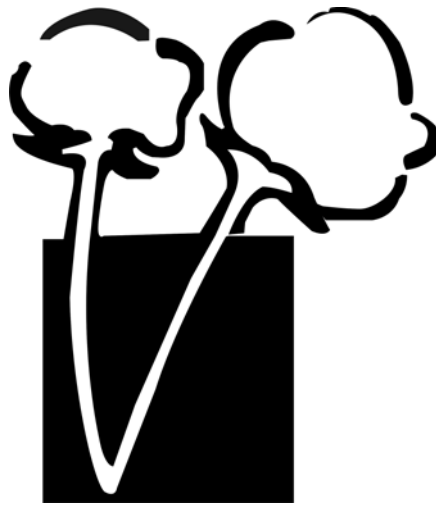


RKB AGRO INDUSTRIES LIMITED
RAICHUR



THIRTY SIXTH ANNUAL REPORT
2015 - 2016

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 - Women Director

Company Secretary Sri Mahesh N.

AUDITORS : **M/s. Dagliya & Co.,**
Chartered Accounts
'L' Block, Unity Buildings,
Bangalore - 560 002.

REGISTERED OFFICE : 1st Floor, Kushal Chambers
M.G. Road,
Raichur - 584 101.

WEBSITE : www.rkbagro.com

E-MAIL : bhandariudhyog@hotmail.com

SHARE TRANSFER AGENTS : **Bigshare Services (P) Limited**
E 2/3, Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri (East)
Mumbai - 400 072.

INVESTOR GREVIANCES : investors@bhandariudhyog.in

RKB AGRO INDUSTRIES LIMITED

Registered Office: 1st Floor, Kushal Chambers
M.G. Road, RAICHUR – 584 101

CIN: L17100KA1979PLC003492

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the members of R K B Agro Industries Limited will be held on Thursday the 29th September 2016 at 11.00 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 2016 along with Notes and the Boards' Report and the Auditors' Report thereon.
2. To appoint a director in place of Mr. Sowbhaghraj Bhandari (DIN: 00409750) 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 2016-17 and to fix the remuneration.”

On Behalf of Board of Directors

Place : Raichur

Date : 29h August 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. The relevant information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges on the code of corporate governance relating to Sri. S. K. Bhandari and Sri. V. M. Bhandari is included in the explanatory statement.
7. The register of members and share transfer books of the Company will remain closed from 22nd September 2016 to 29th September 2016 (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 voting electronically are as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Select "R K B Agro Industries Limited" 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 register 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 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 for login :

For members holding shares in Demat Form and Physical Form :

PAN	<p>Enter your 10 Digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholder as well as physical shareholder)</p> <ul style="list-style-type: none"> Members who have not updated PAN with the Company / Depository participant are requested to use the first two letters of your name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's (Zero) before the number after the first two characters of the name in CAPITAL letters. eg., If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account of folio in dd/mm/yyyy format.
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"> 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 number of shares held by you as on the cut off date in the in the Dividend Bank Details field.

(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. Please note that this password to be also used by the demat holder for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is 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 resolution contained in this Notice.

(xi) Click on the EVSN of R K B Agro Industries Limited 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 "RESOLUTION 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 "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.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to 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 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, please follow all steps from Sl. No. (i) to Sl. No.(xvi) above to cast vote.

- The voting period begins on 26.09.2016 and end on 28.09.2016. The e-voting module shall be disabled by CDSL for voting thereafter. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The Company has appointed Mr. M. Chandrappa, Practising Company Secretary, to act as the scrutinizer, for conducting the scrutiny of the votes cast.
- 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.co.in under help section or write an email to helpdesk.evoting@adslindia.com.

The result will be declared on or after the Annual General Meeting of the company. The result declared along with the scrutinized report will be placed on the company’s website www.rkbagro.com and on the website of CDSL – www.cdslindia.com within two days from the date of the Annual General Meeting and communicated to the stock exchanges.

RKB AGRO INDUSTRIES LIMITED

Registered Office: 1st Floor, Kushal Chambers
M.G. Road, RAICHUR – 584 101

CIN: L17100KA1979PLC003492

BOARDS' REPORT

To

The Members

R K B Agro Industries Limited

Your directors are pleased to present the annual report along with the audited financial statements for the year ended 31st March 2016.

1. Financial results :

Particulars	As at 31.03.2016	As at 31.03.2015
Gross Revenue from operations	31,21,83,000	23,71,65,000
Other Income	42,28,000	10,45,000
Total Income	31,64,11,000	23,82,10,000
Expenditure before depreciation and financial cost	30,36,60,000	22,83,61,000
Depreciation	29,69,000	29,01,000
Financial cost	59,46,000	36,98,000
Exceptional Items (Income) Prior period income	(72,000)	71,73,000
Profit before tax	37,64,00,000	1,04,23,000
Provision for Tax – Current Tax	8,00,000	22,50,000
Tax adjustment of prior periods	(35,000)	1,93,000
Profit/(Loss) after Tax for the year	29,99,000	79,80,000
Earnings per share	0.40	1.85

2. Operations :

During the year, your company's revenue from operations was Rs. 3,121.83 lakhs as against previous years' figure of Rs. 2,371.65 lakhs Taking into account income from other sources the total income has aggregated to Rs.3,164.11 lakhs as against Rs.2,382.10 lakhs during the previous year. After providing for depreciation and financial cost, the operation has resulted in a profit before tax of Rs. 38.36 lakhs. After deducting prior period expenses the company has earned a profit of Rs.37.64 lakhs (previous year Rs. 104.23 lakhs) With making provision for current tax and tax adjustment for prior periods the result in profit after tax of Rs.29.99 lakhs (previous year Rs.79.80 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. 2,371.65 lakhs to Rs. 3,121.83 lakhs. 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.

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 various 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 1:3. None of the Directors are paid any commission.
- 2) During the year under consideration there is no increase of remuneration paid to any Key Managerial Personnel.
- 3) The percentage increase in the medial remuneration of the employees in the financial year is nil.
- 4) The number of permanent employees on the roll of the Company is 11.

The company is situated in a backward district and considering the relevant parameters and in view of the fact that there is no increase in the remuneration paid to KMPs during 2015-16 and accordingly information under Rule 5 (viii) of Companies (Appointment and Remuneration Personnel) Rules, 2014 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. However due to certain procedural aspects the allotment of 42,50,700 made during 2014-15 by converting unsecured loan of Rs.4,25,07,000/- cores taken from the Director promoters and their relatives for one time settlement of the outstanding loan with accrued interest due to Canara Bank was annulled and fresh allotment was made during 2015-16 after duly following the procedure.

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 extra-ordinary general meeting held on 15th March 2016. As stated in pre-para the allotment made during 2014-15 was annulled.

With the above allotment the paid up share capital of the Company stands at 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 Bombay Stock Exchange Limited, Mumbai your directors hereby declare that with regard to listing of shares there is no change in the status of discontinuance during the current year. . 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 2016, 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 below :

Ref. to Audit Report	Qualification / reservation / adverse remark / disclaimer	Explanation / comments by the Board
Basis for qualified opinion	(ii) The Company has not 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.	Action is being taken to vet the actuarial valuation done as envisaged in AS-15.

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 : 29th August 2016.

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 31.03.2016****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014.****I. 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/Subcategory 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-584 101.
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.
	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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	126110	4356700	5617800	74.9010	1261100	4356700	5617800	74.9010	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0		0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	1261100	4356700	5617800	74.9010	1261100	4356700	5617800	74.9010	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	80300	80300	1.0707	80300	80300	80300	1.0707	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total	0	80300	80300	1.0707	0	80300	80300	1.0707	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)(1):- 2 Non-Institutions									
a) Bodies Corp.									
i) Indian	379656	4800	384456	5.1261	378656	4800	383456	5.1127	0.0134
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1lakh	615280	434310	1049590	13.9945	606279	434310	1040589	13.8745	0.12
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	288501	70000	358501	4.7800	298502	70000	368502	4.91336	0.133 3
c) Others (Employees)	0	2000	2000	0.0267	0	2000	2000	0.0267	0
Non Resident Indians	2153	5000	7153	0.0954	2153	5000	7153	0.0954	0
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	200 0	0.	200	0027	200	0	200	0.0027	0
Trusts									
Foreign Bodies-DR									
Sub-total (B)(2):-	1285790	516110	1801900	24.0254	1285790	516110	1801900	24.0254	0
Total Public Shareholding (B)=(B) (1)+ (B)(2)	1285790	596410	1882200	25.0960	1285790	596410	1882200	25.0960	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2546890	4953110	7500000	100	2546890	4953110	7500000	100	0

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 share hold ing 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	
1	VIJAYRAJ BHANDARI (MHUF)	733000	9.77	0	733000	9.77	0	0
2	SOWBHAGRAJ BHANDARI (MHUF)	614000	8.18	0	614000	8.18	0	0
3	PAVAN BHANDARI	666500	8.89	0	666500	8.89	0	0
4	RAJMAL KHEMRAJ (HUF)	595200	7.93	0	595200	7.93	0	0
5	SOWBHAGRAJ BHANDARI (HUF)	445500	5.94	0	445500	5.94	0	0
6	SUSHILABAI BHANDARI	420500	5.61	0	420500	5.61	0	0
7	SANJAY KUMAR BHANDARI	332500	4.43	0	332500	4.43	0	0
8	SHANTABAI BHANDARI	374000	4.99	0	374000	4.99	0	0
9	VEENA BHANDARI	147000	1.96	0	147000	1.96	0	0
10	SOWBHAGRAJ BHANDARI	590600	7.88	0	590600	7.88	0	0
11	VIJAYRAJ BHANDARI	176000	2.35	0	176000	2.35	0	0
12	VIJAYRAJ BHANDARI (HUF)	124000	1.66	0	124000	1.66	0	0
13	CHANDANA BHANDARI	88,000	1.17	0	88,000	1.17	0	0
14	SHA RAJMAL KUSHALRAJ BHANDARI	72000	0.96	0	72000	0.96	0	0
15	AJAY BHANDARI	116000	1.55	0	116000	1.55	0	0
16	SANGITA JEETENDER LUNIYA	45500	0.61	0	45500	0.61	0	0
17	ABHAY KUMAR BHANDARI	43500	0.58	0	43500	0.58	0	0
18	KUSHALRAJ BHANDARI	25500	0.34	0	25500	0.34	0	0
19	GOPAL SINGH	5000	0.07	0	5000	0.07	0	0
20	K H PEERA SAB	3500	0.05	0	3500	0.05	0	0

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
	At the beginning of the year				
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 KUMAR BHANDARI	332500	4.43		
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	88000	1.17		
14	SHA RAJMAL KUSHALRAJ BHANDARI	72000	0.96		
15	AJAY BHANDARI	116000	1.55		
16	SANGITA JEETENDER LUNIYA	45500	0.61		
17	ABHAY KUMAR BHANDARI	43500	0.58		
18	KUSHALRAJ BHANDARI	25500	0.34		
19	GOPAL SINGH	5000	0.07		
20	K H PEERA SAB	3500	0.05		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				
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 KUMAR BHANDARI			332500	4.43
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	AJAY BHANDARI			116000	1.55
16	SANGITA JEETENDER LUNIYA			45500	0.61
17	ABHAY KUMAR BHANDARI			43500	0.58
18	KUSHALRAJ BHANDARI			25500	0.34
19	GOPAL SINGH			5000	0.07
20	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
	At the beginning of the year				
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		
	Date Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) :				
	At the beginning of the year				
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 each Directors and each 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
	At the beginning of the year				
1	SOWBHAGRAJ BHANDARI	590600	7.88		
2	VIJAYRAJ BHANDARI	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.):				
	At the end of the year				
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
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,47,05,409	3,40,96,000	Nil	7,88,01,409
ii) Interest due but not paid	Nil	Nil	Nil	
iii) Interest accrued but not due	Nil	Nil	Nil	
Total (i+ii+iii)	4,47,05,409	7,41,097	Nil	4,54,46,506
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	16,20,409	1,12,23,000	Nil	27,42,709
Net Change	16,20,409	1,12,23,000	Nil	27,42,709
Indebtedness at the end of the financial year				
i) Principal Amount	4,30,85,000	2,28,73,000	Nil	65,9,58,000
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	4,30,85,000	2,28,73,000	Nil	65,9,58,000

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (Rs. per month)
		Sowbhagraj Bhandari - MD	Vijayraj Bhandari WTD	
1	Gross salary		Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,000	50,000	1,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil
	Ceiling as per the Act	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 N. Mahesh	CFO Sripad Hanchate	Total
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 : 29th August 2016.

Place: Raichur

S.K. Bhandari
Managing Director
DIN: 00409750

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

RKB AGRO INDUSTRIES LIMITED

Registered Office: 1st Floor, Kushal Chambers
M.G. Road, RAICHUR – 584 101

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 two 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 2015-16, eleven Board meetings were held on 30-04-2015, 13-07-2015, 24-08-2015, 14-10-2015, 20-10-2015, 18-09-2015, 29-12-2015, 15-02-2016, 15-03-2016, 17-03-2016 and 21-03-2016. 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 2016 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	11	11	Nil	Nil	Yes
Sri V.M. Bhandari	Whole-time Director	Executive	11	11	Nil	Yes	Yes
Sri Shantilal Mootha	Independent Director	Non-executive	11	11	Nil	Yes	Yes
Sri M. Ganesh	Independent Director	Non-executive	11	11	Nil	Yes	No
Mrs. Rupal Bhandari	Woman Director	Non-executive	11	11	Nil	Yes	Yes

The brief particulars of the directors of the Company proposed to be re-appointed at the ensuing annual general meeting are here under.

Sri S. K. Bhandari, retires by rotation and being eligible offers himself for reappointment. He is aged about 72 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 Managing Director of the company

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 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 2015-16 on 30th April 2015, 13th July 2015, 14th October 2015, 20th October 2015, 15th February 2016 and on 15th March 2016 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) Composition:

The composition of the committee is as follows

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

Four meetings of Nomination and Remuneration committee were held during the year 2015-16 on 30th April 2015, 13th July 2015, 20th October 2015 and on 15th February 2016. and all the members were present at the meetings.

(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. each 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. Non-executive directors are paid only 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
Mrs. Rupal Bhandari	Non Executive Director	Member

The members met four times during the financial year 2015-16 on 30th April 2015, 13th July 2015, 20th October 2015 and on 15th February 2016 and all the members were present at the meetings. No grievance was pending as on 31-03-2016.

6. Risk Management Committee :

(A) Terms of Reference

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

(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 2015-16, one meeting was held on 25th April 2015 and all the members attended the meeting.

7. General Body Meeting :

(A) Venue and time of the last three annual general meetings :

Year	Venue	Date	Time
2012-13	1st Floor, Kushal Chambers, M.G. Road, Raichur.	30-10-2013	10.00 a.m.
2013-14	1st Floor, Kushal Chambers, M.G. Road, Raichur.	13-11-2014	11.00 a.m.
2014-15	1st Floor, Kushal Chambers, M.G. Road, Raichur.	29-12-2015	10.00 a.m.

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 2016 without non-Independent Directors and Senior Managerial Personnel.

10. Proceeds from preferential issue of shares :

Due to certain procedural aspects the allotment of 42,50,700 made during 2014-15 by converting unsecured loan of Rs.4,25,07,000/- crores taken from the Director promoters and their relatives for one time settlement of the outstanding loan with accrued interest due to Canara Bank was annulled and fresh allotment was made during 2015-16 after duly following the procedure.

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 www.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 2016.

Place : Raichur

Date: 29th August 2016

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 2015-16 was placed before the Board at its meeting held on 4th August 2016.

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 24th February 2014 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 13 to the Financial Statements.

(B) Management Discussion and Analysis :

Management discussing 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 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 : 29th August 2016

S.K. Bhandari

Managing Director

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

Company Identify Number (CIN) is : L17100KA1979PLC003492

2. Annual General Meeting

Day & Date 29th September 2016

Time 11.00 a.m.

Venue 1st Floor, Kushal Chambers,
M.G. Road, RAICHUR - 584 101

Financial year 1st April 2015 to 31st March 2016

Board meeting for consideration
of unaudited quarterly results Last week of succeeding month

Financial Reporting – 2017 year end results July 2017

Annual General Meeting 29th September 2016

Date of Book Closure 22nd September to 29th September 2016.
(both days inclusive)

Listing on Stock Exchanges Bombay Stock Exchange Ltd,

Listing fee is paid. 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 / 28473474Share 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 31.3.2016

Category	Total holders	% of holders	Total Holding (Rs.)	% to total equity
1 -- 5000	931	67.2202	2087740	2.7837
5001 -- 10000	155	11.1913	1370110	1.8268
10001 -- 20000	89	6.4260	1461270	1.9484
20001 -- 30000	61	4.4043	1667950	2.2239
30001 -- 40000	60	4.3321	1982950	2.6439
40001 -- 50000	17	1.2274	826000	1.1013
50001 -- 100000	26	1.8773	1806120	2.4082
100001 -- 99999999	46	3.3213	63797860	85.0638
Total	1385	100.00	75000000	100.00

Share Holding Pattern as on 31.3.2016

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	-	-
Sub Total	56,17,800	74.9010

Note : 2. Foreign Shareholdings

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

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.
Tel. No. 28473747 / 28473474

For other correspondence
R K B Agro Industries
Limited., 1st Floor, Kushal
Chambers, M. G. Road,
Raichur – 584 101

Plant Location :

Manchalpur Road, Raichur - 584 102

Place : Raichur
Date : 29th August 2016

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 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 2016 Amount in Rs.	31st March 2015 Amount in Rs.
Gross Revenue from operations	31,21,83,000	23,71,65,000
Other Income	42,28,000	10,45,000
Total Income	31,64,11,000	23,82,10,000
Expenditure before depreciation and financial cost	30,36,60,000	22,83,61,000
Depreciation	29,69,000	29,01,000
Financial cost	59,46,000	36,98,000
Exceptional Items (Income) Prior period income	(72,000)	71,73,000
Profit before tax	37,64,00,000	1,04,23,000
Provision for Tax – Current Tax	8,00,000	22,50,000
Tax adjustment of prior periods	(35,000)	1,93,000
Profit/(Loss) after Tax for the year	29,99,000	79,80,000
Earnings per share	0.40	1.85

During the year the overall revenue grew by 31.63% 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 nearly 5% 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 has achieved a positive operating figure though it was negative in the previous year. 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 1.4.2015 to 31.3.2016
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 2016 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 2016 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.

S. K. Bhandari
Managing Director

V.M.Bhandari
Whole-time Director

Sripad Hanchate
Chief Financial Officer

Place : Raichur

Dated : 29th August 2016

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 2016 as stipulated in Clause 49 of the Listing Agreement of the company with Stock Exchange for the period from 01.04.2015 to 31.03.2016.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to review of the 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.

We have examined the relevant records of the company in accordance with the Generally Accepted Auditing Standards in India to the extent relevant and as per the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India. 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 30.06.2015, 30.09.2015, & 31.12.2015 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 and SEBI Regulations, as and when applicable.

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 01.04.2015 to 31.03.2016 and that there are no complaints pending as on 31.03.2016.

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 : 4-8-2016

Independent Auditors' 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** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the 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 and presentation 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 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 judgements 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 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 thereunder. 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 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. An audit also includes evaluating the appropriateness of 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). However this has no impact on Trade payables as at the year end.
- (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 (12 (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 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and in terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:
- (i) (a) In our opinion the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
 - (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. 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, secured or unsecured to companies, firms, Limited Liability Partnership Firms or other parties covered in the register maintained u/s 189 of the Act, hence the question of grant of such loans being prejudicial to company's interest, schedule of repayment of interest and principal, receipt of principal and interest on regular basis and steps for recovery of overdue amount for more than 90 days as per clause (iii) of the Order does not arise.
 - (iv) As explained to us, the company has not granted any loans, nor given guarantees / security to any party attracting the provisions of sec 185 & 186 of the Act. Hence, the question of compliance to the said provisions as per clause (iv) of the order does not arise. However investments held by the company in government securities are in compliance with the provisions of sec. 186 of the Act.
 - (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public; hence the question of compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder as per clause (v) of the Order does not arise.
 - (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 regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, 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, Service Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise or Cess which have remained outstanding as at 31st March 2016 for a period of more than six months from the date they became payable except the professional tax amounting to Rs.0.05 lakhs.
 - (c) According to the information and explanation given to us, there are no dues of Income tax, Sales tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise or Cess, which have not been deposited on account of any dispute.
 - (viii) 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, Government nor issued any debentures and consequently the question of default in repayment does not arise.

- (ix) According to the information and explanations given to us no money was raised by way of initial public offer or further public offer and the company has not taken any term loans from banks or financial institutions during the year. Hence the question of application of moneys raised by way of initial public offer, further public offer and term loans for the purpose for which they were raised does not arise.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the company, managerial remuneration has been paid and provided in compliance with the provisions of Section 197 read with Schedule V of the Act.
- (xii) The company is not a Nidhi Company. Therefore the provisions of clause (xii) of the Order are not applicable to the company.
- (xiii) In our opinion and according to information and explanations given to us, the company has complied with the provisions of Sections 177 and 188 of the Act and the disclosure of such transactions in the Financial Statements etc., as required by applicable Accounting Standards in respect of transactions entered into with related parties.
- II. As explained to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence the requirement of compliance with provisions of Section 42 of the Act and utilisation of amounts so raised for the purpose for which the funds were raised as per clause (xiv) of the Order does not arise. III. In our opinion, the company has not entered into any non-cash transactions with directors or persons connected with them; hence the requirement of compliance to provisions of Section 192 of the Act as per clause (xv) of the Order does not arise.
- IV. In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence the requirements of clause (xvi) of the Order does not arise.
- V. As required by section 143(3) of the Act, we report that:
- i) 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;
- ii) 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;
- iii) The balance sheet, statement of profit & loss and cash flow statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, 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.
- v) On the basis of written representations received from the directors, as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; And
- vii) 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:
- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no II (2)(i) of Notes to the financial statements;
- b. As explained to us, the Company does not foresee any loss on long-term contract entered in to. The company has not entered in to any derivative contracts. In view of the above the question of making provision does not arise;
- c. There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For DAGLIYA & Co.
CHARTERED ACCOUNTANTS
F.R.N. 0671 S

(R S SOMASEKHARA)
Membership No: 018395
Partner

Place: Bangalore
Date : 4-8-2016

ANNEXURE A - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RKB AGRO INDUSTRIES LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of RKB Agro Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

The Company did not have a written/ documented framework for internal financial control over financial reporting. However, based on the fact the transactions being limited/less complex and there being very few levels of management, we have relied upon testing of controls through direct inquiry combined with other procedures, such as observation of activities, inspection of less formal documentation etc to obtain sufficient audit evidence about the internal financial controls over financial reporting and its operating effectiveness as at the year end. Our opinion is not qualified in respect of the aforesaid matter.

For DAGLIYA & Co.
CHARTERED ACCOUNTANTS
F.R.N. 0671 S

(R S SOMASEKHARA)
Membership No: 018395
Partner

Place : Bangalore

Date :

**M CHANDRAPPA
PRACTISING COMPANY SECRETARY**

Form No. MGT-8

[Pursuant to section 92(2) of the Companies Act, 2013 and rule 11(2) of Companies (Management and Administration) Rules, 2014]

CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

We have examined the registers, records and books and papers of M/s. RKB Agro Industries Limited (the Company) as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on March 31, 2016. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, We certify that :

- A. The Annual Return states the facts as at the close of the aforesaid financial year correctly and adequately.
- B. During the aforesaid financial year the Company has complied with provisions of the Act and the rules made there under in respect of:
 - 1. The Company is a listed company with listing of its equity shares on BSE Ltd., Mumbai. However the shares are not being traded and the company has made an application for resuming the trading.
 - 2. The Company has maintained all the registers and records as required under the Act and made entries therein within the time prescribed therefor. The Company is advised to maintain its records in electronic form as required under Rule 27 of the Companies (Management and Administration) Rules, 2014.
 - 3. The company has filed the forms and returns required to be filed with the Registrar of Companies within the prescribed time and in cases of delay the forms have been filed with additional filing fees;
 - 4. The meetings of the Board of Directors and meeting of Committees and that of Annual General Meeting has been held in accordance with the provisions of section 173 and section 96 of the Act respectively as detailed in the annual return in respect of which meetings, proper notices were given and the proceedings have been properly recorded in the Minute Book/Registers maintained for the purpose and the same have been signed;
 - 5. The company has closed the Register of Members and share transfer books the company from 23rd December 2015 to 29th December 2015 during the year;
 - 6. The Company has not given any loan to any of its Directors or to any other person in whom the Directors are interested or given any guarantee or provided security in connection with any loan taken by him or any such persons as referred to in section 185 of the Act as modified from time to time;
 - 7. The Company has not entered into any contract or arrangement with related parties attracting the provisions of section 188 of the Act and the rules made thereunder;
 - 8. During the year under consideration:
 - a) The Company had allotted of 42,50,700 equity shares of Rs. 10/- each made on 27-03-2015 on preferential basis by converting unsecured loan into equity under section 42 and 62 of the Act to its directors and their relatives. Due to certain technical reasons the allotment so made was cancelled and fresh allotment of 42,50,700 equity shares of Rs. 10/- each made on 21-03-2016 on preferential basis as per the provisions of the said sections to its directors and their relatives

- b) The Company has not transferred / transmitted any shares during the financial year.
- c) There was no redemption of any preference shares or debentures;
9. The Company has not kept in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act;
10. The Company has not declared any dividend for the financial year 2015-16.
11. The audited financial statement has been signed by two Directors in compliance with the provisions of section 134 of the Act and the report of directors as per sub-sections (3) (4) and (5) thereof;
12. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. During the year under consideration the following changes have taken place in the Board of Directors:
- a) Sowbhagraj Bhandari (DIN: 00409750) was continued as Managing Director by passing a special resolution passed at the AGM held on 29th December 2015, pursuant to section 196 (3)(a) of the Companies Act, 2013 as he had attained the age of 70 years on 14th November 2015.
- b) Mrs. Rupal Bhandari who was appointed as Additional Director to fill the position of Woman Director was appointed as a Woman Director at the AGM held on 29th December 2015.
13. The Directors have disclosed their interest pursuant to section 184 of the Act and the Board has taken them on record and complied with the rules under section 179 of the Act.
14. The appointment of auditors has been made in compliance with the provisions of section 139 of the Act and complied with the rule made thereunder..
15. The Company was not required to obtain any approvals from the Central Government, Tribunal, Regional Director, Registrar, Court or such other authorities under the various provisions of the Act.
16. The Company has not accepted / renewed any deposits attracting the provisions of section 73 of the Act.
17. The Company has complied with the provisions of section 180 of the Act with regard to borrowings from public financial institutions, banks and others. The company has modified the following charge during the period under review;

Sl. No.	Name of the financial institutions / Bank	Amount In Rupees	Charge ID	Date of Modification
1.	Lakshmi Vilas Bank	Limits enhanced from 254.80 lakhs to 504.8 lakhs	10489230	24/01/2015

18. The Company has not given any loan or given any guarantee or provided any security or acquired any securities violating the provisions of section 186 of the Act.
19. The Company has not altered its Memorandum of Association and Articles of Association during the year.

Signature:

Name : **M. CHANDRAPPA**

Membership No.FCS 2109 / C.P. No.3677

Place : Bangalore

Date : 29th August 2016.

BALANCE SHEET AS ON 31ST MARCH 2016
(Rs. in Lakhs)

Particulars	Notes Ref. No.	As at 31st March 2016	As at 31st March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	750.00	750.00
(b) Reserves and Surplus	2	384.18	354.20
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	3	267.64	485.39
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short Term Borrowings	4	379.68	302.62
(b) Trade Payables	5		
Total outstanding dues to Micro & Small Enterprises		-	-
Total outstanding dues of creditors other than Micro & Small Enterprises		85.76	47.13
(c) Other Current Liabilities	6	82.91	71.05
(d) Short Term Provisions	7	-	9.49
Total		1,952.18	2,019.87
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets (As per Annexure)			
(i) Tangible assets		1,352.46	1,362.83
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Deferred tax assets (net)	8	0.01	0.01
(c) Non-current investments	9 (a)	0.14	0.14
(d) Long term loans and advances	9 (b)	2.00	-
(e) Other non-current assets	9 (c)	11.41	8.91
(2) Current assets			
(a) Current investments			
(b) Inventories	10 (a)	135.35	64.22
(c) Trade receivables	10 (b)	412.67	517.32
(d) Cash and cash equivalents	10 (c)	5.69	56.06
(e) Short-term loans and advances	10 (d)	22.48	4.53
(f) Other current assets	10 (e)	9.97	5.84
Total		1,952.18	2,019.87

Significant Accounting Policies and Notes to Financial Statements 19
As per our report of even date attached.

For Dagliya & Co
Chartered Accountants.
Firm No: 00671S

For RKB Agro Industries Limited

R S Somasekhara
Partner
Membership No: 018395

S.K.Bhandari
Managing Director

V.M.Bhandari
Wholtime Director

PLACE : BANGALORE
DATE : 04.08.2016

N Mahesh
Company Secretary

Sripad Hanchate
Chief Financial Officer

Statement of Profit And Loss for the year ended 31st March 2016 (Rs. in Lakhs)

Particulars	Notes Ref. No.	As at 31st March 2016	As at 31st March 2015
I. Revenue from Operations	11	3,121.83	2,371.65
II. Other Income	12	42.28	10.45
III. Total Revenue		3,164.11	2,382.10
IV. Expenses:			
Cost of materials consumed	13	2,214.37	1,099.98
Purchase of Stock-in-Trade	14	743.91	1,022.12
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	15	(96.41)	4.02
Employee Benefit Expense	16	63.49	53.35
Finance Costs	17	59.46	36.98
Depreciation and Amortization Expense (Annexure)		29.69	29.01
Other Expenses	18	111.24	104.14
Total Expenses		3,125.75	2,349.60
V. Profit before exceptional and extraordinary items and tax (III - IV)		38.36	32.50
VI. Exceptional Items (Income)			
Profit On sale of land			38.01
Profit on sale of Machinery			27.07
VII. Prior period Income/(Expenses) - Net		(0.72)	
Reversal of impairment loss accounted in 2009-10			6.65
VII. Profit before extraordinary items and tax (V-VI)		37.64	104.23
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		37.64	104.23
X. Tax expense:			
(1) Current tax		8.00	22.50
(2) Deferred tax adjustment		-	-
(3) Tax Adjustment of Prior periods		(0.35)	1.93
XI. Profit/(Loss) from the period from continuing operations (IX - X)		29.99	79.80
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)		29.99	79.80
XVI. Earning per equity share of Rs.10/- each:			
Basic & Diluted (in Rs.)		0.40	1.85

Significant Accounting Policies and Notes to Financial Statements 19
As per our report of even date attached.

For Dagliya & Co
Chartered Accountants.
Firm No: 00671S

R S Somasekhara
Partner
Membership No: 018395

PLACE : BANGALORE
DATE : 04.08.2016

S.K.Bhandari
Managing Director

N Mahesh
Company Secretary

For RKB Agro Industries Limited

V.M.Bhandari
Wholtime Director

Sripad Hanchate
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016 (Rs. in Lakhs)

Particulars	Notes Ref. No.	As at 31st March 2016	As at 31st March 2015
A) CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/loss before tax but after adjustment of exceptional items		37.64	104.23
Adjustment for :			
Reversal of Impairment loss		-	(6.65)
Depreciation		29.69	29.01
Interest Expenses		57.69	33.96
Rent Received		(1.46)	(5.55)
Interest Received		(26.62)	(1.18)
(Profit)/Loss on sale of assets		-	(65.08)
Operating profit before working capital adjustment			
Sub Total (a)		96.94	88.75
Adjustments for:			
(Increase)/Decrease in inventories		(71.13)	(22.28)
(Increase)/Decrease in Trade receivables		104.66	(318.46)
(Increase)/Decrease in Short term Loans & Advances		(17.95)	128.08
(Increase)/Decrease in Other Current Assets		(10.32)	0.07
(Increase)/Decrease in Other Non Current Assets		(2.50)	(0.88)
(Increase)/Decrease in Long Term Loans & Advances		(2.00)	
Increase/(Decrease) in Trade payables		38.63	230.54
Increase/(Decrease) in Other Current Liabilities		11.86	37.60
Increase/(Decrease) in Short term Provisions		(9.49)	(32.61)
Sub Total (b)		41.76	23.06
Net Cash generated from operations A = (a)+(b)		138.69	110.81
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed assets		(19.32)	(88.65)
Proceeds from Sale of Fixed Assets		-	121.72
Rent Received		1.46	5.55
Interest Received		26.62	1.18
Net Cash Flow From Investment Activities (B)		8.76	39.80
C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from/(Repayment of) Long Term Borrowings		(215.74)	(833.20)
Proceeds from/(Repayment of) other short term Borrowings		77.06	251.84
Increase in Share Capital		-	425.07
Interest Expenses		(57.69)	(33.96)
Tax Adjustments Income/(Expense)		0.35	(1.93)
Net Cash used in Financing Activities (C)		(196.03)	(192.18)
Net Increase/(decrease) in cash & cash equivalents (A)+(B)+(C)		(48.57)	(41.57)
Cash and Cash equivalents (Opening balances)		50.80	92.37
Cash and Cash equivalents (Closing balances)		2.23	50.80

For Dagliya & Co
Chartered Accountants.
Firm No: 00671S

R S Somasekhara
Partner
Membership No: 018395

PLACE : BANGALORE
DATE : 04.08.2016

S.K.Bhandari
Managing Director

N Mahesh
Company Secretary

For RKB Agro Industries Limited

V.M.Bhandari
Wholtime Director

Sripad Hanchate
Chief Financial Officer

RKB AGRO INDUSTRIES LIMITED
Notes forming part of Financial Statements for the year 2015-2016
1) Share Capital

Rs. in Lakhs

No.	Particulars	As at 31.03.2016	As at 31.03.2015
A.	Authorised Share Capital : 90,00,000 Equity Shares (P.y. 40,00,000) of Rs 10/- each	900.00	900.00
B.	Issued, Subscribed and Fully Paid-up Share Capital: 75,00,000 Equity shares (p.y.32,49,300) of Rs. 10/- each (including 7,78,000 equity shares (p.y. 7,78,000) of Rs.10/ each issued as Bonus shares by capitalisation of profit/reserve)	750.00	750.00

Note : Listing approval for allotment of 42,50,700 equity shares of Rs.10/- each made during the year 2014-15 is awaited

**C. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :
(Rs. in Lakhs)**

	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
Number of Equity Shares at the beginning of the year	7,500,000	750.00	3,249,300	324.93
Add/(Less):Number of Shares allotted/(bought back)	-	-	4,250,700	425.07
Number of Equity Shares at the end of the year	7,500,000	750.00	7,500,000	750.00

D. Equity Shares of the company held by each shareholder holding more than 5% shares :

		As at 31.03.2016		As at 31.03.2015	
		No. of Shares	% of holding	No. of Shares	% of holding
1	Vijayraj Bhandari (MHUF)	733,000	9.77%	733,000	9.77%
2	Pavan Bhandari	666,500	8.89%	666,500	8.89%
3	Sowbhagraj Bhandari(MHUF)	614,000	8.19%	614,000	8.19%
4	Rajmal Khemraj(HUF)	595,200	7.94%	595,200	7.94%
5	Sowbhagraj Bhandari	590,600	7.88%	590,600	7.88%
6	Sowbhagraj Bhandari (HUF)	445,500	5.94%	445,500	5.94%
7	Sushilabai Bhandari	420,500	5.61%	420,500	5.61%

E TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the share holders.

F The company has not allotted any shares pursuant to contract without payment being received in cash, nor by way of bonus shares nor bought back any shares during the immediately preceding five financial years. Bonus shares shown in 1 (B) above are relating to the period beyond five years.

2) Reserves and Surplus		(Rs. in Lakhs)	
No.	Particulars	As at 31.03.2016	As at 31.03.2015
A.	Revaluation Reserve		
	(a) ON ACCOUNT OF LAND		
	Balance as per last Balance Sheet	961.08	1,012.56
	Less: Transfer to General Reserve		(51.47)
		961.08	961.08
	(b) ON ACCOUNT OF BUILDINGS		
	Balance as per last Balance Sheet	22.19	22.19
		22.19	22.19
	Total of (a) & (b)	983.27	983.27
B.	Capital reserve		
	State Investment Subsidy From Govt. of Karnataka	5.88	5.88
C.	General Reserve		
	As per Last Balance Sheet	309.34	257.87
	Add: Transfer from Revaluation Reserve -Land	-	51.47
		309.34	309.34
D.	Surplus in Statement of Profit & Loss		
	As per Last Balance Sheet	(944.30)	(1,024.11)
	Less: Profit for the year	29.99	79.80
		(914.32)	(944.30)
	TOTAL (i+ii+iii+iv)	384.18	354.20
3) Long Term Borrowings			
No.	Particulars	As at 31.03.2016	As at 31.03.2015
A	Secured		
	Term Loans from Lakshmi Vilas Bank Ltd.		
	1. Term Loan I (Machinery)	46.46	77.58
	2. Term Loan III (Machinery)	16.16	35.76
	(Secured by hypothecation of machinery & other Accessories purchased out of the above loans)		
	3. Term Loan II (Building)	23.02	27.08
	4. Term loan IV (Building)	2.63	4.01
	(Secured by Mortgage of the Press and Gin hall and platform constructed at RS no.198/2/2, Manchalapur road, Industrial area , Raichur)		
	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 III & IV are repayable 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 loans are guaranteed by Sri S K Bhandari Managing Director in his personal capacity		
		88.27	144.43
B	Unsecured		
	i. From Managing Director	-	7.41
	ii. From Related Parties	181.37	333.55
		181.37	340.96
	TOTAL	206.64	485.39

4) Short Term Borrowings		As at 31.03.2016	As at 31.03.2015
i	Loans repayable on demand :		
	Secured Loans		
	Laxmi Vilas Bank : OCC (Secured by hypothecation of stocks & 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)	342.58	302.62
	Unsecured		
	i. From Managing Director	24.00	-
	ii. From Related Parties	13.11	-
	TOTAL	379.68	302.62
5) Trade Payables			
	i. Dues to Micro and Small Enterprises (not available) (Ref. Note 19 II (6))	-	-
	ii. Others	85.76	47.13
	TOTAL	85.76	47.13
6) Other Current Liabilities			
	Current Maturities of Long Term Debt* (Refer Note 3)	56.81	35.95
	TDS Payable	1.80	0.70
	Advance Received against Sale of Goods/Services	0.21	11.41
	Advance Received against Sale of Goods/Services-Related Parties	10.25	-
	VAT payable	10.99	14.34
	Professional Tax Payable	0.05	0.05
	Rent Deposit	0.71	0.71
	Outstanding Liabilities	2.10	7.89
	TOTAL	82.91	71.05
* 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)			
7) Short Term Provisions			
	Provision for Taxes		
	Provision For Income Tax	-	22.50
	LESS : Advance Tax and TDS receivable	-	(13.01)
	TOTAL	-	9.49
8) DEFERRED TAX ASSETS			
	Arising on account of timing difference:		
	On account of Depreciation	-	-
	On account of Sec. 43 B items	0.01	0.01
	TOTAL	0.01	0.01

Note: The company has huge accumulated business losses and unabsorbed depreciation amounting to Rs. 280.58 Lacks 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 amounting to Rs. 382.03 Lacks has not been recognised.

9) Non-Current Assets (Rs. in Lakhs)		As at 31.03.2016	As at 31.03.2015
a	Non-Current Investments (Non Trade, Unquoted)		
	National savings Certificates	0.14	0.14
		0.14	0.14
b	Long Term Loans and Advances (Unsecured, Considered Good)		
	Capital Advances	2.00	-
		2.00	-
c	Other non- current assets		
	(Unsecured, Considered Good)		
	Gescom Deposits	7.22	6.20
	Security Deposit	4.19	
	VAT Receivable (NET)	-	0.13
	VAT Paid Under Protest	-	2.57
	TOTAL	11.41	8.91
10)	Current Assets		
a	Inventories		
	Cotton Seeds (Produced)	69.97	11.08
	Cotton bales (Finished goods/Traded goods)	33.59	6.01
	Loose Cotton (Intermediary Product)	23.92	13.99
	Kappas (Raw Materials)	-	27.81
	Stores & Spares	2.88	3.62
	Packing Material	4.99	1.71
		135.35	64.22
b	Trade Receivables		
	Trade Receivables are unsecured but considered good and includes Rs. 48.55 lakhs (P.Y. Rs.2.95 lakhs) being amounts outstanding beyond six months from the date they have fallen due for payment.	412.67	517.32
		412.67	517.32
c	Cash and Cash Equivalents		
	Cash on Hand	1.20	4.79
	Balances with Banks- In current Accounts	1.03	46.01
		2.23	50.80
	Other Bank Balances		
	Fixed Deposits with Bank	3.46	5.26
	(Includes Rs.3,41,000/- (P.Y Rs.5,21,000/-) as margin money against Bank guarantees)	3.46	5.26
	Total Cash & Bank Balances	5.69	56.06
d	Short Term Loans and Advances		
	Unsecured, Considered Good		
	Staff Advances	11.80	1.67
	Other Advances	10.68	2.87
			-
		22.48	4.53

e Other Current Assets		As at 31.03.2016	As at 31.03.2015
Unsecured, Considered Good			
Advance Tax and TDS receivable		13.54	-
Less: Provision for income tax		(8.00)	-
		5.54	-
Prepaid Expenses		2.61	3.58
Entry Tax Receivable		-	0.36
Rent Receivable		0.09	0.17
Interest Receivable		1.73	1.74
TOTAL		9.97	5.84
11) Revenue from Operations		for the year ended	for the year ended
		31-3-2016	31-3-2015
Sale of Products			
F P Cotton Bales		1,799.07	214.73
Cotton Seeds		640.31	320.01
Traded Goods			
Loose Cotton		609.99	1,644.33
Bale Patti / Cloth		9.90	31.39
Sub-Total		3,059.27	2,210.47
Sale of Services			
Ginning Charges		47.70	115.68
Pressing Charges		12.87	40.82
Sub-Total		60.57	156.51
Other operating Revenue		1.99	4.67
TOTAL		3,121.83	2,371.65
12) Other Income			
Interest Income		26.62	1.18
Rent Received		1.46	5.55
Miscellaneous Income		0.05	
Provision withdraw		0.25	
Insidental Charges		1.30	
Carrying Charges Received		0.29	-
Bad debts recovered		12.31	-
Interest Subsidy from KSFC		-	1.77
Sundry balances written back		-	1.95
TOTAL		42.28	10.45
13) Cost of Materials Consumed			
Raw materials (Kapaas)			
Opening stock		27.81	-
Add: Purchases during the year		2,186.56	1,127.80
		2,214.37	1,127.80
Less: Closing stock		-	27.81
Cost of materials consumed		2,214.37	1,099.98
14) Purchase of Stcok in Trade			
a. Traded Goods Purchased			
Loose Cotton		234.77	1,022.12
Cotton Bales		509.14	-
TOTAL		743.91	1,022.12

		for the year ended 31-3-2016	for the year ended 31-3-2015
15)	Changes in Inventories of Finished goods, stock in process and stock in trade		
	A. Opening Stock		
	FP Cotton	6.01	-
	Loose cotton	13.99	-
	Cotton Seeds	11.08	35.10
	Sub Total	31.08	35.10
	B. Closing Stock		
	FP Cotton	33.59	6.01
	Loose cotton	23.92	13.99
	Cotton Seeds	69.97	11.08
	Sub Total	127.49	31.08
	(Increase)/Decrease in Inventory (A) - (B)	(96.41)	4.02
16)	Employee Benefit Expense		
	Salaries and Wages	47.31	50.40
	Directors Remuneration	12.00	-
	Contribution to Provident and Other Funds	2.99	0.96
	Staff Welfare Expenses	1.19	2.00
	TOTAL	63.49	53.35
17)	Finance Costs		
	Bank Loan Interest	57.69	33.96
	Documentation charges	0.16	2.49
	Interest paid	1.15	0.07
	Bank charges	0.45	0.45
	TOTAL	59.46	36.98
18)	Other Expenses		
	Auditor's Remuneration		
	For Statutory audit	0.60	0.40
	For IFC	0.20	-
	For Tax audit	0.15	0.10
	For Income tax matters	0.15	0.10
	Service tax	0.17	0.07
	For Other Services	0.52	0.03
	Out of pocket expenses	0.07	0.10
		1.85	0.81
	Sitting Fees	0.40	0.40
	Consumption of Stores and Spares	4.75	4.58
	Freight & Transportation charges	0.68	1.58
	Power and Fuel	32.97	42.13
	Rent	0.24	0.24
	Repairs to Buildings	0.97	1.44
	Repairs to Machinery	7.69	8.03
	Insurance	5.80	4.13
	Packing Charges	7.42	16.10
	Rates and Taxes	5.48	7.30
	Other expenses	42.99	17.41
	TOTAL	111.24	104.14

RKB AGRO INDUSTRIES LIMITED**Fixed Assets Schedule as on 31.03.2016**

NOTE : FIXED ASSETS	Gross Block					Depreciation			NET Block	
	As on 01/04/201	Additions	Deletions	Adjustments during the year *	As on 31/03/2016	For the year	Deduction during the year	Adjustments during the year *	As on 31/03/2016	As on 31/03/2016
Block										
Land	966.80	-	-	-	966.80	-	-	-	-	966.80
Building	292.64	16.26	-	-	308.90	9.03	-	-	140.77	168.13
Computers	2.91	0.56	-	-	3.47	0.18	-	-	3.01	0.46
Furniture & Fixtures	7.00	-	-	-	7.00	-	-	-	6.83	0.17
Electrical Installations	27.87	-	-	-	27.87	2.74	-	-	6.02	21.85
Factory/Office Equipments	-	1.09	-	-	1.09	0.05	-	-	0.05	1.04
Plant & Machinery	240.55	5.50	-	4.50	241.55	17.61	-	-	48.43	193.12
Vehicles	2.61	0.41	-	-	3.02	0.07	-	-	2.12	0.90
Grand Total	1,540.37	23.82	-	4.50	1,559.69	29.69	-	-	207.23	1,352.46
										1,362.83

RKB AGRO INDUSTRIES LIMITED: RAICHUR**NOTE 19: NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016****(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 rentals 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 31st March 2012 made by the Government Approved Valuer adopting the GLR guideline rate.
- ii. Buildings of Cotton Unit acquired up to 31st March 1994 are stated at the amount revalued based on the appraisal as on 31st March 1994 made by the Approved Valuer.

2. Contingent liabilities not provided for:

- i. Claims against the company not acknowledged as debt. VAT tax for 2005-06 - NIL (P.Y. Rs.2.57 Lakhs)
- ii. Liability on account of Bank Guarantees issued to DGFT Bangalore against export obligations - Rs.3.37 lakhs (P.Y. 3.37 lakhs)

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

- a. Capital Commitments: Automated panel box – Rs.2.00 lakhs (P.Y. Nil); (Total cost Rs.4.00 lakhs Less Advance paid Rs.2.00 lakhs)
- 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.0.14 lakhs (P.Y. Rs.0.14 lakhs) 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 lakhs.
10. The company has filed an application for capital subsidy against the capital investment made in previous years.

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

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
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. In Lakhs)	29.99	79.80
(B) Weighted average number of equity shares for EPS computation(for basic and diluted EPS) (in No.s)	75,00,000	43,11,975
(C) EPS (Basic & diluted) (in Rs.)	0.40	1.85

12. 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 :

Company's contribution to P F/Pension plan :

Curr.Year
2.99

Pr.Year
0.96

13. Related Party disclosures:
A. 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) Smt. Rupal Bhandari | Director |

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

Particulars	Key Management Personnel		Relatives of KMP		Associates	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Rent Paid	-	-	0.24	0.24	-	-
Remuneration	12.00	-	-	-	-	-
Electricity Charges	1.49	1.12	-	-	-	-
Medical Expenses	-	-	-	-	0.58	-
Loan Received	87.00	33.10	-	52.93	350.53	63.95
Loan Repayments	70.41	-	-	22.94	416.62	106.93
Advances paid for Purchase of Cotton	-	-	-	-	2.55	-
Advances Refunded	-	-	-	-	2.55	-
Advances Received for Supply of Cotton	-	-	-	-	10.25	-
Conversion to Equity capital	-	60.55	-	138.85	-	225.67
Purchase of Loose Cotton	-	-	-	-	-	1022.12
Sale of Loose Cotton	-	-	-	-	-	377.93
Sale of land	-	-	-	-	-	90.52
Rent Paid	-	-	0.24	0.24	-	-
Out Standing Receivables as at the year end	-	-	-	-	-	61.55
Outstanding Payables as at the year end	24.00	7.41	-	-	204.73	333.55

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

14. 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 these two reportable primary segments during the year. The information on segment reporting as envisaged in AS 17 is as here under:

INFORMATION ABOUT BUSINESS SEGMENTS

Rs. in Lakhs

Particulars	Mfg. & Trading		Services		Unallocable		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Segment Revenue								
External Sales	3,059	2,210	61	157	3,120	-	-	2,367
Inter segment sales	-	-	-	-	-	-	-	-
Total Revenue	3,059	2,210	61	157	-	-	3,120	2,367
2. Total Revenue of each segment as a percentage of total revenue of all segments	98.06%	93.39%	1.94%	6.61%	-	-	-	-
3. Segment Result								
Profit/(loss) Before Extra ordinary items and Tax	4.07	2.41	34.29	30.09	-	-	38.36	32.50
As a percentage of total 10.60% Profit/(Loss)	7.42%	89.40%	92.58%	-	-	-	-	-
4. Segment Assets	781.47	9,551.37	198.07	244.40	972.64	1,023.01	1,952.18	10,818.79
5. Segment Liabilities	538.11	716.66	-	182.11	1,414.08	1,121.09	1,952.18	2,019.87
6. Capital Expenditure	9.66	44.32	9.66	44.32	-	-	19.32	88.65
7. Depreciation	23.75	14.51	5.94	14.51	-	-	29.69	29.01

For Dagliya & Co
Chartered Accountants.
Firm No: 00671S

For RKB Agro Industries Limited

R S Somasekhara
Partner
Membership No : 018395

S.K.Bhandari
Managing Director

V.M.Bhandari
Wholetime Director

PLACE : BANGALORE
DATE : 04.08.2016

N Mahesh
Company Secretary

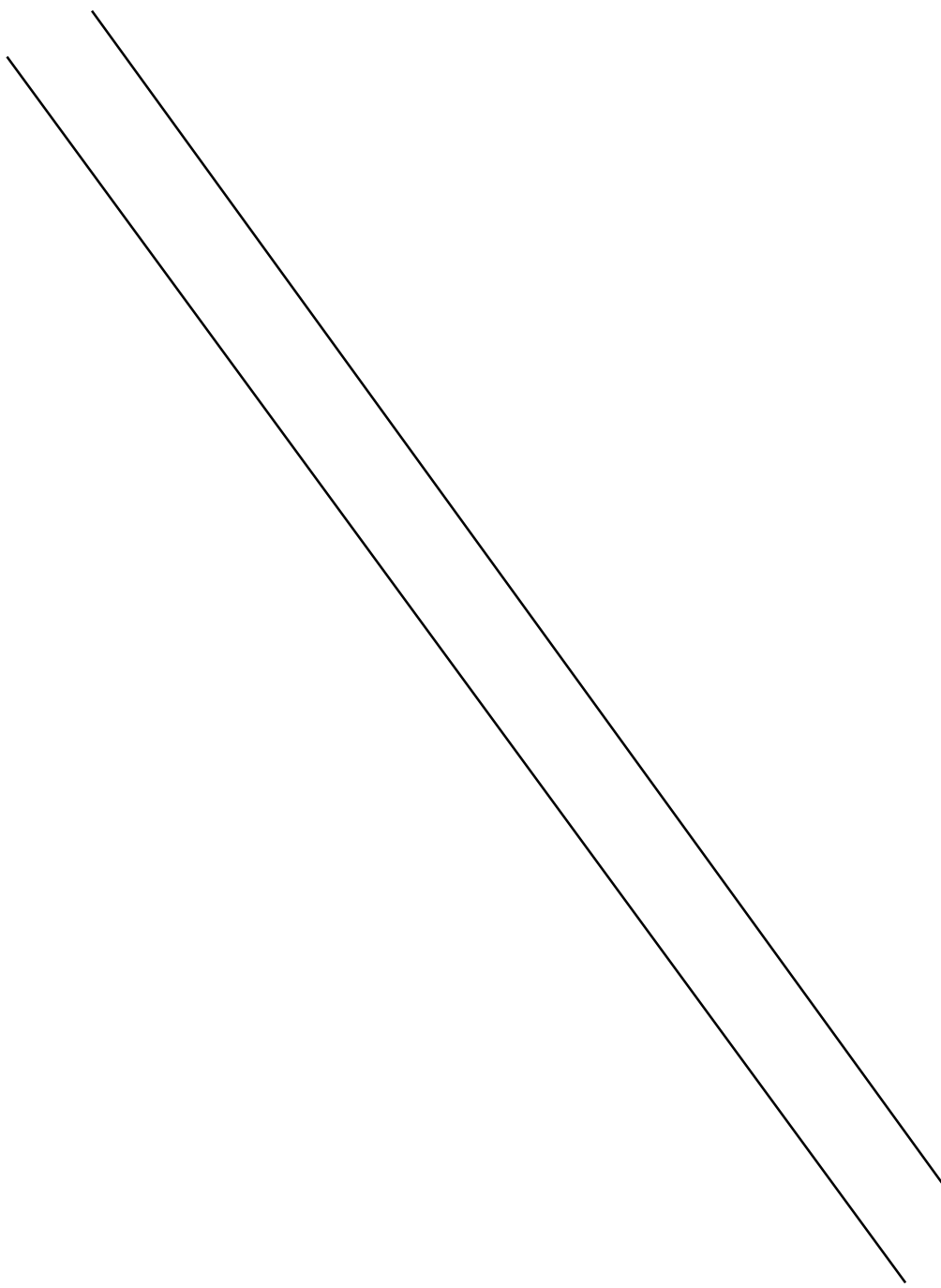
Sripad Hanchate
Chief Financial Officer

RKB AGRO INDUSTRIES LIMITED
Following are the Related Parties and transactions made with them
Amount Rs. In Lakhs

Sl. No.	Particulars	Key management Personnel		Relatives of KMP		Associates	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
A	TRANSACTIONS						
	I Rent Paid						
1	Pavan Bhandari HUF	-	-	0.24	0.24	-	-
	TOTAL	-	-	0.24	0.24	-	-
	II. Remuneration						
1	S K Bhandari	6.00	-	-	-	-	-
2	V M Bhandari	6.00	-	-	-	-	-
		12.00	-	-	-	-	-
	III Electricity Charges (RES)						
1	S K Bhandari	0.74	0.56	-	-	-	-
2	V M Bhandari	0.74	0.56	-	-	-	-
		1.49	1.12	-	-	-	-
	IV Medical Expenses						
1	Mukan Marketing P Ltd.	-	-	-	-	0.30	-
2	MKB Hospital	-	-	-	-	0.28	-
		-	-	-	-	0.58	-
	V Loan Accepted						
1	Pavan Bhandari	-	-	-	38.43	-	-
2	Sanjay Bhandari	-	-	-	14.50	-	-
3	Rajmal Khemraj (HUF)	-	-	-	-	-	52.53
4	S K Bhandari	87.00	33.10	-	-	-	-
5	Bhandari Distributors P Ltd.	-	-	-	-	10.25	-
6	Bhandari Cottons Ltd.	-	-	-	-	28.10	11.42
7	Kushal Enterprises	-	-	-	-	180.86	-
8	Mukan Marketing P Ltd.	-	-	-	-	130.15	-
	TOTAL	87.00	33.10		52.93	349.36	63.95
	VI Loan Repaid						
1	S K Bhandari	70.41	-	-	-	-	-
2	Pavan Bhandari	-	-	-	0.49	-	-
3	Bhandari Distributors P Ltd.	-	-	-	-	68.17	-
4	Kushal Enterprises	-	-	-	-	251.75	-
5	Mukan Marketing P Ltd.	-	-	-	-	68.60	-
6	Ajay Bhandari(HUF)	-	-	-	-	-	16.00
7	Pavan Bhandari(HUF)	-	-	-	-	-	37.60
8	Abhay Bhandari	-	-	-	6.50	-	-
9	Abhay Bhandari(HUF)	-	-	-	-	-	11.11
10	Rajmal Khemraj (HUF)	-	-	-	-	-	16.05
11	S K Bhandari (MHUF)	-	-	-	-	-	0.00
12	Sanjay Bhandari (HUF)	-	-	-	-	-	14.75
13	Bhandari Cottons Ltd.	-	-	-	-	28.10	11.42
14	Veena	-	-	-	7.35	-	-
15	Mamtha Bhandari	-	-	-	8.60	-	-
	TOTAL	70.41	-	-	22.94	416.62	106.93

Following are the Related Parties and transactions made with them

Sl. No.	Particulars	Key management Personnel		Relatives of KMP		Associates	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	VII Repayment By Conversion to equity						
1	Ajay Bhandari	-	7.05	-	-	-	-
2	Pavan Bhandari	-	-	-	51.60	-	-
3	Sanjay Bhandari	-	-	-	26.20	-	-
4	Sushilabai Bhandari	-	-	-	36.15	-	-
5	Shanthabai	-	-	-	24.30	-	-
6	Rajmal Khemraj (HUF)	-	-	-	-	-	49.82
7	S K Bhandari	-	47.00	-	-	-	-
8	S K Bhandari (HUF)	-	-	-	-	-	40.00
9	S K Bhandari (MHUF)	-	-	-	-	-	57.25
10	V M Bhanbari (HUF)	-	-	-	-	-	9.80
11	V M Bhanbari (MHUF)	-	-	-	-	-	68.80
12	V M Bhandari	-	6.50	-	-	-	-
13	Chandana Bhandari	-	-	-	0.60	-	-
		-	60.55	-	138.85	-	225.67
1	VIII Advances paid for Purchase of Cotton Mukan Marketing P Ltd.					2.55	-
1	IX Advances Refund Received Mukan Marketing P Ltd.					2.55	-
1	X Advances Received towards Supply of Cotton Bhandari Distributors P Ltd.	-	-	-	-	10.25	-
1	XI Loose Cotton Purchase Mukan Marketing P Ltd.	-	-	-	-	-	65.39
2	Kushal Enterprises	-	-	-	-	-	665.95
3	Bhandari Distributors P Ltd.	-	-	-	-	-	290.78
		-	-	-	-	5.10	1,022.12
1	XII Cotton Sales Kushal Enterprises	-	-	-	-	-	-
2	Bhandari Distributors P Ltd.	-	-	-	-	-	262.63
3	Mukan Marketing (P) Ltd	-	-	-	-	-	115.31
	Total	-	-	-	-	10.20	377.93
	XIII Sale of Land	-	-	-	-	-	90.52
B	<u>BALANCES OUTSTANDING</u> <u>AS AT THE YEAR END</u>						
	a RECEIVABLES						
1	Mukan Marketing (P) Ltd	-	-	-	-	-	61.55
2	Kushal Enterprises	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	61.55
	b PAYABLES						
1	S K Bhandari	24.00	7.41	-	-	-	-
2	Kushal Enterprises	-	-	-	-	163.21	234.10
3	Bhandari Distributors P Ltd.	-	-	-	-	41.53	99.45
	TOTAL	24.00	7.41	-	-	204.73	333.55



RKB AGRO INDUSTRIES LIMITED

Registered Office: 1st Floor, Kushal Chambers
M.G. Road, RAICHUR – 584 101

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 : L17100KA1979PLC003492
Name of the company : R.K.B. Agro Industries Limited
Registered office : 1st 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 Thursday day of September 29, 2016 at 11.00 a.m. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below :

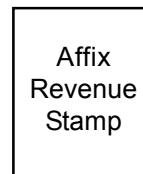
Resolution No.

1st Item

2nd Item

3rd Item

Signed this..... day of..... 2016.



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 36th ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON 29th SEPTEMBER 2016 AT 11.00 A.M. AT REGISTERED OFFICE: 1ST 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.