

## REPORT ON CORPORATE GOVERNANCE

### 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 endeavouring to follow the best Corporate Governance practices.

### 2. Corporate Governance guidelines

Over the years, the government has developed guidelines to fulfill 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 Whole-time 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.

The following is the composition of the Board as on 31<sup>st</sup> March, 2011:

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	11	2(1 as Chairman)
Mr. Pradeep Kumar Pugalia	Whole-time Director	Executive	-	-
Mr. Ravi Prakash Pincha	Director	Non-executive & Independent	10	4(including 2 as Chairman)
Mr. Om Prakash Rathi	Director	Non-executive & Independent	-	-
Mr. Mahendra Pratap Singh	Director	Non-executive & Independent	2	5(including 3 as Chairman)
Mr. Abhishek Satyanarayan Rathi	Director	Non-executive & Independent	-	-

\* 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 31<sup>st</sup> March, 2011, nineteen meetings of the Board were held as follows:

Sl. No.	Date of the Meeting	Board Strength	No. of Directors present
1	13/04/2010	6	6
2	19/04/2010	6	6
3	29/05/2010	6	6
4	01/06/2010	6	6
5	02/06/2010	6	6
6	14/06/2010	6	6
7	24/06/2010	6	6
8	08/07/2010	7	7
9	12/07/2010	7	7
10	05/08/2010	6	6
11	12/08/2010	6	6
12	02/09/2010	6	5
13	04/10/2010	6	5
14	22/11/2010	6	6
15	07/12/2010	6	5
16	13/12/2010	6	6
17	11/01/2011	6	6
18	14/02/2011	6	6
19	16/03/2011	6	6

### Attendance of Directors at Board Meetings and Annual General Meeting

Director	No. of Board Meetings		Attendance at last AGM (08.09.2010)
	Held During Directorship	Attended	
Mr. Sunder Lal Dugar	19	19	Yes
Mr. Ravi Prakash Pincha	19	19	Yes
Mr. Pradeep Kumar Pugalia	12	12	Yes
Mr. Mahendra Pratap Singh	19	17	Yes
Mr. Abhishek Satyanarayan Rathi	19	19	Yes
Mr. Om Prakash Rathi	10	9	Yes

#### **4. APPOINTMENT/RE-APPOINTMENT OF DIRECTORS**

##### **Mr. Ravi Prakash Pincha**

Mr. Ravi Prakash Pincha was appointed on the Board of RDB Realty & Infrastructure Limited on 23<sup>rd</sup> June, 2006. He is a young man with vision and a great team leader. During his long association, the Company is greatly benefited by his distinctive managerial qualities and his rich & varied experience & exposures.

He is also holding directorships in the following companies:

1. Bahubali Tie-up Private Limited
2. Baron Suppliers Private Limited
3. Bengal Regent Infrastructure Limited
4. Bhagwati Builders and Development Private Limited
5. Headman Mercantile private Limited
6. Johri Towers Private Limited
7. Kasturi Tie-up Private Limited
8. Khatod Investments & Finance Company Limited
9. Mangalahat Construction & Builders Private Limited
10. NTC Industries Limited( Formerly known as RDB Industries Limited)
11. RD Devcon Private Limited
12. RDB Insurance Broking Services Private Limited
13. RDB Regent Retail Limited
14. Regent Capital Private Limited
15. Regent Finance Corporation Private Limited
16. Regent Forex private Limited
17. Rimjhim Vanijya Private Limited
18. Samsa Expo Private Limited
19. Triton Commercial Private Limited

##### **Mr. Om Prakash Rathi**

Mr. Om Prakash Rathi was appointed on the Board of RDB Realty & Infrastructure Limited on 12<sup>th</sup> July, 2010. He is a commerce graduate from Calcutta University. Mr. Om Prakash Rathi is an experienced personality with experience over 30 years in Real Estate Industry. During the period, he has been one of the core members of several residential/ commercial real estate projects of the RDB Group.

He is also holding directorships in the following companies:

1. Bhagwati Builders & Development Pvt. Ltd.
2. Rathi Textiles 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 if required, the replacement or removal of statutory auditors, internal auditors and fixation of their remuneration;
- (c) Approval of payment to statutory auditors for any other services rendered by statutory auditors.
- (d) 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.
- (e) Review with the management, of the quarterly financial statements before submission to the board for approval
- (f) Review with the management, of the performance of statutory and internal auditors, adequacy of the internal control systems.
- (g) Review of the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (h) Discussion with internal auditors any significant findings and follow up there on.
- (i) Review of the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- (l) Review of the functioning of the Whistle Blower mechanism.
- (m) Carrying out any other function as may be assigned to the Committee by the Board from time to time.
  - (i) Review of information relating to:
    - a) Management discussion and analysis of financial condition and results of operations;
    - b) Statement of significant related party transactions, submitted by management;
    - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d) Internal audit reports relating to internal control weaknesses;

### Composition of the Audit Committee

The Audit Committee comprised of two non-executive directors & one executive director. 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. Om Prakash Rathi	Chairman	3	3
2	Mr. Mahendra Pratap Singh	Member	3	3
3	Mr. Pradeep Kumar Pugalia	Member	3	3

### Details of Audit Committee Meetings and attendances:

During the financial year ended 31<sup>st</sup> March, 2011, Three meetings of the Audit Committee were held as follows:

Sl. No.	Date of the meeting	Attendance
1	05/08/2010	3
2	22/11/2010	3
3	14/02/2011	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. Om Prakash Rathi *	Chairman	Nil	Nil
2	Mr. Mahendra Pratap Singh	Member	1	1
3	Mr. Abhishek Satynarayan Rathi	Member	1	1

\* Mr. Om Prakash Rathi was inducted in place of Mr. Pradeep Kumar Pugalia w.e.f 16/03/2011

During the financial year ended 31<sup>st</sup> March, 2011, one meeting of the Remuneration Committee was held as follows:

Sl. No.	Date of the meeting	Attendance
1	05/08/2010	3

### Remuneration Policy

RDB Realty'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 31<sup>st</sup> March, 2011

(Figures in Rs.)

Director	Consolidated Salary (Rs.)	Perquisites and other Benefits	Performance bonus/ Commission	Sitting Fees	Total
Mr. Sunder Lal Dugar	4,80,000/-	67,337/-	Nil	Nil	5,47,337/-
Mr. Pradeep Kumar Pugalía	2,00,000/-	Nil	Nil	Nil	2,00,000/-

No remuneration (including sitting fee) has been paid to the Non-Executive Directors in the financial year 2010-11. The Non-Executive Directors except Shri Ravi Prakash Pincha 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 endeavouring 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](http://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 and Senior Management in respect of financial year 2010-11."

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 six times during the financial year under review.

### Composition

The Shareholders'/Investors' Grievance Committee comprises three members, two of them are Non Executive and Independent directors.

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Om Prakash Rathi	Chairman	6	6
2	Mr. Mahendra Pratap Singh	Member	6	6
3	Mr. Pradeep Kumar Pugalia	Member	6	6

Mr. Ashish Mishra, Company Secretary, is the Compliance Officer of the Company. The shareholders may send their complaints at [investors@rdbindia.com](mailto:investors@rdbindia.com).

Details of shareholders' complaints

(a) Number of shareholders' complaints received during the year	: 10
(b) Number of shareholders' complaints resolved during the year	: 10
(c) Number of complaints not solved to the satisfaction of shareholders	: Nil
(d) Number of complaints pending	: Nil

## 9. 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
2009-10	4 <sup>th</sup> A.G.M	Wednesday 08.09.2010	10.00 a.m.	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 4th Floor, 36A, Shakespeare Sarani, Kolkata-700017	4 *
2008-09	3 <sup>rd</sup> A.G.M	Monday 31.08.2009	10.00 a.m.	"Bikaner Building" 8/1 Lal Bazar Street Kolkata-700001	-
2007-08	2 <sup>nd</sup> A.G.M	Tuesday 30.09.2008	10.00 a.m.	"Bikaner Building" 8/1 Lal Bazar Street Kolkata-700001	-

\* *Special Resolution for Appointment of Sri Sunder Lal Dugar as Managing Director and Sri Pradeep Kumar Pugalía as Whole Time Director  
Increase in Borrowing Limits of the Company  
Limit for Inter Corporate Loans & Advances*

## 10. 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 "19" in Notes to the Accounts forming part of the accounts for the year ended 31<sup>st</sup> March, 2011.
- 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.

## 11. 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.

## 12. Means of communication

- (a) The quarterly financial results and annual audited financial results are normally published in *The Financial Express* in English, *Kalantar*, *Dainik Lipi*, *Arthik Lipi* and/or *Duranta Barta* in Bengali.
- (b) The quarterly financial results and annual audited financial results of the Company are sent to The Calcutta Stock Exchange Limited and Bombay Stock Exchange Limited.
- (c) The Company also files its quarterly and yearly compliances through Corporate Filing & Dissemination System at [www.Corpfilng.nic.in](http://www.Corpfilng.nic.in).
- (d) The Company's financial results are also displayed in its website, [www.rdbindia.com](http://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.

## 13. 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.

#### 14. General shareholder information

##### Details of Annual General Meeting for F. Y. 2010-11

<b>Date</b>	:	Monday, 19 <sup>th</sup> September, 2011
<b>Venue</b>	:	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 4th Floor, 36A, Shakespeare Sarani, Kolkata- 700017
<b>Time</b>	:	10:00 a.m.
<b>Book closure date</b>	:	From Monday, 12 <sup>th</sup> September, 2011 to Monday, 19 <sup>th</sup> September, 2011 (both days inclusive)
<b>Payment of Dividend</b>	:	Dividend for the FY 2010-11 will be declared on or after 19 <sup>th</sup> September, 2011

##### Financial Calendar

Financial year: 1<sup>st</sup> April to 31<sup>st</sup> March

For the year ended 31<sup>st</sup> March, 2011, results were adopted on:

- Not Applicable: First quarter
- 22<sup>nd</sup> November, 2010: Half Yearly (Audited)
- 14<sup>th</sup> February, 2011: Third quarter (Un-audited)
- 30<sup>th</sup> May, 2011: Annual (Audited)

For the year ending 31<sup>st</sup> March, 2012, the results are likely to be adopted:

- on or before 14<sup>th</sup> August, 2011 : First quarter (Un-audited)
- on or before 14<sup>th</sup> November, 2011: Half yearly (Un-audited)
- on or before 14<sup>th</sup> February, 2012: Third quarter (Un-audited)
- on or before 30<sup>th</sup> May, 2012: Annual (Audited)

##### Listing on stock exchanges

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

1. **The Calcutta Stock Exchange Limited**  
7, Lyons Range, Kolkata – 700 001  
Website: [www.cse-india.com](http://www.cse-india.com)
2. **Bombay Stock Exchange Limited**  
Phiroz Jeejabhoy Towers  
Dalal Street, Mumbai – 400 001  
Website: [www.bseindia.com](http://www.bseindia.com)

The listing fees for the financial year 2011-12 have been paid to the above Stock Exchanges.

##### Stock Code

- (a) Bombay Stock Exchange Limited : 533285
- (b) The Calcutta Stock Exchange Limited: 28393

##### Depositories

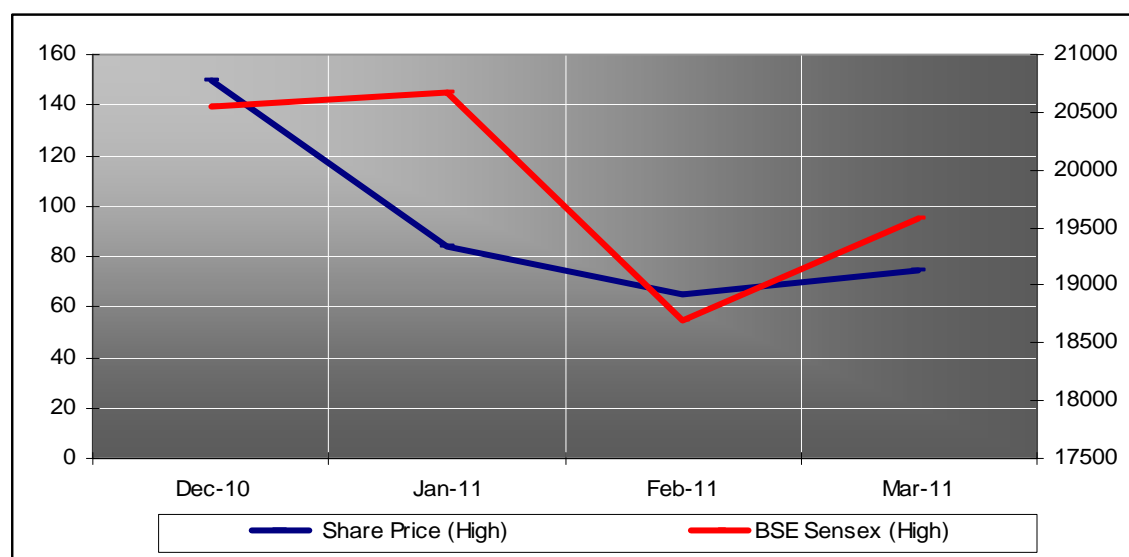
- (a) National Securities Depositories Limited  
Trade World, Kamala Mills Compound, Lower Parel, Mumbai - 400003
- (b) Central Depositories Services Limited  
P J Towers, 28<sup>th</sup> Floor, Dalal Street, Mumbai – 400001

The fees to the depositories for the financial year 2011-12 have been paid.

### Market price data

The monthly high and low share price data at the Bombay Stock Exchange Limited for the financial year 2010-11:

Month	Share Price (High)	Share Price (Low)	BSE Sensex (High)	BSE Sensex (Low)
Dec-10	150.00	55.15	20552.03	19074.57
Jan-11	84.00	51.35	20664.80	18038.48
Feb-11	64.90	56.00	18690.97	17295.62
Mar-11	74.20	57.05	19575.16	17792.17



### Registrar & Share Transfer Agents

M/s Niche Technologies Private Limited  
D-511, Bagree Market, 71, B.R.B. Basu Road,  
5<sup>th</sup> 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](mailto: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

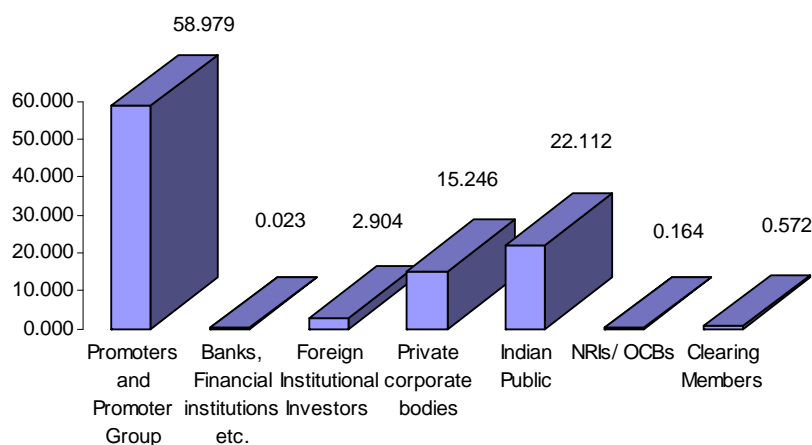
Distribution of shareholding by size as on 31<sup>st</sup> March, 2011

Range of Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	5018	88.31	663639	6.145
501 – 1000	318	5.60	260554	2.413
1001 – 5000	243	4.28	542478	5.023
5001 – 10000	39	0.69	299104	2.77
10001 – 50000	44	0.77	878455	8.134
50001 – 100000	8	0.14	562483	5.208
100001 and above	12	0.21	7593287	70.308
<b>Total</b>	<b>5682</b>	<b>100.00</b>	<b>10800000</b>	<b>100.00</b>

Distribution of share holding by category as on 31<sup>st</sup> March, 2011

Category	Number of Shares	% to Total
Promoters and Promoter Group	6369775	58.979
Banks, Financial institutions etc.	2500	0.023
Foreign Institutional Investors	313622	2.904
Private corporate bodies	1646562	15.246
Indian Public	2388038	22.112
NRIs/ OCBs	17756	0.164
Clearing Members	61747	0.572
<b>Total</b>	<b>10800000</b>	<b>100.00</b>

Share Holding by Category as on 31st March, 2011



**List of Top Ten Shareholders as on 31<sup>st</sup> March, 2011.**

<b>Sl. No.</b>	<b>Name of the Shareholder</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>
1	Vinod Dugar	2114423**	19.148
2	Sheetal Dugar	1000000	9.259
3	Khatod Investments And Finance Company Ltd	921225	8.530
4	Teck Consultancy And Services Private Ltd	750000	6.944
5	Pyramid Sales Pvt. Ltd.	716122	6.631
6	Sunder Lal Dugar	687900*	6.369
7	Loka Properties Pvt Limited	377100	3.492
8	Ankur Constructions Pvt Ltd.	375000	3.472
9	Albula Investment Fund Ltd	313622	2.904
10	Yashashwi Dugar	120055	1.112

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

\*\* includes 46400 shares held as Trustee of Rekha Benefit Trust.

**Details of shares held by Directors as on 31<sup>st</sup> March, 2011**

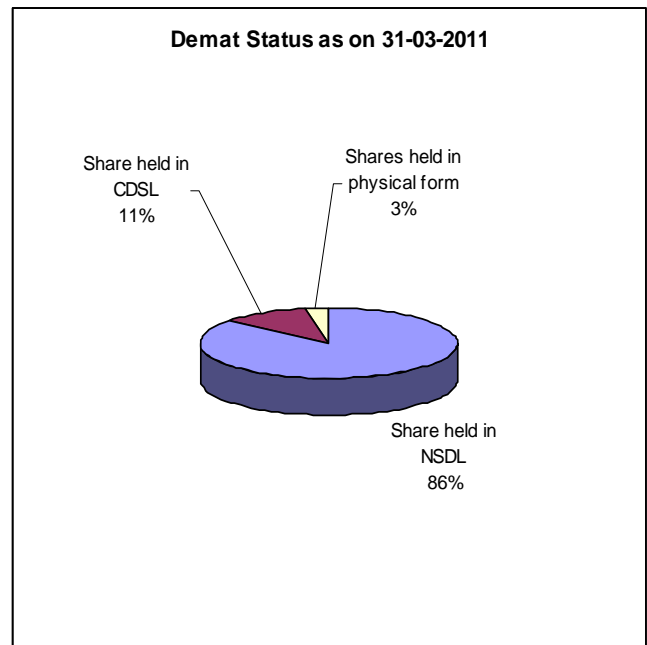
<b>Name of Director</b>	<b>No. of Equity Shares</b>	<b>% of Total holding</b>
Mr. Sunder Lal Dugar	687900*	6.37
Mr. Ravi Prakash Pincha	5600	0.05
Mr. Om Prakash Rathi	Nil	Nil
Mr. Mahendra Pratap Singh	Nil	Nil
Mr. Abhishek Satyanarayan Rathi	Nil	Nil
Mr. Pradeep Kumar Pugalia	Nil	Nil
<b>Total</b>	<b>693500</b>	<b>6.42</b>

\* 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 31<sup>st</sup> March, 2011

Status of Dematerialisation	No. of Share	% of Total Share
Share held in NSDL	9256646	85.71%
Share held in CDSL	1201139	11.12%
Shares held in physical form	342215	3.17%



**Plant Location:** The Company does not have any Manufacturing Facility

**Address for correspondence:** RDB Realty & Infrastructure Limited

"Bikaner Building", 1<sup>st</sup> Floor  
8/1 Lal Bazar Street, Kolkata - 700001

**Website:** [www.rdbindia.com](http://www.rdbindia.com)