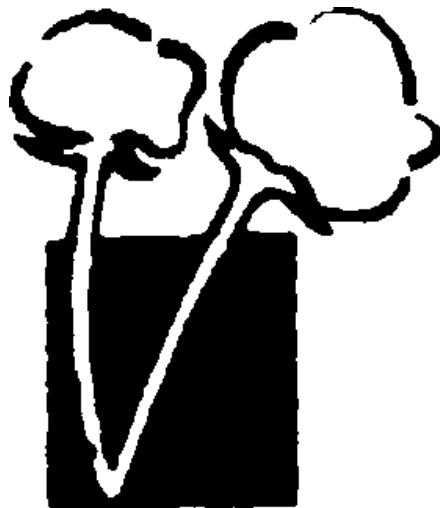


**RKB AGRO INDUSTRIES LIMITED**  
**RAICHUR**



**THIRTY FIFTH ANNUAL REPORT**  
**2014 - 2015**

DIRECTORS	:	Sri S.K. Bhandari	- Managing Director
		Sri V.M. Bhandari	- Whole Time Director
		Sri Shantilal Mootha	- Director
		Sri M. Ganesh	- Director
		Smt. Rupal Bhandari	- Director (From 27-03-2015)
		Sri Ajay Kumar Bhandari	- Director (Upto 27-03-2015)
COMPANY SECRETARY	:	Sri N. Mahesh	
AUDITORS	:	<b>M/s. Dagliya &amp; Co.,</b> Chartered Accounts 'L' Block, Unity Buildings, Bangalore - 560 002.	
BANKERS	:	The Lakshmi Vilas Bank Ltd. Raichur.	
REGISTERED OFFICE	:	1st Floor, Kushal Chambers M.G. Road, Raichur - 584 101.	
WEBSITE	:	<a href="http://www.rkbagro.com">www.rkbagro.com</a>	
E-MAIL	:	<a href="mailto:bhandariudhyog@hotmail.com">bhandariudhyog@hotmail.com</a>	
SHARE TRANSFER AGENTS	:	<b>Bigshare Services (P) Limited</b> E 2/3, Ansa Industrial Estate Saki Vihar Road, Saki Naka Andheri (East) Mumbai - 400 072.	
INVESTOR GREVIANCES	:	<a href="mailto:investors@bhandariudhyog.in">investors@bhandariudhyog.in</a>	

**CIN: L17100KA1979PLC003492****NOTICE**

NOTICE is hereby given that the thirty fifth Annual General Meeting of the members of R K B Agro Industries Limited will be held on Tuesday the 29th December 2015 at 10.00 a.m. at the Registered Office of the Company to transact the following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the financial statement as at 31st March 2015 along with Notes and the Boards' Report and the Auditors' Report thereon.
2. To appoint a director in place of Sri V. M. Bhandari (DIN: 0041116) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditor and to pass the following resolution:

“RESOLVED THAT pursuant to provisions of Section 139 (2) of the Companies Act, 2013 and the rules made thereunder, the appointment of M/s Dagliya & Co, Chartered Accountants, Bangalore (Firm Registration No 00671S) appointed as statutory auditor of the Company for a term of 3 years till the conclusion of the Annual General Meeting for the year 2016-17 be and is hereby ratified for the financial year 2015-16 and to fix the remuneration.”

**SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Rupal Bhandari, who was appointed as an Additional Director with effect from 27-03-2015 by the Board of Directors in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting in respect of whom a notice has been received from a member in writing pursuant to section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the company.”

5. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to proviso to sections 196 (3) (a) of the Companies Act 2013 read with rules framed thereunder approval of the members be and is hereby accorded for the continued appointment of Sri. S .K. Bhandari (DIN 00409750) who attains the age of 70 years on 14th November 2015 as Managing Director of the Company on the existing terms and conditions.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do such acts, things and deeds as may be necessary to give effect to the above resolution”.

On Behalf of Board of Directors

Place: Raichur

Date: 18th November 2015.

S.K. Bhandari  
Managing Director  
DIN: 00409750

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The instrument appointing proxy, in order to be valid must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 percent of the total share capital of the company carrying voting rights.
4. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Members/ proxies should bring the attendance slip duly filled and signed for attending the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Statement pursuant to section 102 of the Companies Act, 2013 is annexed.
7. The register of members and share transfer books of the Company will remain closed from 23rd 2015 to 29th December 2015 (both days inclusive).
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates and PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the company.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding are requested to send the shares certificates to the company for consolidation into a single folio.
11. Members are requested to notify any change in their address to the Company's Share Transfer Agent – M/s. Big Share Services Private Limited, E2/3, Ansari Industrial Estate, Saki Naka, Andheri (East), Mumbai – 400 072.
12. Members desiring any information as regards to accounts are requested to write to the Company at least 10 days before the meeting to enable the management to keep the information ready.
13. The business set out in the Notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. The following instructions may please be followed:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members facility to exercise their right to vote on resolution proposed to be passed in the meeting by electronic means. Members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting) through e-Voting Services provided by Central Depositories Services (India) Limited.

The instructions for members for voting electronically are as under:-  
In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated PAN with the Company / Depository participant Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy :**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## **ANNEXURE**

Statement required under section 102 of The Companies Act, 2013 referred to in the Notice of Annual General Meeting dated 10th November 2015.

### **Item No. 4 :**

Mrs. Rupal Bhandari was appointed as an Additional Director with effect from 27th March 2015. In terms of section 161 of the Companies Act, 2013 she holds office up to the date of this Annual General Meeting. In this regard the Company has received a notice in writing from a member of the company proposing the candidature of Mrs. Rupal Bhandari for appointment as Director of the Company pursuant to provisions of section 160 with the requisite deposit.

Mrs. Rupal Bhandari, who holds a degree in business management has good business track. The Board feels that her appointment would be in the interest of the company. Also her appointment meets the requirement of section 149 (1) of the said Act according to which the company is required to appoint a women director on the Board of the Company.

None of the Directors, except Mrs. Rupal Bhandari and Sri. V. M. Bhandari who is related to her or any Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends resolutions be passed as an ordinary resolution.

### **Item No. 5 :**

Sri. S. K. Bhandari, a graduate in Commerce has over 40 years of experience in cotton, trading, ginning and processing. Further he has expertise in spinning mill. He is associated with the Company from the inception and has been the driving force in nourishing and bring the company to its present level. He was re-appointed as a Managing Director for a term of five years with effect from 1st April 2014.

Sri. S. K. Bhandari attains the age of 70 on 14th November 2015. However considering his long association with the company as a promoter, as chief mentor it would be in the interest of the Company to have his continued guidance and expertise in carryout the activities of the company. It is therefore proposed to continue his appointment as Managing Director for a further period of four years from 1st April 2015 on the existing terms and conditions. In terms of proviso to sections 196 (3) (a) of the Companies Act 2013 approval of the members by a special resolution is necessary to appoint Sri. S.K. Bhandari as Managing Director as he attains the age of 70 years on 14th November 2015.

None of the directors except Sri. S.K. Bhandari and Sri. V.M. Bhandari who is related to him or any other key managerial personnel or their relatives is concerned or interested financially or otherwise except who is related to him.

Your Directors recommend this resolution as a Special Resolution for your approval.

On Behalf of Board of Directors

Raichur  
Date: 18th November 2015.

S.K. Bhandari  
Managing Director  
DIN:00409750



CIN: L17100KA1979PLC003492

**Boards' REPORT**

To,  
The Members  
RKB Agro Industries Limited

Your directors are pleased to present the annual report along with the audited financial statements for the year ended 31st March 2015.

**1. Financial results:**

Particulars	31.03.2015 Amount in Rs.	31.03.2014 Amount in Rs.
Gross Revenue from operations	23,66,97,841	6,07,52,688
Other Income	15,12,156	16,93,561
Total Income	23,82,09,997	6,24,46,249
Expenditure before depreciation and financial cost	22,83,60,963	5,28,00,750
Depreciation	29,01,319	20,59,675
Financial cost	36,97,593	3,41,288
Profit/(Loss) before tax	32,50,122	75,85,824
Exceptional Items (Income)	65,07,967	-
Prior period income	6,65,000	-
Profit before tax	1,04,23,089	75,85,824
Provision for Tax – Current Tax	22,50,000	15,00,000
Tax adjustment of prior periods	1,92,736	4,110
Profit/(Loss) after Tax for the year	79,80,353	60,81,714
Earnings per share	1.85	1.87

**2. Operations :**

During the year, your company's revenue from operations was Rs. 23.67 crores as against previous years' figure of Rs. 6.08 crores. Taking into account income from other sources the total income has aggregated to Rs.23.82 crores as against Rs.6.24 crores during the previous year. After providing for depreciation and financial cost, the operation has resulted in a profit before tax of Rs. 32.50 lakhs. Adding exceptional items of income the company has earned a profit of Rs.1.04 crores (previous year Rs.75.86 lakhs). With making provision for current tax and tax adjustment for prior periods the result in profit after tax of Rs.79.80 lakhs (previous year Rs.60.82 lakhs)

**3. Dividend :**

Your company has accumulated loss over the years and the surplus amount is applied to reduce the carry forward loss. In view of this your Directors do not recommend any dividend.

**4. Reserves :**

The Board does not propose to carry any amount to any reserves.

**5. Brief description of the Company's state of affair :**

During the year under review the performance of the company has shown perceptible increase as the volume of traded cotton has gone up from Rs.3.51 crores to Rs.16.44 crores. This was possible due to favourable raining pattern for cultivation of cotton and also favourable market conditions. It was expected that the weather conditions would continue to be conducive for cultivation of cotton and with upward demand for cotton, your company would be able to achieve further increase in turnover and the profitability.

**6. Extract of the Annual Return :**

The extract of annual return in for MGT-9 as required under the provisions of Section 92 (3) of the Act is annexed to this report.

**7. Directors and Key Managerial Personnel :****A. Directors:**

During the year Sri Ajay Bhandari resigned as a Director, In terms of section 161 of the Companies Act, 2013, Mrs. Rupal Bhandari was appointed as Additional Director with effect from 27-03-2015 who holds office till this Annual General Meeting. In this regard the company has received a notice in writing with requisite deposit, pursuant to section 160 of the said Act, from a shareholder proposing the name of Mrs. Rupal Bhandari as a Director on the Board of the Company. The appointment of Mrs. Rupal Bhandari would meet the requirement of second proviso to section 149(1) of the said Act according to which it is mandatory for the company to appoint a Woman Director on the Board of the Company.

Sri V.M. Bhandari, Whole-time Director retire by rotation at the ensuing annual general meeting and being eligible offers themselves for re-appointment.

The composition of the Board of Directors and the number of board meetings attended by them as follows:

Sl. No.	Name of Director	Designation	Qualification	Date of appt. / Resignation	No. of meeting attended
1	Sri S.K. Bhandari	Managing Director	B.Com		11
2	Sri V.M. Bhandari	Whole-time Director	B.Com		11
3	Sri Shantilal Moota	Independent Director			10
4	Sri M. Ganesh	Independent Director	MBA		7
5	Mrs. Rupal Bhandari	Woman Director	BBM	27-03-2015	1
6	Sri Ajay Bhandari	Director	MBA	27-03-2015	9

During the year thirteen meetings of the Board of Directors were held on 1st April 2014, 30th April 2014, 31st July 2014, 11th August 2014, 24th August 2014, 5th September 2014, 10th October 2014, 13th November 2014, 5th January 2015, 24th January 2015, 14th February 2015, 25th February 2015 and on 27th March 2015 and the intervening gap between any two meetings was within the period prescribed in section 173 of the Companies Act, 2013.

**B. Key Managerial Personnel :**

As required under section 203 of the Companies Act, 2013, apart from the Managing Director the following are the Key Managerial Personnel.

Sri N. Mahesh	Company Secretary
Sri Sripad Hanchate	Chief Financial Officer

**C. Declaration by Independent Director(s) and re-appointment.**

Sri Shantilal Mootha and Sri M. Ganesh, Independent Directors have furnished declaration stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

**8. Audit Committee :**

The Audit Committee constituted by the Board consists of the following directors:

Sri. Shantilal Moota	Independent Director	Chairman
Sri. M. Ganesh	Independent Director	Member
Sri. V. M. Bhandari	Whole-time Director	Member

Sri. N. Mahesh, Company Secretary would act Secretary to the Committee.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees, stakeholders and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

**9. Adequacy of internal financial controls with reference to the Financial Statements:**

The internal financial controls are adequate to ensure that the financial statements are drawn up with due care to reflect the factual position.

Further pursuant to section 138 the Companies Act, 2013, the company has appointed M/s. Mootha S.K. & Co., Chartered Accountants, Loharwadi, Raichur- 580101 as the Internal Auditor for the Company.

**10. Composition of Nomination and Remuneration Committee and its policy.**

The Nomination and Remuneration Committee consists of the following members:

Sri. Shantilal Mootha	Independent Director	Chairman
Sri. M. Ganesh	Independent Director	Member
Mrs. Rupal Bhandari	Director	Member

The number of director on the Board of the Company is only five out of which two are independent directors. The Audit Committee and Nomination and Remuneration has been constituted amount them however ensuring compliance with the provisions of the Act.

The Company has drawn up the remuneration policy considering the cost of living and other parameters prevalent in Raichur district, one of the backward districts Karnataka State. Further the remuneration fixed for the Managing Director and the Whole-time Director, the core promoters of the company is meager and so alto the remuneration offered to other Key Managerial Personnel.

**11. Managerial Remuneration :**

- 1) The ratio of the remuneration of Managing Director and the Whole-time Director to the median remuneration of the employees of the Company is 1:1.20. However the Managing Director and the Whole-time Director have not drawn any remuneration during the year. None of the Directors are paid any commission.
- 2) The Managing Director and the Whole-time Director were not paid any remuneration till 2013-14. Further the Company Secretary and the Chief Financial officer have been appointed during 2014-15. In view of this the question of furnishing percentage increase of remuneration during the financial year would not arise.
- 3) The percentage increase in the median remuneration of the employees in the financial year is - Nil
- 4) The number of permanent employees on the roll of the Company is 16.  
As stated above the company is situated in a backward district and considering the cost of living and other parameters and in view of the fact that the appointment of KMPs is done for the first time during 2014-15 and the shares of the company are yet to be listed, information under Rule 5 (v) to (xi) is not furnished. The remuneration paid to KMPs is as per the remuneration policy of the Company

**12. Change in the nature of business :**

There is no change in the nature of the business.

**13. Subsidiaries, Joint Ventures and Associate Companies :**

There are no Subsidiary / Joint Venture Companies / Associate Companies.

**14. Particulars of Loans, Guarantees or Investments :**

The Company has not given any loan, provided any guarantee and made any investments falling within the purview of section 186 of the Companies Act, 2013, during the year.

**15. Particulars of contracts or arrangements with related parties :**

Details of related party transactions attracting the provisions of section 188 of the Companies Act, 2013 is provided in form AOC 2 annexed hereto.

**16. Material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the financial year of the company to which the financial statements relate and the date of the report :**

There are no material changes and commitments that have occurred subsequent to the close of the financial year of the Company to the date of this report except that that the Company converted the un-secured loan of Rs.4,25,07,000/- co-res taken from the directors, shareholders and their relatives for one time settlement of the outstanding loan with accrued interest due to M/s. Karnataka State Financial Corporation and Canara Bank by issue of 42,50,700 equity shares at Rs.10/- each on private placement basis.

**17. Share Capital**

During the year the company has allotted 42,50,700 equity shares of Rs.10/- to the Director promoters and their relatives by converting the unsecured loan taken from them for one time settlement of the outstanding loan and interest taken from the financial institution and bank. The approval, pursuant to section 42 and 62 of the Companies Act, 2013, of the shareholders was obtained by passing a special resolution at the last annual general meeting held on 13th November 2013.

With the above allotment the paid up share capital of the Company gets increased to Rs.7,50,00,000/- (Rupees Seven crores and fifty lakhs only).

**18. Risk Management Policy :**

The Company has drawn up a Risk Management Policy. The Board constantly reviews the policy to ensure that the fluctuation in market price for cotton would not impact the performance of the company. Also the raining pattern including possibility of any drought / deluge is studied which would adversely affect the cultivation of cotton. This exercise is done periodically for drawing up alternative plan to overcome the situation.

**19. Fixed Deposits :**

During the year under report, the Company has not invited / accepted / renewed any fixed deposit from public in terms of the provisions of section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014.

**20. Listing with Stock Exchanges :**

As per the requirement of listing agreement with stock exchanges, your directors hereby declare that the listing of shares had been discontinued throughout the year with the BSE Limited, Mumbai. Your Company is making all out efforts to secure the approval of the said Exchange for relisting of the securities and it is expected that it should materialize early.

**21. Depository system :**

As on 31st March 2015, 25,46,890 equity shares representing 33.96 % of total paid up equity share capital of the Company have been in dematerialized.

**22. Mechanism for formal Board evaluation :**

Every Director is requested to evaluate the effectiveness of the Board and identify the areas of improvement and to evaluate the Board dynamics and inter-personal relations, inflow of information, decision making capacity and inclination of each director. The Board also constantly evaluates the contribution of the members and shares the information. The performance of independent directors is evaluated with reference to their ability to contribute and monitor corporate governance practice, effective participation in the long term strategic planning and commitment to their obligation and fiduciary responsibilities, including participation in Board meetings and committee meetings.

**23. Corporate Governance :**

A report on corporate governance is attached to this report.

**24. Directors' Responsibility Statement :**

Pursuant to section 134 (5), your Directors state :

- (a) That in the preparation of Annual Accounts, the applicable accounting standards had been followed along, with proper explanation relating to material departures;
- (b) That they had 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;
- (c) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That they had prepared the annual accounts on a going concern basis.
- (e) They have laid down internal financial controls and compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.
- (f) That they had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

**25. Auditors :**

Pursuant to the provisions of section 139 of the Companies Act, 2013 M/s. Dagliya & Co., Chartered Accountants continue as Statutory Auditors of the Company up to the financial year 2016-17 subject to ratification of their appointment at this Annual General Meeting

**26. Auditors' Report :**

Explanations or comments by the Board on the qualification, reservation or adverse remark or disclaimer made by the auditor are detailed bellow :

Ref. to Audit Report	Qualification / reservation / adverse remark / disclaimer	Explanation / comments by the Board
Basis for qualified opinion	(i) Company has not ascertained from the creditors as to whether they are registered as Micro or Small & Medium Enterprises Development Act, 2006 as such the particulars of dues, if any, to such undertakings are required under the said Act are not disclosed.	Nature of transaction that is being carried out are agro based and mostly farmers. However action is initiated to get comply with the requirement wherever applicable.
	(ii) Company has not accounted the Retirement Gratuity on cash 8basis as against actuarial valuation basis as envisaged in AS-15 notified by the Companies (Accounting Standards) Rules, 2006. Consequently impact on the accounts is not ascertainable.	Action is being taken to vet the actuarial valuation done as envisaged in AS-15.
Report on other Legal & Regulatory requirement	1) v. Company has not accepted any deposits from public. However unsecured loans borrowed in earlier years, which amounted to deposits have been repaid / adjusted against allotment of shares during year. The company not complied with the provisions of sections 73 to 76 and the Rules made thereunder. No order has been passed by the CLB/ NCLT or Reserve Bank of India or any court or any tribunal against the company, in this matter.	This relates to unsecured loan taken by the company from Directors / promoters and their relatives for one time settlement of loan / interest taken from Bank and Financial Institution which exceeded percentage allowed under said section. With regard to this the company is in the process filing petition before the CLB for compounding.

**27. Secretarial Audit Report :**

The Secretarial Audit Report pursuant to section 204 of the Companies Act, 2013 is attached to this Report.

**28. Corporate Social Responsibility :**

Your Company is not coming under the purview of eligibility criteria as defined under the provision of section 132 of the Companies Act, 2013 and hence the provisions of CSR are not applicable to the Company

**29. Conservation of energy, technology absorption and exchange earnings and outgo :****Conservation of energy:**

- a) Energy conservation measures taken - The Company has continued its conservation measures at its cotton ginning, pressing unit and sunflower/ cottonseed oil extraction unit that include correction of defective electrical installations.
- b) Additional investment and proposals :  
Need based additional investments are made as and when required.
- c) **Impact of measures :**  
In a) and b) above resulted in avoidance of wastage of energy there by achieved reduction of power consumption.

**Technology absorption :**

The activity of the company is agro based and the operation being medium in size the company has not right now made any efforts in technology absorption.

**Foreign Exchange Earnings and out flow :**

There is no Foreign Exchange in flow/ out go during the year under review.

**Acknowledgements :**

The Board of Directors place on record its appreciation of the continued support provided by the Bankers, stakeholders, valued customers, suppliers, employees at all levels and Government and Local Authorities in conducting the Business activities of the Company.

On behalf of R K B Agro Industries Limited

Date : 18th November 2015.  
Place: Raichur

S.K. Bhandari  
Managing Director  
DIN: 00409750

V.M.Bhandari  
Whole-time Director  
DIN:02722196

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third provision thereto

1. Details of contracts or arrangements or transactions not at arm's length basis.  
The company has not entered into any contracts or arrangements or transactions which are at arm's length.
2. Details of material contracts or arrangement or transactions at arm's length basis

Name of the Related Party	Nature of Relationship
Sri. S.K.Bhandari	Managing Director
Sri. V.M.Bhandari	Whole-time Director
Sri. Sanjay Bhandari	Relative of a Director
Sri. Pavan Kumar Bhandari	Relative of a Director
Mrs. Sushilabai Bhandari	Relative of a Director
Mrs. Shantabai Bhandari	Relative of a Director
Mrs. Veena	Relative of a Director
Kushal Enterprises	Proprietor is relatives of Directors
RKB Foundation	Partners are relatives of Directors
Bhandari Distributors Pvt. Ltd.	Relatives are Directors
Mukan Marketing Pvt. Ltd.	Relatives are Directors

(b) Nature of contracts/arrangements/transactions.

Name of the related party	Nature of contract / transactions	Relationship	Value in Rs.
Bhandari Distributors Pvt. Ltd.	Sale of cotton Purchase of cotton	Sri S. K. Bhandari & Sri V. M. Bhandari are related to Directors	2,62,62,686 2,90,78,211
Mukan Marketing Pvt. Ltd.	Sale of cotton Purchase of cotton	Do	1,15,30,576 65,38,785
Kushal Enterprises	Purchase of cotton	Proprietor is relatives of Directors	6,65,94,840
R.K.B. Foundation	Sale of Land	Sri S. K. Bhandari and Sri V.M.Bhandari are trustees.	90,15,570



- (c) Duration of the contracts / transactions  
Three years from 1st April 2014.
- (d) Salient terms of the contracts or arrangements or transactions:  
The transaction is at arm's length basis and the terms and conditions as prevalent in market.
- (e) Date of approval by the Board :  
24th February 2014
- (f) Amount paid as advance : NIL

On behalf of RKB Agro Industries Limited

Date: 18th November 2015.  
Place: Raichur

S.K. Bhandari  
Managing Director  
DIN: 00409750

V.M.Bhandari  
Whole-time Director  
DIN:02722196

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2015**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)  
of the Company (Management & Administration) Rules, 2014.**1. REGISTRATION & OTHER DETAILS:**

1.	CIN	L17100KA1979PLC003492
2.	Registration Date	17/03/1979
3.	Name of the Company	R K B AGRO INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	1ST FLOOR, KUSHAL CHAMBERS, M G ROAD, RAICHUR, M.G.ROAD, RAICHUR 584101
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Bigshare Services Private Ltd, Board No. : 022 40430200 Direct No. : 022 40430212 Mob. No. : 7045454395.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	The company is engaged in manufacturing and processing of cotton and in its trading.	01632	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	Name and Description of main products/ services	CIN / GLN	Holding / Subsidiary /associate.	% shares held
Nil	There is no holding, subsidiary and associates companies	NA	NA	NA

**III. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
 Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF	1261100	106000	1367100	42.0737	1261100	4356700	5617800	74.9010	32.8273
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total Shareholding of Promoter (A)</b>	<b>1261100</b>	<b>106000</b>	<b>1367100</b>	<b>42.0737</b>	<b>1261100</b>	<b>4356700</b>	<b>5617800</b>	<b>74.9010</b>	<b>32.8273</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	0	80300	80300	2.4713	0	80300	80300	1.0707	1.4006
c) Central Govt									
d) State Govt									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture									
Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>80300</b>	<b>80300</b>	<b>2.4713</b>	<b>0</b>	<b>80300</b>	<b>80300</b>	<b>1.0707</b>	<b>1.4006</b>

**RKB AGRO INDUSTRIES LIMITED**
**THIRTY FIFTH ANNUAL REPORT - 2014 - 2015**

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	381755	4800	386555	11.8966	379656	4800	384456	5.1261	6.7705
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	613181	434310	1047491	32.2374	615280	434310	1049590	13.9945	18.2429
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	288501	70000	358501	11.0332	288501	70000	358501	4.7800	6.2532
c) Others (Employees)	0	2000	2000	0.0616	0	2000	2000	0.0267	0.0349
Non Resident Indians	2153	5000	7153	0.2201	2153	5000	7153	0.0954	0.1247
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	200	0	200	0.0062	200	0	200	0.0027	0.0035
Trusts									
Foreign Bodies-D R									
<b>Sub-Total (B)(2):-</b>	1285790	516110	1801900	55.4551	1285790	516110	1801900	24.0254	31.4297
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1285790	596410	1882200	57.9264	1285790	596410	1882200	25.0960	32.8303
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	2546890	702410	3249300	100	2546890	4953110	7500000	100	56.676

**B) Shareholding of Promoter-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	VIJAYRAJ BHANDARI (MHUF)	45000	1.38	0	733000	9.77	0	8.39
2.	SOWBHAGRAJ BHANDARI (MHUF)	41500	1.28	0	614000	8.18	0	6.9
3.	PAVAN BHANDARI	150500	4.63	0	666500	8.89	0	4.26
4.	RAJMAL KHEMRAJ (HUF)	97000	2.99	0	595200	7.93	0	4.94
5.	SOWBHAGRAJ BHANDARI (HUF)	45500	1.40	0	445500	5.94	0	4.54
6.	SUSHILABAI BHANDARI	59000	1.82	0	420500	5.61	0	3.79
7.	SANJAY BHANDARI	70500	2.17	0	332500	4.43	0	2.26
8.	SHANTABAI BHANDARI	131000	4.03	0	374000	4.99	0	0.96
9.	VEENA BHANDARI	147000	4.52	0	147000	1.96	0	2.56
10.	SOWBHAGRAJ BHANDARI	120600	3.71	0	590600	7.88	0	4.17
11.	VIJAYRAJ BHANDARI	111000	3.42	0	176000	2.35	0	1.07
12.	VIJAYRAJ BHANDARI (HUF)	26000	0.80	0	124000	1.66	0	0.86
13.	CHANDANA BHANDARI	82,000	2.52	0	88,000	1.17	0	1.35
14.	SHA RAJMAL KUSHALRAJ BHANDARI	72000	2.22	0	72000	0.96	0	1.26
15.	SANJAY KUMAR BHANDARI	70500	2.17	0	332500	4.43	0	2.26
16.	AJAY BHANDARI	45500	1.40	0	116000	1.55	0	0.15
17.	SANGITA JEETENDER LUNIYA	45500	1.40	0	455000	61	0	0.79
18.	ABHAY KUMAR BHANDARI	43500	1.34	0	435000	.58	0	0.76
19.	KUSHALRAJ BHANDARI	25500	0.78	0	25500	0.34	0	0.44
20.	GOPAL SINGH	5000	0.15	0	5000	0.07	0	0.08
21.	K H PEERA SAB	3500	0.11	0	3500	0.05	0	0.06

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>				
1.	VIJAYRAJ BHANDARI (MHUF)	45000	1.38	733000	9.77
2.	SOWBHAGRAJ BHANDARI (MHUF)	41500	1.28	614000	8.18
3.	PAVAN BHANDARI	150500	4.63	666500	8.89
4.	RAJMAL KHEMRAJ (HUF)	97000	2.99	595200	7.93
5.	SOWBHAGRAJ BHANDARI (HUF)	45500	1.40	445500	5.94
6.	SUSHILABAI BHANDARI	59000	1.82	420500	5.61
7.	SANJAY BHANDARI	70500	2.17	332500	4.43
8.	SHANTABAI BHANDARI	131000	4.03	374000	4.99
9.	VEENA BHANDARI	147000	4.52	147000	1.96
10.	SOWBHAGRAJ BHANDARI	120600	3.71	590600	7.88
11.	VIJAYRAJ BHANDARI	111000	3.42	176000	2.35
12.	VIJAYRAJ BHANDARI (HUF)	26000	0.80	124000	1.66
13.	CHANDANA BHANDARI	82000	2.52	88000	1.17
14.	SHA RAJMAL KUSHALRAJ BHANDARI	72000	2.22	72000	0.96
15.	SANJAY KUMAR BHANDARI	70500	2.17	332500	4.43
16.	AJAY BHANDARI	45500	1.40	116000	1.55
17.	SANGITA JEETENDER LUNIYA	45500	1.40	45500	0.61
18.	ABHAY KUMAR BHANDARI	43500	1.34	43500	0.58
19.	KUSHALRAJ BHANDARI	25500	0.78	25500	0.34
20.	GOPAL SINGH	5000	0.15	5000	0.07
21.	K H PEERA SAB	3500	0.11	3500	0.05

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/ bonus/ sweat equity etc.)	Change is due to allotment of shares on 27-3-2015			
	<b>At the end of the year</b>				
1.	VIJAYRAJ BHANDARI (MHUF)			733000	9.77
2.	SOWBHAGRAJ BHANDARI (MHUF)			614000	8.18
3.	PAVAN BHANDARI			666500	8.89
4.	RAJMAL KHEMRAJ (HUF)			595200	7.93
5.	SOWBHAGRAJ BHANDARI (HUF)			445500	5.94
6.	SUSHILABAI BHANDARI			420500	5.61
7.	SANJAY BHANDARI			332500	8.86
8.	SHANTABAI BHANDARI			374000	4.99
9.	VEENA BHANDARI			147000	1.96
10.	SOWBHAGRAJ BHANDARI			590600	7.88
11.	VIJAYRAJ BHANDARI			176000	2.35
12.	VIJAYRAJ BHANDARI (HUF)			124000	1.66
13.	CHANDANA BHANDARI			14200	1.17
14.	SHA RAJMAL KUSHALRAJ BHANDARI			72000	0.96
15.	SANJAY KUMAR BHANDARI			332500	4.43
16.	AJAY BHANDARI			116000	1.55
17.	SANGITA JEETENDER LUNIYA			45500	0.61
18.	ABHAY KUMAR BHANDARI			43500	0.58
19.	KUSHALRAJ BHANDARI			25500	0.34
20.	GOPAL SINGH			5000	0.07
21.	K H PEERA SAB			3500	0.05

**D) Shareholding Pattern of top ten Shareholders :  
(Other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>				
1.	MUKAN MARKETING PRIVATE LIMITED	262000	8.0633	262000	3.4933
2.	S K BHANDARI	70000	2.1543	70000	0.9333
3.	COMFORT INTECH LIMITED	66684	2.0523	66684	0.8891
4.	S. SATHYA	61500	1.8927	61500	0.8200
5.	SANGEETHA S	53580	1.6490	53580	0.7144
6.	DEEPAK JAYANTILAL SHAH	51200	1.5757	51200	0.6827
7.	THE REPATRIATES CO OP FIN & DEV BANK LTD	79300	2.4405	79300	1.0574
8.	VIJAYRAJ PUROHIT	46200	1.4218	46200	0.6160
9.	CHANDRA	16167	0.4976	16167	0.2156
10.	JYOTI RAJENDRA SHAH	15900	0.4893	15900	0.2120
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/ bonus/ sweat equity etc.):	Change is due to allotment of shares on 27-3-2015			
	<b>At the end of the year</b>				
1.	MUKAN MARKETING PRIVATE LIMITED			262000	3.4933
2.	S K BHANDARI			70000	0.9333
3.	COMFORT INTECH LIMITED			66684	0.8891
4.	S. SATHYA			61500	0.8200
5.	SANGEETHA S			53580	0.7144
6.	DEEPAK JAYANTILAL SHAH			51200	0.6827
7.	THE REPATRIATES CO OP FIN & DEV BANK LTD			79300	1.0574
8.	VIJAYRAJ PUROHIT			46200	0.6160
9.	CHANDRA			16167	0.2156
10.	JYOTI RAJENDRA SHAH			15900	0.2120



**E) Shareholding of Directors and Key Managerial Personnel :**

Sl. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>				
1.	SOWBHAGRAJ BHANDARI	120600	3.71	590600	7.88
2.	VIJAYRAJ BHANDARI	111000	3.42	176000	2.35
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/ bonus/ sweat equity etc.):	Change is due to allotment of shares on 27-3-2015			
	<b>At the end of the year</b>				
1.	SOWBHAGRAJ BHANDARI			590600	7.88
2.	VIJAYRAJ BHANDARI			176000	2.35

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,77,50,,712	8,58,31,580	Nil	10,35,82,565
ii) Interest due but not paid	Nil	Nil	-	-
iii) Interest accrued but not due	Nil	Nil	-	-
<b>Total (i+ii+iii)</b>	<b>1,79,20,985</b>	<b>8,56,61,580</b>		<b>10,35,82,565</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,69,54,424		Nil	2,69,54,424
* Reduction	Nil	8,50,90,483	Nil	8,50,90,483
<b>Net Change</b>	<b>2,69,54,424</b>	<b>8,50,90,483</b>	<b>Nil</b>	<b>5,81,36,059</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,47,05,409	7,41,097		4,54,46,506
ii) Interest due but not paid	Nil	Nil	-	-
iii) Interest accrued but not due	Nil	Nil	-	-
<b>Total (i+ii+iii)</b>	<b>4,47,05,409</b>	<b>7,41,097</b>	<b>Nil</b>	<b>4,54,46,506</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNELA.  
REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS / MANAGER :**

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary	Nil	Nil	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

**B. REMUNERATION TO OTHER DIRECTORS-** No remuneration is paid to other directors.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Rs. per month)			
		CEO	CS	CFO	Total
			- N. Mahesh	Sripad Hanchate	
1.	Gross salary	-	15000/-	8000/-	23,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	15000/-	8000/-	23,000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

There have been no penalties / punishment / compounding of offences against the company during the year.

On behalf of RKB Agro Industries Limited

Date: 18th November 2015.

Place: Raichur

S.K. Bhandari  
Managing Director  
DIN: 00409750

V.M.Bhandari  
Whole-time Director  
DIN:02722196

CIN: L17100KA1979PLC003492

**CORPORATE GOVERNANCE REPORT****1. Company's Philosophy :**

Your Company is committed to a system of good corporate governance as it believes in fair business practices while dealing with the shareholders, customers, employees, the Government and all other stakeholders. Corporate governance of the company accords importance for compliance with laws, rules and regulations at all times.

**2. Board of Directors :**

The Board of Directors has an optimum combination of executive, non-executive independent directors and the Board meets at regular intervals. The Board of Directors consists of a Managing Director, one Whole-time Director and three non-executive directors. Two out of three directors are independent directors and one is a woman director. All the directors possess relevant skills and experience to bring judgment to bear on the business of the company.

During the financial year 2014-15, Thirteen Board meetings were held on 01-04-2014, 30-04-2014, 31-07-2014, 11-08-2014, 24-08-2014, 05-09-2014, 10-10-2014, 13-11-2014, 05-01-2015, 24-01-2015, 14-02-2015, 25-02-2015 and 27-03-2015. Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 13th November 2014, with particulars of their directorships and Chairman/Membership of the Board Committees of other companies as on 31st March 2015 are given below:

Name of Director	Designation	Category	Meetings held during the year	No. of meetings attended	Chairman / Director in other Company	Member of Board committees	Whether attended last AGM
Sri S.K. Bhandari	Managing Director	Executive	13	13	Nil	Nil	Yes
Sri V.M. Bhandari	Whole-time Director	Executive	13	13	Nil	Nil	Yes
Sri Shantilal Mootha	Independent Director	Nonexecutive	13	13	Nil	Nil	Yes
Sri M. Ganesh	Independent Director	Nonexecutive	13	11	Nil	Nil	No
Mrs. Rupal Bhandari	Woman Director	Nonexecutive	13	1	Nil	Nil	NA
Sri Ajay Bhandari Up to 27-03-2015	Director	Non-executive	13	10	Nil	Nil	Yes

**\*Mrs. Rupal Bhandari was appointed on the Board with effect from 27th March 2015**

**Directors proposed to be re-appointed :**

The brief particulars of the directors of the Company proposed to be re-appointed at the ensuing annual general meeting are here under. Sri V. M. Bhandari retires by rotation and being eligible offers himself for reappointment.

He is aged about 63 years and is a graduate in Commerce. He has over 20 years of experience in cotton trading, ginning, oil extraction and processing. He is associated with the Company from the inception and currently he is the Whole-Time Director of the company.

Sri S. K. Bhandari, was appointed as Managing Director at the last annual general meeting held on 13th November 2014 with a tenure of five years from 1st April 2014. As he attained the age of 70 years on 14th November 2015, it is proposed to obtain the approval of the members by a special resolution pursuant to proviso to sections 196 (3)

(a) of the Companies Act 2013 at the ensuing Annual General Meeting.

**3. Audit Committees :****(A) Terms of Reference :**

The role of the Audit Committee includes the following : -

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment of statutory auditors and payment of professional fee and fee for any other services rendered by them.
- Reviewing of the management the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to :
  - (a) Matters required to be included in the Directors' Responsibility Report to be included in the Boards' Report in terms of section 134(3) of the Companies Act, 2013.
  - (b) Major accounting entries involving estimates based on the exercise of judgment by management.
  - (c) Significant adjustments made in the financial statements arising out of audit findings.
  - (d) Compliance with listing and other legal requirements relating to financial statements.
  - (e) Disclosure of related party transactions.
- Reviewing the quarterly financial statements before submission to the Board for approval.
- Valuation of the assets / undertakings of the Company, whenever necessary.
- Reviewing the adequacy of internal audit and discussion with internal auditors of any significant findings and follow up there on.
- 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 concerned.
- Approval of appointment of Chief Financial Officer and after assessing the qualification, experience and background, etc., of the candidate.
- Carrying out of any other function as is mentioned in the terms of reference of the Audit Committee.

**(B)Composition**

The composition of the Committee is as follows and they are all financially literate and having adequate financial management experience.

Sri Shantilal Moota	Independent Director	Chairman
Sri M. Ganesh	Independent Director	Member
Sri V. M. Bhandari	Whole-time Director	Member
Sri N. Mahesh Company	Secretary as Secretary to the Committee.	

Six audit committee meetings were held during the year 2014-15 on 30th April 2014, 31st July 2014, 5th September 2014, 10th October 2014, 5th January 2015 and on 25th February 2015 and all the members attended the meeting.

The Committee meetings were attended by the Managing Directors and the Chief Financial Officer by invitation.

**4. Nomination and Remuneration Committee.****(A)Terms of reference:**

The role of the Nomination and Remuneration committee including the following:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for performance evaluation of Independent Directors and devising a policy on Board diversity.

**(B) The composition of the committee is as follows**

Sri Shantilal Mootha	Independent Director	Chairman
Sri M. Ganesh	Independent Director	Member
Sri Ajay Bhandari	Director up to 27-3-2015	Member
Mrs. Rupal Bhandari	Director from 27-03-2015	Member

Three meetings of Nomination and Remuneration committee were held during the year 2014-15 on 5th September 2014, 24th January 2014 and on 25th February 2015.

**(C) Remuneration Policy:**

Remuneration of the Managing Director is recommended by the Nomination and Remuneration Committee to the Board of Directors which is nominal when compared to industry standard. The remuneration paid is Rs.50,000/- p.m. to the Managing Director and Whole-time Director with effect from 1st April 2014. Earlier no remuneration was paid to them. This has been done keeping in mind the policy of the Company to exercise utmost austerity with a view to reduce the incidence of interest on working capital. Nonexecutive directors are paid only nominal sitting fee for the meetings attended by them.

**5. Shareholders / Investors Grievance Committee :****(A) Terms of Reference:**

The role of the committee is to resolve the grievances, if any of the stakeholders of the company including complaints related to transfer of shares, non-receipt of annual accounts.

**(B) The committee consists of the following directors. .**

Sri. Shantilal Mootha	Independent Director	Chairman
Sri. M. Ganesh	Independent Director	Member
Sri Ajay Bhandari	Director up to 27-3-2015	Member
Mrs. Rupal Bhandari	Director from 27-03-3015	Member

The members met three times during the financial year 2014-15 on 5th September 2014, 24th January 2014 and on 25th February 2015 and all the members were present at the meetings. No grievance was pending as on 31-03-2015.

**(B) Composition**

The Committee consists of the one Executive Director and three non-Executive Directors out of which two are independent directors. During the year 2014-15, one meeting was held on 25th February 2015 and all the members attended the meeting.

**6. Risk Management Policy:****(A) Terms of Reference**

The role of the committee is to frame, implement and monitor the risk management plan of the company.

**7. General Body Meeting :****(A) Venue and time of the last three annual general meetings:**

Year	Venue	Day / Date	Time
2011-12	1 <sup>st</sup> Floor, Kushal Chambers, M.G. Road, Raichur – 584 101	28-09-2012	10.00 AM
2012-13	1 <sup>st</sup> Floor, Kushal Chambers, M.G. Road, Raichur – 584 101	30-10-2013	10.00 AM
2012-14	1 <sup>st</sup> Floor, Kushal Chambers, M.G. Road, Raichur – 584 101	13-11-2014	11.00AM

**8. Familiarization programme for Independent Directors :**

The Independent Directors were already on the Board as Directors and as such were familiar with the company's business model and understanding of the business relations. However the company through the Managing Director / Senior Managerial Personnel periodically familiarizes the Independent Directors with the business scenario, strategy, operations and functions of the Company.

**9. Independent Directors' meeting :**

The Independent Directors held one meeting on 27th February 2015 without non-Independent Directors and Senior Managerial Personnel.

**10. Proceeds from preferential issue of shares :**

The Company had issued and allotted 42,50,700 equity shares of Rs.10/- on private placement basis to the Director promoters and their relatives by converting the unsecured loan taken given by them for one time settlement of outstanding loan and interest taken by the Company from Financial Institution and Bank.

**11. Terms and conditions of appointment of Independent Directors :**

The terms and conditions of appointment of Independent Directors have been displayed on the Company's website : [rkbagro.com](http://rkbagro.com)

**12. Compliance certificate from the Auditors .**

Certificate from Auditors of the company confirming compliance with the mandatory requirement under clause 49 of the Listing Agreement is annexed to this Report.

**13. Code of Conduct :**

The Board of Directors has laid down a code of conduct for all Board Members and Senior Managerial personnel of the Company. The code of conduct has been posted on the Company's website. An affirmation as to be compliance with the code of conduct is obtained from all the Directors and the Senior Managerial Personnel annually. A declaration from the Managing Director concerning compliance with the Code of Conduct is given below:

Declaration

It is hereby declared that all the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct for the Directors and Senior Managerial Personnel of the Company in respect of financial year ended 31st March 2015.

Place: Raichur

Date: 18th November 2015

S.K. Bhandari

Managing Director

**14. Chief Executive Officer / Chief Financial Officer Certification :**

The Managing Director and Chief Financial Officer of the Company give certificate on financial reporting and internal controls to the Board on an annual basis. The certificate for the financial year 2014-15 was placed before the Board at its meeting held on 14th October 2015.

**15. Compliance with mandatory & non-mandatory requirements :**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

The Company has adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement.

**(A) Audit Qualifications:**

Proper explanation has been furnished to the Audit Qualification / Observation in the Boards' Report.

**(B) Separate posts of Chairman and Managing Director :**

The posts of Chairman and Managing Director are not combined. There is no executive Chairman.

**(C) Reporting of Internal Auditors :**

The Internal Auditors of the company report to the Audit Committee.

**16. Disclosures :****(A) Related Party Transactions :**

The Board in its meeting held on 27th March 2015 has adopted related party transaction policy for determining the materiality of related party transactions and also on the dealing with related parties. There are no related party transactions that may have potential conflict with the interests of the company at large. All the related party transactions are at arm's length and in ordinary course of business. Details of all related party transactions form a part of the accounts and the same are disclosed in the Notes 12 to the Financial Statements.

**(B) Management Discussion and Analysis :**

Management discussion and analysis report is provided in the Management Discussion and Analysis section of this Annual Report.

**(C) Whistle Blower Policy :**

The Company has established a Vigil Mechanism for employees, directors and others who are associated with the company to report to management instances of unethical behavior a, actual or suspected fraud or violation of the Company's code of conduct. The Policy provides adequate safeguards against victimization of employees/directors who avail the mechanism. The Vigil Mechanism also covers the Whistle Blower mechanism aspect as stipulated under clause 49 of the Listing Agreement. The Company affirms that no person has been denied access to the Audit Committee in this respect.

**17) Means of Communication :**

The unaudited Financial Results for every quarter and the Annual Audited Financial Results of the Company are published. The quarterly and annual financial results are also displayed on the Company's website. The Company also informs the Stock Exchange information on all matters which in the opinion of the Company are relevant for the shareholders.

**18) General Shareholders Information :**

Information of importance to the shareholders is given in the Shareholder Information section of this Annual Report.

Place: Raichur

Date: 18th November 2015

S.K. Bhandari

Managing Director



**SHAREHOLDERS INFORMATION :****1. Corporate Identity Number :**

Company Identify Number (CIN) is: L17100KA1979PLC003492

**2. Annual General Meeting**

Day & Date	:	29th December 2015
Time	:	10.00 a.m.
Venue	:	1st Floor, Kushal Chambers, M.G. Road, Raichur – 584 101
Financial year	:	1st April 2014 to 31st March 2015
Board meeting for consideration of unaudited quarterly results	:	Last week of succeeding month
Financial Reporting – 2016 year end results	:	July 2016
Annual General Meeting	:	September 2016
Date of Book Closure	:	23rd December to 29th December 2015. (both days inclusive)
Listing on Stock Exchanges Listing fee is paid.	:	Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai.
Share Transfer Agents	:	Big Share Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakhvihar Road, Saki Naka, Andheri (East) Mumbai – 400 072 Tel : 28473747 / 28473474
Share Transfer System	:	The turnaround time for completion of transfer of shares in physical form is generally less than 30 days from the date of receipt, if the documents are clear in all respects. The demat requests confirmed within 21 days from the date of receipt of DRF and share certificates.
Dematerialization of Shares	:	25,46,890 equity shares representing 33.95% of the equity share capital is in dematerialized form.
Distribution holding as on 31.3.2015		

Category	Total holders	% of holders	Total Holding (Rs.)	% to total equity
1 — 5000	931	67.1717	2087740	2.7837
5001 — 10000	155	11.1833	1370110	1.8268
10001 — 20000	89	6.4214	1461270	1.9484
20001 — 30000	61	4.4012	1667950	2.2239
30001 — 40000	61	4.4012	2022950	2.6973
40001 — 50000	17	1.2266	826000	1.1013
50001 — 100000	27	1.9481	1866130	2.4882
100001 — 9999999	45	3.2468	63697850	84.9305
<b>Total</b>	<b>1386</b>	<b>100.00</b>	<b>75000000</b>	<b>100.00</b>

**Share Holding Pattern as on 31.3.2015**

Category	No. of equity shares	Percentage of holding
A. Promoters Holding		
1. Promoters		
Indian promoters	56,17,800	74.9010
Foreign promoters	-	-
2. Persons acting in concert	-	-
<b>Sub Total 56,17,800</b>	<b>74.9010</b>	

**Note: 2. Foreign Shareholdings**

Total Foreign shareholdings		
FII's	0	0
NRIs/OCBs	7153	0.0954
<b>Total</b>	<b>7153</b>	<b>0.0954</b>

Address for  
correspondence

Investor correspondence  
Big Share Services Pvt. Ltd.,  
E-2/3, Ansa Industrial Estate,  
Sakhvihar Road,  
Saki Naka, Andheri (East),  
Mumbai – 400 072.

For other correspondence  
R K B Agro Industries  
Limited., 1st Floor, Kushal Chambers  
M. G. Road,  
Raichur – 584 101  
Tel. No. 28473747 / 28473474

**Plant Location:**

Manchalpur Road, Raichur – 584 102

Place: Raichur  
Date: 18th November 2015

S.K. Bhandari  
Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS****Industry structure and developments :**

The main business activity of the Company being carrying out by the company relates cotton which is an agro based activity. Therefore understandably the indicator for the performance of the company's is timely rains and favourable weather condition coupled with remunerative price for their produce would help farmers to go in for cotton cultivation. In the last two years thanks to reasonable good rainfall in the cotton growing area of Karnataka the Company's performance has been an a encouraging note.

The assistance and guidance extended by the Government has been an encouraging factor for making cotton cultivation reasonably attractive. The demand for quality cotton is another factor that would help the industry realize remunerative price to sustain the growth.

**Review of operating performance :**

Particulars	31st March 2015 Amount in Rs.	31st March 2014 Amount in Rs.
Total Revenue	23,82,09,997	6,24,46,249
Expenditure before depreciation and financial cost	22,83,60,963	5,28,00,750
Depreciation	29,01,319	20,59,675
Financial cost	36,97,593	3,41,288
Profit/(Loss) before tax	32,50,122	75,85,824
Exceptional Items (Income)	65,07,967	-
Prior period income	6,65,000	-
Profit before tax	1,04,23,089	75,85,824
Provision for Tax – Current Tax	22,50,000	15,00,000
Tax adjustment of prior periods	1,92,736	4,110
Profit/(Loss) after Tax for the year	79,80,353	60,81,714
Total assets	20,19,87,305	18,38,32,859
Earnings per share	1.85	1.87
Inventory turnover ratio		
Debtors turnover ratio		

During the year the overall revenue grew by 281% over that of last year. This was possible due to favourable weather conditions and upward trend in the market price.

**Effect of economy on the company**

Though there are no visible weaknesses, the textile industry is prone to cyclical recession trend. The going would be good so for the industry gets support exemption support from Government.

**Industry Outlook**

The world consumption of cotton is forecast to increase by 4% to 6% as clothing and textile production continues to expand throughout Asia, with India expected to witness robust increase in production while the rest of the world is trailing behind, the outlook remains positive for the country. Global cotton imports are on the rise, lead by China and this would aid the boosting India's export substantially.

**Risk and Concerns:**

The risk management policy is being renewed periodically by the management and appropriate actions will be taken and also the policy would get reviewed to deal with the development taking place in the industry.

With the contemplated efforts the company continues to achieve a positive operating results. Your company was confident of showing better performance in the coming years.

Your company continues to accord highest priority for safety in all of its operations. The processing facilities are subject to regular inspections. A safety Audit is undertaken regularly to ensure safety in the process. Your company has taken adequate insurance cover for all of its plant and machinery as well as for third party liabilities.

**Transparency and sharing of Information :**

Transparency refers to sharing of information in an open manner. Processes, instructions and information are accessible to those concerned with them, and enough information is provided to understand them. Your company believes in total transparency in sharing information about its business operations with all its stakeholders. Your company strives to provide maximum possible information in the management discussion and analysis in the annual report and also through the other means to keep the stakeholders informed about the business performance.

**Internal Control Systems :**

The company has instituted adequate internal control procedure commensurate with the nature of its business and the size of its operations for the smooth conduct of its businesses.

The Audit Committee monitors performance of Internal Audit on a periodical basis through review of the audit plans, audit findings and promptness of issue resolution through follow-ups.

**Human Resources :**

The company's industrial relations continued to be harmonious during the year under review.

**Cautionary Statement :**

The contents in this Management Discussion and Analysis describing the Company's objectives, estimates and expectations constitute "forward looking statements" given the existing laws and regulations which the management believes are true to the best of its knowledge at the time of preparation of this report. Actual results could differ materially from those expected or implied. Important factors that could make a difference to your company's operations include economic conditions affecting the demand/supply, price conditions in the domestic and international markets, and changes in government regulations, tax laws, other statutes and other incidental factors.

**CEO / CFO Certification**

**The Board of Directors,**  
R K B Agro Industries Limited  
Raichur.

Re: Financial Statements for the financial year 1.4.2014 to 31.3.2015  
Certification by Managing Director and Whole-time Director

We, Mr. S K Bhandari, Managing Director, Mr. V M Bhandari, Whole time Director and Mr. Sripad Hanchate, Chief Financial Officer, on the basis of the review of the financial statements and the cash flow statement for year ended 31st March 2015 and to the best of our knowledge and belief, hereby certify that :

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. These are to the best of our knowledge and belief, no transactions entered into by the Company for the year ended 31st March 2015 which is fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the auditors and the audit committee that :
  - a) there have been no significant changes in internal control over financial reporting during this year.
  - b) there have been no significant changes in accounting policies during the year.
  - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the company's internal control system over financial reporting.

Place : Raichur  
Dated : 18th November 2015

S. K. Bhandari  
Managing Director

V.M.Bhandari  
Whole-time Director

Sripad Hanchate  
Chief Financial Officer

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

THE MEMBERS  
RKB AGRO INDUSTRIES LTD.  
RAICHUR.

We have examined the compliance of conditions of Corporate Governance by RKB AGRO INDUSTRIES LTD. for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange.

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 the conditions of the 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, subject to the following:

- i. The company has published unaudited quarterly results for the three quarters ended 30.06.2014, 30.09.2014, & 31.12.2014 during the year but not subjected its quarterly financial accounts to limited review during the year.

We certify that the company has complied with the conditions of Corporate Governance stipulated in the above-mentioned Listing Agreement.

As per the information and explanations given by the Managing Director and based on the certificate by the Registrars and Share Transfer Agents (RTA), no investor's grievance/complaints received during the year from 01.04.2014 to 31.03.2015 and that there are no complaints pending as on 31.03.2015.

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.

For Dagliya & Co.  
Chartered Accountants  
FRN: 0671S

(R S Somasekhara)  
Partner  
(M.No. 018395)

Place : Bangalore  
Date : 14.10.2015

**INDEPENDENT AUDITOR'S REPORT**

The Members of  
**RKB AGRO INDUSTRIES LIMITED**  
RAICHUR

**Report on the Financial Statements**

We have audited the accompanying financial statements of **RKB AGRO INDUSTRIES LIMITED** which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under the Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Basis for Qualified Opinion**

- (i) The company has not ascertained from the creditors as to whether they are registered as Micro or Small Enterprise under Micro Small & Medium Enterprises Development Act, 2006 and as such the particulars of dues, if any, to such undertakings as required under the said Act are not disclosed. (Refer clause II (5) of Note 19 to the Financial Statements).
- (ii) The company has accounted the Retirement Gratuity on cash basis as against actuarial valuation basis as envisaged in AS-15 notified by the companies (Accounting Standards) Rules, 2006. Consequential impact on the accounts is not ascertainable. Refer clause II (11 a) of Note 19 to the Financial Statements)

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2015, and its profit and its cash flows for the year ended on that date:

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, based on such checks as we considered appropriate and according to the information and explanations given to us, we state that:
  - i.
    - a) The company has maintained adequate records of fixed assets with full particulars including quantity and location.
    - b) The fixed assets have been physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets and no material discrepancies have been noticed on such verification. Hence the question of dealing such discrepancies in the books of accounts does not arise.
  - ii.
    - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
    - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
    - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the nature of business and volume of operations and the same have been properly dealt with in the books of accounts.
  - iii. As explained to us, the company has not granted any loans to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013.
  - iv. In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.



- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public. However unsecured loans borrowed in earlier years, which amounted to deposits have been repaid/ adjusted against allotment of shares during the year. The company has not complied with the provisions of Sections 73 to 76 and the Rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal against the company, in this matter.
- vi. The company is not engaged in production of any such goods or provision of any such services for which Central Government has prescribed particulars relating to utilization of material or labour or other items of cost. Hence the provisions of Sec 148(1) of the Act do not apply to the company.
- vii. (a) According to the records of the Company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues to the extent applicable to it.
- (b) According to the information and explanations given to us and based on the records verified by us, we state that no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess which have remained outstanding as at 31st March 2015 for a period of more than six months from the date they became payable except the professional tax amounting to Rs.4,675.
- (c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, which have not been deposited on account of any dispute.
- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of The Companies Act, 1956 (1 of 1956) and Rules framed there under.
- viii. The company has not incurred cash loss during the financial year covered by our audit as well as in the immediate previous financial year but has accumulated losses as at the end of the financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The company has neither borrowed any loans from financial Institutions nor issued any debentures and consequently the question of default in repayment does not arise.
- x. As informed to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xi. In our opinion and according to the information and explanations given to us, the term loans from Banks have been applied for the purposes for which they were obtained during the year under audit.
- xii. Based on the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

- 2) As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, except for non-compliance with AS-15, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Dagliya & Co.  
Chartered Accountants  
(FRN 000671S)

Place : Bangalore

Date : 14-10-2015

(R S SOMASEKHARA)  
Partner  
Membership No: 18395

Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members**  
**R K B Agro Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. R K B Agro Industries Limited (hereinafter called the company). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 in accordance with the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder :
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to the Issue and Share Transfer Agents) Regulations, 1993 with reference to the Companies Act and dealing with clients.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (v) We have been informed by the company that there are no other laws specifically applicable to the company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above except that the clarification furnished by the Company to the BSE Ltd., on the compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 with regard to allotment of equity shares on preferential basis by conversion of unsecured loan into equity and further query with regard to compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 are under consideration by the BSE Ltd.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Ltd.

We have not examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India as they had not been approved by the Central Government as on March 31, 2015.

**We further report that :**

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Independent Directors, and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views, if any are recorded in the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules and regulations.

We further report that during the audit period there were no events which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards, etc.

For : **M. CHANDRAPPA & ASSOCIATES**

Bangalore  
Date: 18<sup>th</sup> November 2015.

M. CHANDRAPPA  
Proprietor

**BALANCE SHEET AS ON 31.03.2015**
**Amount in Rs.**

Particulars	Notes Ref. No.	As at 31st March 2015	As at 1st March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	7,50,00,000	32,493,000
(b) Reserves and Surplus	2	3,54,19,691	27,439,338
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	1,51,84,046	98,504,438
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	4	3,02,62,460	5,078,127
(b) Trade Payables	5	3,80,67,470	15,013,900
(c) Other Current Liabilities	6	71,05,013	3,344,779
(d) Short Term Provisions	7	9,48,625	1,959,277
<b>Total</b>		<b>20,19,87,305</b>	<b>18,38,32,859</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets (As per Annexure)			
(i) Tangible assets		13,62,83,210	135,318,560
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Deferred tax assets (net)	8	1,445	1,445
(c) Non-current investments	9 (a)	14,050	14,050
(d) Long term loans and advances	9 (b)	-	-
(e) Other non-current assets	9 (c)	8,90,760	8,02,710
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	10 (a)	64,21,726	4,193,671
(c) Trade receivables	10 (b)	5,17,32,427	19,886,859
(d) Cash and cash equivalents	10 (c)	56,05,870	9,692,240
(e) Short-term loans and advances	10 (d)	4,53,376	1,32,61,187
(f) Other current assets	10 (e)	5,84,441	662,137
<b>Total</b>		<b>20,19,87,305</b>	<b>18,38,32,859</b>

Significant accounting policies and notes to financial statements.  
As per our report of even date attached.

For Dagliya & Co  
Chartered Accountants  
Firm No: 00671S

For RKB Agro Industries Ltd.,

R.S.Somashekara  
Partner  
Membership No: 018395

S.K.Bhandari  
Managing Director

V.M.Bhandari  
Wholetime Director

PLACE : BANGALORE  
DATE : 14.10.2015

N. Mahesh  
Company Secretary

Sripad Hanchate  
Chief Financial Officer

**Statement of Profit & Loss for the Year ended 31st March, 2015**
**Amount in Rs.**

Particulars	Notes Ref. No.	For the year ended 31.03.2015	For the year ended 31.03.2014
I. Revenue from Operations	11	23,66,97,841	60,752,688
II. Other Income	12	15,12,156	1,693,561
<b>III. Total Revenue</b>		<b>23,82,09,997</b>	<b>62,446,249</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	13	10,99,98,435	2,353,811
Purchase of Stock-in-Trade	14	10,22,11,836	37,980,631
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	15	4,01,986	(3,509,893)
Employee Benefit Expense	16	53,34,993	4,952,075
Finance Costs	17	36,97,593	341,288
Depreciation and Amortization Expense (Annexure)		29,90,319	2,059,675
Other Expenses	18	1,04,13,713	10,682,837
<b>Total Expenses</b>		<b>23,49,59,875</b>	<b>54,860,425</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		32,50,122	7,585,824
VI. Exceptional Items (Income)			
Profit On sale of land		38,00,770	-
Profit On sale of Machinery		27,07,197	-
VII. Prior period Income (Reversal of Loss on impairment accounted in 2009-10)		6,65,000	-
VII. Profit before extraordinary items and tax (V-VI)		1,04,23,089	7,585,824
VIII. Extraordinary Items			
IX. Profit before tax (VII - VIII)		1,04,23,089	7,585,824
X. Tax expense:			
(1) Current tax		22,50,000	15,00,000
(2) Deferred tax adjustment		-	-
(3) Tax Adjustment of Prior periods		1,92,736	4,110
XI. Profit/(Loss) from the period from continuing operations (IX - X)		79,80,353	60,81,714
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		79,80,353	60,81,714
XVI. Earning per equity share of Rs.10/- each : Basic & Diluted		1.85	1.87

**Significant Accounting Policies and Notes to Financial Statements**

As per our report of even date attached.

For RKB Agro Industries Ltd.,

For Dagliya & Co  
 Chartered Accountants  
 Firm No: 00671S  
 R.S.Somashekara  
 Partner  
 Membership No: 018395  
 PLACE : BANGALORE  
 DATE : 14.10.2015

S.K.Bhandari  
 Managing Director

V.M.Bhandari  
 Wholetime Director

N. Mahesh  
 Company Secretary

Sripad Hanchate  
 Chief Financial Officer



**RKB AGRO INDUSTRIES LIMITED**
**THIRTY FIFTH ANNUAL REPORT - 2014 - 2015**

No.	Particulars	As on 31.03.2015	As on 31.03.2014
	<b>(b) On Account of BUILDINGS</b>		
	Balance as per last Balance Sheet	22,19,140	24,37,219
	Add: Addition during the year	-	-
	Less: Withdrawal during the year on account of Depreciation		218,079
		<b>22,19,140</b>	<b>22,19,140</b>
	<b>Total of (a) &amp; (b) (i)</b>	<b>9,83,27,464</b>	<b>10,34,74,680</b>
<b>B.</b>	<b>Capital reserve</b>		
	State Investment Subsidy From Govt. of Karnataka (ii)	<b>5,88,000</b>	<b>5,88,000</b>
<b>C.</b>	<b>General Reserve</b>		
	As per Last Balance Sheet	2,57,87,224	2,57,87,224
	Add: Transfer from Revaluation Reserve-Land	51,47,216	-
	<b>(iii)</b>	<b>3,09,34,440</b>	<b>25,787,224</b>
<b>D.</b>	<b>Surplus or Deficit</b>		
	Deficit as per Last Balance Sheet	(10,24,10,566)	(10,84,92,281)
	Less: Profit for the year	79,80,353	60,81,716
	<b>(iv)</b>	<b>(9,44,30,213)</b>	<b>(10,24,10,566)</b>
	<b>TOTAL (i+ii+iii+iv)</b>	<b>3,54,19,691</b>	<b>2,74,39,338</b>

Note : withdrawal from Revaluation reserve on account of sale of land to the extent of incremental value added due to revaluation in 2011-12 and now transferred to General reserve.

<b>3)</b>	<b>Long Term Borrowings</b>	As on 31.03.2015	As on 31.03.2014
<b>A</b>	<b>Secured</b>		
	Term Loan from Lakshmi Vilas Bank Ltd.		
	1. Term Loan I (Machinery)	77,57,983	95,28,575
	2. Tem Loan III (Machinery) (Secured by hypothecation of machinery & other Accessories purchased out of the above loans)	35,76,254	-
	3. Term Loan II (Building)	27,07,615	33,14,286
	4. Term Lan IV (Building) (Secured by Mortgage of the Press Gin hall and platform constructed at RS no.198/2/2, Manchalapur road, Industrial area , Raichur)	4,01,097	-
	Note :		
	1. TL I & II are repayable in 70 equal monthly instalments commencing from April 2014 and ending with January 2019. Interest payable on monthly rests @ (Base Rate + 3.60%) p.a.		
	2. TL II & IV are payable in 70 equal monthly instalments commencing from January 2015 and ending with October 2020. Interest payable on monthly rests @ (Base Rate +2.25%) p.a.		
	3. Above loars are guaranteed by Sri S.K. Bhandari Managing Director in his personal capacity		
		<b>1,44,42,949</b>	<b>1,28,42,858</b>



**RKB AGRO INDUSTRIES LIMITED**
**THIRTY FIFTH ANNUAL REPORT - 2014 - 2015**

No.	Particulars	As on 31.03.2014	As on 31.03.2013
<b>B</b>	<b>Unsecured</b>		
	i. From Directors	7,41,097	6,595,700
	ii. From Related Parties		7,10,80,880
	iii. From Shareholders		79,85,000
	<b>TOTAL</b>	<b>7,41,097</b>	<b>8,56,61,580</b>
		<b>1,51,84,046</b>	<b>9,85,04,438</b>
<b>4)</b>	<b>Short Term Borrowings</b>		
<b>i</b>	<b>Loans repayable on demand:</b>		
	<b>Secured Loans</b>		
	Laxmi Vilas Bank : OCC (Secured by hypothecation of Stock & Book debts and Collateral security by way of EM of Industrial property Sy. No. 198/2/2 and M.No. 12-7-68/4 (old) 12-7-196 (new) at Mukram Gunj, Manchalapur Road, Raichur. (Guaranteed by Sri S K Bhandari Managing Director in his personal capacity)	3,02,62,460	49,08,127
<b>ii</b>	Loans & Advances from related parties		1,70,000
	<b>TOTAL</b>	<b>3,02,62,460</b>	<b>50,78,127</b>
<b>5)</b>	<b>Trade Payables</b>		
	i. Dues to Micro and Small Enterprises (not available) (Ref. Note 19 II (6))	-	-
	ii. Others	3,80,67,470	1,50,13,900
	<b>TOTAL</b>	<b>3,80,67,470</b>	<b>1,50,13,900</b>
<b>6)</b>	<b>Other Current Liabilities</b>		
	Current Maturities of Long Term Debt* (Refer Note 3)	35,94,871	26,57,142
	Interest accrued but not due on bank loan		25,225
	TDS Payable	70,227	43,144
	Advance Received against Sale of Goods/Services	11,41,138	5,87,101
	VAT payable	14,34,001	-
	Professional Tax Payable	4,675	4,675
	Rent Deposit Payable	70,800	18,000
	Advances from Staff	-	5,040
	Outstanding Liabilities	7,89,301	-
	Bank account overdrawn	-	4,452
	<b>TOTAL</b>	<b>71,05,013</b>	<b>33,44,779</b>

\* Repayable in 70 equal monthly instalments commencing from April 2014/ January 2015 and ending with January 2019 / October 2020. Interest payable on monthly rests @ (Base Rate +3.60%) p.a.  
(Guaranteed by Sri S.K. Bhandari Managing Director in his personal capacity)

**RKB AGRO INDUSTRIES LIMITED**
**THIRTY FIFTH ANNUAL REPORT - 2014 - 2015**

No.	Particulars	As on 31.03.2015	As on 31.03.2014
7)	<b>Short Term Provisions</b>		
	<b>Provision for Taxes</b>		
	Provision For Income Tax	22,50,000	2,4,00,000
	Less: Advance Tax and TDS receivable	(13,01,375)	(4,40,723)
	<b>TOTAL</b>	<b>9,48,625</b>	<b>19,59,277</b>
8)	<b>DEFERRED TAX ASSETS</b>		
	Arising on account of timing difference:		
	On account of Depreciation	-	-
	On account of Sec. 43 B items	1,445	1,445
	<b>TOTAL</b>	<b>1,445</b>	<b>1,445</b>
<p>Note : The company has huge accumulated business losses and unabsorbed depreciation on which deferred tax has not been recognised as there is no virtual certainty to utilise the same. In view of the above, deferred tax liability arising on account of depreciation has not been recognised.</p>			
9)	<b>Non-Current Assets</b>		
a	<b>Non-Current Investments (Non Trade, Unquoted)</b>		
	National savings Certificates	14,050	14,050
	<b>TOTAL</b>	<b>14,050</b>	<b>14,050</b>
b	<b>Long Term Loans and Advances (Unsecured, Considered Good)</b>		
	Capital Advances	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
c	<b>Other non- current assets (Unsecured, Considered Good)</b>		
	Gescom Deposits	6,20,360	5,32,310
	VAT Receivable (NET)	13,484	13,484
	VAT Paid Under Protest	2,56,916	2,56,916
	<b>TOTAL</b>	<b>8,90,760</b>	<b>8,02,710</b>
10)	<b>Current Assets</b>		
a	<b>Inventories</b>		
	Cotton Seeds (Traded Goods)		29,95,588
	Cotton Seeds (Produced)	11,07,711	5,14,305
	Cotton Bales	6,00,768	-
	Loose Cotton	13,99,428	-
	Kappas	27,81,482	-
	Stores & Spares	3,61,629	2,52,428
	Packing Material	1,70,708	4,31,350
	<b>TOTAL</b>	<b>64,21,726</b>	<b>41,93,671</b>

**RKB AGRO INDUSTRIES LIMITED**
**THIRTY FIFTH ANNUAL REPORT - 2014 - 2015**

No.	Particulars	As on 31.03.2015	As on 31.03.2014
<b>b</b>	<b>Trade Receivables</b> Trade Receivables are unsecured but considered good and includes Rs. 2,95,440/- (P.Y. Rs.14,89,188/-) being amounts outstanding beyond six months from the date they have fallen due for payment	5,17,32,427	1,98,86,859
		<b>5,17,32,427</b>	<b>1,98,86,859</b>
<b>c</b>	<b>Cash and Cash Equivalents</b> Cash on Hand Balances with Banks	4,79,113 46,00,757	5,88,608 86,48,632
		<b>50,79,870</b>	<b>92,37,240</b>
	<b>Other Bank Balances</b> Fixed Deposits with Bank	5,26,000	4,55,000
		<b>5,26,000</b>	<b>4,55,000</b>
	<b>Total Cash &amp; Bank Balances</b>	<b>56,05,870</b>	<b>96,92,240</b>
<b>d</b>	<b>Short Term Loans and Advances</b> Unsecured, Considered Good Staff Advances Other Advances Loans and Advances to Related party	1,66,537 2,86,839	85,080 2,16,107 1,29,60,000
		<b>4,53,376</b>	<b>1,32,61,187</b>
<b>e</b>	<b>Other Current Assets</b> Unsecured, Considered Good VAT Receivable Prepaid Expenses Entry Tax Receivable Rent Receivable Interest Receivable	- 3,58,130 35,702 16,786 1,73,823	3,10,696 2,20,295 35,702 6,600 88,844
	<b>TOTAL</b>	<b>5,84,441</b>	<b>6,62,137</b>
<b>11)</b>	<b>Revenue from Operations</b> <b>Sale of Products</b> <b>Manufactured Goods</b> F P Cotton Bales Cotton Seeds <b>Traded Goods</b> Loose Cotton Bale Patti / Cloth	2,14,73,234 3,20,01,384 16,44,33,377 31,39,200	19,17,794 - 3,51,06,459 36,10,500
	<b>Sub-Total</b>	<b>22,10,47,195</b>	<b>4,06,34,753</b>
	<b>Sale of Services</b> Ginning Charges Pressing Charges	1,15,68,311 40,82,335	1,54,18,125 46,99,810
	<b>Sub-Total</b>	<b>1,56,50,646</b>	<b>2,01,17,935</b>
	<b>TOTAL</b>	<b>23,66,97,841</b>	<b>6,07,52,688</b>

**RKB AGRO INDUSTRIES LIMITED**
**THIRTY FIFTH ANNUAL REPORT - 2014 - 2015**

No.	Particulars	As on 31.03.2015	As on 31.03.2014
12)	<b>Other Income</b>		
	Interest Income	1,17,551	85,573
	Rent Received	5,55,082	6,85,450
	Provision withdrawn	-	50,000
	Quality Allowance claim received	-	5,62,195
	Profit on sale of vehicle	-	22,806
	Interest Subsidy from KSFC	1,76,910	-
	Weighment Charges	4,67,155	2,87,505
	Sundry balances written back	1,95,458	32
	<b>TOTAL</b>	<b>15,12,156</b>	<b>16,93,561</b>
13)	<b>Cost of Materials Consumed</b>		
	<b>Raw materials (Kapaas)</b>		
	Opening stock	-	-
	Add: Purchases during the year	11,27,79,917	23,53,811
		11,27,79,917	23,53,811
	Less: Closing stock	27,81,482	-
	Cost of materials consumed	<b>10,99,98,435</b>	<b>23,53,811</b>
	-		
14)	<b>Purchase of Stcok in Trade</b>		
	<b>a. Traded Goods Purchased</b>		
	Loose Cotton	10,22,11,836	3,49,85,044
	Cotton Seeds	-	29,95,588
	<b>TOTAL</b>	<b>10,22,11,836</b>	<b>3,79,80,632</b>
15)	<b>Changes in Inventories of Finished goods, stock in process and stock in trade</b>		
	<b>A. Opening Stock</b>		
	FP Cotton (Produced)	-	-
	Loose cotton (Traded)	-	-
	Cotton Seeds (Traded)	35,09,893	-
	Cotton Seeds (Produced)		
	<b>Sub Total</b>	<b>35,09,893</b>	<b>-</b>
	<b>B. Closing Stock</b>		
	FP Cotton	6,00,768	-
	Loose cotton	13,99,428	-
	Cotton Seeds (Traded)	-	29,95,588
	Cotton Seeds (Produced)	11,07,711	5,14,305
	<b>Sub Total</b>	<b>31,07,907</b>	<b>35,09,893</b>
	<b>(Increase)/Decrease in Inventory (A) - (B)</b>	<b>4,101,986</b>	<b>(35,09,893)</b>
16)	<b>Employee Benefit Expense</b>		
	Salaries and Wages	50,39,540	47,22,879
	Contribution to Provident and Other Funds	95,661	78,849
	Staff Welfare Expenses	1,99,792	1,50,347
	<b>TOTAL</b>	<b>53,34,993</b>	<b>49,52,075</b>

No.	Particulars	As on 31.03.2015	As on 31.03.2014
17)	<b>Finance Costs</b> Bank Loan Interest Documentation charges Interest Paid Bank charges  <div style="text-align: right;"><b>TOTAL</b></div>	 33,96,043 2,46,262 7,196 45,092  <b>36,97,593</b>	 33,012 2,90,483 - 17,793  <b>3,41,288</b>
18)	<b>Other Expenses</b> Auditor's Remuneration For Statutory audit For Tax audit For Income tax matters Service tax For Other Services Out of pocket expenses  Sitting Fees Consumption of Stores and Spares Freight Fines & Penalties Power and Fuel Rent Repairs to Buildings Repairs to Machinery Insurance Packing Charges VAT for earlier years Rates and Taxes Other expenses  <div style="text-align: right;"><b>TOTAL</b></div>	 40,000 10,000 10,000 7,416 3,372 9,887  <b>80,675</b> 40,000 4,57,553 1,57,619 9,959 42,12,550 24,000 1,43,897 8,03,023 4,13,028 16,09,997 31,320 6,98,873 17,31,219  <b>1,04,13,713</b>	 40,000 10,000 10,000 7,416 2,248 11,037  <b>80,701</b> 20,000 6,41,047 48,018 - 41,80,678 24,000 84,258 19,84,604 351,617 17,09,276 - 234,959 13,23,679  <b>1,06,82,837</b>

**RKB AGRO INDUSTRIES LIMITED****ANNEXURE I (REF. NOTE No. 9)**

PARTICULARS	GROSS BLOCK				Depreciation				NET BLOCK		
	As on 31.03.2014	Additions	Deletions	As on 31.03.2015	As on 01.04.2014	For the Year	Deduction during the year	Adj. during the year	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014
LAND	10,19,30,700	-	52,50,800	9,66,79,900	-	-	-	-	-	9,66,79,900	10,19,30,700
BUILDINGS	2,76,61,643	16,01,903	-	2,92,63,546	1,22,79,136	8,94,547	-	-	1,31,73,683	1,60,89,863	1,53,82,507
COMPUTER	2,91,143	-	-	2,91,143	2,54,394	27,950	-	-	2,82,344	8,799	36,749
FURNITURE & FIXTURES	6,66,511	-	-	699,511	6,50,395	32,517	-	-	6,82,912	16,599	49,116
ELECTRICAL INSTALLATIONS	28,48,907	14,44,481	15,06,222	27,87,166	14,96,423	2,72,606	14,41,177	-	3,27,852	24,59,314	13,52,484
PLANT & MACHINERY	3,49,08,577	57,57,087	1,66,10,487	2,40,55,177	1,83,41,573	16,67,856	1,69,27,330	-	30,82,099	2,09,73,078	1,65,67,004
VEHICLES	1,99,361	61,500	-	2,60,861	1,99,361	5,843	-	-	2,05,204	55,658	-
<b>Grand TOTAL</b>	<b>16,85,39,843</b>	<b>88,64,971</b>	<b>2,33,67,509</b>	<b>15,40,37,304</b>	<b>3,32,21,282</b>	<b>29,01,319</b>	<b>1,83,68,507</b>	<b>-</b>	<b>1,77,54,094</b>	<b>13,62,83,210</b>	<b>13,53,18,560</b>

\* Includes reversal of Rs. 6,66,500/- the impairment loss provided in the year 2009-2010

**NOTE 19: NOTES FORMING PART OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2015****(I) SIGNIFICANT ACCOUNTING POLICIES :****1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

These financial statements have been prepared on the historical cost convention unless otherwise stated in accordance with generally accepted accounting principles in India, the applicable Accounting Standards and the provisions of the Companies Act, 2013.

**2. FIXED ASSETS**

Entire Land of the company and Buildings of Cotton Unit are stated on the basis of revaluation and all other Fixed Assets are stated at historical cost less accumulated depreciation.

**3. DEPRECIATION**

Depreciation is provided on Straight Line Method based on the useful life of the assets and the manner specified in Schedule II of the Companies Act 2013.

**4. INVESTMENTS**

Investments are held for long-term and are stated at Cost. Diminution, if any, in the value of investments, other than temporary, is duly provided for.

**5. INVENTORIES**

Raw Materials, bought out items, W.I.P & Intermediary products, Finished goods, Stores and spare parts and Packing Materials are valued at lower of cost and net realisable value. Cost in respect of Raw materials, Packing materials, Stores & spares bought out items are determined on FIFO method.

However, raw materials and other items held for use in production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost in respect of finished goods, intermediary products & work in progress is determined on absorption costing. By-products are valued at estimated realisable value.

**6. EMPLOYEES' BENEFITS****i) Defined Contribution Plans:**

The company has defined contribution plans for employees comprising of Govt. administered Provident Fund/Pension plans. The company has no obligations apart from monthly contributions as per relevant rules. The company has been making monthly contributions as per the rules & the same are charged to Statement of Profit & Loss on accrual basis.

**ii) Defined Benefit Plans:****a) Gratuity: -**

Retirement gratuity to employees is accounted for as and when paid.

**b) Compensated absences:**

The Company does not have any scheme of compensated absences.

**iii) Short Term Employee benefits:-**

All employee benefits which are falling within 12 months of rendering the services are recognized to the Statement of profit & loss in the period in which the employee renders the related services.

**7. IMPAIRMENT OF ASSETS**

The Carrying amounts of Assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Assets. If any indication exists, the recoverable amount of such Assets is estimated. Impairment Loss is recognized wherever the carrying amount of the Assets exceeds its recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over the remaining useful life. When there is indication that impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

**8. TAXATION:**

Current tax is determined as amount of tax payable estimated as per the provisions of the Income Tax Act 1961.

Deferred tax asset/ Liability is recognized for the future tax consequences of the timing difference between the tax basis and the carrying values of assets and liabilities. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized in future and are reviewed every year. However Deferred Tax asset relating to unabsorbed business loss/ Depreciation is recognised only when there is virtual certainty, that they will be realized in future. The tax effect is calculated on the accumulated timing differences at the end of the year based on enacted or substantively enacted tax rates.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of future adjustment of income tax liability, is not being recognized as an asset in the books as there is no convincing evidence that the company will pay normal income tax in future.

**9. EARNINGS PER SHARE**

Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**10. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligations. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a past obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.



**11. LEASES****i. Where the company is a lessee :**

Lease payments under operating leases are recognised as an expense in the Statement of Profit & Loss as incurred.

**ii. Where the company is a lessor :**

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit & Loss on accrual basis as per the terms of contract.

**II. NOTES ON ACCOUNTS****1. Land & Buildings**

- i. Freehold Land situated at H.No.12-7-136 Sy. No.198/2/2 (Part), and H.No.12-7-136/1 Sy. No.198/1, Part 1 A, 2 A, Manchalapur Road, Raichur have been got revalued and stated at the amount revalued based on the appraisal as on 31<sup>st</sup> March 2012 made by the Government Approved Valuer adopting the GLR guideline rate.
- ii. Buildings of Cotton Unit acquired up to 31<sup>st</sup> March 1994 are stated at the amount revalued based on the appraisal as on 31<sup>st</sup> March 1994 made by the Approved Valuer.

**2. Contingent liabilities not provided for:**

Towards disputed VAT for the year 2005-06 - Rs.2,56,916/- (Entire amount has been paid under protest and shown under amounts recoverable in the Financial statements).

**3. Estimated amount of contracts remaining to be executed and not provided for:**

- a. Capital Commitments: Rs.Nil (PY. Nil);
- b. Other Commitments : Rs.Nil (P.Y.Nil)

4. Certain balances under the heads of Trade Receivables, Loans and Advances, Trade Payables, Current Liabilities and certain Bank Accounts are subject to confirmation.

5. The Company has not received any memorandum as required to be filed by the Suppliers with the notified authority under the Micro Small and Medium Enterprises Development Act, 2006. In view of this, information required to be disclosed under Section 22 of the said Act is not given.

6. The lease arrangements entered into by the company are cancellable. Hence disclosures as envisaged by AS-19 are not applicable.

7. National Saving Certificates amounting to Rs.14,050/- (P.Y. Rs. 14,050/-) are in the name of Director of the Company and are lodged with Sales Tax authorities /Agriculture Produce Marketing Committee for which the confirmation not received from the Authorities.

8. There are no amounts due to be remitted to "Investor's Education & Protection Fund" as at the year end. (Pr. Yr. NIL)

9. Figures for the previous year are regrouped/ rearranged wherever necessary to conform to the current year's classification. Figures are rounded off to the nearest rupee.

**10. Earning per Share (EPS) has been computed in accordance with AS-20.**

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Profit computation for both basic and diluted earnings per share of Rs.10/- each		
(A) Net Profit / (loss) as per Profit and loss a/c available for equity shareholders (Rs.)	79,80,353	60,81,716
(B) Weighted average number of equity shares for EPS computation (for basic and diluted EPS) (Nos.)	43,11,975	32,49,300
(C) EPS (Basic & diluted) (Rs.)	1.85	1.87

**11. a) Defined Benefit Plans:**
**Gratuity :**

Since the company is accounting gratuity to employees on cash basis, disclosures as required under AS-15 could not be made.

**b) Defined Contribution Plans:**

	<b>Curr.Year (Rs.)</b>	<b>Pr.Year (Rs.)</b>
Company's contribution to P F/Pension plan:	95,661	76,167

**12. Related Party disclosures:**
**A. Names of related parties and description of relationship:**
**a) Key Management Personnel:-**

1) S K Bhandari	Managing Director
2) V M Bhandari	Whole Time Director
3) Ajay Kumar Bhandari	Director (Upto 24.03.2015)
4) Smt. Rupal Bhandari	Director (From 24.03.2015)

**b) Relatives of Key management personnel**

(1) Pavan Kumar Bhandari	(2) Sanjay Bhandari	(3) Abhay Bhandari
(4) Sushilabai Bhandari	(5) Shantabai Bhandari	(6) Mamta Bhandari
(7) Chandana Bhandari	(8) Veena	

**c) Associates :**

(1) Bhandari Distributors (P) Ltd	(2) Mukan Marketing (P) Ltd	
(3) RKB Collections	(4) Kushal Enterprises	(5) Rajmal Khemraj HUF
(6) Sanjay Bhandari HUF	(7) Pavan Bhandari HUF	(8) S K Bhandari HUF
(9) S K Bhandari MHUF	(10) V M Bhandari HUF	(11) VM Bhandari MHUF
(12) Ajay Bhandari HUF	(13) Abhay Bhandari HUF	(14) RKB Foundation

**B. Summary of Transactions with Related Parties (Amount in Rs.)**

4	Key Management Personnel		Relatives of KMP		Associates	
	Cur.Year	Prv.Year	Curr. Year	Prev. Year	Curr. Year	Prev. Year
Loan Received	33,09,821	40,00,000	52,93,179	7,45,000	63,94,821	-
Loan Repayments	-	-	22,94,029	5,75,000	1,06,92,851	-
Conversion to Equity capital	60,55,000	-	1,38,85,000	-	2,25,67,000	-
Purchase of Loose Cotton	-	-	-	-	10,22,11,836	3,49,85,044
Sale of Loose Cotton	-	-	-	-	3,77,93,262	3,51,06,459
Sale of land	-	-	-	-	90,51,570	-
Rent Paid	-	-	24,000	24,000	-	-
Out Standing Receivables as at the year end	-	-	-	-	61,55,305	2,70,17,332
Outstanding Payables as at the year end	7,41,097	60,55,000	-	3,75,80,880	3,33,54,670	4,09,11,927

(Refer Statement attached for break up of transactions with Related Parties)

**13. Segment Reporting**

As the company transacts in manufacturing and trading of cotton and cotton seeds and also the services of Ginning & Pressing of cotton and all operations are carried domestically. The company has identified two reportable primary segments during the year being trading of cotton and cotton seeds and also the services of Ginning & Pressing of cotton. The information on segment reporting as envisaged in AS 17 is as here under.

**BHANDARI UDHYOG LIMITED****ANNEXURE I (REF. NOTE No. 9)**

Sl. No.	Particulars	Mfg. & Trading for the Year Ended		Services for the Year Ended		Unallocable for the Year Ended		(Amount in Rs.) Total	
		31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
1.	Segment Revenue	22,10,47,195	4,06,34,753	1,56,50,646	2,01,17,935			23,66,97,841	6,07,52,688
	External Sales	-	-	-	-				
	Inter segment sales	-	-	-	-				
	Total Revenue	22,10,47,195	4,06,34,753	1,56,50,646	2,01,17,935			23,66,97,841	6,07,52,688
2.	Total Revenue of each segment as a percentage of total revenue of all segments	93.39%	66.89%	6.61%	33.11%				
3.	Segment Result								
	Profit/(loss) Before Extra ordinary items and Tax	2,41,242	11,86,306	30,08,879	63,99,519			32,50,121	75,85,825
	As a percentage of total Profit/(Loss)	7.42%	15.64%	92.58%	84.36%				
4.	Segment Assets	7,52,46,054	3,37,16,025	2,44,39,986	3,84,78,399	10,23,01,265	11,16,38,435	20,19,87,305	18,38,32,859
5.	Segment Liabilities	7,16,66,404	93,14,590	1,82,11,488	1,41,22,216	11,21,09,413	16,03,96,053	20,19,87,304	18,38,32,859
6.	Capital Expenditure	44,32,486	11,601	44,32,486	70,96,076			88,64,971	71,07,677
7.	Depreciation	14,50,660	28,185	14,50,660	20,31,490			229,01,319	20,59,675

For Dagiya &amp; Co

Chartered Accountants

Firm No: 00671S

R.S.Somashekara

Partner

Membership No: 018395

PLACE : BANGALORE

DATE : 14.10.2015

For R.K.B. Agro Industries Limited

S.K.Bhandari

Managing Director

V.M.Bhandari

Wholesale Director

N. Mahesh

Company Secretary

Sripad Hanchate

Chief Financial Officer

**RKB AGRO INDUSTRIES LIMITED**
**THIRTY FIFTH ANNUAL REPORT - 2014 - 2015**
**Following are the Related Parties and transactions made with them (2014-2015)**

Sl. No.	Particulars	Key management Personnel		Relatives of KMP		Associates	
		31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>A</b>	<b>TRANSACTIONS</b>						
1	<b>I Rent Paid</b> Pavan Bhandari			24,000	24,000		
	<b>TOTAL</b>	-	-	<b>24,000</b>	<b>24,000</b>	-	-
	<b>II Loan Accepted</b> Pavan Bhandari Sanjay Bhandari Rajmal Khemraj (HUF) S K Bhandari Bhandari Cottons Ltd.	3,309,821	4,000,000	3,843,179 1,450,000		5,252,821 1,142,000	745,000
	<b>TOTAL</b>	<b>3,309,821</b>	<b>4,000,000</b>	<b>5,293,179</b>	-	<b>6,394,821</b>	<b>7,45,000</b>
	<b>III Loan Repaid</b> Pavan Bhandari Rajmal Bhandari (HUF) Ajay Bhandari(HUF) Pavan Bhandari(HUF) Abhay Bhandari Abhay Bhandari(HUF) Rajmal Khemraj (HUF) S K Bhandari (MHUF) Sanjay Bhandari (HUF) Bhandari Cottons Ltd. Veena Mamtha Bhandari			49,029 650,000 735,000 860,000		1,600,000 3,760,000 1,111,000 1,604,821 30 1,475,000 1,142,000	575,000
	<b>TOTAL</b>	-	-	<b>2,294,029</b>	-	<b>10,692,851</b>	<b>5,75,000</b>
	<b>IV Repayment By Conversion to equity</b> Ajay Bhandari Pavan Bhandari Sanjay Bhandari Sushilabai Bhandari Shanthabai Rajmal Khemraj (HUF) S K Bhandari S K Bhandari (HUF) S K Bhandari (MHUF) V M Bhanbari (HUF) V M Bhanbari (MHUF) V M Bhandari Chandana Bhandari	705,000 4,700,000 6,50,000		5,160,000 2,620,000 3,615,000 2,430,000 60,000		4,982,000 4,000,000 5,725,000 980,000 6,880,000	
	<b>TOTAL</b>	<b>60,55,000</b>	-	<b>1,38,85,000</b>	-	<b>2,25,67,000</b>	-

**RKB AGRO INDUSTRIES LIMITED**
**THIRTY FIFTH ANNUAL REPORT - 2014 - 2015**

	<b>IV Loose Cotton Purchase</b>						
1	Mukan Marketing P Ltd.					6,538,785	
2	Kushal Enterprises					66,594,840	8,796,401
3	Bhandari Distributors P Ltd.					29,078,211	26,188,643
	<b>TOTAL</b>					<b>10,22,11,836</b>	<b>3,49,85,044</b>
	<b>V Cotton Sales</b>						
1	Kushal Enterprises						1,73,33,165
2	Bhandari Distributors P Ltd.					2,62,62,686	88,99,482
3	Mukan Marketing (P) Ltd					1,15,30,576	8,873,812
	<b>TOTAL</b>					<b>37,793,262</b>	<b>35,106,459</b>
	<b>VI Sale of Land</b>					<b>9,051,570</b>	<b>-</b>
<b>B</b>	<b>BALANCES OUTSTANDING AS AT THE YEAR END</b>						
	<b>a RECEIVABLES</b>						
1	Mukan Marketing (P) Ltd					61,55,305	1,81,57,685
2	Kushal Enterprises						88,59,647
	<b>TOTAL</b>					<b>61,55,305</b>	<b>27,017,332</b>
	<b>b PAYABLES</b>						
	S K Bhandari	741,097	4,700,000				
	V M Bhandari		650,000				
	Ajay Bhandari		705,000				
	Ajay Bhandari(HUF)				1,600,000		
	Pavan Bhandari				1,365,850		
	Pavan Bhandari(HUF)				3,760,000		
	Sanjay Bhandari				1,170,000		
	Abhay Bhandari				650,000		
	Abhay Bhandari(HUF)				1,111,000		
	Sushilabai Bhandari				3,615,000		
	Shanthabai				2,430,000		
	Rajmal Khemraj (HUF)				1,164,000		
	RKB Collections				800,000		
	Veena				735,000		
	S K Bhandari (HUF)				4,000,000		
	S K Bhandari (MHUF)				5,725,030		
	V M Bhanbari (HUF)				980,000		
	V M Bhanbari (MHUF)				6,880,000		
	Sanjay Bhandari (HUF)				1,475,000		
	Chandana Bhandari				60,000		
	Mamtha Bhandari				60,000		
	Kushal Enterprises					23,409,642	
	Bhandari Distributors P Ltd.					9,945,029	40,911,927
	<b>TOTAL</b>	<b>741,097</b>	<b>60,55,000</b>	<b>-</b>	<b>3,75,80,880</b>	<b>3,33,54,670</b>	<b>4,09,11,927</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015**

No.	Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net profit/loss before tax but after adjustment of exceptional items	1,04,23,089	75,85,826
	<b>Adjustment for :</b>		
	Loss On Impairment of earlier years with drawn	(6,65,000)	
	Depreciation	29,01,319	20,59,675
	Interest Expenses	33,96,043	33,012
	Rent Received	(5,55,082)	(6,85,450)
	Interest Received	(1,17,551)	(85,573)
	(Profit)/Loss on sale of assets	(65,07,967)	(22,806)
	<b>Operating profit before working capital adjustment Sub Total (a)</b>	<b>88,74,851</b>	<b>88,84,684</b>
	<b>Adjustments for :</b>		
	(Increase)/Decrease in inventories	(22,28,055)	(3,584,876)
	(Increase)/Decrease in Trade receivables	(3,18,45,568)	(6,517,828)
	(Increase)/Decrease in Short term Loans & Advances	1,28,07,811	(1,28,26,307)
	(Increase)/Decrease in Other Current Assets	6,696	(164,176)
	(Increase)/Decrease in Other Non Current Assets	(88,050)	351,870
	Increase/(Decrease) in Trade payables	2,30,53,570	6,771,804
	Increase/(Decrease) in Other Current Liabilities	37,6,234	(558,982)
	Increase/(Decrease) in Short term Provisions	(32,60,654)	(305,763)
	<b>Sub Total (b)</b>	<b>22,05,984</b>	<b>(16,834,258)</b>
	<b>Net Cash generated from operations A = (a)+(b)</b>	<b>1,10,80,835</b>	<b>(7,949,574)</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTEMENT ACTIVITIES</b>		
	Purchase of Fixed assets	(88,64,971)	(7,107,677)
	Proceeds from Sale of Fixed Assets	1,21,71,971	74,500
	Rent Received	5,55,082	685,450
	Interest Received	1,17,551	85,573
	<b>Net Cash Flow From Investement Activites (B)</b>	<b>39,79,633</b>	<b>(6,262,154)</b>
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from / (Repayment of) Long Term Borrowings	(8,33,20,392)	17,383,558
	Proceeds from / (Repayment of) other short term Borrowings	2,51,84,333	5,078,127
	Increase in Share Capital	4,25,07,000	-
	Interest Expenses	(33,96,043)	(33,012)
	Tax Adjustmensts Income/(Expense)	(1,92,736)	(4,110)
	<b>Net Cash used in Financing Activites (C)</b>	<b>(1,92,17,838)</b>	<b>2,24,24,563</b>
	<b>Net Increase/(decrease) in cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>(41,57,370)</b>	<b>82,12,835</b>
	<b>Cash and Cash equivalents (Opening balances)</b>	<b>92,37,240</b>	<b>1,024,405</b>
	<b>Cash and Cash equivalents (Closing balances)</b>	<b>50,79,870</b>	<b>9,237,240</b>

For RKB Agro Industries Ltd.,

For Dagliya & Co  
Chartered Accountants  
Firm No: 00671S  
R.S.Somashekara  
Partner  
Membership No: 018395  
PLACE : BANGALORE  
DATE : 14.10.2015

S.K.Bhandari  
Managing Director

V.M.Bhandari  
Wholetime Director

N. Mahesh  
Company Secretary

Sripad Hanchate  
Chief Financial Officer

**FORM NO. MGT-11**

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L7100KA1979PLC003492

Name of the company : R.K.B. Agro Industries Limited

Registered office : 1<sup>st</sup> Floor, Kushal Chambers  
M.G. Road, Raichur – 584 101.

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name..... 2. Name.....

Address : Address :

E-mail Id : E-mail Id :

Signature....., or failing him Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the Tuesday day of December 29, 2015 at 10.00 a.m. at the registered office of the Comp[any and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

- 1st Item
- 2nd Item
- 3rd Item
- 4th Item
- 5th Item

Affix
Revenue
Stamp

Signed this..... day of..... 2015.

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**ADMISSION SLIP**

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company/Depositories.

DP ID :

Reg Folio No :

Client ID Regd:

No. of Shares

Name(s) in Full

Father's/Husband's Name

Address as Regd. with the Company

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE 35<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON 29<sup>th</sup> DECEMBER 2015 AT 10.00 A.M. AT REGISTERED OFFICE :  
1<sup>ST</sup> FLOOR, KUSHAL CHAMBERS, M.G. ROAD, RAICHUR – 584 101

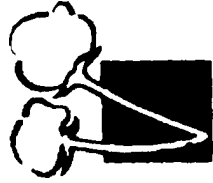
PLEASE TICK IN THE BOX

MEMBER

PROXY

MEMBER'S/PROXY'S  
SIGNATURE

Under Certificate of Posting / Book - Post



If undelivered please return to :

**RKB AGRO INDUSTRIES LIMITED**

1st Floor, Kushal Chambers,

M.G. Road,

RAICHUR - 584 101.