited	716122	6.66
6	Sunder Lal Dugar	687900*	6.40
7	Paramdham Mercantile Private Limited	385500	3.59
8	Loka Properties Pvt Limited	377100	3.51
9	Ankur Constructions Pvt Ltd.	375000	3.49
10	Tantia Financial Services Ltd	250000	2.32

* includes 67200 shares held as Karta of Moti Lal Dugar(HUF).

Details of shares held by Directors as on 31st March, 2009.

Name of Director	No. of Equity Shares	% of Total holding
Mr. Sunder Lal Dugar	687900*	6.40
Mr. Ravi Prakash Pincha	5600	0.05
Mr. Krishna Gopal Sinha	Nil	Nil
Mr. Mahendra Pratap Singh	Nil	Nil
Mr. Manish Kumar Jain	Nil	Nil
Mr. Abhishek Satyanarayan Rathi	Nil	Nil
Total	693500	6.45

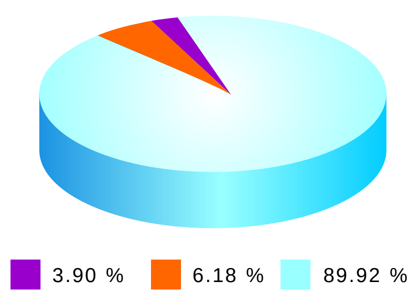
* includes 67200 shares held as Karta of Moti Lal Dugar (HUF).

Dematerialisation of shares and liquidity

Shares held in dematerialised and physical form as on 31st March, 2009

Status of Dematerialisation	No. of Share	% of Total Share
Share held in NSDL	9666404	89.92%
Share held in CDSL	663823	6.18%
Shares held in physical form	419773	3.90%

Demat Status as on 31.03.2009



Plant Location:

NTC Factory Complex, 149, B. T. Road, Kamarhatti, Kolkata - 700058

Address for correspondence:

RDB Industries Limited "Bikaner Building", 1st Floor, 8/1 Lal Bazar Street, Kolkata - 700001

Website: www.rdbindia.com

CEO / CFO CERTIFICATION

To,

The Board of Directors,

RDB Industries Limited

We, Sunder Lal Dugar, Chairman and Managing Director, appointed in terms of the Companies Act, 1956 and Sanjay Kumar Agrawal, Chief Financial Officer, hereby certify to the Board that:

a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2009 and that to the best of our knowledge and belief:

I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee that:

i. There have been no significant changes in internal control over financial reporting during the year;

ii. There have been no significant changes in accounting policies during the period

iii. There have been no instances of significant fraud of which we have become aware and the involvement therein if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For RDB Industries Limited

S. L. Dugar	S. K. Agrawal
Chairman & Managing Director	Chief Financial Officer
Kolkata, 30th June, 2009	

Certificate on Corporate Governance

We have reviewed the compliance of conditions of Corporate Governance by RDB Industries Limited (the Company) for the year ended 31st March, 2009, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate Governance as stipulated in the Clause 49 of the above–mentioned Listing Agreement.

On the basis of records maintained by the company, we state that as on 31st March, 2009, there were no investor grievances remaining pending for a period exceeding one month against the company.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place:Kolkata

Date:30.06.2009

For S. M. DAGA & CO.

Chartered Accountants

Deepak Daga

(D. K. DAGA)

Partner

Membership No. 59205

Annexure - “C”

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:Nil

Foreign exchange outgo:Rs.13,98,205/-

Approval under Section 212 (8) of the Companies Act, 1956

Dear Shareholders,

This has reference to the Directors' Report for the financial year ended 31st March 2009 in which your directors mentioned that the annual 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. This is to inform you that the Central Government in exercise of the power conferred by sub-section (8) of Section 212 of the Companies Act, 1956 vide its letter dated 28th July 2009 has exempted your Company from the requirements of the provisions contained in sub-section (1) of Section 212 of the Companies Act, 1956, subject to the following conditions:

i. The company will present in the annual report, the consolidated financial statements of its subsidiaries duly audited by the statutory auditors.
ii. The consolidated financial statement will be prepared in strict compliance with the Accounting Standard and Listing Agreement as prescribed by SEBI.
iii. Following information in aggregate for each subsidiary should be disclosed in one page of the consolidated balance sheet respectively (a) capital(b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.
iv. The holding company shall undertake, in its annual report that annual accounts of the subsidiaries companies and the related detailed information will be made available to the holding and subsidiaries investors, seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor in its head office and that of the subsidiary companies concerned and a note to the above effect will be included in the annual report of the holding company.
v. The holding as well as subsidiaries in question will regularly file such data to the various regulatory and Government authorities as may be required by them.
vi. The company will give Indian rupees equivalent of the figures, if any, given in foreign currency appearing

In due compliance of the above-said conditions, the annual accounts of the subsidiary companies have not been attached with Annual Report of your company.

Date: 31st July 2009
Registered Office
'Bikaner Building'
8/1, Lal Bazar Street
Kolkata - 700 001

By order of the Board
RDB Industries Limited

Plejriwal

Purushottam Kejriwal
Company Secretary

Auditor's Report

To
The Members
RDB Industries Limited

We have audited the attached Balance Sheet of RDB INDUSTRIES LIMITED as at 31st March, 2009, 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub- section (1) of section 274 of the Companies Act, 1956.
   (b) 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, 2009;
   (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 excepting material lying with third parties.

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 except in respect of work-in-progress. However, as in earlier years work-in-progress has been determined by the management on the basis of physical verification during the year. 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 and have been properly dealt with in the books of accounts.

iii) a) The Company has granted unsecured loans to 22 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 172,605,904/- and the year end balance of loans granted to such parties were Rs.33,316,536/-.

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 payment of interest.

d) There is no overdue amount of loans granted to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

e) The Company has taken unsecured loans from 4 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 92,571,919/- and the year end balance of loans granted to such party was Rs. 74,537,973/-.

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 payment 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 and as far as ascertained from the records produced for our verification, the particulars of dues in respect of Excise Duty that have not been deposited on account of any dispute are as follows:

Name of the Statute	Name of the Dues	Amount (Rs. in Lacs)	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty and interest thereon	9137.02	Assistant/Additional /Deputy commissioner, Commissioner, Commissioner (Appeals), Appellate Tribunal, High Court & Supreme Court

x) The Company does not have accumulated losses as at 31st March, 2008 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

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 given guarantees for loans taken by its subsidiary company from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions, on which the Company has given guarantees for such loans, are not prima facie, prejudicial to the interest of the Company.

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.

11, Clive Row,
Place: Kolkata: 700 001
Dated: 30th June, 2009

For S. M. Daga & Co.
Chartered Accountants
Deepak Daga
D.K. Daga
Partner
Membership No. 59205

Balance Sheet as at 31st March 2009

(amount in rupees)

	Schedule No.	As at 31st March 2009		As at 31st March 2008	
I SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	107,500,000		120,250,000	
b) Reserves & Surplus	2	675,753,884	783,253,884	642,400,286	762,650,286
2. Loan Funds	3				
a) Secured Loans		325,463,451		227,250,491	
b) Unsecured Loans		112,649,559	438,113,010	95,189,861	322,440,352
Total			1,221,366,894		1,085,090,638
II APPLICATION OF FUNDS					
1. Fixed Assets	4				
a) Gross Block		335,601,378		297,370,861	
b) Less: Depreciation		98,849,110		87,032,757	
c) Net Block		236,752,268		210,338,104	
d) Capital Work-in-Progress		40,761,293	277,513,561	51,764,453	262,102,557
2. Investments	5		135,852,937		156,202,290
3. Deferred Tax Assets			2,349,230		2,505,120
4. Current Assets, Loans and Advances					
a) Inventories	6	599,916,175		416,768,590	
b) Sundry Debtors	7	50,446,444		48,487,150	
c) Cash & Bank Balances	8	50,848,814		11,524,683	
d) Loans & Advances	9	859,460,897		570,046,386	
		1,560,672,330		1,046,826,809	
Less : Current Liabilities & Provisions	10				
a) Current Liabilities		722,543,836		335,933,788	
b) Provisions		32,477,328		46,612,350	
		755,021,164		382,546,138	
Net Current Assets			805,651,166		664,280,671
Total			1,221,366,894		1,085,090,638
Notes to the accounts	21				

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 S. M. DAGA & CO.
Chartered Accountants
Deepak Daga
D. K. DAGA
Partner
Membership No.59205

Kolkata
The 30th day of June 2009

S. L. Dugar
Chairman and Managing Director

R. P. Pincha
Whole Time Director

P.Kejriwal
Company Secretary

Profit & Loss Account for the year ended 31st March 2009

(amount in rupees)

	Schedule No.	For the year ended 31st March 2009		For the year ended 31st March 2008	
INCOME					
Sales & Services	11		340,943,591		239,826,709
Less: Excise Duty			74,798,227		82,357,270
			266,145,364		157,469,439
Profit from Partnership Firms	12		6,121,900		105,766,220
Other Income	13		71,983,016		56,530,314
Increase / (Decrease) In Stocks	14		184,370,717		329,118,820
			528,620,997		648,884,793
EXPENDITURE					
Manufacturing and Other Expenses	15		20,002,568		24,970,976
Construction Activity Expenses	16		370,228,877		412,696,602
Payment to and Provision for Employees	17		31,983,753		34,810,639
Selling and Distribution Expenses	18		23,343,386		24,737,686
Administrative and General Expenses	19		19,502,032		11,255,268
Interest and Finance Charges	20		19,770,943		4,758,993
Depreciation			14,693,197		11,234,563
			499,524,756		524,464,727
Profit Before exceptional Items			29,096,241		124,420,066
Add: Exceptional Items (Net)			40,071		(537,562)
Profit Before Taxation			29,136,312		123,882,504
Less: Provision For Taxation					
- Current Income Tax		2,607,000		2,050,000	
- Tax adjustments for earlier years		(734,643)		(1,010,249)	
- Fringe Benefit tax		215,986		200,000	
- Deferred Tax (Assets) / Liabilities		155,890	2,244,233	(1,290,052)	(50,301)
Profit After Taxation			26,892,079		123,932,805
Balance Brought Forward			209,869,224		102,224,900
Profit Available for Appropriation			236,761,303		226,157,705
APPROPRIATIONS					
Proposed Dividend on Equity Shares			5,375,000		5,375,000
Tax on Proposed Dividend			913,481		913,481
General Reserve			10,000,000		10,000,000
Balance Carried to Balance Sheet			220,472,822		209,869,224
			236,761,303		226,157,705
Earnings Per Share :- (Face Value Rs.10/- each)					
Basic & Diluted			2.50		11.53
Notes to the accounts	21				

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 S. M. DAGA & CO.
Chartered Accountants
Deepak Daga
D. K. DAGA
Partner
Membership No.59205

Kolkata
The 30th day of June 2009

S. L. Dugar
Chairman and Managing Director

R. P. Pincha
Whole Time Director

P.Kejriwal
Company Secretary

Cash Flow Statement for the ended 31st March 2009

(amount in rupees)

Cash Flow Statement	For the year ended 31st March,2009		For the year ended 31st March,2008	
A. Cash flow from operating activities :				
Net profit before tax as per Profit & Loss account		29,136,312		123,882,504
Adjustments for				
Depreciation	14,693,197		11,234,563	
Bad Debts / Advances Written Off	4,999,162		-	
(Profit) / Loss on Sale of Investments	(8,043,568)		(700,000)	
Interest Paid	17,302,558		4,228,664	
Liabilities no longer required Written Back	(14,523)		(502,474)	
Interest Received	(19,718,770)		(20,736,097)	
Provision for Employee Benefits	(517,594)		4,903,538	
Provision for Rental Income	(1,929,100)	6,771,362	(4,975,021)	(6,546,827)
Operating profit before working capital changes		35,907,674		117,335,677
(Increase) / Decrease in Inventories	(183,147,585)		(326,953,962)	
(Increase) / Decrease in Trade and other receivables	(378,774,805)		(228,488,137)	
Increase / (Decrease) in Trade Payables	382,123,258	(179,799,132)	248,140,162	(307,301,937)
Cash generated from operations		(143,891,458)		(189,966,260)
Less: Direct taxes paid/ Refunds including Interest (Net)		8,356,305		10,794,950
Cash Flow before Exceptional Items		(152,247,763)		(200,761,210)
Exceptional Items		(40,071)		537,562
Net cash Generated/(used) from operating activities		(152,287,834)		(200,223,648)
B. Cash flow from investing activities :				
Purchase of fixed assets	(31,058,166)		(119,931,925)	
Sale of fixed assets	994,035		690,000	
Profit / (Loss) on Sale of Investments	8,043,568		700,000	
Interest Received	24,284,043		23,792,616	
Investment with Subsidiaries and Firms	9,449,353		(65,370,370)	
Sale of Investment with Associates / Subsidiaries	10,900,000		700,000	
Loans Refund / (Given)	76,749,000		71,995,486	
		99,361,833		(87,424,193)
Net cash from investing activities		99,361,833		(87,424,193)

Cash Flow Statement (Contd.) for the year ended 31st March 2009

(amount in rupees)

Cash Flow Statement	For the year ended 31st March,2009		For the year ended 31st March,2008	
C. Cash flow from financing activities :				
Proceeds / (Repayment) of borrowings	111,638,760		301,329,323	
Interest Paid	(13,268,660)		(3,671,235)	
Unclaimed Dividend	168,513		125,795	
Dividend paid	(5,375,000)		(5,375,000)	
Dividend Tax paid	(913,481)	92,250,132	(913,481)	291,495,402
Net cash generated/(used) in financing activities		92,250,132		291,495,402
Net increase/(decrease) in cash and cash equivalents (A+B+C)		39,324,131		3,847,561
Cash and cash equivalents -Opening balance		11,524,683		7,677,122
		50,848,814		11,524,683
Cash and cash equivalents -Closing balance		50,848,814		11,524,683
CASH AND CASH EQUIVELANTS COMPRISE:				
Cash on hand		1,854,107		3,977,791
Cheques on hand		7,349,468		100,000
Balances with Scheduled Banks on:				
Current Accounts		19,322,749		4,154,592
Unpaid Dividend Accounts		430,969		262,456
Fixed Deposit Account		21,891,521		3,029,844
		50,848,814		11,524,683

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

For S. M. DAGA & CO.
Chartered Accountants

Deepak Daga

D. K. DAGA
Partner
Membership No.59205

Kolkata
The 30th day of June 2009

For and on behalf of the Board

S. L. Dugar
Chairman and Managing Director

R. P. Pincha
Whole Time Director

P.Kejriwal
Company Secretary

Schedules forming part of the Balance Sheet as on 31st March 2009

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 1 SHARE CAPITAL		
Authorised		
16,500,000 Equity Shares of Rs.10/- each	165,000,000	165,000,000
3,500,000 Preference Shares of Rs.10/- each	35,000,000	35,000,000
	200,000,000	200,000,000
Issued, Subscribed and Paid up:		
10,750,000 Equity Shares of Rs.10/- each	107,500,000	107,500,000
Convertible Share Warrants	-	12,750,000
(Refer note 13 of notes to the accounts)		
	107,500,000	120,250,000

* of the above Equity Shares

(a) 6,73,400 shares were allotted pursuant to take over of proprietorship firm without payment being received in cash.

(b) 1,000,000 shares were allotted pursuant to conversion of warrants.

Schedule - 2 RESERVES & SURPLUS

(amount in rupees)

	As at 31st March 2009		As at 31st March 2008	
Capital Reserve				
Opening Balance	2,500,000		-	
Add: during the year*	12,750,000	15,250,000	2,500,000	2,500,000
*(Refer note number 14 of notes to the accounts)				
Capital Redemption Reserve				
Opening Balance		26,440,000		26,440,000
Securities Premium Account				
Opening Balance		377,500,000		377,500,000
General Reserve				
Opening Balance	26,091,062		10,000,000	
Add: Adjustment for transitional Provision of AS-15	-		6,091,062	
Add : Transfer from Profit & Loss Account	10,000,000	36,091,062	10,000,000	26,091,062
Profit & Loss Account				
Balance as per Profit & Loss Account		220,472,822		209,869,224
		675,753,884		642,400,286

Schedules forming part of the Balance Sheet as on 31st March 2009

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 3 LOAN FUNDS		
Secured Loans		
Cash Credit from Banks	258,230,965	183,037,504
Secured by hypothecation of building materials, work in progress along with equitable mortgage of Project Land and Personal Guarantees of the Chairman and Executive Director.		
(Amount Repayable within a year Rs.1,90,000,000/- Previous Year 65,000,000/-)		
Term Loan from Banks	37,298,359	43,891,684
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. 7,563,013/- Previous Year Rs.7,196,648/-)		
Loan Against Rent Securitisation	29,866,949	-
* Secured by way of assignment of lease rentals charge and equitable mortgage of title deed of immovable property		
(Amount Repayable within a year Rs.6,924,240/- Previous Year Rs.Nil)		
Loan against hypothecation of Car	67,178	321,303
* Secured by way of charge over Vehicles Financed.		
(Amount Repayable within a year Rs.67,178/- Previous Year Rs.254,125/--)		
	325,463,451	227,250,491
Unsecured Loans		
From Bodies Corporate	112,649,559	95,189,861
(Includes interest accrued and due Rs.5,389,560/-Previous Year Rs.557,429/-)		
	112,649,559	95,189,861

Schedule - 4 FIXED ASSETS

(amount in rupees)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2008	Additions During the Year	Deductions During the Year	As at 31st March 2009	Up to 31st March 2008	For the Year	Deductions During the Year	Up to 31st March 2009	As at 31st March 2009	As at 31st March 2008
Land	70,446,307	-	-	70,446,307			-	-	70,446,307	70,446,307
Factory Building	39,096,621	-	-	39,096,621	23,301,947	1,579,467	-	24,881,414	14,215,207	15,794,674
Other Building	88,850,279	36,840,439	-	125,690,718	23,974,611	3,657,982	-	27,632,593	98,058,125	64,875,668
Plant & Machinery	91,488,446	3,530,241	3,158,471	91,860,216	35,908,263	7,837,210	2,240,026	41,505,447	50,354,769	55,580,183
Furniture & Fixtures	811,421	47,924	385,656	473,689	644,855	68,100	364,473	348,482	125,207	166,566
Vehicles	3,337,236	789,692	286,681	3,840,247	2,292,181	360,962	272,345	2,380,798	1,459,449	1,045,055
Computers	3,340,551	853,029	-	4,193,580	910,900	1,189,476	-	2,100,376	2,093,204	2,429,651
Total	297,370,861	42,061,325	3,830,808	335,601,378	87,032,757	14,693,197	2,876,844	98,849,110	236,752,268	210,338,104
Previous Year	224,148,690	76,766,253	3,544,082	297,370,861	78,382,875	11,234,563	2,584,681	87,032,757	210,338,104	-
Capital Work in Progress (Includes Rs.Nil /- transferred from Work in Progress) (Previous Year Rs.536,646/-)									40,761,293	51,764,453

Schedules forming part of the Balance Sheet as on 31st March 2009

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 5 INVESTMENTS		
(A) Long Term		
Trade Investments (at cost)		
(I) Subsidiary Companies Unquoted		
Alok Nirmaan Private Ltd.		
Nil (Previous Year 200000) Equity Shares of Rs.10/- each, fully paid	-	2,000,000
Alok Niwas Private Ltd.		
Nil (Previous Year 200000) Equity Shares of Rs.10/- each, fully paid	-	2,000,000
Alok Towers Private Ltd.		
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-	100,000
Alok Villa Private Ltd.		
Nil (Previous Year 200000) Equity Shares of Rs.10/- each, fully paid	-	2,000,000
Ambalika Vanijya Private Ltd.		
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-	100,000
Bahubali Tie-up Private Ltd.		
10000 Equity Shares of Rs.10/- each, fully paid	100,000	100,000
Baron Suppliers Private Ltd.		
10000 Equity Shares of Rs.10/- each, fully paid	100,000	100,000
Bhagwati Builders & Development Private Ltd.		
27200 Equity Shares of Rs.10/- each, fully paid	12,920,000	12,920,000
Bhagwati Plasto Works Private Ltd.		
562870 Equity Shares of Rs.10/- each, fully paid	11,257,400	11,257,400
Bidyut Griha Niwas Private Ltd.		
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-	100,000
Bidyut Kutir Nirmaan Private Ltd.		
Nil (Previous Year 200000) Equity Shares of Rs.10/- each, fully paid	-	2,000,000
Headman Mercantile Private Ltd.		
10010 Equity Shares of Rs.10/- each, fully paid	100,100	100,100
Kasturi Tie-up Private Ltd.		
10000 Equity Shares of Rs.10/- each, fully paid	100,000	100,000
Oswal Manufacturing Co.Private Ltd.		
30500 Equity Shares of Rs.10/- each, fully paid	305,000	305,000
Pincha Estate Development Private Ltd.		
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-	100,000
Pincha Griha Nirmaan Private Ltd.		
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-	100,000
Pincha Home Builders Private Ltd.		
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-	100,000
Pincha Quality Apartments Private Ltd.		
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-	100,000
Raj Construction Projects Pvt. Ltd.		
1207250 Equity Shares of Rs.10/- each, fully paid	14,523,230	14,523,230
Rathi Ess En Finance Co. Pvt. Ltd.		
129700 Equity Shares of Rs.10/- each, fully paid	1,950,370	1,950,370

Schedules forming part of the Balance Sheet as on 31st March 2009

(amount in rupees)

	As at 31st March 2009		As at 31st March 2008	
Schedule - 5 INVESTMENTS (Cont...)				
(A) Long Term				
Trade Investments (at cost)				
(I) Subsidiary Companies Unquoted				
RD Devcon Pvt. Ltd.				
10000 Equity Shares of Rs.10/- each, fully paid	100,000		-	
RDB Realty & Infrastructure Ltd.				
50000 Equity Shares of Rs.10/- each, fully paid	501,247		-	
Sarvana Tracom Private Ltd.				
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-		100,000	
Satabdi Vyapaar Private Ltd.				
Nil (Previous Year 10000) Equity Shares of Rs.10/- each, fully paid	-		100,000	
Triton Commercial Private Ltd.				
10000 Equity Shares of Rs.10/- each, fully paid	100,000		100,000	
		42,057,347		50,356,100
(II) In Others Unquoted				
Infravision Developers Private Ltd.				
500000 Equity Shares of Rs.10/- each, fully paid	5,000,125		5,000,125	
Rimjhim Vanijya Private Ltd.				
5000 Equity Shares of Rs.10/- each, fully paid	50,000	5,050,125	50,000	5,050,125
(III) Invesments in the Capital of Partnership Firms				
(Refer note 10 of notes to the accounts)				
M/s RD Properties*	-		25,260,921	
M/s Bindi Developers	88,745,465	88,745,465	73,535,144	98,796,065
* Refer note 11 of notes to the accounts				
(B) Current Investment				
Trade Investments (at cost) In Others, Unquoted				
Iskon Estates Private Ltd.		-		2,000,000
Nil (Previous Year 200,000) Equity Shares of Rs.10/- each, fully paid				
		135,852,937		156,202,290
Aggregate book cost of unquoted investments Rs.		135,852,937		156,202,290

Movements During the Year Purchased and Sold Equity Shares

100 Equity Shares of Rs.10/- each of M/s Rimjhim Vanijya Private Limited at cost of Rs.1,000/-

50,000 Equity Shares of Rs.10/- each of M/s Temptation Foods Limited at cost of Rs.9,667,304/-

1,912,670 Equity Shares of Rs.10/- each of M/s Media Metrix Worldwide Limited at cost of Rs.8,972,818/-

2,000,000 Equity Shares of Rs.10/- each of M/s Pyramid Saimira Production International Limited at cost of Rs.100,000,000/-

Schedules forming part of the Balance Sheet as on 31st March 2009

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 6 INVENTORIES		
Store, Packing & Other Materials	3,093,352	3,326,543
Raw Materials	5,541,374	6,531,315
Work-in-Progress		
- Own Construction Projects	545,752,527	363,535,408
- Construction Contracts	15,680,000	27,156,335
Finished Goods	29,848,922	16,218,989
	599,916,175	416,768,590

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 7 SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	12,911,547	14,429,979
Other Debts	37,534,897	34,057,171
	50,446,444	48,487,150

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 8 CASH & BANK BALANCES		
Cash on hand	1,854,107	3,977,791
Cheques on hand	7,349,468	100,000
Balances with Scheduled Banks in:		
Current Accounts	19,322,749	4,154,592
Unpaid Dividend Accounts	430,969	262,456
Fixed Deposit Account	21,891,521	3,029,844
(Pledged with respective Bank against credit facilities availed by the Company)		
	50,848,814	11,524,683

Schedules forming part of the Balance Sheet as on 31st March 2009

(amount in rupees)

	As at 31st March 2009		As at 31st March 2008	
Schedule - 9 LOANS & ADVANCES				
(Unsecured, considered good)				
Loans (including interest accrued)				
-to Subsidiaries	33,316,536		114,752,596	
-to Others	-	33,316,536	-	114,752,596
Advances (Recoverable in cash or in kind or for value to be received)		742,835,793		398,524,429
Sundry Deposits		55,535,903		24,105,794
Balance with Excise Authorities		1,761,052		3,815,472
Payment of Income Tax including Fringe Benefit Tax		25,643,828		28,538,706
Prepaid Expenses		367,785		309,389
		859,460,897		570,046,386

Loans to Subsidiaries comprise of :

Name	Maximum amount outstanding during the year	Closing Balance	Maximum amount outstanding during the year	Closing Balance
Bahubali Tie-up Private Ltd.	-		7,763,079	7,763,079
Baron Suppliers Private Ltd.	-		7,746,603	7,746,603
Bhagwati Plasto Works Private Ltd.	-		9,315,808	8,872,446
Headman Mercantile Private Ltd.	-		7,788,169	7,788,169
Kasturi Tie-up Private Ltd.	-		7,826,279	7,826,279
Oswal Manufacturing Co.Private Ltd.	-		34,089,317	31,039,582
Rathi Ess En Fincnce Co. Pvt. Ltd.	53,007,937	33,316,536	35,936,499	35,936,499
Triton Commercial Private Ltd.	-		7,779,939	7,779,939

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 10 CURRENT LIABILITIES		
Sundry Creditors *	36,317,835	20,074,746
Advances from Customers	461,903,708	117,845,453
Sundry Deposits	21,836,336	15,368,067
Investor Education and Protection Fund**	430,969	262,456
Other Liabilities	142,673,014	160,834,906
Bank Book Overdrawn	37,833,814	-
Excise Duty Payable (Badarpur)	21,548,160	21,548,160
	722,543,836	335,933,788
PROVISIONS		
Income Tax	4,657,000	14,021,000
Fringe Benefit Tax	585,407	506,035
Retirement Benefits	20,946,440	25,796,834
Proposed Dividend	5,375,000	5,375,000
Tax on Proposed Dividend	913,481	913,481
	32,477,328	46,612,350

* No amount due to Small, Medium & Micro Enterprise

** Due for less than Seven years

Schedules forming part of the Profit & Loss account for the year ended 31st March 2009

(amount in rupees)

	For the year ended 31st March 2009		For the year ended 31st March 2008	
Schedule - 11 SALES & SERVICES				
Tobacco Products		113,230,593		105,176,868
Construction Activities		227,134,299		133,859,126
Miscellaneous		578,699		790,715
		340,943,591		239,826,709
Schedule - 12 PROFIT FROM PARTNERSHIP FIRMS				
M/s RD Properties		6,167,503		105,753,321
M/s RDB Constructions		–		338,429
M/s Bindi Developers		(45,603)		(325,530)
		6,121,900		105,766,220
Schedule - 13 OTHER INCOME				
Rental Income		41,222,574		31,050,138
Interest Received*				
-Capital with Partnership Firm	9,982,874		9,412,565	
-Loans	9,735,896	19,718,770	11,323,532	20,736,097
Scrap Sales		63,114		-
Profit / (Loss) on Sale of Long Term Trade Investments		(3,470,000)		700,000
Profit on Sale of Current Non Trade Investments		11,513,568		-
Liabilities/ advances no longer payable written back**		14,523		502,474
Prior Period Income		234,651		1,254,019
Commission Income		766,179		-
Miscellaneous Income		1,919,637		2,287,586
		71,983,016		56,530,314

*Tax Deducted at Source Rs.1,732,313/- (Previous Year Rs.2,272,062/-)

** Net of Sundry balances written off Rs 4/- (Previous Year Rs.51,786/-)

	For the year ended 31st March 2009		For the year ended 31st March 2008	
Schedule - 14 INCREASE / (DECREASE) IN STOCKS				
Opening stock				
Work-in-Progress	390,691,743		75,948,985	
Add: Related to Prior Period	-		1,237,489	
Less: Transferred to Capital Work In Progress	-	390,691,743	536,646	76,649,828
Finished Goods		12,906,957		1,142,084
Stock in Transit		3,312,032		-
		406,910,732		77,791,912
Closing stock				
Work-in-Progress		561,432,527		390,691,743
Finished Goods		28,482,387		16,218,989
Stock in Transit		1,366,535		-
		591,281,449		406,910,732
Increase / (Decrease) in Stocks		184,370,717		329,118,820

Schedules forming part of the Profit & Loss account for the year ended 31st March 2009

(amount in rupees)

	For the year ended 31st March 2009		For the year ended 31st March 2008	
Schedule - 15 MANUFACTURING AND OTHER EXPENSES				
Raw Materials Consumed		13,301,959		16,375,449
Packing and Printing Materials Consumed		557,626		727,251
Stores & Spares Consumed		2,247,299		2,621,134
Power & Fuel		3,019,366		3,079,560
Repairs to				
-Building	175,163		519,887	
-Machinery	282,953	458,116	986,753	1,506,640
Carriage Inward		307,451		375,638
Other Manufacturing Expenses		110,751		285,304
		20,002,568		24,970,976
Schedule - 16 CONSTRUCTION ACTIVITY EXPENSES				
Cost of Land and Development Charges		7,018,599		194,529,771
Construction and other Materials		259,207,507		180,001,137
Contract Labour Charges		55,086,228		7,130,789
Interest on Project Loan		25,628,854		7,378,188
Professional Charges		4,732,034		9,277,178
Project Management Charges		1,393,230		3,409,728
Other Construction Expenses		17,162,425		10,969,811
		370,228,877		412,696,602
Schedule - 17 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES				
Salaries, Wages and Bonus		28,086,261		25,317,927
Contribution to Provident and Other Funds		3,550,148		3,454,801
Employee Welfare and other amenities		1,116,968		979,911
Gratuity		(769,624)		5,058,000
		31,983,753		34,810,639
Schedule - 18 SELLING AND DISTRIBUTION EXPENSES				
Advertisement & Publicity Expenses		10,272,830		14,194,563
Sales Tax / Value Added Tax		8,766,392		7,933,144
Freight & Forwarding Charges		2,239,146		1,923,576
Commission to Selling Agents		1,519,208		666,588
Other Sales Expenses		545,810.00		19,815
		23,343,386		24,737,686

Schedules forming part of the Balance Sheet as on 31st March 2009

(amount in rupees)

		For the year ended 31st March 2009		For the year ended 31st March 2008
Schedule - 19 ADMINISTRATIVE AND GENERAL EXPENSES				
Legal and Professional Charges		7,039,446		4,095,637
Postage, Telegraph & Telephones		993,415		937,221
Motor Vehicle Expenses		966,484		946,214
Rates & Taxes		471,438		1,176,494
Rent		609,482		412,259
Travelling & Conveyance Expenses		673,478		352,461
Insurance		145,732		140,378
Interest, Penalty & Demurrage		25,031		400
Prior Period Expense		-		1,216,789
Auditors Remuneration :				
Statutory Audit Fee	176,000		176,000	
Tax Audit Fee	25,000	201,000	25,000	201,000
Electricity Expenses		30,358		229,085
Other Repairs		306,326		388,809
Printing & Stationary		826,178		460,144
Miscellaneous Expenses		2,214,502		698,377
Bad Debts/ Advances Written Off		4,999,162		-
		19,502,032		11,255,268

	For the year ended 31st March 2009	For the year ended 31st March 2008
Schedule - 20 INTEREST AND FINANCE CHARGES		
Interest Paid		
On Loans from Bodies Corporate	6,510,674	721,163
On Term Loans from Banks	8,945,502	2,748,956
On Working Capital Loans	1,824,864	698,970
Others	21,518	59,575
Finance Charges	2,468,385	530,329
	19,770,943	4,758,993

Schedule forming part of the accounts

Schedule "21" 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 obligation 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

Real Estate Division

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.

f) Interest income is recognised on accrual basis on a time proportion basis.

Tobacco Division

a) Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer.

Schedule forming part of the accounts
Schedule 21 - Notes to the accounts (contd..)

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 consist of all directly attributable expenditure.
Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation cost includes licence 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

Real Estate Division

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.

Tobacco Division

a) Raw Materials: At lower of weighted average cost or net realisable value.
b) Work in Progress: At lower of cost or net ralisable value.
c) Finished Goods: At lower of cost or net realisable value.
d) Stores, Packing & Other Materials: At lower of weighted average cost or net realisable value.

Provision for obsolescence in inventories is made, wherever required.

H. EXCISE DUTY

Excise duty has been accounted for at the time of manufacture of goods, accordingly excise duty on finished goods lying as stock in factory has been considered for valuation.

I. FOREIGN CURRENCY TRANSACTION

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

J. SALES

Real Estate Division: Sales is inclusive of service tax and value added tax, if any, but excludes sales return.
Rental Income: Rental income is exclusive of service tax.
Tobacco Division: Sales represents invoice value of finished goods sold inclusive of excise duty and value added tax but excludes sales returns, claims, rate difference etc.

Schedule forming part of the accounts
Schedule 21 - Notes to the accounts (contd..)

K. CLAIMS/REFUNDS

Excise, Insurance and other claims/refunds are accounted for on acceptance/actual receipt/ payment basis.

L. EMPLOYEE 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.

M. 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 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.

c) Fringe Benefit Tax: The Company provides Fringe Benefit Tax in accordance with the applicable Income Tax laws.

N. 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.

O. 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.

P. 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.

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

2. Earnings Per Share

Earnings per share is computed as under:-	2008-09	2007-08
(A) Profit after Taxation (Rs.)	26,892,079	123,932,805
(B) Weighted average number of Equity Shares outstanding	10,750,000	10,750,000
(C) Effect of Potential Equity Shares on Share Warrant outstanding	-	-
(D) Weighted average number of Equity Shares in computing diluted earning per share (B+C)	10,750,000	10,750,000
(E) Earnings per share (Face value of Rs.10/- per share) (Rs.)		
Basic (A/B)	2.50	11.53
Diluted (A/D)	2.50	11.53

Note:-Convertible share warrants were cancelled on 06.06.2008 due to non exercise of conversion right by Teck Consultancy & Services Private Ltd. and hence no potential equity shares are outstanding to dilute the earnings per share.

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:

(amount in rupees)

PARTICULARS	2008-09	2007-08
Contract revenue recognised during the year	113,407,109	64,423,000
Contract Cost incurred and recognised profits (less recognised losses) for all the contracts.	115,017,601	64,723,766
Advances received	34,855,804	31,125,900
Retentions	10,744,240	3,221,150
Due from customer for contract work	3,818,150	-
Due to suppliers for contract work	-	-

4. Exceptional items (Net) comprise of following adjustments:

(amount in rupees)

PARTICULARS	2008-2009	2007-08
INCOME		
Profit on sale of Fixed Assets	204,125	-
	204,125	-
EXPENSES		
Loss on damaged stock	-	268,160
Loss on sale of Fixed Assets	-	245,462
Fixed Assets written off	164,054	23,940
	164,054	537,562
Exceptional items (Net)	40,071	(-) 537,562

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

5. Prior period adjustment (Net) amounting to Rs.234,651/- [Previous Year 37,229/-] debited to Profit and Loss Account comprises of following Income / Expenses:

(amount in rupees)

PARTICULARS	2008-09	2007-08
INCOME		
Reversal of Cost of Sale	-	1,237,489
Electricity Charges	166,385	-
Other Miscellaneous Receipts	68,266	16,530
	234,651	1,254,019
EXPENSES		
Land Revenue	-	1,033,362
Salary, Bonus, Gratuity & Leave Salary	-	89,440
Others	-	93,988
	-	1,216,790
Prior period adjustment (Net)	234,651	37,229

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

(amount in rupees)

S.No.	PARTICULARS	2008-09	2007-08
I	Asset under leasing arrangement-Building *		
	a) Gross Block	87,316,030	50,475,591
	b) Less: Accumulated Depreciation	3,644,595	743,806
	c) Net Block	83,671,435	49,731,785
II	Depreciation during the year	2,900,789	743,806
III	Total contingent rents recognised as income in the statement of Profit and Loss Account	1,929,100	4,975,021
IV	General Description: The Company has entered into cancelable operating lease arrangements which vary from 11 months to 21 years considering renewals at regular intervals.		

* Detail of assets does not include value of part of a building given on lease since its separate value could not be ascertained from whole block.

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

7. Directors' Remuneration:- Remuneration paid during the year under review and value of perquisites enjoyed by Chairman & Managing Director and Whole-time Director in terms of appointment is as follows:

(amount in rupees)

PARTICULARS	2008-09	2007-08
Salary	936,000	876,000
Contribution to Provident Fund	86,400	79,200
Perquisites	38,025	48,990
	1,060,425	1,004,190

Note: As the Liability of Gratuity and compensated absence is provided on an actuarial basis for the company as a whole, the amount pertaining to the directors are not ascertainable and therefore not included in above.

Computation of Net Profit under Section 198 of the Companies Act, 1956 read with Section 349 of the Act for the purpose of calculating Directors' Remuneration:

(amount in rupees)

PARTICULARS	2008 - 09	2007 - 08
Profit before Taxation	29,136,311	123,882,504
Add: Directors' Remuneration	93 6,000	876,000
Fixed Assets Written Off	164 ,054	23,940
	30,236,365	124,782,444
Less: Profit/ (Loss) on sale of Fixed Assets (Net)	204,125	(245,462)
Profit on sale of Shares	80 43 ,568	700,000
Profit for the purpose of Directors' Remuneration	21,988,672	124,327,906

8. Segment Reporting:- In terms of Accounting Standard -17 on "Segment Reporting", Segment information is presented as under:

(amount in rupees)

Business Segments	Tobacco Division	Real Estate Division	Others	Total
1. Segment Revenue				
External Sales including other Income	115,280,362	283,283,196	20,484,949	419,048,507
	(107,712,749)	(273,674,397)	(20,736,097)	(402,123,243)
Less: Excise Duty	74,798,227	-	-	74,798,227
	(82,357,270)	-	-	(82,357,270)
Net Turnover	40,482,135	283,283,196	20,484,949	344,250,280
	(25,355,479)	(273,674,397)	(20,736,097)	(319,765,973)

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

(amount in rupees)

Business Segments	Tobacco Division	Real Estate Division	Others	Total
2. Segment Results				
Profit/(Loss) before exceptional Items	-38,006,671	46,617,963	20,484,949	29,096,241
	(-36,584,778)	(140,268,747)	(20,736,097)	(124,420,066)
Exceptional items	213,461	-173,390	-	40,071
	(-523,642)	(-13,920)	-	(-537,562)
Profit/ (Loss) before Taxation	-37,793,210	46,444,573	20,484,949	29,136,312
	(-37,108,420)	(140,254,827)	(20,736,097)	(123,882,504)
Provision for Taxation	-	-	-	2,244,233
	-	-	-	(-50,301)
Profit/ (Loss) after Taxation	-	-	-	26,892,079
	-	-	-	(123,932,805)
3. Other Information				
Segment Assets	249,991,195	1,837,988,814	-	2,087,980,009
	(265,396,749)	(1,170,933,745)	-	(1,436,330,494)
Unallocated Assets	-	-	-	28,475,568
	-	-	-	(31,306,282)
Total Assets	-	-	-	2,116,455,577
	-	-	-	(1,467,636,776)
Segment Liabilities	79,799,772	1,241,440,065	-	1,321,239,837
	(84,724,032)	(599,184,485)	-	(683,908,517)
Unallocated Liabilities	-	-	-	11,961,857
	-	-	-	(783,728,259)
Total Liabilities	-	-	-	1,333,201,694
	-	-	-	(1,467,636,776)
Capital Expenditure	13,236,872	17,821,293	-	31,058,165
	(23,112,763)	(96,819,161)	-	(119,931,924)
Depreciation and amortization Expense.	9,455,757	5,237,440	-	14,693,197
	(8,464,376)	(2,770,187)	-	(11,234,563)
Non Cash Expense Other than Depreciation.	2,999,162	2,000,000	-	4,999,162
	(-)	(-)	-	(-)

Notes: (a)Revenue and expenses has been identified to a segment on the basis of relationship to operating activities of the segment.
(b)Segment Information has been identified by the company on the basis of available information.
(c)A portion of land of Real estate division is included in the segment assets of Tobacco division, as the separate value of same is not available.
(d)Figures for the previous year have been given in brackets.
(e)The Company's business is mainly concentrated in similar geographical, political and economical conditions; hence disclosure for Geographical segment is not required.

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

9. Employee Defined Benefits

a) Defined Contribution Plans: The Company has recognised an expense of Rs.3,550,148/- (Previous Year Rs. 3,454,801/-) towards the defined contribution plans.

b) Defined Benefit Plans: As per actuarial valuation as on March 31, 2009 and recognised in the financial statements in respect of Employee Benefit Schemes:

(rupees in lacs)

		PARTICULARS	2008-09		2007-08	
			Gratuity	Leave	Gratuity	Leave
I		Components of Employer Expense				
	1	Current Service Cost	9.13	1.87	9.20	5.19
	2	Interest Cost	18.97	1.15	17.94	0.92
	3	Expected Return on Plan Assets	-	-	-	-
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Past Se rvice Cost	-	-	-	-
	7	Actuarial Losses/ (Gains)	(35.80)	(0.50)	23.44	(1.95)
	8	Total employer expense recognised in the statement of Profit & Loss Account	(7.70)	2.52	50.58	4.16
		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	214.86	13.89	259.45	14.73
	2	Fair Value of Plan Assets	-	-	-	-
	3	Funded Status [Surplus/ (Deficit)]	(214.86)	(13.89)	(259.45)	(14.73)
	4	Unrecognised Past Service Costs	-	-	-	-
	5	Net Asset/ (Liability) recognised in Balance Sheet	(214.86)	(13.89)	(259.45)	(14.73)
III		Change in Defined Benefit Obligation (DBO)				
	1	Present Value of DBO at the Beginning of Period	259.45	14.73	234.00	12.35
	2	Current Service Cost	9.13	1.87	9.20	5.19
	3	Interest Cost	18.97	1.15	17.94	0.92
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Plan Amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial Losses/ (Gains)	(35.80)	(0.50)	23.44	(1.95)
	9	Benefit Payments	(36.89)	(3.36)	(25.13)	(1.78)
	10	Present Value of DBO at the End of Period	214.86	13.89	259.45	14.73
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	36.89	3.36	25.13	1.78
	5	Actuarial Gain/ (Loss)	-	-	-	-
	6	Benefit Payments	(36.89)	(3.36)	(25.13)	(1.78)
	7	Plan Assets at the End of Period	-	-	-	-
V		Actuarial Assumptions				
	1	Discount Rate	8.00%	8.00%	8.00%	8.00%
	2	Expected Return on Assets	N.A	N.A	N.A	N.A
	3	Salary Escalations: - Real Estate	5.00%	5.00%	8.00%	8.00%
		Salary Escalations: - Tobacco	5.00%	5.00%	5.00%	5.00%
	4	Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
	5	The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other releva nt 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 forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

10. Details of Investment in the capital of partnership firms are as under:

Name of Partnership Firm	Name of Partner	Total Capital (Rs.)	Profit Sharing Ratio
Bindi Developers	1. RDB Industries Ltd.	88,745,465	75%
	2. Nilesh Dayabhai Patel	86,071	25%

11. The Partnership firm M/s RD Properties, ceased to be a firm in which the company was holding 90% share was taken over by M/s RD Devcon Pvt. Ltd. with effect from 10.06.2008 and subsequently it became wholly owned subsidiary of the company.

12. Related party disclosures:- In terms of Accounting Standard - 18 on "Related Party Disclosures", Related party disclosures 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.	8	Triton Commercial Private Ltd.
2	Baron Suppliers Private Ltd.	9	Rathi Ess En Finance Co. Private Ltd.
3	Bhagwati Builders & Development Private Ltd.	10	Raj Construction Projects Private Ltd.
4	Bhagwati Plasto Works Private Ltd.	11	RDB Realty & Infrastructure Ltd.
5	Headman Mercantile Private Ltd.		(Became subsidiary w.e.f.31.03.2009)
6	Kasturi Tie-Up Private Ltd.	12	RD Devcon Pvt. Ltd.
7	Oswal Manufacturing Co. Private Ltd.		(Became subsidiary w.e.f.10.06.2008)

Following companies ceased to be a subsidiary

S.No.	Name of Company	S.No.	Name of Company
1	Alok Nirmaan Private Ltd.*	8	Pincha Estate Development Private Ltd.*
2	Alok Niwas Private Ltd. *	9	Pincha Griha Nirmaan Private Ltd.*
3	Alok Towers Private Ltd.*	10	Pincha Home Builders Private Ltd.*
4	Alok Villa Private Ltd.*	11	Pincha Quality Apartments Private Ltd.*
5	Ambalika Vanijya Private Ltd.**	12	Sarvana Tracom Private Ltd.**
6	Bidyut Griha Niwas Private Ltd.*	13	Satabdi Vyapaar Private Ltd.**
7	Bidyut Kutir Nirmaan Private Ltd.*		
	*with effect from 30.07.2008		**with effect from 31.12.2008

(B) Partnership Firms

S.No.	Name of Firm
1	Bindi Developers
2	RD Properties (firm is taken over by RD Devcon Pvt. Ltd. with effect from 10.06.2008)

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

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

(A) Associates:-

S.No.	Name of Company
1	Infravision Developers Private Ltd.
2	Rimjhim Vanijya Private Ltd.
3	Iskon Estates Private Ltd.* ceased to be associates with effect from 06-09-2008

(B) Key Management Personnel & their relatives:-

S.No.	Name	Designation /Relationship
1	Sunder Lal Dugar	Chairman & Managing Director (CMD)
2	Ravi Prakash Pincha	Executive Director
3	Kusum Devi Dugar	Relative of CMD
4	Vinod Dugar	Relative of CMD

(C) Enterprises over which Key Management Personnels/Major Shareholders/Their Relatives have Significant Influences: -

S.No.	Name of Enterprise
1	Ankur Constructions Private Ltd.
2	Electrical Manufacturing Co.Ltd.
3	Goldline Writing Instrument Ltd.
4	Johri Towers Private Ltd.
5	Loka Properties Private Ltd.
6	Pyramid Sales Private Ltd.
7	Regent Autotrade Private Ltd.
8	RD Motors Private Ltd.
9	RDB Builders Pvt.Ltd.
10	RDB Rasayans Ltd.
11	Lokenath Projects
12	Sri S.L.Dugar Charitable Trust

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

(iii) Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31.3.2009

(amount in rupees)

Nature of Transaction	Subsidiaries	Partnership Firms	Associates	Key Management Personnel & their relatives	Enterprises over which KMP & their relatives have significant influence
Rental Income	- (-)	- (-)	(-)	- (-)	12,919,695 (9,605,865)
Interest Income	7,582,106 (8,601,849)	9,982,874 (9,412,565)	(269,988	- (-)	- (-)
Share of Profit Earned	- (-)	6,121,900 (105,766,219)	(-)	- (-)	- (-)
Remuneration Paid	- (-)	- (-)	(-)	1,060,425 (2,004,190)	- (-)
Rent Paid	90,000 (90,000)	- (-)	(-)	- (-)	383,340 (322,259)
Interest Paid	- (-)	- (-)	(-)	- (-)	3,940,686 (522,030)
Repair Services Availed	- (-)	- (-)	(-)	- (-)	136,284 (112,475)
Investment in Equity Shares	600,000 (1,900,000)	- ( )	( )	- ( )	- ( )
Fixed Asset Purchased	- (-)	- (-)	(-)	- (-)	- (18,436,344)
Equity Share Purchased	1,000 (-)	- (-)	(-)	495,000 (-)	- (14,537,000)
Equity Share Sold	- (-)	- (-)	(-)	- (-)	2,090,000 (-)
Unsecured Loan Received	- (-)	- (-)	(-)	- (-)	85,365,000 (52,000,000)
Unsecured Loan Repaid	- (-)	- (-)	(-)	- (-)	80,729,772 (-)
Capital Introduced in Partnership Firm	- (-)	27,771,249 (82,762,470)	(-)	- (-)	- (-)
Refund of Capital by Partnership Firm	- (-)	27,990,000 (151,108,069)	(-)	- (-)	- (-)
Advance Given	43,403,800 (12,000,000)	- (20,000,000)	36,775,000 (91,724,646)	- (500,000)	75,475,000 (29,500,000)
Refund of Advance Given	53,403,800 (3,237,825)	20,000,000 (-)	113,599,646 (14,900,000)	- (-)	30,650,000 (6,750,000)
Loan Given	72,429,705 (150,948,291)	- (-)	(20,226,984)	- (-)	- (-)
Refund of Loan with interest	139,686,649 (128,102,537)	- (-)	(105,572,740)	- (-)	- (-)
Closing Balance					
Receivables	- (-)	- (-)	(-)	- (-)	1,169,393 (4,711,299)
Payables	- (-)	- (-)	(-)	- (-)	38,911 (136,170)
Advance Given	- (10,000,000)	- (20,000,000)	76,824,646	500,000 (500,000)	67,575,000 (22,750,000)
Advance Taken	- (-)	- (-)	(-)	- (-)	120,775,000 (-)
Loan Given	33,316,536 (114,752,596)	- (-)	(-)	- (-)	- (-)
Unsecured Loan Taken	- ( )	- ( )	( )	- ( )	60,179,979 (52,414,492)
Capital with Partnership Firm	- (-)	88,745,465 (98,796,065)	(-)	- (-)	- (-)

Note: a)Related party relationships are identified by the Company on the basis of available information.
b)Previous year figures have been given in brackets.

13. 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:

(amount in rupees)

PARTICULARS	2008-09	2007-08
Deferred Tax Assets on		
Provision for Gratuity	4,507,684	5,280,866
Provision for Leave Encashment	472,019	140,719
Provision for Bonus	280,418	25,493
Provision for Land Revenue	231,551	231,551
Expense disallowed U/s 40(a)(ia)	8,192	8,192
	5,499,864	5,686,821
Deferred Tax Liabilities on		
Depreciation Allowance on fixed assets	2,042,197	1,490,690
Provisional Rental Income	1,108,436	1,691,010
	3,150,663	3,181,700
Deferred Tax Assets (Net)	2,349,231	2,505,121

14. Convertible share warrants were cancelled on 06.06.2008 due to non exercise of conversion right by Teck Consultancy & Services Private Ltd. during exercise period of 18 months from 07.12.2006 to 06.06.2008 and hence strike price amounting to Rs.12,750,000/- was forfeited and credited to Capital Reserve Account.

15. Interest amounting to Rs.25,628, 854/- (Previous Year Rs. 7,378,188/) paid on loans taken for real estate projects has been included in the value of inventory.

16. Scheme of Arrangement

The Demerger Committee of the Company has approved a revised scheme of arrangement under section 391-394 of the Companies Act, 1956 between the Company and RDB Realty & Infrastructure Limited (Transferee Company) at its meeting held on 9th June, 2009 in place of original scheme of demerger approved vide its meeting dated 3rd April 2008. Real estate division of the Company will be demerged with the transferee company with effect from 1st April 2009. As a result of demerger, shareholders of the Company will get one equity share of transferee company for every equity share held by them. Net worth of Real estate division amounting to Rs.525,222,510/- shall be transferred to the transferee company.

17. The Hon'ble High Court, Kolkata has confirmed sale of assets of New Tobacco Co. Ltd. (In Liquidation) in favour of the company vide its order dated 19th April, 2006 and directed the Joint Special Officers to execute the deed and/or deeds of conveyance in respect of immovable properties and to issue necessary sale certificates for plant & machineries and all assets and properties in favour of the Company. Conveyance deed of some properties is yet to be executed for transfer of title in favour of the Company since connected proceedings are pending before the Hon'ble High Court, Kolkata.

Schedule forming part of the accounts
Schedule 21 - Notes to the accounts (contd..)

18. In view of the amendment made in the Union Budget 2003 with retrospective effect, the company is liable to refund excise duty amounting to Rs. 68,183,280/- received/ receivable in terms of notification no.32/99 dated 8th July, 1999 issued by the Central Government, on account of Badarpur unit in Assam and interest thereon amounting to Rs. 40,437,517/- upto 31st March, 2006. The company has challenged the amendment in Hon'ble High Court, Guwahati and subsequently the matter is transferred to Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide its order dated 19th September, 2005 has confirmed such retrospective amendment made by the Central Government through its Budget Notification. However, the company is of the view that the amendment is not applicable to it and a clarification/modification petition to that effect was filed and admitted by the Hon'ble Supreme Court. On 31st October, 2007, the Central Excise Department has passed a fresh adjudication order confirming the demand and the Company has appealed before the Appellate Tribunal which was brought to the notice of the Hon'ble Supreme Court. The Hon'ble Supreme Court disposed off the petition on 25th March, 2008 with a direction that appeal shall be decided by appellate authority on merits and in accordance with law. The appeal filed before the Tribunal is still pending. The Company is confident to get the full relief as the entire benefit was passed on to the consumer and as such the company does not accept any further liability and no provision is considered necessary based on the expert legal advice. Further to this the company has accounted for during financial year 2000-01 a sum of Rs. 40,493,280/- as excise duty refund receivable (Badarpur) and Rs.21,548,160/- towards excise duty payable (Badarpur) in terms of the above mentioned notification.

19. A suit has been filed against the company in the year 1999 for recovery of Rs.20,000,000/- along with interest which is still pending before the Hon'ble High Court, Kolkata. The company disputes the claim of the party and as the matter is subjudice no provision for interest has been made.

20. 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.

21. 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.

22. Contingent Liabilities

a) Claims against the company not acknowledged as debts - Rs. 14,453,701/- (Previous year Rs.14,453,701/-)
b) Disputed liabilities relating to Central Excise Demands Rs. 913,702,000/- (Previous year Rs. 817,974,000/-)
c) Estimated amount of contract remaining Rs. Nil (Previous year Rs. Nil) to be executed on capital account and not provided for (Net of Advances).
d) On account of guarantee/letter of credit Rs.74,800,000/- (Previous year Rs.10,500,000/-) issued by the company's bankers.
e) On account of corporate guarantee given to bank for secured loan taken by Partnership Firm, associates and subsidiary of the Company, Rs.554,700,000/- (Previous year Rs.49,000,000/-).

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

23. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

(A) Licensed/ Registered and Installed Capacity and Actual Production

Class of Goods	Unit	CAPACITY				PRODUCTION#	
		Licensed / Registered		Installed#			
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Cigarettes	Million	15,700	15,700	1,719	13,200	87.534	131.071*
Smoking Tobacco	Tonne	138	138	36	138	1.5	1.13

Note: - The Licensed/ Registered Capacity is exclusive of additional capacity of 25% permissible under the policy of the Government of India. # As certified by the management.

* Production includes 0.948 Million cigarettes ripped during the year.

(B) Particulars in respect of Sales

Class of Goods	Unit	QUANTITY		VALUE (Rupees)	
		2008-09	2007-08	2008-09	2007-08
Cigarettes	Million	93.282	115.323	111,916,865	104,187,835
Smoking Tobacco	Tonne	1.50	1.130	1,312,878	989,033
P.H.Paper	Boxes	5	-	850	-
Construction Activities	-	-	-	227,134,299	133,859,126
Others	-	-	-	578,699	790,715
				340,943,591	239,826,709

(C) Details of Finished Goods

(i) Opening Stock

Class of Goods	Unit	QUANTITY		VALUE (Rupees)	
		2008-09	2007-08	2008-09	2007-08
Cigarettes					
- At NDP *	Million	10.692#	16.452	1,056,696	-
- At Depots		11.400	-	10,708,177	-
- Stock in transit		2.368	-	3,312,032	-
		24.460	16.452	15,076,905	-
Smoking Tobacco **	Tonne	-	3.6	-	-
P.H.Paper	Boxes	5	5	800	800
Construction Units	Sqft	2480	2480	1,141,284	1,141,284
				16,218,989	1,142,084

*Damaged stock of 6.792 million cigarettes of Agarpara factory having Nil value has been written off from the closing stock of 2007-08 and accordingly opening stock figures of 2008-09 stands recasted.

**Damaged stock of Agarpara factory having Nil value has been written off from the closing stock of 2007-08 and accordingly opening stock figures of 2008-09 stands recasted.

#Opening stock includes 1.032 million stick cigarettes ripped during the year.

Schedule 21 - Notes to the accounts (contd..)

(ii) Closing Stock

Class of Goods	Unit	QUANTITY		VALUE (Rupees)	
		2008-09	2007-08	2008-09	2007-08
Cigarettes					
- At NDP	Million	9.660*	10.692**	-	1,056,696
- At Depots		6.772	11.400	7,979,287	10,708,177
- Stock in transit		1.248	2.368	1,366,535	3,312,032
		17.680	24.460	9,345,822	15,076,905
Smoking Tobacco **	Tonne	-	- #	-	-
P.H.Paper	Boxes	-	5	-	800
Construction Units	Sqft	30,358	2480	20,503,100	1,141,284
				29,848,922	16,218,989

*Represents damaged stock of 9.660 million (Previous year 9.660 million) of Badarpur Factory having Nil Value.

** Damaged stock of 6.792 million cigarettes of Agarpara factory having Nil value has been written off from the closing stock of 2007-08 and accordingly closing stock figures of 2007-08 stands recasted.

Damaged stock of Agarpara factory having Nil value has been written off from the closing stock of 2007-08 and accordingly closing stock figures of 2007-08 stands recasted.

(D) Details of Raw Material Consumed

Class of Goods	Unit	QUANTITY		VALUE (Rupees)	
		2008-09	2007-08	2008-09	2007-08
Un-manufactured Tobacco	Tonne	66.29	101.950	5,016,799	6,875,208
Filter Rods	Million	15.159	14.823	1,808,088	1,501,397
Board/Sheet	Tonne	5.947	19.675	347,671	1,462,315
Shells/Blanks	Million	8.705	8.512	3,875,208	3,630,454
Miscellaneous	-	-	-	2,254,193	2,906,075
				13,301,959	16,375,449

(E) Value of Raw Materials, Spare Parts & Stores Consumed

Description	% OF TOTAL CONSUMPTION		VALUE (Rupees)	
	2008-09	2007-08	2008-09	2007-08
Raw Materials				
- Indigenous	91.87	100	12,221,357	16,375,449
- Imported	8.13	-	1,080,601	-
Spare Parts & Stores				
- Indigenous	100	100	1,409,491	2,621,134

Schedule forming part of the accounts

Schedule 21 - Notes to the accounts (contd..)

(F) C.I.F. Value of Imports, Expenditure and Earning in Foreign currencies

(amount in rupees)

Description	2008-09	2007-08
C.I.F. Value of Imports		
- Raw Materials	1,387,598	-
- Capital Goods	-	-
	1,387,598	-
Amount remitted in Foreign Currency on account of:		
- Dividend	10,607	13,318
Year to which the dividend relates	2007-08	2006-07
Number of Non-resident shareholders	35	38
Number of shares held by Non-resident shareholders	21,214	26,636

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

Signatories to Schedules 1 to 21 forming part of the Accounts

For and on behalf of the Board

For S. M. Daga & Co.

Chartered Accountants

Deepak Daga

D.K.DAGA

Partner

Membership No.59205

S.L.Dugar

Chairman and Managing Director

R.P.Pincha

Whole Time Director

P.Kejriwal

Company Secretary

Kolkata

The 30th day of June, 2009

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.	5 3 5 6 2	State Code	2 1
Balance Sheet Date	3 1 0 3 2 0 0 9		

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 2 7 0 1 8	Total Assets	2 0 2 7 0 1 8
Sources of Funds			
Paid-up Capital	1 0 7 5 0 0	Reserves & Surplus	6 7 5 7 5 4
Secured Loans	3 2 5 4 6 3	Unsecured Loans	1 1 2 6 5 0
Application of Funds			
Net Fixed Assets	2 7 7 5 1 4	Investments	1 3 5 8 5 3
Net Current Assets	8 0 5 6 5 1	Miscellaneous Expenditure	N I L
Deferred Tax	2 3 4 9		

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

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

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

Item Code No (ITC Code)	Product Description
2 4 0 2	C I G A R E T T E S
N . A .	C O N S T R U C T I O N A C T I V I T Y
N . A .	C O M M I S S I O N & S E R V I C E S

For and on behalf of the Board

S. L. Dugar

Chairman and Managing Director

R. P. Pincha

Whole Time Director

P.Kejriwal

Company Secretary

Kolkata

The 30th day of June 2009

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Auditor's report

Report of the auditors to the board of directors of RDB Industries Limited

1. We haveaudited the attached Consolidated Balance Sheet of RDB INDUSTRIES LIMITED and its subsidiaries and associates (collectively referred to as 'the Group') as at 31st March, 2009, 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. 1,020,348,089/- as at 31st March. 2009 and total revenues of Rs. 58,973,929/- 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 w the amounts 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 requirements of Accounting Standard 21"Consolidated financial Statements", Accounting Standard 23 - "Accounting for Investments 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 Industries Limited, its subsidiaries and associates included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of RDB Industries 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 the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
   b) in the case of the Consolidated Profit & Loss Account, of the Profits of the Group for the year ended on that date; and
   c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For S. M. Daga & Co.
Chartered Accountants

11, Clive Row,
Place: Kolkata: 700 001

Deepak Daga

D.K.Daga
Partner

Dated: 30th June, 2009

Membership No. 59205

Consolidated Balance Sheet as at 31st March 2009

(amount in rupees)

	Schedule No.	As at 31st March 2009		As at 31st March 2008	
I SOURCES OF FUNDS					
1. Shareholders' Funds					
a) Capital	1	107,500,000		120,250,000	
b) Reserves & Surplus	2	700,411,449	807,911,449	659,751,539	780,001,539
2. Minority Interest			48,349,497		75,273,923
3. Loan Funds	3				
a) Secured Loans		545,994,092		316,732,688	
b) Unsecured Loans		137,875,747	683,869,839	119,897,495	436,630,183
Total			1,540,130,785		1,291,905,645
II APPLICATION OF FUNDS					
1. Fixed Assets	4				
a) Gross Block		409,498,505		345,093,091	
b) Less: Depreciation		102,876,297		88,948,036	
c) Net Block		306,622,208		256,145,055	
d) Capital Work-in-Progress		52,690,854	359,313,062	75,303,768	331,448,823
2. Investments	5		2,656,694		7,027,864
3. Deferred Tax Assets			3,235,795		2,541,961
4. Current Assets, Loans and Advances					
a) Inventories	6	1,288,126,149		893,523,925	
b) Sundry Debtors	7	98,919,116		101,652,714	
c) Cash & Bank Balances	8	63,959,740		29,356,000	
d) Loans & Advances	9	936,553,143		535,675,051	
		2,387,558,148		1,560,207,690	
Less : Current Liabilities & Provisions	10				
a) Current Liabilities		1,177,841,924		559,034,230	
b) Provisions		34,790,990		50,286,463	
		1,212,632,914		609,320,693	
Net Current Assets			1,174,925,234		950,886,997
Total			1,540,130,785		1,291,905,645
Notes to the accounts	20				

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 S M DAGA & CO.
Chartered Accountants

D. K. DAGA
Partner
Membership No.59205

Kolkata, The 30th day of June 2009

For and on behalf of the Board

S. L. Dugar
Chairman and Managing Director

R. P. Pincha
Whole Time Director

P.Kejriwal
Company Secretary

Consolidated Profit & Loss Account as at 31st March 2009

(amount in rupees)

	Schedule No.	For the year ended 31st March 2009		For the year ended 31st March 2008	
INCOME					
Sales & Services	11		399,917,520		516,166,649
Less: Excise Duty			74,798,227		82,357,270
			325,119,293		433,809,379
Other Income	12		68,710,151		56,626,044
Increase / (Decrease) In Stocks	13		449,308,386		364,170,295
			843,137,830		854,605,718
EXPENDITURE					
Manufacturing and Other Expenses	14		20,002,568		24,970,976
Construction Activity Expenses	15		672,492,007		599,419,790
Payment to and Provision for Employees	16		33,173,708		35,017,847
Selling and Distribution Expenses	17		24,730,602		25,732,934
Administrative and General Expenses	18		20,504,133		12,528,671
Interest and Finance Charges	19		34,151,772		16,449,553
Depreciation			17,026,146		11,660,351
			822,080,936		725,780,122
Profit Before exceptional Items			21,056,894		128,825,596
Add: Exceptional Items (Net)			40,071		(537,562)
Profit Before Share of Profit / Loss in Associates			21,096,965		128,288,034
Less: Share of loss in Associates			2,373,685		402,261
Profit Before Taxation			18,723,280		127,885,773
Less: Provision For Taxation					
- Current Income Tax		4,732,860		5,593,569	
- Tax adjustments for earlier years		(777,289)		894,260	
- Fringe Benefit tax		253,632		215,417	
- Deferred Tax (Assets) / Liabilities		(693,834)	3,515,369	(1,301,150)	5,402,096
Profit After Taxation			15,207,911		122,483,677
Minority's Share in PAT			1,031,930		(14,269,589)
Profit After Tax			16,239,841		108,214,088
Balance Brought Forward			212,014,501		101,972,013
Profit Available for Appropriation			228,254,342		210,186,101
APPROPRIATIONS					
Proposed Dividend on Equity Shares			5,375,000		5,375,000
Tax on Proposed Dividend			913,481		913,481
General Reserve			10,000,000		10,000,000
Balance Carried to Balance Sheet			211,965,861		193,897,620
			228,254,342		210,186,101
Earnings Per Share :- (Face Value Rs.10/- each)					
Basic & Diluted			1.51		10.07
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 S M DAGA & CO.
Chartered Accountants
D. K. DAGA
Partner
Membership No.59205

Kolkata, The 30th day of June 2009

For and on behalf of the Board

S. L. Dugar
Chairman and Managing Director

R. P. Pincha
Whole Time Director

P.Kejriwal
Company Secretary

Consolidated Cash Flow Statement as at 31st March 2009

(amount in rupees)

Cash Flow Statement	For the year ended 31st March,2009		For the year ended 31st March,2008	
A. Cash flow from operating activities :				
Net profit before tax as per Profit & Loss account		21,096,965		128,288,034
Adjustments for				
Depreciation	17,026,146		11,660,351	
(Profit) / Loss On sale/ Discard Of Fixed Assets	(68,401)		-	
(Profit) / Loss on Sale of Investments	(8,121,696)		(700,000)	
Bad Debts Written Off/ Provision Written Back	4,999,162		-	
Interest Paid	31,616,383		15,622,584	
Liabilities no longer required Written Back	(62,976)		(502,474)	
Interest Received	(3,432,388)		(4,547,388)	
Provision for Employee Benefits	(517,594)		4,903,538	
Provision for Rental Income	(2,154,828)	39,283,808	(5,254,561)	21,182,050
Operating profit before working capital changes		60,380,773		149,470,084
(Increase) / Decrease in Inventories	(403,412,640)		(401,808,351)	
(Increase) / Decrease in Trade and other receivables	(420,254,586)		(270,606,918)	
Increase / (Decrease) in Trade Payables	614,537,870	(209,129,356)	204,926,292	(467,488,977)
Cash generated from operations		(148,748,583)		(318,018,893)
Less: Direct taxes paid/ Refunds including Interest (Net)		12,772,300		14,709,782
Cash Flow before Exceptional Items		(161,520,883)		(332,728,675)
Exceptional Items		(40,071)		537,562
Net cash Generated/(used) from operating activities		(161,560,954)		(332,191,113)
B. Cash flow from investing activities :				
Purchase of fixed assets	(19,786,795)		(120,493,040)	
Sale of fixed assets	1,344,035		901,331	
Share of Loss of Associates	(2,373,685)		402,261	
Profit / (Loss) on Sale of Investments	8,121,696		700,000	
Interest Received	12,411,681		7,603,907	
Investment in Subsidiaries and Firms	2,373,686		(7,367,864)	
Sale of Investment in Associates / Subsidiaries	2,000,000		700,000	
Purchase of Minority Interest in subsidiary	(25,257,202)		99,333,077	
Purchase of Interest in subsidiary	(205,483)		(356,628)	
Loans (Given) / Refund	8,201,970	(13,170,097)	109,565,549	90,988,593
Net cash from investing activities		(13,170,097)		90,988,593

Consolidated Cash Flow Statement (contd.) as at 31st March 2009

(amount in rupees)

Cash Flow Statement	For the year ended 31st March,2009		For the year ended 31st March,2008	
C. Cash flow from financing activities :				
Proceeds / (Repayment) of borrowings	243,125,749		260,561,121	
Interest Paid	(27,502,477)		(15,622,584)	
Dividend paid	(5,375,000)		(5,375,000)	
Dividend Tax paid	(913,481)	209,334,791	(913,481)	238,650,056
Net cash generated/(used) in financing activities		209,334,791		238,650,056
Net increase/(decrease) in cash and cash equivalents (A+B+C)		34,603,740		(2,552,464)
Cash and cash equivalents -Opening balance		29,356,000		31,908,464
		63,959,740		29,356,000
Cash and cash equivalents -Closing balance		63,959,740		29,356,000
CASH AND CASH EQUIVELANTS COMPRISE:				
Cash on hand		5,073,126		11,990,813
Cheques on hand		7,449,468		400,000
Balances with Scheduled Banks on:				
Current Accounts		24,872,372		9,565,391
Unpaid Dividend Accounts		430,969		262,456
Fixed Deposit Account		26,133,805		7,137,340
		63,959,740		29,356,000

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

For and on behalf of the Board

For S. M. DAGA & CO.
Chartered Accountants

Deepak Daga

D. K. DAGA
Partner
Membership No.59205

S. L. Dugar
Chairman and Managing Director

R. P. Pincha
Whole Time Director

P.Keiriwal
Company Secretary

Kolkata
The 30th day of June 2009

Consolidated Schedule forming part of Balance Sheet as at 31st March 2009

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 1 SHARE CAPITAL		
Authorised		
16,500,000 Equity Shares of Rs.10/- each	165,000,000	165,000,000
3,500,000 Preference Shares of Rs.10/- each	35,000,000	35,000,000
	200,000,000	200,000,000
Issued, Subscribed and Paid up:		
10,750,000 Equity Shares of Rs.10/- each*	107,500,000	107,500,000
Convertible Share Warrants	-	12,750,000
(Refer note 9 of notes to the accounts)		
	107,500,000	120,250,000

* of the above Equity Shares

(a) 6,73,400 shares were alloted pursuant to take over of proprietorship firm without payment being received in cash.

(b) 1,000,000 shares were alloted pursuant to conversion of warrants.

(amount in rupees)

	As at 31st March 2009		As at 31st March 2008	
Schedule - 2 RESERVES & SURPLUS				
Capital Reserve				
Opening Balance	2,500,000		-	
Add: during the year*	12,750,000		2,500,000	
On consolidation	33,164,526	48,414,526	33,282,521	35,782,521
*(Refer note number 16 of notes to the accounts)				
Capital Redemption Reserve				
Opening Balance		26,440,000		26,440,000
Securities Premium Account				
Opening Balance		377,500,000		377,500,000
General Reserve				
Opening Balance	26,091,062		10,000,000	
Add: Adjustment for transitional provision of AS-15	-		6,091,062	
Add: Transfer from Profit & Loss Account	10,000,000	36,091,062	10,040,336	26,131,398
Profit & Loss Account				
Balance as per Profit & Loss Account		211,965,861		193,897,620
		-		
		700,411,449		659,751,539

Consolidated Schedule forming part of Balance Sheet as at 31st March 2009

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 3 LOAN FUNDS		
Secured Loans		
Cash Credit from Banks	395,397,171	183,037,504
Secured by hypothecation of building materials, Work in Progress along with equitable mortgage of Project Land and Personal Guarantees of the Chairman and Executive Director. (Amount Repayable within a year Rs.325,800,000/-) Previous Year 65,000,000/-)		
Term Loan from Banks	73,732,083	43,891,684
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. 9,259,995/- Previous Year Rs.7,196,648/-)		
Loan against hypothecation of Car	67,178	321,303
* Secured by way of charge over Vehicles Financed. (Amount Repayable within a year Rs.67,178/- Previous Year Rs.254,125/-)		
Loan Against Rent Securitisation	76,797,660	89,482,197
* Secured by way of assignment of lease rentals charge and equitable mortgage of title deed of immovable property (Amount Repayable within a year Rs.11,142,405/- Previous Year Rs.16,760,592/-)		
	545,994,092	316,732,688
Unsecured Loans		
From Bodies Corporate	137,875,747	107,434,048
From Directors & Shareholders	-	12,463,447
	137,875,747	119,897,495

Schedule - 4 FIXED ASSETS

(amount in rupees)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2008	Additions During the Year	Deductions During the Year	As at 31st March 2009	Up to 31st March 2008	For the Year	Deductions During the Year	Up to 31st March 2009	As at 31st March 2009	As at 31st March 2008
Land	79,882,605	10,320	4,838,147	75,054,778	-	-	-	-	75,054,778	79,882,605
Factory Building	39,096,621	-	-	39,096,621	23,301,947	1,579,467	-	24,881,414	14,215,207	15,794,674
Other Building	123,063,936	68,017,742	-	191,081,678	24,217,065	5,420,625	-	29,637,690	161,443,988	97,980,962
Plant & Machinery	92,722,917	3,648,331	3,174,377	93,196,871	36,497,810	7,951,962	2,255,932	42,193,840	51,003,031	56,978,383
Furniture & Fixtures	1,956,355	182,047	405,582	1,732,820	1,138,714	218,435	384,399	972,750	760,070	817,641
Vehicles	4,595,684	789,692	713,991	4,671,385	2,570,432	594,281	418,056	2,746,657	1,924,728	2,137,885
Computers	3,774,973	928,878	39,499	4,664,352	1,222,068	1,261,376	39,498	2,443,946	2,220,406	2,552,905
Total	345,093,091	73,577,010	9,171,596	409,498,505	88,948,036	17,026,146	3,097,885	102,876,297	306,622,208	256,145,055
Previous Year	260,382,130	102,426,053	17,715,092	345,093,091	79,641,599	11,904,168	2,597,731	88,948,036	256,145,055	-
Capital Work in Progress (Includes Rs.31,177,303/- transferred from Work in Progress (Previous Year Rs.536,646/-)									52,690,854	75,303,768

Note:- Due to change in the composition of Group during the year, the opening balance of Gross Block and Accumulated Depreciation are not comparable with the previous year's closing balance.

Consolidated Schedule forming part of Balance Sheet as at 31st March 2009

(amount in rupees)

		As at 31st March 2009		As at 31st March 2008
Schedule - 5 INVESTMENTS				
(A) Long Term				
Trade Investments (at cost)				
(i) Unquoted				
Infravision Developers (P) Ltd.				
500,000 Equity Shares of Rs.10/- each, fully paid				
Cost of Acquisition	5,000,125		5,000,125	
Less: Group Share of Profit / (Losses) upto 31.03.2009	(2,791,933)	2,208,192	388,725	4,611,400
Rimjhim Vanijya (P) Ltd.				
5,000 Equity Shares of Rs.10/- each, fully paid				
Cost of Acquisition	50,000		50,000	
Less: Group Share of Profit / (Losses) upto 31.03.2009	15,987	65,987	(13,536)	36,464
Dalton Kunj (P) Ltd.				
40,000 Equity Shares of Rs.10/- each, fully paid		80,000		80,000
Manavata Vyapaar (P) Ltd.				
50,000 Equity Shares of Rs.10/- each, fully paid		100,000		100,000
Persi Fashion (P) Ltd.				
90,000 Equity Shares of Rs.10/- each, fully paid		180,000		180,000
(ii) In Others				
National Savings Certificate		22,515		20,000
(B) Current Investment				
In Others, Unquoted				
Iskon Estates (P) Ltd.				
Nil (Previous Year 200000) Equity Shares of Rs.10/- each, fully paid		-		2,000,000
		2,656,694		7,027,864
Aggregate cost of unquoted investments		2,656,694		7,027,864
Schedule - 6 INVENTORIES				
Store, Packing & Other Materials		3,093,352		3,326,542
Raw Materials		5,541,374		6,531,315
Work-in-Progress				
- Own Construction Projects		1,233,962,501		840,290,744
- Construction Contracts		15,680,000		27,156,335
Finished Goods		29,848,922		16,218,989
		1,288,126,149		893,523,925

Consolidated Schedule forming part of Balance Sheet as at 31st March 2009

(amount in rupees)

	As at 31st March 2009	As at 31st March 2008
Schedule - 7 SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	16,274,944	16,817,231
Other Debts	82,644,172	84,835,483
	98,919,116	101,652,714
Schedule - 8 CASH & BANK BALANCES		
Cash on hand	5,073,126	11,990,813
Cheques on hand	7,449,468	400,000
Balances with Scheduled Banks on:		
Current Accounts	24,872,372	9,565,391
Unpaid Dividend Accounts	430,969	262,456
Fixed Deposit Account	26,133,805	7,137,340
(Pledged with respective Bank against credit facilities availed by the Company)		
	63,959,740	29,356,000
Schedule - 9 LOANS & ADVANCES		
(Unsecured, considered good)		
Loans to Others (including interest accrued)	78,168	17,383,733
Advances (Recoverable in cash or in kind or for value to be received)	842,801,476	452,309,910
Sundry Deposits	56,443,883	24,795,574
Balance with Excise Authorities	1,761,052	3,815,472
Payment of Income Tax including Fringe Benefit Tax	35,100,779	37,060,973
Prepaid Expenses	367,785	309,389
	936,553,143	535,675,051
Schedule - 10 CURRENT LIABILITIES		
Sundry Creditors*	72,282,186	54,601,440
Advances from Customers	852,405,867	276,904,290
Sundry Deposits	32,433,857	24,931,856
Investor Education and Protection Fund**	430,969	262,456
Other Liabilities	160,681,558	180,786,028
Bank Book Overdrawn	38,059,327	-
Excise Duty Payable (Badarpur)	21,548,160	21,548,160
	1,177,841,924	559,034,230
PROVISIONS		
Income Tax	6,933,043	17,661,873
Fringe Benefit Tax	623,026	539,275
Retirement Benefits	20,946,440	25,796,834
Proposed Dividend	5,375,000	5,375,000
Tax on Proposed Dividend	913,481	913,481
	34,790,990	50,286,463

* No amount due to Small, Medium & Micro Enterprise

** Due for less than Seven years

Consolidated Schedule forming part of Balance Sheet as at 31st March 2009

(amount in rupees)

	For the year ended 31st March 2009	For the year ended 31st March 2008
Schedule - 11 SALES & SERVICES		
Tobacco Products	113,230,593	105,176,868
Construction Activities	282,810,108	410,199,066
Miscellaneous	3,876,819	790,715
	399,917,520	516,166,649
Schedule - 12 OTHER INCOME		
Rental Income	53,806,732	47,050,891
Interest Received	3,432,388	4,547,388
Scrap Sales	63,114	35,936
Profit from Sale of Fixed Assets	68,401	-
Profit on Sale of Current Non Trade Investments	11,591,696	24,675
Profit/(Loss) on Sale of Long Term Trade Investments	(3,470,000)	700,000
Liabilities/ Advances no longer payable written back*	62,976	502,474
Prior Period Income	234,651	1,378,549
Commission Income	766,179	-
Miscellaneous Income	2,154,014	2,386,131
	68,710,151	56,626,044

* Net of Sundry balances written off Rs.4/- (Previous Year Rs.51,786/-)

	For the year ended 31st March 2009		For the year ended 31st March 2008	
Schedule - 13 INCREASE / (DECREASE) IN STOCKS				
Opening stock				
Work-in-Progress	886,061,283		549,582,168	
Add: Related to Prior Period	-		1,237,489	
Less: Transferred to Capital Work In Progress/ Fixed Assets	31,177,303		536,646	
Less: Transfer to Input Service Tax	-	854,883,980	177,924	550,105,087
Finished Goods		12,906,957		1,142,084
Stock in Transit		3,312,032		
		871,102,969		551,247,171
Closing stock				
Work-in-Progress		1,290,562,433		899,198,477
Finished Goods		28,482,387		12,906,957
Stock in Transit		1,366,535		3,312,032
		1,320,411,355		915,417,466
Increase / (Decrease) in Stocks		449,308,386		364,170,295
Schedule - 14 MANUFACTURING AND OTHER EXPENSES				
Raw Materials Consumed		13,301,959		16,375,449
Packing and Printing Materials Consumed		557,626		727,251
Stores,Spares & Consumables Consumed		2,247,299		2,621,134
Power & Fuel		3,019,366		3,079,560
Repairs to				
-Building	175,163		519,887	
-Machinery	282,953	458,116	986,753	1,506,640
Carriage Inward		307,451		375,638
Other Manufacturing Expenses		110,751		285,304
		20,002,568		24,970,976

Consolidated Schedule forming part of Balance Sheet as at 31st March 2009

(amount in rupees)

	For the year ended 31st March 2009	For the year ended 31st March 2008
Schedule - 15 CONSTRUCTION ACTIVITY EXPENSES		
Cost of Land and Development Charges	13,106,578	249,523,227
Construction and other Materials	460,638,959	291,104,305
Contract Labour Charges	116,172,340	11,473,617
Interest	31,946,190	12,166,267
Professional Charges	4,929,556	9,645,422
Project Management Charges	1,393,230	3,409,728
Other Construction Expenses	44,305,154	22,097,224
	672,492,007	599,419,790
Schedule - 16 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	29,276,216	25,525,135
Contribution to Provident and Other Funds	3,550,148	3,454,801
Employee Welfare and other amenities	1,116,968	979,911
Gratuity	(769,624)	5,058,000
	33,173,708	35,017,847
Schedule - 17 SELLING AND DISTRIBUTION EXPENSES		
Advertisement & Publicity Expenses	10,997,824	14,600,494
Sales Tax & VAT	8,766,392	7,933,144
Freight & Forwarding Charges	2,239,146	1,923,576
Commission to Selling Agents	1,927,077	1,255,905
Other Sales Expenses	800,163	19,815
	24,730,602	25,732,934
Schedule - 18 ADMINISTRATIVE AND GENERAL EXPENSES		
Legal and Professional Charges	7,202,386	4,363,941
Postage, Telegraph & Telephones	1,015,697	955,801
Motor Vehicle Expenses	1,093,392	956,744
Rates & Taxes	682,918	1,534,714
Rent	519,482	315,000
Travelling & Conveyance Expenses	870,747	358,451
Insurance	145,732	180,533
Interest, Penalty & Demurrage	25,031	400
Prior Period Expense	24,319	1,394,232
Electricity Expenses	55,225	229,085
Other Repairs	349,037	404,983
Printing & Stationary	893,631	489,197
Bad Debts/ Advances Written Off	4,999,162	-
Miscellaneous Expenses	2,627,374	1,345,590
	20,504,133	12,528,671
Schedule - 19 INTEREST AND FINANCE CHARGES		
Interest Paid		
On Loans from Bodies Corporate	9,560,034	4,617,820
On Term Loans from Banks	20,209,967	10,246,219
On Working Capital Loans	1,824,864	698,970
Others	21,518	59,575
Finance Charges	2,535,389	826,969
	34,151,772	16,449,553

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I) PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of RDB Industries 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, 2009.

II) BASIS OF PRESENTATION

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

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2009	Percentage of ownership interest as at 31st March, 2008
Alok Nirmaan Private Ltd.	India	-*	100
Alok Niwas Private Ltd.	India	-*	100
Alok Towers Private Ltd.	India	-*	100
Alok Villa Private Ltd.	India	-*	100
Ambalika Vanijya Private Ltd.	India	-**	100
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
Bidyut Griha Niwas Private Ltd.	India	-*	100
Bidyut Kutir Nirmaan Private Ltd.	India	-*	100
Headman Mercantile Private Ltd.	India	100	100
Kasturi Tie -Up Private Ltd.	India	100	100
Oswal Manufacturers Private Ltd.	India	60.76	60.76
Pincha Estate Development Private Ltd.	India	-*	100
Pincha Griha Nirmaan Private Ltd.	India	-*	100
Pincha Home Builders Private Ltd.	India	-*	100
Pincha Quality Apartments Private Ltd.	India	-*	100
Raj Construction Projects Private Ltd.	India	65.10	65.10
Rathi Ess En Finance Co. Private Ltd.	India	100	100
RDB Realty & Infrastructure Ltd.	India	100#	-
RD Devcon Pvt. Ltd.	India	100##	-
Sarvana Tracom Private Ltd.	India	-**	100
Satabdi Vyapaar Private Ltd.	India	-**	100
Triton Commercial Private Ltd.	India	100	100
Bindi Developers	India	75	75
RD Properties	India	-***	90

* Ceased to be subsidiary with effect from 30.07.2008

** Ceased to be subsidiary with effect from 31.12.2008

*** Ceased to be subsidiary with effect from 10.06.2008 as the same is taken over by RD Devcon Pvt. Ltd. as a going concern.

Became subsidiary with effect from 10.06.2008 on takeover of the firm RD Properties.

Became subsidiary with effect from 31.03.2009

Schedule "20" notes to the accounts

B)The Group's associates are:

Name of Company	Country of Incorporation	Percentage of ownership interest as at 31st March, 2009	Percentage of ownership interest as at 31st March, 2008
Infravision Developers Private Ltd.	India	50	50
Iskon Estates Private Ltd.	India	20#	20
Rimjhim Vanijya Private Ltd.	India	50	50

Ceased to be associated with effect from 06-09-2008.

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.

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 obligation 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.

Schedule "20" notes to the accounts (contd.)

C. REVENUE RECOGNITION

Real Estate Division

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.

f) Interest income is recognised on accrual basis on a time proportion basis.

Tobacco Division

a) Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer.

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 consist of all directly attributable expenditure.

Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation cost includes licence 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.

Schedule "20" notes to the accounts

G. INVENTORIES

Real Estate Division

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.

Tobacco Division

a) Raw Materials: At lower of weighted average cost or net realisable value.

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

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

d) Stores, Packing & Other Materials: At lower of weighted average cost or net realizable value.

Provision for obsolescence in inventories is made, wherever required.

H. EXCISE DUTY

Excise duty has been accounted for at the time of manufacture of goods, accordingly excise duty on finished goods lying as stock in factory has been considered for valuation.

I. FOREIGN CURRENCY TRANSACTION

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

J. SALES

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

Rental Income: Rental income is exclusive of service tax.

Tobacco Division: Sales represents invoice value of finished goods sold inclusive of excise duty and value added tax but excludes sales returns, claims, rate difference etc.

K. CLAIMS/REFUNDS

Excise, Insurance and other claims/refunds are accounted for on acceptance/actual receipt/ payment basis.

L. EMPLOYEE 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.

Schedule "20" notes to the accounts (contd.)

M. 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 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.

c) Fringe Benefit Tax: The Company provides Fringe Benefit Tax in accordance with the applicable Income Tax laws.

N. 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.

O. 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.

P. 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.

Schedules forming part of the consolidated accounts

Schedule "20" notes to the accounts

Notes to the accounts

1. Earnings Per Share

Earnings per share is computed as under:-		2008-09	2007-08
(A) Profit after Taxation	(Rs.)	15,207,911	122,483,677
(B) Minority's Share in Profit /(Loss) after Taxation	(Rs.)	(1,031,930)	14,269,589
(C) Profit after Taxation attributable to Equity Shareholders (C=A-B)	(Rs.)	16,239,841	108,214,088
(D) Weighted average number of Equity Shares outstanding		10,750,000	10,750,000
(E) Effect of Potential Equity Shares on Share Warrant outstanding		-	-
(F) Weighted average number of Equity Shares in computing diluted earning per share (F=D+E)		10,750,000	10,750,000
Earnings per share (Face value of Rs.10/- per share)	(Rs.)		
Basic (C/D)		1.51	10.07
Diluted (C/F)		1.51	10.07

Note:-Convertible share warrants were cancelled on 06.06.2008 due to non exercise of conversion right by Teck Consultancy & Services Private Ltd. and hence no potential equity shares are outstanding to dilute the earnings per share.

2. 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:

(amount in rupees)

PARTICULARS	2008-09	2007-08
Deferred Tax Assets on		
Provision for Gratuity	4,507,684	5,280,866
Provision for Leave Encashment	472,019	140,719
Provision for Bonus	280,418	25,493
Provision for Land Revenue	231,551	231,551
Business Loss Carried Forward	879,180	-
Depreciation Loss Carried Forward	18,222	-
Expense disallowed U/s 40(a)(ia)	8,192	8,192
	6,397,266	5,686,821
Deferred Tax Liabilities on		
Depreciation Allowance on fixed assets	1,453,850	1,453,850
Provisional Rental Income	1,691,010	1,691,010
	3,161,471	3,144,860
Deferred Tax Assets (Net)	3,235,795	2,541,961

Schedules forming part of the consolidated accounts

Schedule "20" notes to the accounts (contd.)

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:

(amount in rupees)

PARTICULARS	2008-09	2007-08
Contract revenue recognised during the year	113,407,109	64,423,000
Contract Cost incurred and recognised profits (less recognised losses) for all the contracts.	115,017,601	64,723,766
Advances received	34,855,804	31,125,900
Retentions	10,744,240	3,221,150
Due from customer for contract work	3,818,150	-
Due to suppliers for contract work	-	-

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

(amount in rupees)

S.No.	PARTICULARS	2008-09	2007-08
I	Asset under leasing arrangement -Building *		
	a) Gross Block	115,629,911	84,553,294
	b) Less: Accumulated Depreciation	4,144,063	850,306
	c) Net Block	111,485,848	83,702,988
II	Depreciation during the year	3,293,757	850,306
III	Total contingent rents recognised as income in the statement of Profit and Loss Account	2,154,828	5,254,541
IV	General Description: The Company has entered into cancelable operating lease arrangements which vary from 11 months to 21 years considering renewals at regular intervals.		

* Detail of assets does not include value of a portion of land since its separate value could not be ascertained from whole block.

5. Segment Reporting:- In terms of Accounting Standard -17 on "Segment Reporting", Segment information is presented as under:

(amount in rupees)

Business Segments	Tobacco Division	Real Estate Division	Others	Total
1. Segment Revenue				
External Sales including other income	115,280,362 (107,712,749)	348,799,921 (460,419,876)	4,547,388 4,660,068)	468,627,671 (572,792,693)
Less: Excise Duty	74,798,227 (82,357,270)	- -	- -	74,798,227 (82,357,270)
Net Turnover	40,482,135 (25,355,479)	348,799,921 (460,419,876)	4,547,388 4,660,068)	393,829,444 (490,435,423)

Schedules forming part of the consolidated accounts

Schedule “20” notes to the accounts

(amount in rupees)

Business Segments	Tobacco Division	Real Estate Division	Others	Total
2. Segment Results				
Profit/(Loss) before exceptional items	-38,006,671 (-36,584,778)	54,516,177 (160,750,306)	4,547,388 (4,660,068)	21,056,894 (128,825,596)
Exceptional items	213,461 (-523,642)	-173,390 (-13,920)	- -	40,071 (-537,562)
Profit/ (Loss) before Taxation	-37,793,210 (-37,108,420)	54,342,787 (160,736,386)	4,547,388 (4,660,068)	21,096,965 (128,288,034)
Provision for Taxation				3,515,369 (5,402,096)
Profit after Taxation before Share of Result of Associates				17,581,596 (122,885,938)
Share of Net Profit/(Loss) of Associates				-2,373,685 (-402,261)
Profit after Taxation before Minority Interests				15,207,911 (122,483,677)
Less:- Minority Interests				-1,031,930 (14,269,589)
Profit/ (Loss) after Taxation	- -	- -	- -	16,239,841 (108,214,088)
3. Other Information				
Segment Assets	249,991,195 (265,396,749)	2,463,926,791 1,578,580,466)	- (17,383,733)	2,713,917,986 (1,861,360,947)
Unallocated Assets				38,845,711 (39,865,391)
Total Assets				2,752,763,699 (1,901,226,338)
Segment Liabilities	79,799,772 (84,724,032)	1,802,427,462 (936,474,759)	- -	1,882,227,234 (1,021,198,791)
Unallocated Liabilities				14,275,519 (880,027,547)
Total Liabilities				1,896,502,753 (1,901,226,338)
Capital Expenditure	13,236,872 (23,112,763)	37,727,224 (154,617,058)	- -	50,964,096 (177,729,821)
Depreciation and amortization Expense.	9,455,757 (8,464,376)	7,570,389 (3,195,975)	- -	17,026,146 (11,660,351)
Non Cash Expense Other than Depreciation.	2,999,162 (-)	2,000,000 (-)	- -	4,999,162 (-)

Notes: (a)Revenue and expenses has been identified to a segment on the basis of relationship to operating activities of the segment.

(b) Segment Information has been identified by the company on the basis of available information.

(c) A portion of land of Real estate division is included in the segment assets of Tobacco division, as the separate value of same is not available.

(d) Capital expenditure includes closing figure of capital work-in-progress since opening figure is not comparable and hence not considered.

(e) Figures for the previous year have been given in brackets.

(f) The Group's business is mainly concentrated in similar geographical, political and economical conditions; hence disclosure for Geographical segment is not required.

Schedules forming part of the consolidated accounts

Schedule “20” notes to the accounts (contd.)

6.During the year the parent Company has sold its investment in 13 subsidiaries and details thereof is as under:

(amount in rupees)

Name	Cost of Investment	Sale Proceeds	Profit (Loss) on sale of Investment
Alok Nirmaan Private Ltd.	2,000,000	1,000,000	(1,000,000)
Alok Niwas Private Ltd.	2,000,000	1,000,000	(1,000,000)
Alok Towers Private Ltd.	100,000	10,000	(90,000)
Alok Villa Private Ltd.	2,000,000	1,000,000	(1,000,000)
Ambalika Vanijya Private Ltd.	100,000	100,000	-
Bidyut Griha Niwas Private Ltd.	100,000	30,000	(70,000)
Bidyut Kutir Nirmaan Private Ltd.	2,000,000	1,000,000	(1,000,000)
Pincha Estate Development Private Ltd.	100,000	50,000	(50,000)
Pincha Griha Nirmaan Private Ltd.	100,000	30,000	(70,000)
Pincha Home Builders Private Ltd.	100,000	30,000	(70,000)
Pincha Quality Apartments Private Ltd.	100,000	30,000	(70,000)
Sarvana Tracom Private Ltd.	100,000	100,000	-
Satabdi Vyapaar Private Ltd.	100,000	100,000	-

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

(amount in rupees)

Name	Revenue	Net Profit/ (Loss)	Net Assets
Alok Nirmaan Private Ltd.	-	(247,750)	1,681,133
Alok Niwas Private Ltd.	-	(296,711)	1,652,110
Alok Towers Private Ltd.	-	(128,815)	(79,994)
Alok Villa Private Ltd.	-	(475,655)	1,385,076
Ambalika Vanijya Private Ltd.	-	(19,198)	46,521
Bidyut Griha Niwas Private Ltd.	-	(19,403)	29,961
Bidyut Kutir Nirmaan Private Ltd.	-	(184,997)	1,730,761
Pincha Estate Development Private Ltd.	-	(19,403)	29,961
Pincha Griha Nirmaan Private Ltd.	-	(19,447)	29,917
Pincha Home Builders Private Ltd.	-	(19,447)	29,917
Pincha Quality Apartments Private Ltd.	-	(19,447)	29,917
Sarvana Tracom Private Ltd.	-	44,400	119,358
Satabdi Vyapaar Private Ltd.	-	43,471	118,394

Note: Figures of subsidiaries companies mentioned above are based on Audited Financial Statements for the year 2007-08.

Schedule “20” notes to the accounts

7. Employee Defined Benefits

a)Defined Contribution Plans: The Company has recognised an expense of Rs. 3,550,148/- (Previous Year Rs. 3,454,801/-) towards the defined contribution plans.

b)Defined Benefit Plans: As per actuarial valuation as on March 31, 2009 and recognised in the financial statements in respect of Employee Benefit Schemes:

(Rupees in lacs)

		PARTICULARS	2008-09		2007-08	
			Gratuity	Leave	Gratuity	Leave
I		Components of Employer Expense				
	1	Current Service Cost	9.13	1.87	9.20	5.19
	2	Interest Cost	18.97	1.15	17.94	0.92
	3	Expected Return on Plan Assets	-	-	-	-
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Past Service Cost	-	-	-	-
	7	Actuarial Losses/ (Gains)	(35.80)	(0.50)	23.44	(1.95)
	8	Total employer expense recognised in the statement of Profit & Loss Account	(7.70)	2.52	50.58	4.16
		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 (DBO)	214.86	13.89	259.45	14.73
	2	Fair Value of Plan Assets	-	-	-	-
	3	Funded Status [Surplus/ (Deficit)]	(214.86)	(13.89)	(259.45)	(14.73)
	4	Unrecognised Past Service Costs	-	-	-	-
	5	Net Asset/ (Liability) recognised in Balance Sheet	(214.86)	(13.89)	(259.45)	(14.73)
III		Change in Defined Benefit Obligation				
	1	Present Value of DBO at the Beginning of Period	259.45	14.73	234.00	12.35
	2	Current Service Cost	9.13	1.87	9.20	5.19
	3	Interest Cost	18.97	1.15	17.94	0.92
	4	Curtailment Cost/ (Credit)	-	-	-	-
	5	Settlement Cost/ (Credit)	-	-	-	-
	6	Plan Amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial Losses/ (Gains)	(35.80)	(0.50)	23.44	(1.95)
	9	Benefit Payments	(36.89)	(3.36)	(25.13)	(1.78)
	10	Present Value of DBO at the End of Period	214.86	13.89	259.45	14.73
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	36.89	3.36	25.13	1.78
	5	Actuarial Gain/ (Loss)	-	-	-	-
	6	Benefit Payments	(36.89)	(3.36)	(25.13)	(1.78)
	7	Plan Assets at the End of Period	-	-	-	-
V		Actuarial Assumptions				
	1	Discount Rate	8.00%	8.00%	8.00%	8.00%
	2	Expected Return on Assets	N.A	N.A	N.A	N.A
	3	Salary Escalations:- Real Estate	5.00%	5.00%	8.00%	8.00%
		Salary Escalations:- Tobacco	5.00%	5.00%	5.00%	5.00%
	4	Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	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 (contd.)

8. Related party disclosures:- In terms of Accounting Standard - 18 on “Related Party Disclosures”, Related party disclosures are as under:

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

(A) Associates:-

S.No.	Name of Company
1	Infravision Developers Private Ltd.
2	Rimjhim Vanijya Private Ltd.
3	Iskon Estates Private Ltd.* ceased to be associates with effect from 06-09-2008

(B) Key Management Personnels & their relatives:-

S.No.	Name	Designation /Relationship
1	Sunder Lal Dugar	Chairman & Managing Director (CMD)
2	Ravi Prakash Pincha	Executive Director
3	Kusum Devi Dugar	Relative of CMD
4	Vinod Dugar	Relative of CMD

(C) Enterprises over which Key Management Personnels/Major Shareholders/Their Relatives have Significant Influences: -

S.No.	Name of Enterprise
1	Ankur Constructions Private Ltd.
2	Electrical Manufacturing Co.Ltd.
3	Goldline Writing Instrument Ltd.
4	Johri Towers Private Ltd.
5	Loka Properties Private Ltd.
6	Pyramid Sales Private Ltd.
7	Regent Autotrade Private Ltd.
8	RD Motors Private Ltd.
9	RDB Builders Pvt.Ltd.
10	RDB Rasayans Ltd.
11	Lokenath Projects
12	Sri S.L.Dugar Charitable Trust

Schedules forming part of the consolidated accounts

Schedule “20” notes to the accounts

(ii) Disclosure of transactions between the Group and related parties and the status of outstanding balances as on 31.3.2009

(amount in rupees)

Nature of Transaction	Associates	Key Management Personnel & their relatives	Enterprises over which KMP & their relatives have significant influence
Rental Income	- (-)	- (-)	12,919,695 (11,031,585)
Interest Income	- (269,988)	- (-)	- (13,914)
Remuneration Paid	- (-)	1,060,425 (2,004,190)	- (-)
Rent Paid	- (-)	- (-)	383,340 (322,259)
Interest Paid	- (-)	- (-)	4,867,229 (2,552,818)
Repair Services Availed	- (-)	- (-)	136,284 (136,284)
Fixed Asset Purchased	- (-)	- (-)	- (18,436,344)
Equity Share Purchased	- (-)	495,000 (50,000)	- (14,487,000)
Equity Share Sold	- (-)	- (-)	2,090,000 (-)
Advance Received	- (-)	- (-)	122,275,000 (41,935,000)
Advance Repaid	- (-)	- (-)	1,500,000 (27,836,000)
Unsecured Loan Received	- (-)	- (-)	85,765,000 (162,576,288)
Unsecured Loan Repaid	- (-)	- (-)	86,850,766 (123,901,288)
Advance Given	- (91,724,646)	- (500,000)	133,325,000 (29,500,000)
Refund of Advance given	- (14,900,000)	- (-)	94,417,200 (6,750,000)
Loan Given	- (20,226,984)	- (-)	- (5,100,000)
Refund of Loan with interest	- (105,572,740)	- (-)	- (5,113,914)
Closing Balance Receivables	- (-)	- (-)	1,169,393 (6,490,182)
Payables	18,290,600 (8,032,350)	- (-)	38,911 (136,170)
Advance Given	- (76,824,646)	500,000 (500,000)	75,756,800 (22,750,000)
Advance Received	35,000,000 (-)	- (-)	120,775,000 (14,999,000)
Unsecured Loan Taken	- (-)	- (-)	60,179,979 (57,792,634)

Note: a)Related party relationships are as identified by the Group on the basis of available information.
b)Previous year figures have been given in brackets.

Schedules forming part of the consolidated accounts

Schedule “20” notes to the accounts (contd.)

9. Convertible share warrants were during exercise period of 18 months from 07.12.2006 to 06.06.2008 and hence strike price amounting to Rs.12,750,000/- was forfeited by parent company and credited to Capital Reserve Account.

10. Interest amounting to Rs.31,946,190/- (Previous Year Rs. 12,166,267/-) paid on loans taken for real estate projects has been included in the value of inventory.

11. Scheme of Arrangement

The Demerger Committee of the Company has approved a revised scheme of arrangement under section 391-394 of the Companies Act, 1956 between the Company and RDB Realty & Infrastructure Limited (Transferee Company) at its meeting held on 9th June, 2009 in place of original scheme of demerger approved vide its meeting dated 3rd April 2008. Real estate division of the Company will be demerged with transferee company with effect from 1st April 2009. As a result of demerger, shareholders of the Company will get one equity share of transferee company for every equity share held by them. Net worth of Real estate division amounting to Rs.525,222,510/- shall be transferred to transferee company.

12. In view of the amendment made in the Union Budget 2003 with retrospective effect, parent company is liable to refund excise duty amounting to Rs. 68,183,280/- received/ receivable in terms of notification no.32/99 dated 8th July, 1999 issued by the Central Government, on account of Badarpur unit in Assam and interest thereon amounting to Rs. 40,437,517/- upto 31st March, 2006. Parent company has challenged the amendment in Hon'ble High Court, Guwahati and subsequently the matter is transferred to Hon'ble Supreme Court of India.
The Hon'ble Supreme Court vide its order dated 19th September, 2005 has confirmed such retrospective amendment made by the Central Government through its Budget Notification. However, parent company is of the view that the amendment is not applicable to it and a clarification/modification petition to that effect was filed and admitted by the Hon'ble Supreme Court. On 31st October, 2007, The Central Excise Department has passed a fresh adjudication order confirming the demand and the Company has appealed before the Appellate Tribunal which was brought to the notice of the Hon'ble Supreme Court. The Hon'ble Supreme Court disposed off the petition on 25th March, 2008 with a direction that appeal shall be decided by appellate authority on merits and in accordance with law. The appeal filed before the Tribunal is still pending. Parent company is confident to get the full relief as the entire benefit was passed on to the consumer and as such the company does not accept any further liability and no provision is considered necessary based on the expert legal advice. Further to this the company has accounted for during financial year 2000-01 a sum of Rs. 40,493,280/- as excise duty refund receivable (Badarpur) and Rs.21,548,160/- towards excise duty payable (Badarpur) in terms of the above mentioned notification.

13. The Hon'ble High Court, Kolkata has confirmed sale of assets of New Tobacco Co. Ltd. (In Liquidation) in favour of parent company vide its order dated 19th April, 2006 and directed the Joint special officers to execute the deed and/or deeds of conveyance in respect of immovable properties and to issue necessary sale certificates for plant & machineries and all assets and properties in favour of parent company. Conveyance deed of some properties is yet to be executed for transfer of title in favour of parent company since connected proceedings are pending before the Hon'ble High Court, Kolkata.

Schedules forming part of the consolidated accounts

Schedule “20” notes to the accounts

14. A suit has been filed against parent company in the year 1999 for recovery of Rs.20,000,000/- along with interest which is still pending before the Hon'ble High Court, Kolkata. Parent company disputes the claim of the party and as the matter is subjudice no provision for interest has been made.

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. Capital Reserve (net of goodwill) amounting to Rs. 33,164,526/-(Previous year Rs. 33,282,521/-) arising on account of consolidation has been shown under the head capital reserves on consolidation.

17. 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.

18. Contingent Liabilities

a) Claims against the company not acknowledged as debts - Rs. 14,453,701/- (Previous year Rs.14,453,701/-)

b) Disputed liabilities relating to Central Excise Demands Rs.913,702,000/- (Previous year Rs.94,791,023/-)

c) Estimated amount of contract remaining Rs. Nil (Previous year Rs. Nil) to be executed on capital account and not provided for (Net of Advances).

d) On account of guarantee/letter of credit Rs.75,684,875/- (Previous year Rs.10,500,000/-) issued by the company's bankers.

19. 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.

20. 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 and on behalf of the Board

For S. M. Daga & Co.
Chartered Accountants

Deepak Daga

D.K.DAGA
Partner
Membership No.59205

S.L.Dugar
Chairman and Managing Director

Ravi Pincha
R.P.Pincha
Whole Time Director

P.Kejriwal
P.Kejriwal
Company Secretary

Kolkata
The 30th day of June, 2009

Section 212

Under Section 212 (8) of the Companies Act, 1956 for the year ended 31st March, 2009

Sl. No.	Name of the Company	Paid up Capital	Reserve	Total Assets	Total Liabilities	Investment	Turnover	Profit/(Loss) Before Tax	Provision for Tax	Profit/(Loss) After Tax	Proposed Dividend
1	Bahubali Tie-up Pvt. Ltd.	100,000	-	13,459,220	13,459,220	-	-	(10,380)	-	(10,380)	-
2	Baron Suppliers Pvt. Ltd.	100,000	-	13,479,220	13,479,220	-	-	(10,925)	-	(10,925)	-
3	Bhagwati Builders and Development Pvt. Ltd.	272,000	11,629,896	144,163,418	144,163,418	-	33,239,616	12,839,212	1,616,959	11,222,253	-
4	Bhagwati Plasto Works Pvt. Ltd.	11,036,000	10,079,330	124,815,650	124,815,650	360,000	3,865,804	(5,093,552)	2,124	(5,095,676)	-
5	Headman Mercantile Pvt. Ltd.	100,100	-	13,474,320	13,474,320	-	-	(11,017)	-	(11,017)	-
6	Kasturi Tie-up Pvt. Ltd.	100,000	-	13,564,220	13,564,220	-	-	(12,610)	-	(12,610)	-
7	Oswal Manufacturers Pvt. Ltd.	502,000	173,982	46,961,797	46,961,797	-	-	(35,854)	27	(35,881)	-
8	Raj Construction Projects Pvt. Ltd.	18,544,500	82,365,393	212,421,297	212,421,297	11,699	4,417,098	2,968,630	517,083	2,451,547	-
9	Rathi Essen Finance Company Pvt Ltd	1,297,000	-	57,134,523	57,134,523	-	-	(215,043)	2,100	(217,143)	-
10	RD Devcon Pvt. Ltd.	100,000	-	150,734,185	150,734,185	-	13,254,027	(2,250,567)	(826,671)	(1,423,896)	-
11	RDB Realty & Infrastructure Ltd.	500,000	-	296,017	296,017	-	-	(9,162)	-	(9,162)	-
12	Triton Commercial Pvt. Ltd.	100,000	-	13,509,220	13,509,220	-	-	(14,269)	-	(14,269)	-

Regent Sonarpur

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