



RDB RASAYANS LIMITED

(AN ISO 9001-2008 Company)

REGD. OFFICE : SIKANER BUILDING, 3RD FLOOR, ROOM NO. 9, 8-1, LAL BAZAR STREET, KOLKATA 700 001 • PHONE : +91-33-4450 0500, 22305666 • FAX : +91-33-2242 0538

12th September, 2016

To,
The General Manager,
Department of Corporate Services
BSE Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

Dear Sir,

Sub:Submission of Annual Report to Stock Exchange pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report and Accounts of the Company for the financial year ended 31st March, 2016, which has been duly approved and adopted by the members as per the provisions of the Companies Act, 2013 at the Annual General Meeting of the Company held on 03rd September, 2016.

Kindly acknowledge receipt of the same.

Yours faithfully

For RDB Rasayans Limited



Mausami Das

Company Secretary cum Compliance officer

Encl: As above

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements—written and oral—that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



GOING TOGETHER
GROWING TOGETHER

RDB RASAYANS LIMITED
CIN: L38988WB1995PLC074860

Registered Office:
Bikaner Building, 8/1 Lal Bazar Street, 3rd Floor,
Room No. 9, Kolkata-700001
Phone: 033-44500600 Fax: 033-22420668
Email: info@rdbindia.com, Website: www.rdbgroup.in



CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------------|--------------------------------------|
| Sri Shanti Lal Baid | Chairman & Managing Director |
| Sri Sandeep Baid | Whole-Time Director |
| Sri Mahendra Pratap Singh | Non-Executive & Independent Director |
| Sri Sharad Kumar Bachhawat | Non-Executive & Independent Director |
| Smt. Pragya Baid | Non-Executive Director |
| Sri Abhay Bharat Kumar Doshi | Non-Executive & Independent Director |

KEY MANAGERIAL PERSONNEL

| | |
|------------------|-------------------------|
| Sri Bidhan Neogi | Chief Financial Officer |
| Ms. Mausami Das | Company Secretary |

REGISTERED OFFICE

"Bikaner Building"
8/1, Lal Bazar Street,
3rd Floor, Room No. -9
Kolkata-700 001

PLANT LOCATION

126, Basudevpur,
HPL Link Road,
Haldia- 721 602,
Dist. Purba Medinipur
West Bengal

AUDITORS

| | |
|-------------------------|---------------------|
| M/s. S.M. Daga & Co. | Statutory Auditor |
| M/s Garg Narendra & Co. | Internal Auditor |
| Ms. Disha Dugar | Secretarial Auditor |

SOLICITORS

Dipayan Choudhury Advocates

BANKERS

| | |
|---------------------|---------------------------|
| AXIS Bank Limited | Kotak Mahindra Bank |
| State Bank of India | HDFC Bank |
| | Oriental Bank of Commerce |

REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Private Limited

Main Office

C-13 Pannalal Silk Mills Compound,
L B S Marg, Bhandup (W), Mumbai- 400 078
Phone No. 022-2596 0320
Fax No. 022- 2594 6969
e-mail id- mumbai@linkintime.co.in

Branch Office

Contact Person Mr. S.P Guha
59C, Chowringhee Road, 3rd Floor, Kolkata 700 020
Phone No. 033-2289 0540, 2290-9469
Fax No. 033-2289-0539
e-mail id: kolkata@linkintime.co.in

VIEW OF THE FACTORY SHED



A BRIEF VIEW OF THE PROCESS



Tape plant



Loom



Needle loom



Lamination plant



Liner plant



Online printing



Cutting



FIBC bag / Jumbo bag



Stitching



Quality checking

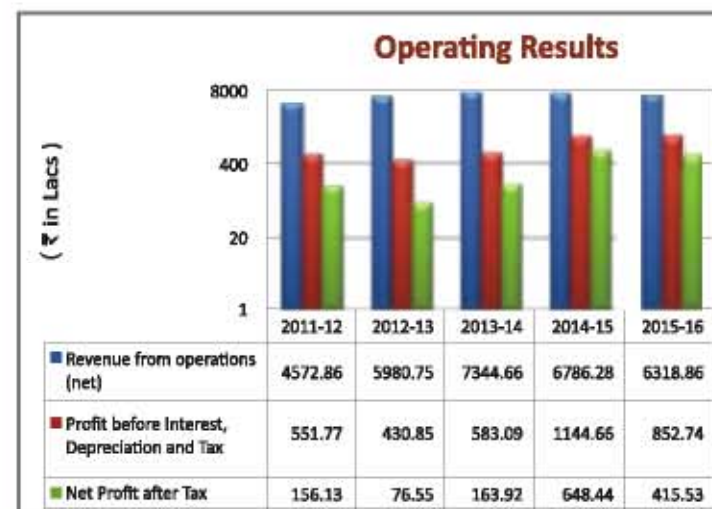


PP woven bags

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FINANCIAL HIGHLIGHTS



CORPORATE IDENTITY

About us

RDB Rasayans Limited was incorporated in the year 1995 as Public Limited Company. It is presently engaged in the business of manufacturing polymer-based woven sack & FIBC (Jumbo bags). The manufacturing facilities of the Company are vertically integrated. It facilitates manufacturing from the base material to final product under the same roof virtually in sequential process. The Company is catering a

substantial market share in the domestic woven sack industry and FIBC (Jumbo bags) and has also marked its global presence by exporting to various countries and received appreciation for quality products.

The shares of Company were listed in BSE Ltd with effect from 7th October, 2011.

Location

The plant of the Company is situated at Haldia, on National Highway 41 in Eastern India, just 125 km from Kolkata. As a part of logistical benefit, the Company has two major ports (Haldia & Kolkata) to reduce the transit lead time; in addition to this the Company has an advantage of being situated near to one of the quality polymer manufacturer in India, M/s Haldia Petrochemicals Ltd.

Vision

We aim to deliver quality product and services emphasizing on customer satisfaction, to acquire a strong position and become a renowned company in the global market.

customers with our products & services emphasizing on continual improvement through training, creativity and customer satisfaction.

The Company's plant is accredited with quality certification - ISO 9001:2008 and also awarded with BIS certificate.

Application

- Crushed stone sand gravel cement • Absorbant polymer
- Carbon black • Ferro Alloys
- Chemicals • Rubber • Food
- Mineral and speciality mineral
- Pharmaceuticals • Refractories
- Agriculture • Plastic

Quality Policy

We shall consistently care for our

PRODUCT PORTFOLIO

Fabric

- Un-laminate and laminate fabric
- Ventilated fabric
- Transparent fabric
- PP and jute mix fabric
- Packing fabric

Liner

- LDPE liner
- LLDPE liner
- HM-HDPE liner
- FORM-Fit liner
- Small bag liner
- Bulk Container liner

Woven sacks

- Food grade bags
- Fertilizer bags
- Sugar bags with inner liner
- Standard cement bags
- Perforated laminated cement bags
- Normal standard and gusseted bags
- Tea/ coffee bags
- Valve bags

FIBC

- Circular bags
- U-Panel bags
- 4-Panel bags
- Bags in bags
- Baffle bags(Q-bags)
- One panel baffle bags
- Pallet less baffle bags
- Single loop and two-loop bags
- Potato's bags
- Conductive bags
- Tunnel bags
- UN- certified bags
- Sleeve bags
- Asbestos bags
- Conical bags

RDB RASAYANS LIMITED

CIN : L36999WB1995PLC074860

Registered Office : Bikaner Building, 8/1, Lal Bazar Street, 3rd Floor, Room No. 9

Kolkata - 700 001, Phone : 033-44500500, Fax : 033-22420588.

E-mail : info@rdbindia.com, Website : www.rdbgroup.in

NOTICE

Notice is hereby given that the twenty-first Annual General Meeting of the members of **RDB RASAYANS LIMITED** will be held on Saturday, the 3rd day of September, 2016 at 09:30 a.m., at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata- 700 017 to transact the following businesses:-

As an Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Sri Shanti Lal Baid (DIN: 00056776), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider the appointment of Statutory Auditor and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. S.M. Daga & Co., Chartered Accountants (Registration No. 303119E) be and are hereby appointed as the Statutory Auditor of the Company, to hold office for a period of five years from the conclusion of this Annual General Meeting of the Company till the conclusion of twenty-sixth Annual General Meeting, subject to ratification by the shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of out of pocket expenses incurred by them for the purpose of audit.”

As Special Business:

Re-appointment of Sri Sandeep Baid as Whole-Time Director

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Act and Article No. 87 of the Articles of Association of the Company and the recommendations of the Nomination and Remuneration Committee, and subject to all approvals, sanctions and permissions as may be necessary, consent of the members be and is hereby accorded to the re-appointment of Sri Sandeep Baid as the Whole Time Director of the Company for a further period of three years w.e.f. 01.04.2016 on the terms and conditions including remuneration and other amenities as set out in the Explanatory Statement accompanying this Notice and as contained in the Agreement dated 12th February, 2016 entered into by the Company with Sri Sandeep Baid a copy whereof, initialed by the Chairman of the meeting for the purposes of identification, has been submitted to this meeting, which Agreement be and is hereby specifically approved with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Sri Sandeep Baid subject to the same being in conformity with the provisions of Schedule V of the Companies Act, 2013 for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

By order of the Board
For **RDB Rasayans Limited**

Place: Kolkata
Date: 30th day of May, 2016

Mausami Das
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. 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. Instructions and other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to remote e-voting which inter-alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
3. Corporate Members intending to send their authorized representatives to attend the meetings are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The details of Director seeking re-appointment in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed hereto and forms part of this Notice.
5. Pursuant to the provision of section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 28th August, 2016 to 3rd September, 2016 (both days inclusive).
6. Members who hold shares in the physical form and wish to make/ change a nomination in respect of the shareholding in the Company, as permitted u/s 72 of the Companies Act, 2013, may submit such information in the prescribed form SH-13/14 as required, to the Company's Registrar & Share Transfer Agent.
7. Members wishing to claim dividends, which remain unclaimed, are requested to write to the Company Secretary & Compliance Officer at the registered office or M/s Link Intime India Pvt. Ltd, the Registrar and Share Transfer Agent of the Company. Members may note that dividends not claimed within seven years from the date of transfer

to the Company's Unpaid Dividend Account will be transferred to the Investor Education & Protection Fund as per Section 124 of the Companies Act, 2013.

8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates 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/ RTA, quoting their folio number.
9. Members/ Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
10. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address, in respect of electronic holdings with the Depository through their Depository Participants or send an e-mail to kolkata@linkintime.co.in for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. The Notice of the 21st AGM and instructions for e-voting along with Attendance slip and Proxy Form is being sent by electronic mode to all members whose e-mail addresses are registered with the Company/Depository participants. Physical copies of the aforesaid documents are being sent by the permitted mode to the members who have not registered their e-mail addresses. Members may also note that Notice of 21st Annual General Meeting and Annual Report for 2015-16 will also be available on Company's website at www.rdbgroup.in for their download.
13. Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto.
14. Non-Resident Indian Members are requested to inform the RTA immediately of :
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
16. The Company has designated an exclusive e-mail ID investor.rasayans@rdbindia.com which would enable the members to communicate their grievances. The members may send their grievances, if any, to this e-mail ID for its quick redressal.
17. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to send their queries at an early date so that the desired information may be made available at the meeting.
18. Members are requested to bring their copies of Annual Report to the meeting, as the same will not be supplied again at the meeting as a measure of economy.
19. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA Circular, no gifts/coupons shall be distributed at the Meeting.

20. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including the Annual Report can be sent by e-mail to its members. To support this green initiative, the Company requested its valued shareholders to register their e-mail addresses with the Registrar & Share Transfer Agent or with the Company. In order to continue its endeavor towards paperless communication, the Company requests the members who have not yet registered their e-mail ID with the Company, to register their e-mail address, in respect of electronic holdings with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with the Company's Registrar & Share Transfer Agent, M/s. Link Intime India Pvt. Ltd.

21. **Voting through electronic means**

In compliance with the provisions of Sections 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to the members to exercise their right to vote in respect of the resolutions to be passed at 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The facility for casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by NSDL.

I. The instructions for remote e-voting are as under:

A. In case a member receives an email from NSDL (**for members whose e-mail IDs are registered with the Registrar and Share Transfer Agent/Depository Participants**).

- i. Open email and open PDF file viz, "RDBRL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- iii. Click on Shareholder- Login.
- iv. Put user ID and Password as initial password noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of e-voting opens. Click on e-voting Active voting cycles."
- vii. Select Electronic Voting Event Number ("EVEN") of RDB Rasayans Ltd.
- viii. Now you are ready for e-voting as 'Cast Vote' page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolutions, you will not be allowed to modify your vote.
- xii. Institutional Shareholder (i.e. other than individuals, HUF, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., together with

attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizermkb@gmail.com with a copy marked to evoting@nsdl.co.in.

- B. In case a member receives physical copy of the notice of AGM **(for members whose e-mail IDs are not registered with the Registrars and Share Transfer Agent/Depository Participants or requesting physical copy):**

- i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM.

| EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/PIN |
|-------------------------------------|---------|--------------|
|-------------------------------------|---------|--------------|

- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. In case of any queries you may refer to Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the Downloads section of www.evoting.nsdl.com or call on toll free no: 1800-222-990.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The remote e-voting period shall commence on Wednesday, the 31st August, 2016 (9:00 a.m.) and will end on Friday, 2nd September, 2016 (5:00 p.m.). During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on 27th August, 2016 (cutoff date) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on 27th August, 2016 ("Cut off Date") only shall be entitled to vote through remote e-voting and through ballot paper at the AGM. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 27th August, 2016.
- VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date 27th August, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e- voting then you can use your existing ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.

- VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- IX. The Company has appointed Sri Manoj Kumar Banthia, Practicing Company Secretary (ACS No. 11470, CP No. 7596) of MKB & Associates, as the scrutinizer for conducting the e-voting process in the fair and transparent manner.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting by Ballot papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to

the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.rdbgroup.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be simultaneously communicated to the Stock Exchange where the shares of the Company are listed within 48 hours from the conclusion of the AGM.

XII. The scrutinizer's decision on the validity of e-voting will be final.

22. A facility for voting through ballot paper shall be made available at the Annual General Meeting venue and the members attending the meeting who have not cast their vote by remote e-voting can exercise their right during the meeting on 3rd September, 2016 between 09:30 a.m. till the conclusion of the meeting.
23. The Notice of Annual General Meeting will be sent to the members, whose names appear in the Register of Members/ Depositories as at closing hours of business, on Friday, 29th July, 2016.
24. The shareholders shall have one vote per equity share held by them as on the cut off date of 27th August, 2016. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
25. The results on above resolution shall be declared not later than 48 hours from the conclusion of the AGM and the resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013.

Item No. 5

Sri Sandeep Baid was appointed as the Whole Time Director of the Company w.e.f. 01.04.2010 for a period of three years and was further re-appointed w.e.f. 01.04.2013.

The present term of appointment of Sri Sandeep Baid as Whole Time Director has expired on 31st March, 2016. Considering his knowledge, expertise and contribution to the Company, the Board in its meeting held on 12th February, 2016 re-appointed him as Whole Time Director of the Company for a further period of 3 years with effect from 1st April, 2016, subject to the approval of the shareholders, on the following terms, conditions and remuneration:

Salary: Rs 1, 75,000 (Rupees One Lac Seventy Five Thousand) per month.

Perquisites:-

Medical Reimbursement: Actual expenditure incurred for self and dependent family members subject to one month salary per annum.

Leave Travel Concession: For self and family in accordance with the provisions of Income Tax Act, 1961.

Club Fees: Club fees subject to maximum of two clubs except admission and life membership fees.

Leave: One month pay leave per annum, the unavailed leave can be encashed at the time of retirement or at the time of leaving the Company.

For Company's business use of car with chauffeur, telephone and other communication facilities at residence/other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by him shall not be treated as perquisite.

Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

Minimum Remuneration: The above salary will be payable to the Whole Time Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule V to the Companies Act, 2013.

Sitting Fees: No sitting Fees will be payable to Whole Time Director for attending the meetings of the Board of Directors or Committees thereof from the date of his appointment.

Brief resume of Sri Sandeep Baid, nature of expertise in specific functional area and names of companies in which he hold directorships and memberships/ chairmanships of Board Committees, are provided in this Notice.

In terms of Section 196, 197, 203 & Schedule V of the Companies Act, 2013 and the rules made thereunder the appointment of Sri Sandeep Baid as the Whole Time Director of the Company requires approval of the Shareholders in General Meeting.

Your Directors recommend the resolution to be passed as a Special Resolution.

Except Sri Sandeep Baid being the appointee, Sri Shanti Lal Baid and Smt. Pragya Baid being father and spouse of Sri Sandeep Baid respectively, none of the Directors of the Company are deemed to be interested or concerned, financially or otherwise, in the said resolution.

A copy of the aforesaid Agreement dated 12.02.2016 is available for inspection at the Registered office of the Company up to 3rd September, 2016 during business hours.

The disclosures as required under Section II, Part II of the Schedule V of the Companies Act, 2013 are stated herein below:

| General information: | | |
|-----------------------------|---|---|
| 1 | Nature of Industry | The Company is engaged in manufacture of PP Woven sacks |
| 2 | Date or expected date of commencement of commercial production | June, 2003 |
| 3 | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable |
| 4 | The financial performance of the Company during the preceding three financial years is as follows : | |

(Rs.)

| Particulars | 2015-16 | 2014-15 | 2013-14 |
|--|-------------------|-------------------|-------------------|
| Total Income | 695,074,557 | 769,024,747 | 739,122,952 |
| Total Expense | 627,187,446 | 676,063,754 | 714,606,560 |
| Profit/(Loss) Before tax | 67,887,111 | 92,960,993 | 24,516,392 |
| Less: Tax Expense | 26,334,770 | 28,116,819 | 8,124,414 |
| Profit/(Loss) After Tax | 41,552,341 | 64,844,174 | 16,391,978 |
| 5 Foreign investments or collaborators, if any | NIL | | |

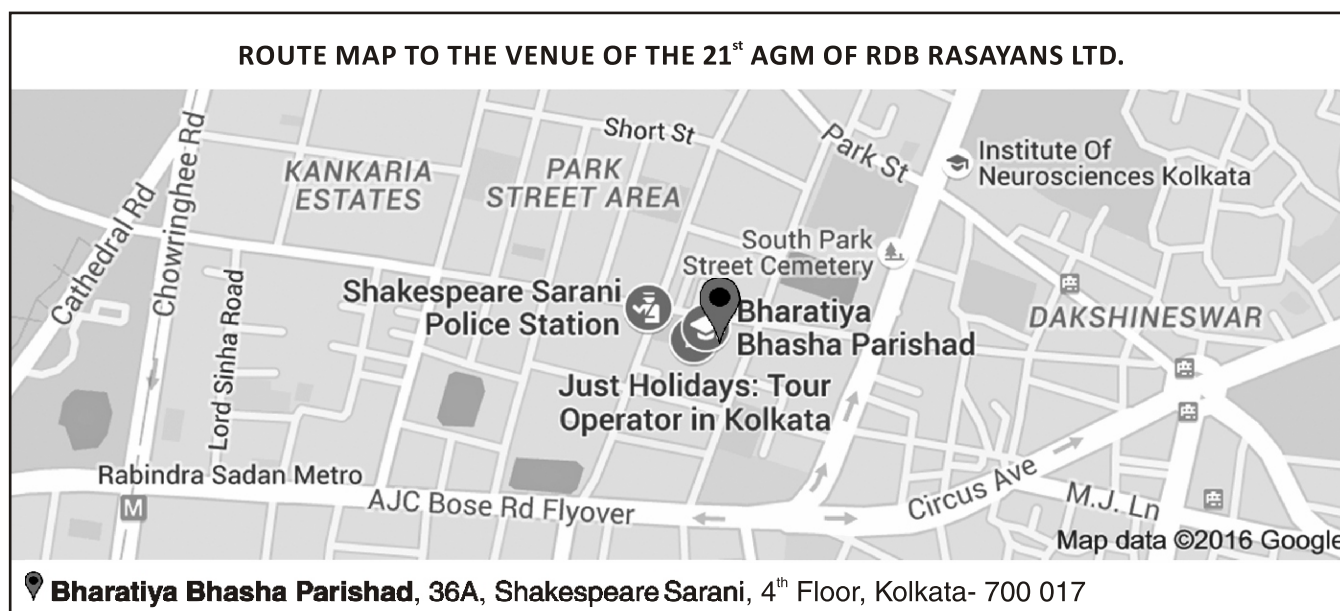
| Information about the appointee: Sri Sandeep Baid | | |
|---|--|--|
| 1. | Background details | Sri Sandeep Baid is an industrialist having experience of more than 17 years in the field of manufacturing and marketing of electrical goods, cables, packing materials and woven sacks. |
| 2. | Past remuneration | Sri Sandeep Baid was paid Rs. 17, 61,600 during the financial year 2015-16. |
| 3. | Recognition or awards | None |
| 4. | Job profile and his suitability | Sri Baid is actively involved in the day to day working of the Company and currently he is looking after the manufacturing and marketing of the Company. Keeping in view his working with the Company and his prior experience, he is suitable for the present position. The Company derives a lot of benefit from his diverse professional expertise and experience at Board Level as well as in Operations of the Company. |
| 5. | Remuneration proposed | As set out in the Explanatory Statement under section 102 of Companies Act, 2013. |
| 6. | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The proposed remuneration is commensurate with the size and nature of business of the Company and the functions and responsibility of the appointee. The remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business. |
| 7. | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | Sri Sandeep Baid is Promoter Director holding 902,695 shares consisting 5.10% of the paid-up capital of the Company. Apart from receiving remuneration as stated above, he does not receive any emoluments from the Company. Except Sri Shanti Lal Baid (father) and Smt Pragya Baid (spouse), none of the other Directors of the Company are related to Sri Sandeep Baid. |
| 8. | Directorship held in other listed entities | Nil |
| 9. | Membership/Chairmanship of Committees of listed entities (includes only Audit Committee and Stakeholders' Relationship Committee) | Nil |

| Other Information: | | |
|--------------------|---|---|
| 1. | Reasons of loss or inadequate profits | The approval for minimum remuneration is being taken as a precautionary measure and as on today, the profits of the company are sufficient to pay the approved remuneration to the Whole Time Director. |
| 2. | Steps taken or proposed to be taken for improvement | |
| 3. | Expected increase in productivity and profits in measurable terms | |
| Disclosures: | | |
| 1. | Remuneration package of the managerial personnel | As set out in the Explanatory Statement. |
| 2. | Disclosures to be mentioned in the Board of Director's Report under the head "Corporate Governance", if any attached to the annual report | The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of the Company. |

By order of the Board
For **RDB Rasayans Limited**

Place: Kolkata
Date: 30th day of May, 2016

Mausami Das
Company Secretary



BRIEF PROFILE OF DIRECTORS BEING APPOINTED/RE-APPOINTED AS SET OUT IN THIS NOTICE, IN TERMS OF REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 RELATING TO CORPORATE GOVERNANCE

| | |
|---|---|
| Name of director | Sri Shanti Lal Baid |
| Date of birth | 2 nd June, 1950 |
| Relationship with other director inter se | Father of Sri Sandeep Baid & Father in law of Smt. Pragya Baid |
| Date of appointment | 1 st October, 2001 |
| Expertise in specific functional area | Management & Administration |
| Brief profile | He is an industrialist over 44 years of experience in management and administration in the field of electrical goods and cable industries. He was actively involved in setting up the plant at Haldia and currently looking after the management and administration of the Company. |
| No. Of equity shares held in the Company | 520000* |
| List of other companies in which directorships are held | NIL |
| Committee Position held in RDB Rasayans Ltd. | Stakeholder Relationship Committee - Member Corporate Social Responsibility Committee – Member |
| Committee Positions in other Public Companies | NIL |

*includes 140000 shares of Shanti Lal Baid (HUF)

| | |
|---|--|
| Name of director | Sri Sandeep Baid |
| Date of birth | 1 st January, 1979 |
| Relationship with other director inter se | Son of Sri Shanti Lal Baid & Spouse of Smt Pragya Baid |
| Date of appointment | 10 th April, 2008 |
| Expertise in specific functional area | Marketing |
| Brief profile | He has an experience of about 17 years from the plant set up to looking after the whole business operation in the field of Woven Sacks/FIBC. He is currently looking after the production, marketing along with the full administration of the plant.. |
| No. Of equity shares held in the Company | 902695 |
| List of other companies in which directorships are held | NIL |
| Committee Position held in RDB Rasayans Ltd. | Audit Committee - Member Stakeholder Relationship Committee – Member Corporate Social Responsibility Committee – Member |
| Committee Positions in other Public Companies | NIL |

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in submitting the 21st Annual report on the business and operations of the Company along with the Audited Financial Statements for the year ended March 31, 2016.

Financial Results

Financial Results of the Company for the year 2016 along with the figures for previous year are as follows:

(Amount in Rs.)

| Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|--------------------------|--------------------------|
| Revenue from operations | 631,886,165 | 678,627,971 |
| Other Income | 63,188,392 | 90,396,776 |
| Profit before Interest, Depreciation & Tax | 85,273,713 | 114,466,232 |
| Less: Interest | 8,846,723 | 12,580,718 |
| Less: Depreciation | 8,539,879 | 8,924,521 |
| Profit before taxation | 67,887,111 | 92,960,993 |
| Less: Provision for current tax, deferred tax and tax adjusted for earlier year | 26,334,770 | 28,116,819 |
| Profit/(Loss) after tax | 41,552,341 | 64,844,174 |
| Add: Balance brought forward from last year | 96,833,791 | 42,660,540 |
| Balance available for appropriation | 138,386,132 | 1,07,504,714 |
| Less: Appropriations | | |
| a. Proposed dividend on equity shares | — | 8,857,400 |
| b. Dividend Distribution Tax thereon | — | 1,813,523 |
| Balance carried to Balance Sheet | 138,386,132 | 96,833,791 |

Financial Performance

During the year under review your Company has posted a net profit of Rs. 415.52 lakhs as compared to Rs. 648.44 lakhs in the previous year. Revenue for financial year ended March 31, 2016 stood at Rs. 6950.74 lakhs as against Rs. 7690.25 lakhs for the previous year which shows decline in revenue of Rs 739.51 lakhs.

Dividend and Reserves

In order to conserve existing resources of the Company for expansion activities, your directors do not recommend any dividend for the financial year 2015-16 and the Company has not proposed any transfer to its reserves.

Change in Nature of Business, if any

There was no change in the nature of business of the Company during the financial year ended 31st March, 2016.

Significant and Material Orders passed by the Regulators/Courts/Tribunals

Investigation by SEBI on public offer has been completed. SEBI issued order on 19th December, 2014, under section 11(1), 11(4), and 11B of the SEBI Act, 1992 with respect to the ad interim ex parte order dated 28th December, 2011. The said order issued the following directions-

- i. Prohibited the Company and Sri Sunder Lal Dugar, Sri Shanti Lal Baid and Sri Sandeep Baid from buying, selling or dealing in securities in any manner whatsoever, for the period of four years. The period of prohibition already undergone by them pursuant to the above interim order shall be taken into account for the purpose of computing the period of prohibition imposed in the order.
- ii. Subject to the applicable provisions of Companies Act, 1956 and Companies Act, 2013, RDB Rasayans shall utilize the funds raised in the IPO and lying in the escrow account for purposes disclosed in its Prospectus. Being aggrieved by the order, the Company filed an appeal on 16.12.2015 against the order of Hon'ble Whole Time Member of SEBI dated 19.12.2014. Sri Shanti Lal Baid, Sri Sandeep Baid and Sri Sunder Lal Dugar have also filed an appeal on 23.12.2015 against the same order. The appeal has been already listed for admission.

The utilization of IPO proceeds as on 31.03.2016 has been reported under Note No. 2.1(h) in Notes to the accounts.

Material Changes and Commitments after the Balance Sheet Date

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Directors and Key Managerial Personnel

Independent Directors

Consequent to the demise of Sri Prabir Kumar Sarkar on 11th April, 2015, the Board recommended the appointment of Sri Abhay Bharat Kumar Doshi as Additional Independent Director of the Company w.e.f 28th May, 2015 subject to approval of the shareholders of the Company in the Annual General Meeting. At the Annual General Meeting held on 4th September, 2015, the members of the Company appointed Sri Abhay Bharat Kumar Doshi (DIN: 06428170) as Independent Director of the Company under Companies Act, 2013 for a period of 5(five) consecutive years with effect from 28th May, 2015.

Statement on Declaration given by Independent Directors under sub- section (6) of Section 149

The Company has received declarations from all the Independent Directors of the Company under Section 149(7) confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

Familiarization Programme undertaken for Independent Directors

The Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization program is available on the Company's website under the weblink <http://www.rdbgroup.in/policies.asp>

Executive Directors

The Board of Directors re-appointed Sri Sandeep Baid as the Whole Time Director of the Company for a further period of 3 years from 1st April 2016 to 31st March 2019, subject to the approval of shareholders in the ensuing Annual General Meeting.

Retirement by Rotation

As per the provisions of Section 152(6) (c) of the Companies Act, 2013, Sri Shanti Lal Baid retires by rotation, and being eligible, offers himself for re-appointment. In view of his considerable experience and contribution to the Company, your Directors recommend his re-appointment.

- **Women Director**

Smt Pragya Baid (DIN: 06622497) continues as the Woman Director on the Company's Board in conformity with the requirements of Section 149(1) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in section 164(2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A brief resume of the Directors proposed to be appointed along with additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is provided in the notice of Annual General Meeting.

- **Key Managerial Personnel**

Sri Bidhan Neogi is the Chief Financial Officer of the Company and Miss Mausami Das has been appointed to act as the Company Secretary w.e.f. 28.05.2015.

- **Board Evaluation**

The Nomination and Remuneration Committee of the Company formulated and laid down criteria for performance evaluation of the Board including its Committees and the individual directors (including Independent Directors) pursuant to provisions of Sections 134 and 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the Board meeting held on 12th February, 2016, the Board of Directors carried out the annual evaluation of its own performance, Board committees and individual directors including the Chairman. The performance of the Non Independent Directors and Board as a whole was reviewed by the Independent Directors. The evaluation of individual Directors including the Chairman of the Board was done on parameters such as level of engagement and contribution, leadership and stewardship abilities, safeguarding the interest of the Company and its minority shareholders, etc.

The Directors expressed their satisfaction over the evaluation process and results thereof.

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the statement of profit of the company for that period;
- (c) the directors have 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) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Industrial Relations and Human Resource Management

Your Company has built and nurtured the best human resource in a bid to drive high performance culture. The Company is constantly working on providing the best working environment to its employees with a view to inculcate leadership and autonomy. Your Company shall always place all necessary emphasis on continuous development of its

Human Resources.

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report, as required by Schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year under review, is presented in a separate section forming part of the Annual Report.

Corporate Governance Report

The Company is committed to maintain the highest standards of Corporate Governance. The report on Corporate Governance as stipulated in Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Certificate from the Statutory Auditors M/s S.M. Daga & Co, Chartered Accountants, regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the report.

Chief Executive Officer (CEO)/Chief Financial Officer (CFO) Certification

The CEO/CFO certification as required under Schedule V Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

Subsidiaries

The Company does not have any subsidiary.

Auditors

Statutory Audit

M/s. S. M. Daga & Co (Firm Regn No. 303119E), Chartered Accountants, holds office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommended the re-appointment of M/s. S. M. Daga & Co (Firm Regn No. 303119E), Chartered Accountants as Statutory Auditors of the Company for a period of 5 years from the conclusion of this Annual General Meeting to the conclusion of 26th Annual General Meeting subject to annual ratification by members. Accordingly a resolution seeking member's approval for the appointment of M/s. S. M. Daga & Co as Statutory Auditor is included in the Notice convening the Annual General Meeting. In this regard, the Company has received a certificate from the auditors to the effect that their reappointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for reappointment.

There are no reservations, qualifications or adverse remarks contained in Auditors' Report attached to the Balance sheet as at 31st March, 2016.

Secretarial Audit

The Board has appointed Ms. Disha Dugar, Practicing Company Secretary as the Secretarial Auditor of your Company pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure A and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Audit

As per the Companies (Cost Records & Audit) Amendment Rules, 2014 dated 31st December, 2014 the products of the Company do not fall under any of the Central Excise Tariff Act, 1985 heading which are covered for applicability of the above rules. Hence Cost Audit is not applicable to the company.

Public Deposits

During the year under review, the Company has neither accepted nor renewed any public deposit and has no overdue or unclaimed public deposit, covered under section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 1975.

Share Capital

The paid up equity share capital as at 31st March, 2016 stood at Rs. 177,148,000. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

Dematerialization of Shares

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on 31st March, 2016, 90.74% of the share capital stands dematerialized.

Extract of the Annual Return

The Extract of Annual Return in form no MGT-9 forms part of the Board's Report and is annexed herewith as Annexure B.

Prescribed Particulars of Employees

Information in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees is given in Annexure C and forms an integral part of the Board Report.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars required to be furnished under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are set out in Annexure D, which forms part of the report.

Board Meetings

The Board met four times on 28th May 2015, 14th August 2015, 14th November 2015 and 12th February, 2016, details where of are given in the Corporate Governance Report, which forms part of this Report. The maximum time gap between any two meetings was less than four months as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Committees of the Board

The Company has constituted/re-constituted various Board level committees in accordance with the requirements of Companies Act 2013. Details of all the Committees along with composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this report

Audit Committee

Details pertaining to composition of Audit Committee are included in the report on Corporate Governance. All the recommendations made by Audit Committee were accepted by Board.

Nomination and Remuneration Committee

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

Stakeholders' Relationship Committee

The composition and terms of reference of the Stakeholders Relationship Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

Meeting of Independent Directors

A Meeting of Independent Directors of the Company was held on 12th February, 2016. The Independent Directors at their meeting assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company. Also, the performance of the non-independent directors and the Board as a whole was reviewed.

Whistle Blower Policy /Vigil Mechanism policy

The company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism. The Vigil Mechanism (Whistle Blower Policy) is available at the Company's weblink <http://www.rdbgroup.in/policies.asp>

Remuneration Policy

The Company's policy relating to appointment of Directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure E and forms part of this Report.

Internal control systems and their adequacy

The Company has adequate internal control systems and procedures designed to effectively control the operations at the Head office as well as the Plant. The main thrust of Internal audit is to test and review controls, appraisal of risks and business processes.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control systems and suggests improvements to strengthen the same.

Particulars of loans, guarantees or investments

The particulars of loans, guarantees given and investments made during the year under Section 186 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to the report as Annexure F.

Related Party Transactions

All related party transactions are in the ordinary course of business and at arm's length basis. There are no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

A Related Party Policy has been devised by the Board of Directors at its meeting held on 11th February, 2015 for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at the Company's official website at the weblink- <http://www.rdbgroup.in/policies.asp>

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure G of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company at the weblink: <http://www.rdbgroup.in/policies.asp>

Risk Management Policy

The main identified risks at the Company are commercial risks, legal & regulatory risk. Your company has established a comprehensive risk management policy to ensure that risk to the Company's continued existence as a going concern and to its development are identified and addressed on timely basis. Risk management strategy as approved

by the board of directors is implemented by the company management.

During the year, no major risks were noticed, which may threaten the existence of the company.

Health, Environment and safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned environmental regulations and prevention of natural resources.

Safety is one of the topmost priorities of the Company. The Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace. No complaints were received during the financial year 2015-16.

Acknowledgements

Your Directors would like to express their sincere gratitude for the assistance and co operation received from the financial institutions, banks, Government authorities, customers, vendors and members for their continued support and faith reposed in the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors
RDB Rasayans Limited

Place: Kolkata
Date: 30th day of May, 2016

Shanti Lal Baid
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 'A'

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
RDB Rasayans Limited
"Bikaner Building",
8/1, Lal Bazar St., 3rd Floor,
Kolkata- 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RDB Rasayans Ltd. hereinafter called the (Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the RDB Rasayans Ltd. books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by RDB Rasayans Ltd. ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

Note that an Order was Passed by the Company Law Board (CLB), Kolkata Bench for Compounding of Offences u/s 211(3A) of the Companies Act, 1956 during their final hearing dated 22/05/2015.

The Officers in Default paid the compounding fees from their personal resources and the CLB passed the final order for completion of Compounding on 19/06/2015.

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (v) Corporate Governance Voluntary Guidelines- 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (vi) Minimum Wages Act, 1948;
- (vii) Payment of Bonus Act, 1965;
- (viii) Payment of Gratuity Act, 1972;
- (ix) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (x) Employees State Insurance Act, 1948;
- (xi) Competition Act, 2002;
- (xii) Factories Act, 1948;
- (xiii) Industrial Dispute Act, 1947;
- (xiv) Workmen's Compensation Act, 1923;
- (xv) Contract Labour (Regulation and Abolition) Act, 1970;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place: Kolkata
Date: 26.05.2016

Company Secretary in practice
Disha Dugar
FCS No. 8128
C P No.: 10895

ANNEXURE 'B'

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013
and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| I REGISTRATION AND OTHER DETAILS | | |
|---|---|--|
| i) | CIN | L36999WB1995PLC074860 |
| ii) | Registration Date | 13/10/1995 |
| iii) | Name of the Company | RDB Rasayans Limited |
| iv) | Category / Sub-Category of the Company | Public Limited Company |
| v) | Address of the Registered office and contact details | Bikaner Building, 8/1, Lal Bazar Street, 3rd floor. Room no. 9, Kolkata-700001 Website: www.rdbgroup.in Ph. No. 033-44500500 Fax No. 033-22420588 |
| vi) | Whether listed company Yes / No | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited 59C, Chowringhee Road, 3rd Floor, Kolkata- 700020 E mail: Kolkata@linkintime.co.in Ph No. 033-22890540 Fax No.033- 22890539 |

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:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1. | HDPE/PP Woven Sacks /FIBC / fabric/Liner | 3132 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES-N.A.

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|---------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1. | NA | NA | NA | NA | NA |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual /HUF | 9350299 | 0 | 9350299 | 52.782 | 9359299 | 0 | 9359299 | 52.833 | 0.051 |
| 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. | 3513800 | 0 | 3513800 | 19.835 | 3513800 | 0 | 3513800 | 19.835 | 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 |
| Sub-total (A) (1):- | 12864099 | 0 | 12864099 | 72.618 | 12873099 | 0 | 12873099 | 72.669 | 0.051 |
| (2) Foreign | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a) NRIs - Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 12864099 | 0 | 12864099 | 72.618 | 12873099 | 0 | 12873099 | 72.669 | 0.051 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---------------------------------|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 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) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 173412 | 1640000 | 1813412 | 10.237 | 101415 | 1640000 | 1741415 | 9.830 | 0.407 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------------|-----------------|-------------------|---|----------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders Holding nominal share capital upto Rs. 1 lakh | 1118112 | 160 | 1118272 | 6.313 | 1049230 | 160 | 1049390 | 5.924 | -0.389 |
| ii) Individual Shareholders Holding nominal share capital in excess of Rs 1 lakh | 1403246 | 0 | 1403246 | 7.921 | 1513321 | 0 | 1513321 | 8.542 | 0.621 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| HUF | 0 | 0 | 0 | 0 | 172660 | 0 | 172660 | 0.975 | 0.975 |
| Clearing Member | 184714 | 0 | 184714 | 1.043 | 33883 | 0 | 33883 | 0.191 | 0.852 |
| NRIs | 328557 | 0 | 328557 | 1.855 | 328532 | 0 | 328532 | 1.855 | 0 |
| NRN | 2500 | 0 | 2500 | 0.014 | 2500 | 0 | 2500 | 0.014 | 0 |
| Sub-total (B)(2):- | 3210541 | 1640160 | 4850701 | 27.382 | 3201541 | 1640160 | 4841701 | 27.331 | 0.051 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 3210541 | 1640160 | 4850701 | 27.382 | 3201541 | 1640160 | 4841701 | 27.331 | 0.051 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 16074640 | 1640160 | 17714800 | 100 | 16074640 | 1640160 | 17714800 | 100 | 0 |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---------|-----------------------|---|---------------------------------|---|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | %of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged/ encumbered to total shares | |
| 1. | SHEETAL DUGAR | 4361404 | 24.620 | 0 | 4361404 | 24.620 | 0 | 0 |
| 2. | YMS FINANCE PVT. LTD. | 3513800 | 19.835 | 0 | 3513800 | 19.835 | 0 | 0 |
| 3. | VINOD DUGAR | 3434800 | 19.389 | 0 | 3434800 | 19.389 | 0 | 0 |
| 4. | SANDEEP BAID | 893695 | 5.045 | 0 | 902695 | 5.096 | 0 | 0.051 |
| 5. | SHANTI LAL BAID | 380000 | 2.145 | 0 | 380000 | 2.145 | 0 | 0 |
| 6. | SHANTILAL BAID HUF | 140000 | 0.790 | 0 | 140000 | 0.790 | 0 | 0 |
| 7. | REKHA JHABAK | 136000 | 0.768 | 0 | 136000 | 0.768 | 0 | 0 |
| 8. | MOTI LAL DUGAR (HUF) | 4000 | 0.023 | 0 | 4000 | 0.023 | 0 | 0 |
| 9. | SUNDER LAL DUGAR | 400 | 0.002 | 0 | 400 | 0.002 | 0 | 0 |
| | Total | 12864099 | 72.618 | 0 | 12873099 | 72.669 | 0 | 0.051 |

iii) Change in Promoters' Shareholding

| Sl. No. | Name of Promoter | 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 |
| 1. | SANDEEP BAID | | | | |
| | At the beginning of the year | 893695 | 5.045 | | |
| | Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): Transfer on 26 th Feb, 2016 | 9000 | 0.051 | 902695 | 5.096 |
| | At the End of the year | | | 902695 | 5.096 |

(iv) 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 |
| 1. | GROWTH TECHNO PROJECTS LTD. | | | | |
| | At the beginning of the year | 1640000 | 9.258 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc) | - | - | - | - |
| | At the End of the year | | | 1640000 | 9.258 |
| 2. | MOTI LAL LAXKAR | | | | |
| | At the beginning of the year | 425731 | 2.403 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc) | | | | |
| | Transfer on 29th May, 2015 | 24029 | 0.136 | 449760 | 2.539 |
| | At the End of the year | | | 449760 | 2.539 |
| 3. | SANGEETHA S | | | | |
| | At the beginning of the year | 108036 | 0.610 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment /Transfer/bonus/sweat equity etc): | | | | |
| | Transfer on 10 Apr, 2015 | 11110 | 0.063 | 119146 | 0.673 |
| | Transfer on 24 Apr, 2015 | 20825 | 0.118 | 139971 | 0.790 |
| | Transfer on 01 May, 2015 | 54219 | 0.306 | 194190 | 1.096 |
| | Transfer on 08 May, 2015 | 1000 | 0.006 | 195190 | 1.102 |
| | Transfer on 15 May, 2015 | 5040 | 0.028 | 200230 | 1.130 |
| | Transfer on 22 May, 2015 | 1987 | 0.011 | 202217 | 1.142 |
| | Transfer on 29 May, 2015 | 2081 | 0.012 | 204298 | 1.153 |
| | Transfer on 05 Jun, 2015 | 12492 | 0.071 | 216790 | 1.224 |
| | Transfer on 03 Jul, 2015 | 1660 | 0.009 | 218450 | 1.233 |
| | Transfer on 10 Jul, 2015 | 1000 | 0.006 | 219450 | 1.239 |
| | Transfer on 17 Jul, 2015 | 1000 | 0.006 | 220450 | 1.244 |
| | Transfer on 24 Jul, 2015 | 1350 | 0.008 | 221800 | 1.252 |
| | Transfer on 31 Jul, 2015 | 3960 | 0.022 | 225760 | 1.274 |

| 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 |
| | Transfer on 07 Aug, 2015 | 5160 | 0.029 | 230920 | 1.304 |
| | Transfer on 14 Aug, 2015 | 301 | 0.002 | 231221 | 1.305 |
| | Transfer on 04 Sep, 2015 | 900 | 0.005 | 232121 | 1.310 |
| | Transfer on 09 Oct, 2015 | 2875 | 0.016 | 234996 | 1.327 |
| | Transfer on 16 Oct, 2015 | 1229 | 0.007 | 236225 | 1.333 |
| | Transfer on 30 Oct, 2015 | 20 | 0.000 | 236245 | 1.334 |
| | Transfer on 13 Nov, 2015 | 525 | 0.003 | 236770 | 1.337 |
| | Transfer on 27 Nov, 2015 | 900 | 0.005 | 237670 | 1.342 |
| | Transfer on 04 Dec, 2015 | 2700 | 0.015 | 240370 | 1.357 |
| | Transfer on 11 Dec, 2015 | 2700 | 0.015 | 243070 | 1.372 |
| | Transfer on 18 Dec, 2015 | 1800 | 0.010 | 244870 | 1.382 |
| | Transfer on 05 Feb, 2016 | 1800 | 0.010 | 246670 | 1.392 |
| | Transfer on 19 Feb, 2016 | 1620 | 0.009 | 248290 | 1.402 |
| | At the End of the year | | | 248290 | 1.402 |
| 4. | MOIZBHAI HAKIMUDDIN BORIAWALA | | | | |
| | At the beginning of the year | 238758 | 1.348 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment /transfer/bonus/ sweat equity Etc): | - | - | - | - |
| | At the End of the year | | | 238758 | 1.348 |
| 5. | SUBRAMANIAN P | | | | |
| | At the beginning of the year | 0 | 0.000 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus / Sweat equity etc): | | | | |
| | Transfer on 12 Jun, 2015 | 4688 | 0.026 | 4688 | 0.026 |
| | Transfer on 26 Jun, 2015 | 12000 | 0.068 | 16688 | 0.094 |
| | Transfer on 30 Jun, 2015 | 7000 | 0.040 | 23688 | 0.134 |
| | Transfer on 10 Jul, 2015 | 2224 | 0.013 | 25912 | 0.146 |
| | Transfer on 07 Aug, 2015 | 2000 | 0.011 | 27912 | 0.158 |
| | Transfer on 14 Aug, 2015 | 2875 | 0.016 | 30787 | 0.174 |
| | Transfer on 21 Aug, 2015 | 3878 | 0.022 | 34665 | 0.196 |
| | Transfer on 28 Aug, 2015 | 3650 | 0.021 | 38315 | 0.216 |
| | Transfer on 04 Sep, 2015 | 5770 | 0.033 | 44085 | 0.249 |
| | Transfer on 11 Sep, 2015 | 4168 | 0.024 | 48253 | 0.272 |
| | Transfer on 18 Sep, 2015 | 3685 | 0.021 | 51938 | 0.293 |
| | Transfer on 25 Sep, 2015 | 3000 | 0.017 | 54938 | 0.310 |

| 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 |
| | Transfer on 09 Oct, 2015 | 11000 | 0.062 | 65938 | 0.372 |
| | Transfer on 16 Oct, 2015 | 250 | 0.001 | 66188 | 0.374 |
| | Transfer on 23 Oct, 2015 | 2000 | 0.011 | 68188 | 0.385 |
| | Transfer on 18 Dec, 2015 | 1800 | 0.010 | 69988 | 0.395 |
| | Transfer on 31 Dec, 2015 | 900 | 0.005 | 70888 | 0.400 |
| | Transfer on 08 Jan, 2016 | 2000 | 0.011 | 72888 | 0.411 |
| | Transfer on 15 Jan, 2016 | 1840 | 0.010 | 74728 | 0.422 |
| | Transfer on 29 Jan, 2016 | 100 | 0.001 | 74828 | 0.422 |
| | Transfer on 12 Feb, 2016 | 2700 | 0.015 | 77528 | 0.438 |
| | Transfer on 19 Feb, 2016 | 5162 | 0.029 | 82690 | 0.467 |
| | Transfer on 26 Feb, 2016 | 765 | 0.004 | 83455 | 0.471 |
| | Transfer on 04 Mar, 2016 | 2300 | 0.013 | 85755 | 0.484 |
| | Transfer on 11 Mar, 2016 | 990 | 0.006 | 86745 | 0.490 |
| | Transfer on 18 Mar, 2016 | 2944 | 0.017 | 89689 | 0.506 |
| | Transfer on 25 Mar, 2016 | 900 | 0.005 | 90589 | 0.511 |
| | At the End of the year | | | 90589 | 0.511 |
| 6. | NIRMAL KUMAR SONI | | | | |
| | At the beginning of the year | 72628 | 0.410 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment /transfer/bonus/ sweat equity etc): | | | | |
| | Transfer on 17 Apr, 2015 | 11298 | 0.064 | 83926 | 0.474 |
| | Transfer on 08 Jan, 2016 | -11298 | -0.064 | 72628 | 0.410 |
| | Transfer on 31 Mar, 2016 | 11298 | 0.064 | 83926 | 0.474 |
| | At the End of the year | | | 83926 | 0.474 |
| 7. | USHA JAJODIA | | | | |
| | At the beginning of the year | 81674 | 0.461 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment /transfer/bonus/ sweat equity etc): | | | | |
| | | - | - | - | - |
| | At the End of the year | | | 81674 | 0.461 |

| 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 |
| 8. | VITHALDAS HIRJI GAJRA (HUF) | | | | |
| | At the beginning of the year | 75000 | 0.423 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment /transfer/bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | | | 75000 | 0.423 |
| 9. | SANGEETA MAHESHWARI | | | | |
| | At the beginning of the year | 67500 | 0.381 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment /transfer/bonus/ sweat equity etc): | - | - | - | - |
| | At the End of the year | | | 67500 | 0.381 |
| 10. | CHETAN DHIRAJLAL GOSALIA | | | | |
| | At the beginning of the year | 0 | 0.000 | | |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment /transfer/bonus/ sweat equity etc): | | | | |
| | Transfer on 11 Mar, 2016 | 236 | 0.001 | 236 | 0.001 |
| | Transfer on 18 Mar, 2016 | 61337 | 0.346 | 61573 | 0.348 |
| | Transfer on 25 Mar, 2016 | 417 | 0.002 | 61990 | 0.350 |
| | Transfer on 31 Mar, 2016 | 76 | 0.000 | 62066 | 0.350 |
| | At the End of the year | | | 62066 | 0.350 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | 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 |
| 1. | SRI SHANTI LAL BAID | | | | |
| | At the beginning of the year | 520000* | 2.935 | | |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / Sweat equity etc): | - | - | - | - |
| | At the End of the year | | | 520000 | 2.935 |
| 2. | SRI SANDEEP BAID | | | | |
| | At the beginning of the year | 893695 | 5.045 | | |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / Sweat equity etc): Transfer on 26 Feb, 2016 | 9000 | 0.051 | 902695 | 5.096 |
| | At the End of the year | | | 902695 | 5.096 |

* includes 140000 shares as Karta of Shanti Lal Baid HUF

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in `)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 20,123,432 | - | - | 20,123,432 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 62,628 | - | - | 62,628 |
| Total (i + ii + iii) | 20,186,060 | - | - | 20,186,060 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | - | - | - |
| • Reduction | 6,386,429 | - | - | 6,386,429 |
| Net Change | (6,386,429) | - | - | (6,386,429) |
| Indebtedness at the end of the financial year: | | | | |
| i) Principal Amount | 13,752,030 | - | - | 13,752,030 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 47,601 | - | - | 47,601 |
| Total (i + ii + iii) | 13,799,631 | - | - | 13,799,631 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SI No. | Particulars of Remuneration | Name of MD/MTD/ Manager | | Total Amount Rs. |
|--------|--|--------------------------|--------------------------|--------------------------|
| | | Sri Shanti Lal Baid (MD) | Sri Sandeep Baid (WTD) | |
| 1. | Gross salary (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 | 1,200,000 21,600 - | 1,740,000 21,600 - | 2,940,000 43,200 - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit - others, specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | 1,221,600 | 1,761,600 | 2,983,200 |
| | Ceiling as per the Act (@ 10% of Profits calculated under section 198 of the Companies Act , 2013) | Rs 6,788,711 | | |

B. Remuneration to other directors:

| SI No. | Particulars of Remuneration | Name of Directors | | | | Total Amount in (Rs.) |
|--------|--|------------------------------|---------------------------|----------------------|-----------------|-----------------------|
| | | Sri Abhay Bharat Kumar Doshi | Sri Mahendra Pratap Singh | Sri Sharad Bachhawat | Smt Pragya Baid | |
| | Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify | - - - | - - - | - - - | - - - | - - - |
| | Total (1) | - | - | - | - | - |
| | 4. Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify | - - - | - - - | - - - | - - - | - - - |
| | Total (2) | - | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - | - |
| | Total Managerial Remuneration - | - | - | - | - | - |
| | Ceiling as per the Act (@ 1% of profits calculated under section 198 of the Companies Act , 2013) | Rs 678,871 | | | | |

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Amount in Rs.

| | Particulars of Remuneration | Key Managerial Personnel | | |
|----|---|--------------------------|-----------------------|---------|
| | | Sri Bidhan Neogi (CFO) | Miss Mausami Das (CS) | Total |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 330,000 | 260,736 | 590,736 |
| | (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 | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit - others, specify. | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total | 330,000 | 260,736 | 590,736 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| | | | | | |
|---|---------|--|---|----------------------------------|------------------------------------|
| A. COMPANY: | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | NIL | | | | |
| B. DIRECTORS: | | | | | |
| Penalty | NIL | | | | |
| Punishment | NIL | | | | |
| Compounding | Section | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
| Sri Shanti Lal Baid (Managing Director) | 211(1) | No disclosure as per Part –I of Schedule –VI to the Act relating to Micro, Small and Medium Enterprises made in the Balance sheet as at 31.03.2012. Continued till 31.03.2013. | Rs. 4000/- each, for the year 2011-12 & 2012-13, aggregating to Rs. 8000/-. | Company Law Board, Kolkata Bench | None |

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Cont.)

| Compounding | Section | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---|---------|--|---|----------------------------------|------------------------------------|
| Sri Shanti Lal Baid (Managing Director) | 211(3A) | In the Cash Flow statement for the year 2011-12, addition of fixed assets is shown as Rs 702.71 lacs, but in the schedule to the Balance sheet as at 31.03.2012, the addition of tangible assets is shown as Rs 32.26 lacs only. | Rs. 4000/- for the year 2011-12 | Company Law Board, Kolkata Bench | None |
| Sri Sandeep Baid (Whole Time Director) | 211(1) | As detailed above | Rs. 4000/- each, for the year 2011-12 & 2012-13, aggregating to Rs. 8000/-. | Company Law Board, Kolkata Bench | None |
| | 211(3A) | As detailed above | Rs. 4000 for the year 2011-12 | Company Law Board, Kolkata Bench | None |

C. OTHER OFFICERS IN DEFAULT:

Penalty **NIL**

Punishment **NIL**

| Compounding | Section | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|--|---------|-------------------|--|----------------------------------|------------------------------------|
| Ms Sweta Punjabi (Ex-Company Secretary) | 211(1) | As detailed above | Rs 2000/- for the year 2011-12 | Company Law Board, Kolkata Bench | None |
| | 211(3A) | As detailed above | Rs 2000/- for the year 2011-12 | Company Law Board, Kolkata Bench | None |
| Ms. Swati Agarwal (Ex-Company Secretary) | 211(1) | As detailed above | Rs 2000/- for the year 2012-13 | Company Law Board, Kolkata Bench | None |

ANNEXURE 'C'

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16.

| Name of the Directors / KMPs | Designation | Remuneration of Director/KMP for financial year 2015-16 (in Rs.) | % increase in Remuneration in the Financial Year 2015-16 | Ratio of remuneration of each Director to median remuneration of employees (in times) |
|------------------------------|-------------------------|--|--|---|
| Sri Shanti Lal Baid | Managing Director | 1,221,600 | Nil | 16.40 |
| Sri Sandeep Baid | Whole Time Director | 1,761,600 | Nil | 23.66 |
| Sri Bidhan Neogi | Chief Financial Officer | 330,000 | 2.33% | N.A |
| Ms Mausami Das | Company Secretary | 260,736 | # NA | N.A |

Ms Mausami Das was designated as the Company secretary of the Company w.e.f 28.05.2015. Therefore percentage increase in remuneration determined in comparison with the earlier year can't be determined.

- b. The percentage increase in the median* remuneration of employees in the financial year was 16.95%.
- c. The number of permanent employees on the rolls of company: - There were 121 permanent employees* on the rolls of Company as on March 31, 2016.
- d. The explanation on the relationship between average increase in remuneration and company performance:- The average remuneration of total employees increased by 12.51% whereas Profit after tax of the Company decreased by 35.92%.
- e. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:-The average remuneration of Key Managerial Personnel increased by 2.33% whereas Profit after tax of the Company decreased by 35.92%.
- f. (i) Variations in the market capitalization of the Company: - The market capitalization of the Company as on March 31, 2016 was Rs 345,438,600 as compared to Rs 300,265,860 as on March 31, 2015.
- (ii) Price Earnings ratio of the Company was 8.30 as at March 31, 2016 as compared to 4.63 as on 31.03.2015.

- (iii) Percent increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in the year- The company came out with IPO in the year 2011 at Rs 79 per share and the price of the shares as on 31st March 2016 stands to Rs 19.50. Further the Company had not come out with any public offerings during the financial year March 31, 2016.
- g. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 12.51% whereas the average percentage increase made in the salaries of Managerial Personnel was 2.33%. Further there were no exceptional circumstances for increase in the managerial remuneration.
- h. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company: - Same as mentioned in point no. e.
- i. The key parameters for any variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration Policy for Directors , Key Managerial Personnel and other Employees and also based on Financial and operating performance of the Company
- j. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : Not Applicable
- k. Affirmation that the remuneration is as per the remuneration policy of the Company: - It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Calculation of median is taken on the figures on those employees associated with the Company at the end of Financial Year and the Company did not include the details of employees serving the Company below the period of twelve months.*

ANNEXURE 'D'

DISCLOSURE OF PARTICULARS UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

The particulars of energy, technology absorption, foreign exchange earnings and outgo, in manner as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014

A. Conservation of energy (Power and Fuel consumption)

| | |
|---|--|
| 1) Energy conservation measures taken | It is always endeavour of the company to maintain the consumption of electric power and its own generators at the lowest possible level and optimize the use of energy through improved operational methods. |
| 2) Impact on conservation of energy | |
| 3) Steps in utilisation of alternate sources of energy | NIL |
| 4) Capital investment on energy conservation equipments | NIL |

B. Technology Absorption

| | |
|---|---|
| 1. Efforts made towards technology absorption. | There is no change in technology used by the company |
| 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc. | |
| 3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the Financial year), following information may be furnished: (a) Technology imported. (b) Year of import. (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action. | NIL |
| 4. Expenditure incurred in Research & Development Benefit | The Company has carried out R & D in products, processes and technologies. However, there is no separate cost unit for carrying out R&D activities and the same is being carried out along with normal business activity of the Company only. Hence, no separate cost allocation is possible in this respect. Product improved in quality and quantity, cost reduction is the outcome of such efforts made by the Company. |

C. Foreign Exchange Earnings And Outgo

(Amount in Rs.)

| TOTAL FOREIGN EXCHANGE EARNED AND USED | 2015-16 | 2014-15 |
|--|--|-------------|
| a) Foreign Exchange earned | 72,415,820 | 58,238,986 |
| b) Foreign exchange used | 40,145,473 | 127,865,360 |
| c) Exports | The Company is at present exporting its products to Asia and Europe. The Company is continuously exploring possibilities of exporting more of its products to different markets. | |

RDB RASAYANS LIMITED
CIN:L36999WB1995PLC074860
NOMINATION AND REMUNERATION POLICY

ANNEXURE 'E'

1. Preamble

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.2 In terms of Section 178 of the Companies Act, 2013 which has been made effective from April 1, 2014 by the Central Government vide notification no. S.O. 902(E) issued on March 26, 2014, this Remuneration Policy ("the Policy") is being framed and formulated for laying down criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.
- 1.3 The policy will be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

2. Aims & Objectives

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows:
 - 2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.
 - 2.1.2 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
 - 2.1.3 The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
 - 2.1.4 The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

- 3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 Internal equity: The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

- 3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- 3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4. Nomination and Remuneration Committee

- 4.1 The Remuneration Committee of the Board of Directors shall be re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.

At present, the Nomination and Remuneration Committee comprises of following Directors:

- i. Mr. Mahendra Pratap Singh (*Non-Executive Independent Director*)
- ii. Ms. Pragya Baid (*Non-Executive Director*)
- iii. Mr. Sharad Kumar Bachhawat (*Non-Executive Independent Director*)

- 4.2 The Committee shall be responsible for

- 4.2.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis.
- 4.2.2 Formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.
- 4.2.3 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- 4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

- 4.3 The Committee shall:

- 4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;
- 4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- 4.3.3 obtain reliable, up-to-date information about remuneration in other companies;
- 4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

- 4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:

- 4.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any). It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
- 4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors; and

- 4.4.3 review the terms of executive Directors' service contracts from time to time.

5. Procedure for selection and appointment of the Board Members

5.1 Board membership criteria

- 5.1.1 The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Executives for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
- 5.1.2 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.
- 5.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- 5.1.4 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- 5.1.5 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

5.2 Selection of Board Members/ extending invitation to a potential director to join the Board

- 5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.
- 5.2.2 The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

6. Procedure for selection and appointment of Executives other than Board Members

- 6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel;
- 6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;
- 6.3 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;

- 6.4 Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- 6.5 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7. Compensation Structure

7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law. The Non-executive Directors may be paid such commission as the Board may approve from time to time subject to limits prescribed from time to time in the Act or Rules made thereunder.

7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for MD/WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

8. Approval and publication

- 8.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 8.2 This policy shall be hosted on the Company's website.
- 8.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

9. Supplementary provisions

- 9.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 9.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 9.3 The right to interpret this Policy vests in the Board of Directors of the Company.

ANNEXURE 'F'

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 134(g) OF THE COMPANIES ACT, 2013.

Amount of loan outstanding as on 31st March, 2016

| Sl. No. | Particulars | Amount (Rs) |
|---------|---|-------------|
| 1. | S.D Infrastructure & Real Estate (P) Ltd. | 159,000,000 |
| 2. | RDB Legend Infrastructure (P) Ltd. | 50,000,000 |
| | Total | 209,000,000 |

No guarantee and investment has been offered during the year under review.

ANNEXURE 'G'

REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy including overview of projects / programs undertaken :

The Company has framed Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014. It enumerates the list of activities for channelizing the amount of expenditure towards Corporate Social Responsibility by the Company. CSR Committee has proposed to spend 2% of Company's average net profits made during the 3 immediately preceding financial years in Shree Shwetambar Sthanakvasi Jain Sabha with an established track record of more than three years in undertaking educational activities and promotion of health care. Kusum Devi Sunderlal Dugar Jain Dental College is unit of Shree Shwetambar Sthanakvasi Jain Sabha and the registered society is eligible to channelize the expenditure for CSR activities.

The CSR Policy of the Company as approved by the Board of Directors is available on the Company's website at the weblink www.rdbgroup.in/policies.asp.

2. The composition of the CSR Committee is as under:

| | |
|----------------------------------|-----------------|
| Sri Sharad Kumar Bahhawat | Chairman |
| Sri Shanti Lal Baid | Member |
| Sri Sandeep Baid | Member |

3. Average Net Profit of the Company for last 3 financial years: Rs. 42,883,923.33

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 857,678.46

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the year: Rs. 900,000
- (b) Amount unspent, if any: N.A

(c) Manner in which the amount spent during the financial year is detailed below:

| Sl No. | CSR project or activity identified | Sector in which the Project/ activity is covered | Projects/ Programs 1.Local area or other 2.Specify the State and District where projects or program was undertaken | Amount outlay (budget) project/ programs wise | Amount spent on the project or programs Subheads: 1.Direct expenditure on project or programs 2.Overheads: | Cumulative expenditure upto to the reporting period. | Amount spent: Direct/ through implementing agency* |
|--------|--|--|--|---|---|--|---|
| 1. | Promotion of Education and health care | Education & Health care | Kolkata West Bengal | Rs 900,000 | Rs. 9,00,000 by way of contribution / donation to Shree Shwetambar Sthanakvasi Jain Sabha Registered society | Rs. 900,000 | Through Implementing Agency- Sri Shwetambar Sthanakvasi Jain Sabha* |
| | TOTAL | | | Rs 900,000 | | Rs. 900,000 | |

* Sri Shwetambar Sthanakvasi Jain Sabha is a benevolent organization which came into existence in the year 1941. Its wide aim is overall development of the society, particularly in the sphere of education , health care, moral and social awareness specially among the younger generation, paving the way for a healthy society.

6. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

Sd/-
Shanti Lal Baid
(Managing Director)

Sd/-
Sharad Kumar Bachhawat
(Chairman of CSR Committee)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC OUTLOOK

In 2015, global economic activity remained subdued. Oil prices have declined markedly since September 2015, reflecting expectations of sustained increases in production by Organization of the Petroleum Exporting Countries (OPEC) members amid continued global oil production in excess of oil consumption. Future markets are currently suggesting only modest increases in prices in 2016 and 2017. Prices of other commodities, especially metals, have fallen as well.

Fluctuations in overall economic activity are the indicators of movements in industrial packaging demand. The industrial packaging sector is also dependent upon the fortunes of the key user industries, notably chemicals, lubricants, bulk food and beverages, building and construction. Asia accounts for the largest share of the industrial packaging market at 31% in 2013 and will continue to see the highest growth. The region will increase its share of total demand to 34% by 2020.

Rigid industrial packaging accounts for the majority of industrial packaging, although sacks represent the largest single sector under review. In terms of end use markets for industrial packaging, the chemicals and pharmaceuticals sector is the most significant, accounting for more than 30% of total sales.

INDIAN ECONOMIC CONDITIONS AND FIBC MARKET

India's economy has witnessed a significant economic growth in the recent past, growing by 7.3% in FY 2015 as against 6.9% in FY 2014. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5% and 'trade, hotels, transport, communication services' at 10.7%.

While public investment and urban consumption were the major drivers of growth in FY 2015, a revival of private investment and rural consumption is critical if growth is to remain strong in FY 2016 and FY 2017, given the likely sluggish recovery in the advanced economies and the anemic outlook for global trade.

The Indian packaging industry, growing at an annual rate of more than 15%, is valued at \$ 15.6 billion. More than 80% of the total packaging in India constitutes rigid packaging. The remaining 20% comprises flexible packaging. Indian packaging machinery exports are rapidly growing.

The flexible bulk packaging industry that includes woven sacks, leno bags, wrapping fabric, and flexible intermediate bulk container (FIBC) is growing at over 20% with FIBC containers expected to grow threefold in the next 5 years riding an increased industrial production and a shift toward higher-value containers offering enhanced performance and supply chain efficiency.

SWOT ANALYSIS

Strengths and Opportunities

Your Company is one of the leading manufacturer and exporter of bulk packaging in Eastern India. The main strength of the Company is that it has a diverse market with wide range of customers. The strength of the business lies in the manufacture and supply of value added goods to reach the end users. Your Company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. The planned utilization of capacity will enable the Company to achieve growth. Your Company has maintained a steady growth in spite of intense competition and slowdowns in the global markets due to its ability to adapt new technologies, product innovation, identifying and satisfying the customers' expectation in terms of quality improvement, productivity enhancement and maintaining delivery schedules. Your Company intends to increase market share to enhance shareholders' value and has emerged as the leading supplier of woven bags to various customers in eastern India.

Weaknesses and Threats

Volatility in prices of raw materials: The main raw material used in the manufacture of FIBC is polypropylene, which is a crude derivative and subject to price fluctuations. Raw materials account for 60-70% of costs in FIBC and shortage of raw materials leads to stiff competition for the same.

Competition threat: Your Company has always been exposed to competition threats from various large and small organizations. The rise in competition can create pressure on market share and erode margins.

Labour problems: As the polymer based industry is labour oriented, your Company faces occasional labour problems and also availability of good quality labour.

Risks and Concerns

Risk is an inherent aspect of every business. Risk Management has become very important part of business in today's economic environment. The risk management system of your company identifies, monitors and takes precautionary measures in respect of the events that may pose risks for the business. The Risk Management Approach ensures that risks are kept well under controllable levels.

| Key Risk | Impact upon the Company | Risk Mitigation |
|------------------|---|--|
| Raw Material | The basic raw material used in manufacturing process is polypropylene, which is crude derivative and is subject to volatility in price and availability that leads to stoppage in production and increase in manufacturing costs. | The Company procures polypropylene primarily from Haldia Petrochemicals Ltd. To ensure continuous availability it has also tied with other suppliers like Reliance Industries Ltd, Indian Oil Corporation etc. It also imports in times of non-availability to fulfill its requirement. However the company has no control over pricing mechanism of crude derivatives which depend on international prices. |
| Product Quality | The Company is sometimes unable to manufacture good quality jumbo bags to cater to the needs of end users. | Your Company is always in the process to improve the quality of jumbo bags which may help end user. The quality control team continuously works towards quality improvement. |
| Human Resources | The industry being labour-intensive, labour unrest is a common phenomenon. | Your Company takes various measures to ensure that employee grievances are addressed quickly and mitigated satisfactorily. |
| Competition Risk | The Indian packaging market is highly competitive with various large and small companies. The increase in competition can create pressure on market share and erode margins. | Your Company caters to the needs of clients through best quality products, better services and timely delivery to ensure high levels of customer satisfaction. |

SEGMENTWISE PERFORMANCE

Your Company is one of the leading manufacturer and exporter of quality PP Woven Sacks & Jumbo Bags of various designs. Your Company is mainly engaged in the business of manufacturing of polymer based woven bags.

The Company has posted a net profit of Rs. 415.53 Lakhs for the year ended March 31, 2016 as compared to Rs. 648.44 Lakhs for the year ended March 31, 2015. Total Income stands at Rs. 6950.74 Lakhs for the year ended March 31, 2016 as against Rs. 7690.25 Lakhs for the year ended March 31, 2015.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate internal control system covering all its operations in order to provide reasonable assurance with regard to information and maintenance of proper accounting records, the economy and efficiency of operations, safeguarding of assets against unauthorized use or losses, and the reliability of financial and operational information. The Internal Control mechanism comprises a well-defined organizational structure, pre-determined authority levels and clearly defined policy guidelines for appropriate delegation of authority.

The Internal control system of your company provides for:

- i. Adherence to applicable Accounting Standards and Policies.
- ii. Accurate recording of transactions with internal checks and prompt reporting.
- iii. Effective use of resources and safeguarding assets.
- iv. Compliance of applicable statutes and procedures.

Apart from the above, quarterly review of control system is conducted by Internal Auditors of the Company to ensure their adequacy and effectiveness.

HUMAN RESOURCE

There is a continuous endeavor for better Human Resource (HR) service delivery in order to establish a high performing company, where every individual is motivated to perform to the best capacity for achieving objectives of the Company as well as serve the customers. Your Company firmly believes that "People" are the most valuable assets and are the pivotal force behind success of its growth. As on 31st March, 2016, there were 125 permanent employees on the pay rolls of the company.

OUTLOOK

The FIBC market is characterized by innovative offerings and customizations. With increase in the cost of raw materials, FIBC vendors have to increase the prices of their end products or reduce their profit margins, which will have an adverse effect on FIBC market growth. However as the polymer based industry is labour oriented and due to low labour cost, the foreign users find competitive to source their supply from developing countries. The Indian polymer based industry has lucrative growth potential as the country focuses on enhancing product quality and cost reduction.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic market in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Corporate Governance

Good Corporate Governance Practices enable a company to bring transparency leading to effective control and management in an organization. The Corporate Governance practices of RDB Rasayans Limited are based on the principles of transparency, responsibility, accountability, knowledge and commitment to value. Your Company firmly believes in ethical business standards, commitment to values as well as compliances of applicable legislations and timely disclosures. The Company believes that its key decisions must serve the underlying goals of enhancing shareholders' value over a sustained period of time.

2. Board of Directors

The Board of directors ('the Board') is entrusted with the ultimate responsibility of the management, general affairs, direction, management policies and their effectiveness. Its actions and decisions are aligned with the Company's best interests. Your Company's Board plays primary role in ensuring good governance, smooth functioning of the Company and in creating shareholder value. The Board reviews and approves policies and oversees the actions and results of management to ensure that long term objectives of stakeholders value are met.

• Composition of the Board

The members of the Board are from diverse backgrounds with skills and experience in different areas like finance, technology, entrepreneurship, legal and general management. The Board of Directors of the Company has a balanced combination of Executive, Non-executive and Independent Directors. As on 31st March, 2016, your Board of Directors comprises of Six Directors having considerable knowledge and experience in their own fields. The Board comprises of two Executive Directors, one Non-Executive (Women) Director and three Independent Directors. The Chairman of the Company is an Executive director. The number of Independent Directors is three i.e. 50% of the total number of directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Non-Executive Directors are responsible for the day to day affairs of the Company. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements. At the time of appointment, every Independent Director signs a Declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down under the law. None of the Directors are related inter-se except for Sri Shanti Lal Baid, Sri Sandeep Baid and Smt. Pragya Baid.

The composition of Board and the category of Directors as on 31st March, 2016 are as follows:

| Name of the Directors | Category | No. of Board Meetings attended | Attendance at last AGM held on 4.9.2015 | No. of Directorship(s) held in Other Public co.s | No. of Membership(s) / Chairmanship (s) in Committees in Other Public cos | Relationship with other Directors | No. of shares and convertible instruments held by Non-Executive Directors |
|---|--------------------------------------|--------------------------------|---|--|---|--|---|
| Sri Shanti Lal Baid (Chairman cum Managing Director) | Executive Director | 4 | Yes | - | - | Relative of Sri Sandeep Baid & Smt Pragya Baid | - |
| Sri Sandeep Baid (Whole Time Director) | Executive Director | 4 | Yes | - | - | Relative of Sri Shanti Lal Baid & Smt Pragya Baid | - |
| Sri Sharad Kumar Bachhawat | Non Executive & Independent Director | 4 | Yes | - | - | - | - |
| Sri Mahendra Pratap Singh | Non Executive & Independent Director | 3 | Yes | 1 | 1 | - | - |
| Smt Pragya Baid | Non Executive Director | 4 | Yes | - | - | Relative of Sri Shanti Lal Baid & Sri Sandeep Baid | - |
| Sri Abhay Bharat Kumar Doshi | Non Executive & Independent Director | 3 | Yes | - | - | - | - |

- Excludes Directorships in private limited, foreign companies and government companies.
- Only memberships/chairmanships of the Audit Committee and Stakeholder Relationship Committee in various public limited companies considered.
- Sri Abhay Bharat Kumar Doshi appointed as Additional, Independent Director w.e.f 28.05.2015, ratified by shareholders at AGM held on 04.09.2015.
- None of the Directors hold Directorships in more than 20 companies including 10 public limited Companies pursuant to Section 165 of the Companies Act, 2013.
- None of the Directors hold Membership and/or Chairmanship of any Committee exceeding 10 Companies and/or 5 Companies respectively as per Regulation 26(1) of the Listing Regulations.
- Sri Prabir Kumar Sarkar passed away on 11.04.2015.

● Board Meetings and Board Committee Meetings

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The Board/Committee meetings are pre-scheduled and tentative dates of Board and Committee meetings are circulated to the Directors well in advance to facilitate them to plan their schedules. The Board periodically reviews compliance reports as prepared by the Company of all applicable statutes to the Company. Agenda and Notes on the agenda are circulated among the Directors, well in advance, in a structured format. All the agenda item are backed by necessary supporting information and documents to enable the Board to take suitable decision.

Information Placed before Board of Directors

The Company has complied with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

Number of Board Meetings

Four (4) Board Meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. Following are the dates on which the said meetings were held:

28th May, 2015, 14th August, 2015, 14th November, 2015 and 12th February, 2016.

The necessary quorum was present in all the meetings.

Attendance of each Director at Board Meetings and at last AGM

| Director | No. of Board Meetings | | Attendance at last AGM (04.09.2015) |
|------------------------------|-----------------------|----------|--|
| | Held | Attended | |
| Sri Shanti Lal Baid | 4 | 4 | Yes |
| Sri Sandeep Baid | 4 | 4 | Yes |
| Sri Mahendra Pratap Singh | 4 | 3 | Yes |
| Sri Abhay Bharat Kumar Doshi | 3 | 3 | Yes |
| Sri Sharad Kumar Bachhawat | 4 | 4 | Yes |
| Smt Pragya Baid | 4 | 4 | Yes |

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a brief resume of Directors retiring by rotation and seeking re-appointment is appended in the notice for convening the Annual General Meeting (AGM).

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and rules made thereunder.

During the year a separate meeting of Independent Directors was held inter-alia on 12th February, 2016 to review the performance of non-independent directors and the Board as a whole. The meeting was attended by Sri Sharad Kumar Bachhawat, Sri Mahendra Pratap Singh and Sri Abhay Bharat Kumar Doshi.

The Independent Board members were provided necessary documents, reports and other presentations about the Company.

3. Committees of the Board

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted committees to deal with specific areas which concern the Company. The Board has the following committees viz. the Audit Committee, the Stakeholder Relationship Committee, the Nomination & Remuneration Committee, the Investment Committee and the Corporate Social Responsibility Committee. Matters requiring

Board's attention/ approval are placed before the Board. Meeting of each of these Committee are administered by the respective Chairman of the Committee. The Minutes of the meetings of all the Committees are placed before the Board for review. Details of role and composition of these Committees including the number of meetings held during the financial year and the related attendance details are provided hereunder.

a) Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consists of three directors. All the directors have good knowledge of finance, accounts as well as company law. The Audit Committee is provided with all necessary assistance and information for enabling the committee to carry out its function effectively.

The Committee meets at regular intervals. During the year under review, the Committee met four times on 28th May, 2015, 14th August, 2015, 14th November, 2015, and 12th February, 2016. The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The required quorum was present in all the meetings.

• **Composition**

As on 31.03.2016, the Audit Committee comprises of :

| Name | Category | Position | No. of Board Meetings | |
|------------------------------|------------------------------------|----------|-----------------------|----------|
| | | | Held | Attended |
| Sri Abhay Bharat Kumar Doshi | Non-Executive Independent Director | Chairman | 3 | 3 |
| Sri Sharad Kumar Bachhawat | Non-Executive Independent Director | Member | 4 | 4 |
| Sri Sandeep Baid | Whole Time Director | Member | 4 | 4 |

- Sri Mahendra Pratap Singh was inducted in the Audit Committee by circular resolution dated 07.05.2015. Sri Mahendra Pratap Singh expressed inconvenience to be a part of the committee and thus he was excluded from the committee in the Board Meeting dated 14.08.2015.
- Sri Abhay Bharat Kumar Doshi was inducted as the Committee Member by circular resolution dated 03.08.2015.
- In the Board Meeting dated 14.08.2015 Sri Abhay Bharat Kumar Doshi was designated as Chairman of the Committee.

All the members of the Audit Committee are financially literate. The Chief Financial Officer attends the meeting of the Audit Committee and the Company Secretary acts as a Secretary to the Audit Committee.

Terms of reference

The terms of reference of the Audit Committee are enumerated below:

- Investigate any matter within its terms of reference or in relation to the compliance with the provisions of the Companies Act, 2013 or referred to it by the Board.
- To seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.
- Have full access to information contained in the records of the Company.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions, submitted by management;
- Management letters /letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the Stock Exchange(s) in terms of Regulation 32(1).
 - (b) Annual Statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice in terms of Regulation 32(7).

b) Stakeholders Relationship Committee

The Company has a Stakeholders' Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. The composition and the terms of reference of the Committee meet with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as provisions of the Companies Act, 2013.

The Committee meets at regular intervals and specifically looks into the aspect of redressal of Shareholders/ Investors Grievance. During the year under review, the Committee met four times on 28th May, 2015, 14th August, 2015, 14th November, 2015, and 12th February, 2016.

The necessary quorum was present in all the meetings.

• **Composition**

As on 31.03.2016, the Stakeholders Relationship Committee comprises of:

| Name | Category | Position | No. of Board Meetings | |
|----------------------------|------------------------------------|----------|-----------------------|----------|
| | | | Held | Attended |
| Sri Sharad Kumar Bachhawat | Non-Executive Independent Director | Chairman | 4 | 4 |
| Sri Shanti Lal Baid | Managing Director | Member | 4 | 4 |
| Sri Sandeep Baid | Whole Time Director | Member | 4 | 4 |

- Sri Sharad Kumar Bachawat was inducted in the Stakeholders Relationship Committee by circular resolution dated 13.05.2015.

The Company Secretary of the Company is the Secretary of the Committee.

Details of Shareholder's Complaints

| | | |
|-----|---|-----|
| (a) | Number of Shareholder's complaints received during the year | Nil |
| (b) | Number of Shareholder's complaints resolved during the year | Nil |
| (c) | Number of complaints not solved to the satisfaction of Shareholders | Nil |
| (d) | Number of complaints pending | Nil |

c) Nomination & Remuneration Committee

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation. The Committee reviews and where required, approves the human resource policies, remuneration proposals, succession planning, evaluation of performances and development plans of Key Managerial Personnel, Senior Management and other employees of the Company. It also provides support in handling the nomination and remuneration proposals for the Board members including Independent Directors.

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of section 178 of the Companies Act, 2013 and shall be responsible for:-

- 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 evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Committee met twice during the financial year ended 31st March, 2016 on 28th May, 2015 and 12th February, 2016 respectively.

The necessary quorum was present in both the meetings.

• **Composition**

The Nomination and Remuneration Committee comprises of the following three members:

| Name | Category | Position | No. of Committee Meetings | |
|---------------------------|------------------------------------|----------|---------------------------|----------|
| | | | Held | Attended |
| Sri Mahendra Pratap Singh | Non-Executive Independent Director | Chairman | 2 | 2 |
| Smt Pragya Baid | Non-Executive Director | Member | 2 | 2 |
| Sri Sharad Kumar Bachawat | Non-Executive Independent Director | Member | 2 | 2 |

- Smt Pragya Baid was inducted in the Nomination & Remuneration Committee by circular resolution dated 13.05.2015.
- Sri Mahendra Pratap Singh, the Chairman of the Committee was present at the previous Annual General Meeting of the Company.

The Company Secretary of the Company is the Secretary of the Committee.

The composition and the terms of reference of the Committee meet with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and provisions of section 178 of the Companies Act, 2013 including rules framed thereunder.

- **Remuneration policy**

The Company has framed a Remuneration Policy attached as Annexure E to the Board's Report.

- **Details of Remuneration to Directors for the year**

Remuneration paid to Directors for the Financial Year 2015-16 is as follows:

| Director | Consolidated salary | Perquisites and other Benefits | Sitting Fees | Total |
|---------------------|---------------------|--------------------------------|--------------|-------------|
| Sri Shanti Lal Baid | 1,200,000/- | 21,600/- | Nil | 1,221,600/- |
| Sri Sandeep Baid | 1,740,000/- | 21,600/- | Nil | 1,761,600/- |

- i) The appointments are subject to termination by giving two months notice in writing on either side.
- ii) Sri Sandeep Baid is being re-appointed as the Whole Time Director w.e.f April 1, 2016 for a period of three years.
- iii) The Company does not have at present any scheme for grant of Stock Options to its Directors or Employees.

Nomination and Remuneration Committee recommends the remuneration for the Executive Directors and Key Managerial Personnel and the same is then approved by the Board and Shareholders, where required. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance, etc.

No remuneration (either by way of sitting fees or otherwise) has been paid to the Non-Executive Directors in the financial year 2015-16. The Non-Executive Directors do not hold any shares and/or convertible instruments in the Company and also they do not have any pecuniary relationship or transaction with the Company. The Company has not granted any stock options to its Directors.

- **Performance evaluation of Directors**

In compliance with the provisions of the Listing Regulations, 2015 the Nomination and Remuneration committee on the basis of the Board Evaluation policy and framework adopted by the Board carries out the evaluation process of the Independent Directors. The Committee formulates evaluation criteria for the Independent Directors which is broadly based on:

- Leadership & stewardship abilities
- Contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- Obtain adequate, relevant & timely information from external sources
- Review & approve achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & mitigate significant corporate risks
- Assess policies, structures & procedures
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees
- Review of corporation's ethical conduct

d) Corporate Social Responsibility Committee

The Committee was constituted pursuant to the provision of Section 135 of the Companies Act, 2013 and rules made thereunder and have met on 24th August, 2015, 14th November, 2015 and 12th February, 2016 during the financial year 2015-16.

The necessary quorum was present in all the meetings

• Composition

As on 31.03.2016, the Committee comprises of :

| Name | Category | Position | No. of Committee Meetings | |
|----------------------------|------------------------------------|----------|---------------------------|----------|
| | | | Held | Attended |
| Sri Sharad Kumar Bachhawat | Non-Executive Independent Director | Chairman | 3 | 3 |
| Sri Shanti Lal Baid | Managing Director | Member | 3 | 3 |
| Sri Sandeep Baid | Whole Time Director | Member | 3 | 3 |

• CSR Contribution

Effective from 2015-16, at least 2% of average net profits of past three years should be expended on CSR activities in terms of Section 135 of the Companies Act, 2013. The Company has contributed 2% of its average net profits amounting to Rs 9, 00,000 (approx) to Shree Shwetambar Sthanakvasi Jain Sabha, a Registered Society for activities relating to promotion and improvement of education and promotion of health care and sanitation.

• Corporate Social Responsibility Committee Report

The CSR Report for the year ended 31st March 2016 is attached as Annexure- G to the Board's Report.

Details of General Body Meetings

a) Details of Annual General Meeting:

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

| Financial Year ended | Meeting | Date | Time | Venue | Special Resolutions passed, if any |
|----------------------|----------------------|---|------------|---|---|
| 2014-15 | 20 th AGM | Friday, 4 th September, 2015 | 10:00 A.M. | Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017 | Approval of Borrowing Limit |
| 2013-14 | 19 th AGM | Friday, 5 th September, 2014 | 11:00 A.M. | Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017 | Re-appointment of Sri Shantilal Baid as Managing Director of the Company, Approval of related party transactions |
| 2012-13 | 18 th AGM | Thursday, 8 th August, 2013 | 9:00 A.M | The Aryans School, 149, B.T Road, Kolkata-700058 | - |

b) Details of Extra Ordinary General Meeting:

No Extra Ordinary General Meeting was held during the financial year 2015-16.

c) Postal Ballot:

No special resolution was passed through Postal Ballot during the financial year 2015-16.

None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

4. Disclosures

a) Materially Significant related party transaction

All contracts with our affiliates entered into during the said period have no potential conflict of interests of the Company at large and are being carried out at an arm's length at fair market value. There is no materially significant related party transactions entered i.e. any transaction of material nature, with its promoters, directors or the management or relatives etc. that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The mandatory disclosure of transactions with related parties set out in Note no 2.30 is in compliance with the Accounting Standard (AS-18) & forms a part of the Annual Report.

The policy on material related party transactions and on dealing with related parties and a statement on such policy has been uploaded on the Company's website at weblink www.rdbgroup.in/policies.asp

b) Statutory Compliances

The Company is regular in complying with the requirements of the regulatory authorities on the matters relating to the capital market.

Investigation by SEBI on public offer has been completed.

The Company has filed an appeal in SAT on 16th December, 2015 against the Order dated 19th December, 2014 issued by SEBI under section 11(1), 11(4) and 11B of the SEBI Act, 1992.

c) Disclosure of Accounting Treatment

In preparation of Financial Statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant Accounting Standards have been set out in the notes to Accounts of the Audited Accounts.

d) Management Discussion and Analysis Report (MDA)

MDA forms part of the Director's Report and the same is annexed separately in this Annual Report.

e) Whistle Blower Policy

The Company has framed a Vigil Mechanism/ Whistle Blower Policy which is being reviewed by Audit Committee timely and has affirmed that no personnel have been denied access to the Audit Committee. The said policy may be referred to, at the Company's website at the weblink www.rdbgroup.in/policies.asp

The Vigilance Officer/Chairman of Audit Committee has not received any complaint during the financial year ended 31st March, 2016.

f) Code of Conduct for Directors and Senior Management

The Company is consistently endeavoring to conduct its business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Company believes that a good Corporate Governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

The Board of Directors has adopted the Code of Conduct for the Directors and Senior Management ("the code").

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by all. A declaration signed by the Managing Director is given as follows:

DECLARATION

"I hereby confirm that Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of period starting from 01.04.2015 to 31.03.2016."

For **RDB Rasayans Limited**

Shanti Lal Baid

DIN:00056776

Chairman & Managing Director

Place: Kolkata

Date: 30th day of May, 2016

- g) **Code of Insider Trading** : The Board of Directors has also adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price sensitive information. A copy of the Code is accessible on the Company's website, at weblink www.rdbgroup.in/policies.asp

5. Means of Communication

The Company interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report and the Company's website.

- The Company also informs the Stock Exchange in a prompt manner, all price sensitive and other matters which in its opinion, are material and relevant for the shareholders.
- The quarterly financial results and annual audited financial results are generally published in Financial Express in English and Kalantar Express in Bengali.
- The quarterly financial results and annual audited financial results of the Company are sent to the BSE Ltd.
- The Company's financial results are also displayed in its website at weblink www.rdbgroup.in/financialresults.asp. The Company has designated the following e-mail id exclusively for investor services: investor.rasayans@rdbindia.com.
- No presentation was made to the institutional investors or to the analysts during the year under review.
- Annual Report containing, inter alia, Director's Report, Auditor's Report, Audited Annual Accounts and other important information is circulated to members and others entitled thereto.

6. Compliance Certificate by the Auditors

The statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is annexed.

7. Reconciliation of Share Capital

As per SEBI (Depositories & Participants) Regulation, 2003, Certificate of Reconciliation of Share Capital Audit issued by a Practicing Company Secretary, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis and also submitted to the Stock Exchange.

8. Compliance with requirements of Corporate Governance pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

The Company has complied with all the mandatory requirements of Corporate Governance of the Listing Regulations and has adopted the following discretionary requirements of Part E of Schedule II as mentioned in Regulation 27(1) of the Listing Regulations:

A. The Board

Since the Company does not have a Non-Executive Chairman, it does not maintain such office.

B. Shareholder Rights

Half yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company like quarterly results.

C. Audit Qualifications

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.

9. The Company has no subsidiary and hence there is no need to frame any policy for determining "material" subsidiary.
10. The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities are not applicable.

11. General Shareholder Information

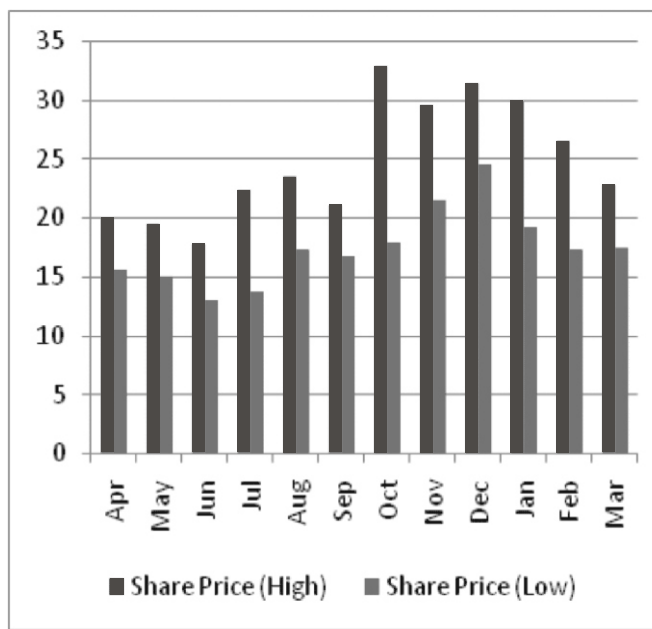
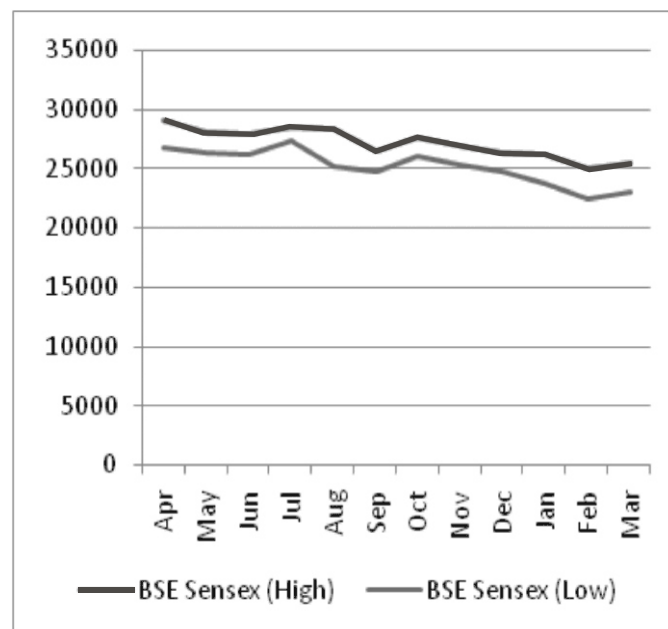
| | |
|--|---|
| 1. Annual General Meeting Day, Date & Time Venue | Saturday, 3 rd September, 2016 at 9:30 a.m. Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, 4 th Floor, Kolkata- 700017 |
| 2. Financial Calendar (Tentative) Financial Year Results for the Quarter ended June 30, 2016 September 30, 2016 December 31, 2016 March 31, 2017 | April 1, 2016 to March 31, 2017 On or before 14 th August, 2016 On or before 14 th November, 2016 On or before 14 th February, 2017 On or before 30 th May, 2017 |
| 3. Book Closure Date | 28 th August, 2016 to 3 rd September, 2016 (both days inclusive) |
| 4. Listing Details | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Website: www.bseindia.com |
| 5. Stock Code | Scrip Code: 533608 ISIN: INE123M01017 CIN: L36999WB1995PLC074860 |
| 6. Registrar & Share Transfer Agent | Main Office: M/s Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai- 400 078 Phone No: 022-2596 0320 Fax No: 022- 2594 6969 E-mail: mumbai@linkintime.co.in Branch office: M/s Link Intime India Pvt. Ltd. 59C, Chowringhee Road, 3rd Floor, Kolkata- 700 020 Phone No: 033-2289 0540, 2290 9469 Fax No: 033-2289 0539 E-mail: kolkata@linkintime.co.in Contact Person: Mr. S P Guha (Head- Kolkata Operation) |

| | |
|--|---|
| Compliance Officer / Company Secretary | Miss Mausami Das “Bikaner Building” 8/1, Lal Bazar Street, 3rd Floor, Room No. 9 Kolkata- 700001 Phone No: 033 44500500 E-mail: mausamidas@rdbindia.com |
| 8. Depository System | As on 31 st March, 2016 a total of 16,074,640 Equity Shares of the Company representing 90.74% of the total Equity Share Capital were held in Dematerialised Form. |
| 9. Investor complaint to be addressed to | Link Intime India Pvt. Ltd. (RTA) or Miss Mausami Das (Company Secretary) |
| 10. E-mail ID of Grievance Redressal Division | investor.rasayans@rdbindia.com |
| 11. Payment of Listing Fees | Annual listing fee for the year 2016-17 has been paid by the Company to BSE |
| 12. Depositories | National Securities Depository Limited Trade World, Kamala Mills Compound, Lower Parel, Mumbai- 400 013 Website: www.nsdl.co.in |
| | Central Depository Services (India) Limited P J Towers, 17th Floor, Dalal Street, Fort Mumbai- 400 001 Website: www.cdslindia.com |
| 13. Payment of Depository Fees | Annual custody / Issuer fee for the year 2016-17 has been paid by the Company to CDSL and NSDL. |
| 14. Outstanding Warrants, GDRs/ADRs and Convertible Bonds, Conversion date and likely impact on equity | Not Applicable |

Market Price Data

The monthly high and low share price data at the Bombay Stock Exchange Limited for the period April, 2015 to March, 2016:

| Month | Share Price (High) | Share Price (Low) | BSE Sensex (High) | BSE Sensex (Low) |
|------------|--------------------|-------------------|-------------------|------------------|
| Apr, 2015 | 20.00 | 15.60 | 29094.61 | 26897.54 |
| May, 2015 | 19.50 | 15.10 | 28071.64 | 26423.99 |
| June, 2015 | 17.75 | 13.00 | 27968.75 | 26307.07 |
| July, 2015 | 22.40 | 13.80 | 28578.33 | 27416.39 |
| Aug, 2015 | 23.55 | 17.35 | 28417.59 | 25298.42 |
| Sep, 2015 | 21.05 | 16.75 | 26471.82 | 24833.54 |
| Oct, 2015 | 33.00 | 18.00 | 27618.14 | 26168.71 |
| Nov, 2015 | 29.70 | 21.60 | 26824.30 | 25451.42 |
| Dec, 2015 | 31.50 | 24.55 | 26256.42 | 24867.73 |
| Jan, 2016 | 30.00 | 19.20 | 26197.27 | 23839.76 |
| Feb, 2016 | 26.55 | 17.35 | 25002.32 | 22494.61 |
| Mar, 2016 | 22.85 | 17.50 | 25479.62 | 23133.18 |



Share Transfer System

The shares received in physical mode by the Company / RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. The RTA, which is a category-I Registrar and Share Transfer Agent performs all share transfer activities. Therefore, all correspondence should be mailed to the address of the RTA given in the General Shareholder Information. Shareholders holding shares in the electronic form should address their correspondences to their respective depository participants.

Distribution of Shareholding as on 31st March, 2016

➤ By size:

| Range of Shares | Number of Shareholders | % of Shareholders | No. of Shares | % of Shares |
|-----------------|------------------------|-------------------|-------------------|---------------|
| Up to 500 | 2,511 | 81.898 | 328,024 | 1.852 |
| 501-1000 | 270 | 8.806 | 229,794 | 1.297 |
| 1001-2000 | 135 | 4.403 | 213,594 | 1.206 |
| 2001-3000 | 40 | 1.305 | 104,422 | 0.590 |
| 3001-4000 | 23 | 0.750 | 84,557 | 0.477 |
| 4001-5000 | 14 | 0.457 | 64,713 | 0.365 |
| 5001-10000 | 28 | 0.913 | 187,901 | 1.060 |
| 10001- above | 45 | 1.468 | 16,501,795 | 93.153 |
| Total | 3,066 | 100.00 | 17,714,800 | 100.00 |

➤ By Category:

| Category | Number of Shares | % to Total |
|-----------------------------------|-------------------|---------------|
| Promoter and Promoter Group | 12,873,099 | 72.669 |
| Banks, Financial Institution etc. | Nil | Nil |
| Corporate Bodies | 1,741,415 | 9.830 |
| Indian Public | 2,562,711 | 14.466 |
| HUF | 172,660 | 0.975 |
| NRIs | 328,532 | 1.855 |
| Clearing Members | 33,883 | 0.191 |
| NRN | 2,500 | 0.014 |
| Total | 17,714,800 | 100.00 |

List of Top Ten Shareholders as on 31st March, 2016

| Name of the Shareholder | No. of Shares held | % of Shareholding |
|-----------------------------------|--------------------|-------------------|
| Smt. Sheetal Dugar | 4,361,404 | 24.620 |
| M/s YMS Finance Pvt. Ltd. | 3,513,800 | 19.835 |
| Sri Vinod Dugar | 3,434,800 | 19.389 |
| M/s Growth Techno Projects Ltd. | 1,640,000 | 9.258 |
| Sri Sandeep Baid | 902,695 | 5.096 |
| Sri Moti Lal Laxkar | 449,760 | 2.539 |
| Sri Shanti Lal Baid | 380,000 | 2.145 |
| Smt. Sangeetha S | 248,290 | 1.402 |
| Sri Moizbhai Hakimuddin Boriawala | 238,758 | 1.348 |
| Shanti Lal Baid (HUF) | 140,000 | 0.790 |

Details of Shares held by Directors as on 31st March, 2016

| Name of Director | No. of Equity Shares | % of Total Holding |
|------------------------------|----------------------|--------------------|
| Sri Shanti Lal Baid | 520,000* | 2.935 |
| Sri Sandeep Baid | 902,695 | 5.096 |
| Sri Mahendra Pratap Singh | Nil | Nil |
| Sri Sharad Kumar Bachhawat | Nil | Nil |
| Smt. Pragya Baid | Nil | Nil |
| Sri Abhay Bharat Kumar Doshi | Nil | Nil |
| Total | 1,422,695 | 8.031 |

*includes 140,000 shares of Shanti Lal Baid (HUF)

Dematerialisation of Shares and liquidity

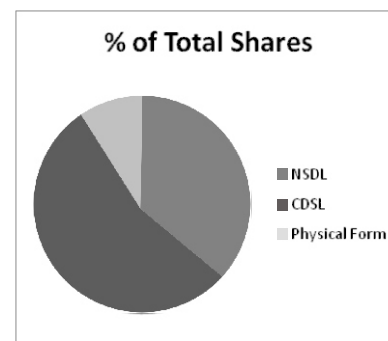
As on 31st March, 2016 a total of 16,074,640 Equity Shares of the Company representing 90.74% of the total Equity Share Capital were held in Dematerialised Form.

The bifurcation of shares held in Physical and Demat Form as on 31st March, 2016 is given below:

| Status of Dematerialisation | No. of Shares | % of Total Shares |
|------------------------------|---------------|-------------------|
| Shares held in NSDL | 6,513,424 | 36.77 |
| Shares held in CDSL | 9,561,216 | 53.97 |
| Shares held in Physical Form | 1,640,160 | 9.26 |

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity

Not applicable as the Company has not made any such issue.



Transfer of Unclaimed amounts to Investor Education and Protection Fund

Pursuant to section 124 of the Companies Act, 2013, dividends that are unpaid/unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Plant Location:

RDB Rasayans Limited

126, Basudevpur, HPL Link Road,
Haldia- 721 602, Dist. Purba Medinipur,
West Bengal

Address for Correspondence:

Registered office

RDB Rasayans Limited

Bikaner Building, 8/1 Lal Bazar Street,
3rd Floor, Room No 9,
Kolkata- 700 001
Website: www.rdbgroup.in

**For and on behalf of the Board
RDB Rasayans Ltd.**

Place: Kolkata
Date: 30th day of May, 2016

**Shanti Lal Baid
Chairman & Managing Director**

CEO/CFO CERTIFICATION

To,
The Board of Directors,
RDB Rasayans Limited
Bikaner Building,
8/1 Lal Bazar Street,
3rd Floor, Kolkata-700001

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that :
 - (1) there have been no significant changes in internal control over financial reporting during the year;
 - (2) there have been no significant changes in accounting policies during the year and ;
 - (3) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **RDB Rasayans Limited**

For **RDB Rasayans Limited**

Place: Kolkata
Date: 30th day of May, 2016

Shanti Lal Baid
Managing Director &
Chief Executive Officer

Bidhan Neogi
Chief Financial Officer

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To The Members of RDB RASAYANS LIMITED

We have examined the compliance of conditions of Corporate Governance by RDB RASAYANS LIMITED for the year ended 31st March, 2016 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited.

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

For S M DAGA & CO.
Chartered Accountants
Firm's Registration Number: 303119E

Deepak Kumar Daga
(Partner)
Membership Number: 059205

Place: Kolkata
Date: 30th day of May, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RDB RASAYANS LIMITED

We have audited the accompanying financial statements of RDB RASAYANS LIMITED, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit & Loss and Cash Flow Statement for the year ended, and also a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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.

Emphasis of Matter

We draw attention to the following matter in the Notes to the following financial statements:

- a) Note 2.33 to the financial statements which, describes the uncertainty related to the outcome of pending dispute against SEBI in the matter of Public Issue.
- b) Note 2.37 to the financial statements which, describes the uncertainty related to the outcome of pending dispute against West Bengal Government in the matter of Entry Tax.

Report on Other Legal and Regulatory Requirements

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 on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we set out a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

- 1) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us Fixed Assets of the company are physically verified by the management according to a phased program designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.
- c) The title deeds of immovable properties are held in the name of the company.
- 2) a) The inventory (excluding stock lying with third parties) has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.
- 3) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence clause is not applicable.
- 4) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has neither given any loans, guarantees or security nor has made any investments covered under the provisions of section 185 and 186 of the Companies Act, 2013.
- 5) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- 6) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

- 7) a) The company is regular in depositing 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 any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute except as stated below:

| Nature of Statute | Nature of Dues | Amount (Rs in Lacs) | Period | Forum where pending |
|--|----------------|---------------------|-------------------|--------------------------------|
| West Bengal Tax on Entry of Goods into Local Areas Act, 2013 | Entry Tax | 20.84 | 2014-15 & 2015-16 | Hon'ble High Court of Calcutta |

- 8) According to the records of the Company examined by us and the information and explanations given to us, the Company has neither defaulted in repayment of loans or borrowing to any financial institution, bank and government nor has it any outstanding debenture; hence the clause is not applicable.
- 9) According to the information and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and term loan has been applied, on an overall basis, for the purpose for which they were obtained.
- 10) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.
- 11) As examined by us, the company has paid remuneration to managerial personnel during the period in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) The company is not a nidhi company. Hence clause is not applicable.
- 13) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- 14) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.
- 15) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.
- 16) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

1. 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.
2. 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.
3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. 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.
5. On the basis of the written representations received from the directors as on 31st March, 2016 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.
6. With respect to the adequacy of the internal financial controls over financials reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure A.
7. 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) (i) Note 2.33 to the financial statements which, describes the uncertainty related to the outcome of pending dispute against SEBI in the matter of Public Issue.
 - (ii) Note 2.37 to the financial statements which, describes the uncertainty related to the outcome of pending dispute against West Bengal Government in the matter of Entry Tax.
 - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. M. DAGA & CO.
Chartered Accountants
Firm Registration No. 303119E

Deepak Kumar Daga
(Partner)
Membership No. 059205

Date: 30th day of May, 2016
Place: Kolkata 700 001.

Annexure A - Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

TO THE MEMBERS OF RDB RASAYANS LIMITED

We have audited the internal financial controls over financial reporting of RDB RASAYANS LIMITED as of 31 March 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 issued by the Institute of Chartered Accountants of India. 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 on Audit of Internal Financial Controls over Financial Reporting 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 applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 -

- i) Pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- ii) 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.
- iii) 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 31 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.

For S. M. DAGA & CO.
Chartered Accountants
Firm Registration No. 303119E

Deepak Kumar Daga
(Partner)
Membership No. 059205

Date: 30th day of May, 2016
Place: Kolkata 700 001.

BALANCE SHEET

as at 31st March, 2016

(Amount in ₹)

| Sr. No. | Particulars | Note | As at 31 st March, 2016 | | As at 31 st March, 2015 | |
|------------|--|-------|---------------------------------------|--------------------|---------------------------------------|--------------------|
| I. | EQUITY AND LIABILITIES | | | | | |
| | 1. Shareholders' funds | | | | | |
| | (a) Share capital | 2.1 | 177,148,000 | | 177,148,000 | |
| | (b) Reserves and surplus | 2.2 | 456,581,132 | 633,729,132 | 415,028,791 | 592,176,791 |
| | 2. Non-current liabilities | | | | | |
| | (a) Long-term borrowings | 2.3 | 7,830,007 | | 14,962,695 | |
| | (b) Deferred tax liabilities (net) | 2.4 | 9,676,889 | | 7,382,186 | |
| | (c) Long-term provisions | 2.5 | 2,508,422 | 20,015,318 | 1,797,151 | 24,142,032 |
| | 3. Current liabilities | | | | | |
| | (a) Short-term borrowing | 2.6 | 60,087,264 | | 104,976,949 | |
| | (b) Trade payables | 2.7 | 19,369,253 | | 41,295,270 | |
| | (c) Other current liabilities | 2.8 | 12,844,174 | | 9,478,014 | |
| | (d) Short-term provisions | 2.9 | 23,370,000 | 115,670,691 | 40,360,923 | 196,111,156 |
| | Total | | | 769,415,141 | | 812,429,979 |
| II. | ASSETS | | | | | |
| | 1. Non-current assets | | | | | |
| | (a) Fixed assets | | | | | |
| | Tangible assets | 2.10 | 113,384,494 | | 121,173,584 | |
| | (b) Other non-current assets | 2.11 | 1,886,642 | 115,271,136 | 6,020,681 | 127,194,265 |
| | 2. Current assets | | | | | |
| | (a) Inventories | 2.12 | 41,799,885 | | 80,392,820 | |
| | (b) Trade receivables | 2.13 | 95,134,549 | | 89,054,516 | |
| | (c) Cash and bank balances | 2.14 | 277,071,052 | | 276,928,181 | |
| | (d) Short-term loans and advances | 2.15 | 219,365,056 | | 214,888,609 | |
| | (e) Other current assets | 2.16 | 20,773,463 | 654,144,005 | 23,971,588 | 685,235,714 |
| | Total | | | 769,415,141 | | 812,429,979 |
| | Significant accounting policies and notes to financial statement | 1 & 2 | | | | |

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

For S. M. DAGA & CO.

Chartered Accountants

Firm registration No. 303119E

Deepak Kumar Daga

(Partner)

Membership No. 059205

For and on behalf of the Board

Place : Kolkata.

Date : 30th day of May, 2016

Shanti Lal Baid
Managing Director

Sandeep Baid
Whole time Director

Mausami Das
Company Secretary

Bidhan Neogi
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2016

(Amount in ₹)

| Sr. No. | Particulars | Note | For the year ended 31 st March, 2016 | | For the year ended 31 st March, 2015 | |
|---------|--|-------|---|--------------------|---|--------------------|
| I. | REVENUE | | | | | |
| | Revenue from operations | 2.17 | 698,510,183 | | 749,826,288 | |
| | Less : Excise duty | | 66,624,018 | 631,886,165 | 71,198,317 | 678,627,971 |
| | Other income | 2.18 | | 63,188,392 | | 90,396,776 |
| | Total revenue | | | 695,074,557 | | 769,024,747 |
| II. | EXPENSES | | | | | |
| | Purchase of stock-in-trade | | | 240,751 | | 13,554,338 |
| | Cost of materials consumed | 2.19 | | 377,809,804 | | 395,299,560 |
| | Changes in inventories of finished goods and work-in-progress | 2.20 | | 27,071,272 | | 30,716,701 |
| | Employee benefits expenses | 2.21 | | 32,366,935 | | 46,690,998 |
| | Finance cost | 2.22 | | 9,731,968 | | 13,995,884 |
| | Depreciation | 2.10 | | 8,539,879 | | 8,924,521 |
| | Other expenses | 2.23 | | 171,426,837 | | 166,881,752 |
| | Total expenses | | | 627,187,446 | | 676,063,754 |
| III. | Profit before tax (PBT) | | | 67,887,111 | | 92,960,993 |
| IV. | Tax expenses of continuing operation : | | | | | |
| | (a) Current tax | | 23,370,000 | | 29,690,000 | |
| | (b) Tax adjustments for earlier year | | 670,067 | | 3,860 | |
| | (c) Deferred tax | | 2,294,703 | 26,334,770 | (1,577,041) | 28,116,819 |
| V. | Profit/ (loss) for the period after tax (PAT) | | | 41,552,341 | | 64,844,174 |
| VI. | Earning per share Basic and Diluted : (refer note no. 2.28) | | | 2.35 | | 3.66 |
| | Significant accounting policies and notes to financial statement | 1 & 2 | | | | |

This is the statement of Profit & Loss referred to in our report of even date

For S. M. DAGA & CO.
Chartered Accountants
Firm registration No. 303119E

Deepak Kumar Daga
(Partner)
Membership No. 059205

For and on behalf of the Board

Place : Kolkata.
Date : 30th day of May, 2016

Shanti Lal Baid
Managing Director

Sandeep Baid
Whole time Director

Mausami Das
Company Secretary

Bidhan Neogi
Chief Financial Officer

CASH FLOW STATEMENT

for the year ended 31st March 2016

(Amount in ₹)

| Sr. No. | Particulars | For the year ended 31 st March, 2016 | For the year ended 31 st March, 2015 |
|-----------|--|--|--|
| A. | Cash flow from operating activities : | | |
| | Net profit before tax as per Statement of Profit & Loss | 67,887,111 | 92,960,993 |
| | Adjustments for : | | |
| | Depreciation | 8,539,879 | 8,924,521 |
| | Bad Debts written off | 317,470 | 189,941 |
| | Foreign Exchange (gain) / loss | (2,073,428) | (2,738,107) |
| | Interest paid | 8,846,723 | 12,580,718 |
| | Sundry balances / (liabilities) written back | 3,247,922 | 292,361 |
| | Interest received | (53,793,380) | (84,978,591) |
| | Share Issue expenses written off | 4,134,039 | 4,134,036 |
| | Provision for employees benefits | 1,222,708 | 726,553 |
| | Operating profit before working capital changes | 38,329,044 | 32,092,425 |
| | (Increase) / Decrease in inventories | 38,592,935 | 10,980,021 |
| | (Increase) / Decrease in trade receivables | (7,571,997) | 12,594,111 |
| | (Increase) / Decrease in short-term advances | (260,011) | (2,407,343) |
| | Increase / (Decrease) in other current liabilities | 2,023,548 | 601,591 |
| | Increase / (Decrease) in trade payables | (21,926,017) | 11,174,848 |
| | Cash generated from operations | 49,187,502 | 65,035,653 |
| | Less: Direct taxes paid/ (refunds) including interest (net) | 29,378,378 | 20,623,736 |
| | Cash Flow before exceptional items | 19,809,124 | 44,411,917 |
| | Net cash generated/(used) from operating activities | 19,809,124 | 44,411,917 |
| B. | Cash flow from investing activities : | | |
| | Purchase of fixed assets | (750,789) | (4,713,675) |
| | (Payment) / refund towards advance for purchase of capital goods | - | 55,000,000 |
| | (Payment) / refund from loan to body corporates | (2,000,000) | (183,365,319) |
| | (Payment) / refund from other non-current assets | - | 692,755 |
| | Fixed Deposits | (2,500,183) | (6,528,596) |
| | Interest received | 53,793,380 | 88,031,241 |
| | Net cash from investing activities | 48,542,408 | (50,883,594) |
| C. | Cash flow from financing activities : | | |
| | Proceeds / (repayment) of long term borrowings | (7,132,688) | (6,003,920) |
| | Proceeds / (repayment) of short term borrowings | (44,889,685) | 37,198,919 |
| | Interest paid | (8,861,750) | (12,629,253) |
| | Dividend paid | (8,011,198) | (7,975,636) |
| | Dividend tax paid | (1,813,523) | (1,505,315) |
| | Net cash generated/(used) in financing activities | (70,708,844) | 9,084,795 |
| | Net increase/(decrease) in cash and cash equivalents (A+B+C) | (2,357,312) | 2,613,118 |
| | Cash and cash equivalents -Opening balance | 3,100,285 | 487,167 |
| | | 742,973 | 3,100,285 |
| | Cash and cash equivalents -Closing balance | 742,973 | 3,100,285 |
| | Cash and cash equivalents comprise: | | |
| | Cash on hand | 207,910 | 84,395 |
| | Balances with schedule banks | 535,063 | 3,015,890 |
| | | 742,973 | 3,100,285 |

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

For S. M. DAGA & CO.

Chartered Accountants

Firm registration No. 303119E

Deepak Kumar Daga

(Partner)

Membership No. 059205

For and on behalf of the Board

Place : Kolkata.

Date : 30th day of May, 2016

Shanti Lal Baid
Managing Director

Sandeep Baid
Whole time Director

Mausami Das
Company Secretary

Bidhan Neogi
Chief Financial Officer

NOTES

to the financial statement

1. Significant accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared under historical cost convention on accrual basis as a going concern and in accordance with the Generally Accepted Accounting Principles (GAAP), Companies Act, 2013 and in compliance with Companies (Accounts) Rules, 2014 except those with significant uncertainty. Accounting policies not stated explicitly otherwise are consistent with Generally Accepted Accounting Principles.

1.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statement. Actual results could differ from those estimated. Such differences are recognized in the period in which they are known or materialized.

1.3 Revenue recognition

- Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer which generally coincides with dispatch of goods from factory.
- All other Income are accounted on accrual basis except otherwise stated.
- Claims and refunds due from Government Authorities are recognized in the accounts on receipt basis due to significant uncertainty regarding their realizations.

1.4 Fixed assets-tangible assets and capital work-in-progress

- Leasehold lands are stated at cost including cost incurred for its development.
- Fixed Assets except leasehold land are stated at cost of acquisition inclusive of freight incurred, non-refundable duties or taxes and incidental expenses less accumulated depreciation.
- Capital work-in-progress comprises of the cost of fixed assets, that are not yet ready for their intended use at the reporting date.

1.5 Depreciation

Depreciation on fixed assets except leasehold lands has been provided on straight line method at the rates and in the manner specified in Schedule II of the Companies Act, 2013. No depreciation has been provided on Leasehold lands.

1.6 Impairment of assets

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

1.7 Inventories

- Raw Materials are valued at lower of cost determined on FIFO basis or net realizable value. Cost comprises all cost of purchases, including duties and taxes (other than those subsequently recoverable from the revenue authorities), freight inwards and other expenditure directly attributable to the purchases.
- Work-in-progress are valued at cost computed on the basis of cost of raw material, appropriated share of employment cost and related factory overheads.
- Finished goods are valued at lower of, cost determined on the basis of absorption costing method or net realizable value inclusive of Excise duty.
- Packing & printing materials, stores & spares are valued at lower of cost determined on weighted average basis or net realizable value.
- Wastage is valued at estimated realizable value.

1.8 Sales

Sales represent invoice value of finished goods sold inclusive of Excise duty, VAT/CST and cost of transportation, if any, net of sales return.

1.9 Excise duty

Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in stock at factory.

1.10 Value Added Tax and Central Sales Tax

VAT, CST and other local taxes on sales are charged to the Statement of Profit and Loss.

1.11 Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Monetary items denominated in foreign currencies at the year end are reported at year end rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

1.12 Claims / Refunds

Claims or refunds are accounted for on the basis of settlement.

1.13 Export benefits

Excise duty on goods cleared for exports from factory are claimed as refund.

1.14 Employees benefits

i) Short term employee benefits

Short term employee benefits including bonus are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

ii) Post-employment benefits

a) Defined contribution plan: Employee benefits in the form of Provident fund etc are considered as defined contribution plan and the same are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b) Defined benefit plan: Employee benefits in the form of Gratuity, Leave encashment are considered as defined benefit plan and are provided for on the basis of an independent actuarial valuation, using projected unit credit method, as at the Balance Sheet date as per requirements of Accounting Standard-15 (Revised 2005) on "Employee Benefits" notified by Central Government in exercise of powers conferred u/s 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. Actuarial gains / losses, if any, are immediately recognized in the Statement of Profit and Loss.

1.15 Taxes on income

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

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

1.16 Provision / Contingencies

A provision is recognized for a present obligation as a result of past events if it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation as at the Balance Sheet date. In case actual outcome differs from that estimated, the difference is accounted for at the time the result are known / materialized.

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty are treated as contingent and are disclosed by way of notes to the accounts.

1.17 Prior period adjustments

Adjustment of identifiable items of income and expenditure pertaining to prior period are accounted for as prior period adjustments.

1.18 Share issue expenses

Such expenditures incurred are capitalized and written off on straight line basis over a period of five years.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

Note 2 - Amounts in the financial statements are presented in Rupees and rounded off to the nearest decimals thereof. The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

(Amount in ₹)

| Particulars | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Note 2.1- Share capital | | |
| a. Authorised share capital : | | |
| 18,000,000 (Previous year 18,000,000) equity shares of Rs.10/- each | 180,000,000 | 180,000,000 |
| Issued, subscribed and paid-up share capital : | | |
| 17,714,800 (Previous year 17,714,800) equity shares of Rs.10/- each | | |
| fully paid-up | 177,148,000 | 177,148,000 |
| Total | 177,148,000 | 177,148,000 |

b. Rights, preferences and restriction attaching to various classes of shares including restriction on distribution of dividends and repayment of capital.

The Company has only one class of shares which does not enjoy any preferential right or bear any restriction with regard to distribution of dividend or repayment of capital. Each holder of equity shares is entitled to one vote per share.

c. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

| Particulars | 31.03.2016 | 31.03.2015 |
|--|------------|------------|
| | Nos | Nos |
| Shares outstanding as at the beginning of the year | 17,714,800 | 17,714,800 |
| Shares outstanding as at the end of the year | 17,714,800 | 17,714,800 |

d. Details of shares held by each shareholder holding more than 5% shares with voting rights

| Name of shareholders holding equity shares more than 5% shares | 31.03.2016 % holding / No. of shares | 31.03.2015 No. of shares |
|--|--|-----------------------------|
| 1. Sheetal Dugar | 24.62% | 24.62% |
| | 4,361,404 | 4,361,404 |
| 2. YMS Finance Private Limited | 19.84% | 19.84% |
| | 3,513,800 | 3,513,800 |
| 3. Vinod Dugar | 19.39% | 19.39% |
| | 3,434,800 | 3,434,800 |
| 4. Growth Techno Projects Limited | 9.26% | 9.26% |
| | 1,640,000 | 1,640,000 |
| 5. Sandeep Baid | 5.10% | 5.04% |
| | 902,695 | 893,695 |
| Total | 78.21% | 78.15% |
| | 13,852,699 | 13,843,699 |

(Amount in ₹)

| Particulars | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| e. Share reserved for issue under options and contracts | - | - |
| f. Commitments for sale of shares / disinvestment | - | - |
| g. Details of allotment of bonus shares during the period of five years | - | - |

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

h. Utilization of proceeds of initial public issue as per Regulation 32(1) of the SEBI(LODR) Regulations, 2015 is as under

(Amount in ₹)

| Particulars | As per prospectus net amount to be deployed from issue proceeds | Incurred upto 31.03.2016 |
|---|---|--------------------------|
| a. To finance the capital expenditure to enhance the manufacturing capacity : | | |
| Civil works | - | - |
| Plant and machineries | 239,127,000 | 25,153,515 |
| Pre-operative expenses | 7,000,000 | - |
| Provision for contingencies | 11,956,000 | - |
| Security for WBSEDCL | 20,000,000 | - |
| Sub_total (a) | 278,083,000 | 25,153,515 |
| b. General corporate purpose | 50,129,000 | 49,849,182 |
| c. Issue expenses | 27,288,000 | 19,210,714 |
| Total (a+b+c) | 355,500,000 | 94,213,411 |
| Balance amount to be utilized out of IPO proceeds | | 261,286,589 |
| Interim utilization of balance IPO proceeds : | | |
| Balance in Escrow Account / Current Account as per Court / SEBI order | | 261,286,589 |
| Total | | 261,286,589 |

| Particulars | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|------------------------------------|------------------------------------|
| Note 2.2- Reserves and surplus | | |
| a. Capital reserve (as per last financial statements) | 7,695,000 | 7,695,000 |
| b. Securities premium account (as per last financial statements) | 310,500,000 | 310,500,000 |
| c. Surplus - brought forward from last year | 96,833,791 | 42,660,540 |
| Add : Profit for the year | 41,552,341 | 64,844,174 |
| Less: Appropriations | | |
| Proposed equity dividend | - | 8,857,400 |
| Dividend distribution tax | - | 1,813,523 |
| Sub_total (c) - Surplus as at end of the year | 138,386,132 | 96,833,791 |
| Total (a+b+c) | 456,581,132 | 415,028,791 |

| | | |
|--|------------------|-------------------|
| Note 2.3- Long-term borrowings | | |
| (Secured) | | |
| Term loan from bank : | | |
| (Repayable in 116 monthly installments of Rs. 6,30,980, starting from 20.07.2009 and last installment will fall due on 20.02.2019.) | 6,648,046 | 13,213,999 |
| The applicable rate of interest is base rate plus 1.60% p.a. | | |
| (previous year base rate plus 1.60% p.a) | | |
| (Repayable in 110 monthly installments of Rs. 60,690, starting from 21.01.2010 and last installment will be falling due on 20.02.2019.) | 1,181,961 | 1,748,696 |
| The applicable rate of interest is base rate plus 1.60% p.a. (previous year base rate plus 1.60% p.a) | | |
| (Above loans are secured against first charge by way of equitable mortgage of leasehold lands of the Company and the personal guarantee of Directors.) | | |
| Total | 7,830,007 | 14,962,695 |

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

(Amount in ₹)

| Particulars | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Note 2.4- Deferred tax liabilities (net) | | |
| a. Deferred tax assets : | | |
| Provision for bonus | 199,067 | 76,892 |
| Provision for employee benefits | 829,360 | 583,086 |
| Provision for Entry Tax | 688,902 | - |
| Sub_total (a) | 1,717,329 | 659,978 |
| b. Deferred tax liability : | | |
| Depreciation allowance on fixed assets | 11,394,218 | 8,042,164 |
| Total (b-a) | 9,676,889 | 7,382,186 |
| Note 2.5- Long-term provisions | | |
| Provision for employee benefits | 2,508,422 | 1,797,151 |
| Total | 2,508,422 | 1,797,151 |
| Note 2.6- Short-term borrowing | | |
| (Secured, repayable on demand) | | |
| Cash credit from bank : | 60,087,264 | 104,976,949 |
| (Above loan is secured against first charge by way of hypothecation of raw materials, stocks, book-debts, stores & spares and all other current assets of the company both present and future, equitable mortgage of leasehold lands, hypothecation of all the movable fixed assets of the company, both present and future alongwith personal guarantee of directors. | | |
| The applicable rate of interest is base rate plus 1.10% p.a, (previous year base rate plus 1.10% p.a.) | | |
| Total | 60,087,264 | 104,976,949 |
| Note 2.7- Trade payables | | |
| Micro, Small and Medium Enterprises (Refer note no 2.27) | - | - |
| Other than Micro, Small and Medium Enterprises | | |
| - Related Party | 77,123 | 13,468 |
| - Others | 19,292,130 | 41,281,802 |
| Total | 19,369,253 | 41,295,270 |
| Note 2.7(a)-The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under : | | |
| Principal amount due and remaining unpaid | - | - |
| Interest due on above and the unpaid interest | - | - |
| Interest paid | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable in succeeding years | - | - |
| Note 2.8- Other current liabilities | | |
| a. Current maturities of long-term debt | 5,922,023 | 5,160,737 |
| b. Interest accrued but not due on borrowings | 47,601 | 62,628 |
| c. Statutory liabilities | 2,748,323 | 1,805,271 |
| d. Other payables : | | |
| Advance received from customers | 608,009 | 194,047 |
| Employee expenses - | | |
| To directors | 196,500 | 245,000 |
| To others | 1,480,097 | 1,014,912 |
| Unpaid Dividend* | 1,841,621 | 995,419 |
| * There is no amount due and outstanding as on 31.03.2016 to be credited to Investor Education and Protection Fund. | | |
| Sub_total (d) | 4,126,227 | 2,449,378 |
| Total (a+b+c+d) | 12,844,174 | 9,478,014 |

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

(Amount in ₹)

| Particulars | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Note 2.9- Short-term provisions | | |
| Income tax | 23,370,000 | 29,690,000 |
| Proposed equity dividend (refer note below) | - | 8,857,400 |
| Dividend distribution tax on proposed equity dividend | - | 1,813,523 |
| Total | 23,370,000 | 40,360,923 |

Note : The Board of Directors has recommended, subject to approval of shareholders, dividend of Rs. Nil per equity shares of Rs. 10/- each on 17,714,800 equity shares, aggregating to Rs. Nil for the year ended (Previous year : Rs. 0.50 per equity shares, aggregating Rs. 10,670,923) including dividend distribution tax.

Note 2.10- Fixed assets- Tangible assets

| Sl. No | Description of assets | Gross Block | | | | Depreciation | | | | Net Block | |
|--------|-------------------------|--------------------|-----------------------------|-------------------------------|--------------------|--------------------|------------------|------------------------------|--------------------|--------------------|--------------------|
| | | As at 01.04.15 | Addition during the year | Deductions during the year | As at 31.03.16 | Up to 01.04.15 | For the year | Deduction during the year | Up to 31.03.16 | As at 31.03.16 | As at 31.03.15 |
| 1 | Leasehold lands | 13,012,792 | - | - | 13,012,792 | - | - | - | - | 13,012,792 | 13,012,792 |
| 2 | Factory buildings | 56,663,407 | - | - | 56,663,407 | 15,633,381 | 1,767,073 | - | 17,400,454 | 39,262,953 | 41,030,026 |
| 3 | Air condition machines | 953,143 | - | - | 953,143 | 629,785 | 35,866 | - | 665,651 | 287,492 | 323,358 |
| 4 | Plant and machineries | 154,172,459 | 615,329 | - | 154,787,788 | 94,318,914 | 5,186,881 | - | 99,505,795 | 55,281,993 | 59,853,545 |
| 5 | Electric installations | 7,074,252 | - | - | 7,074,252 | 4,627,802 | 561,943 | - | 5,189,745 | 1,884,507 | 2,446,450 |
| 6 | Furnitures and fixtures | 3,368,599 | 6,920 | - | 3,375,519 | 2,084,749 | 291,515 | - | 2,376,264 | 999,255 | 1,283,850 |
| 7 | Vehicles | 5,505,131 | - | - | 5,505,131 | 2,559,280 | 644,610 | - | 3,203,890 | 2,301,241 | 2,945,851 |
| 8 | Office equipments | 649,637 | 99,150 | - | 748,787 | 404,050 | 36,758 | - | 440,808 | 307,979 | 245,587 |
| 9 | Computers | 1,424,667 | 29,390 | - | 1,454,057 | 1,392,542 | 15,233 | - | 1,407,775 | 46,282 | 32,125 |
| | Total | 242,824,087 | 750,789 | - | 243,574,876 | 121,650,503 | 8,539,879 | - | 130,190,382 | 113,384,494 | 121,173,584 |
| | Previous year | 237,663,440 | 5,160,647 | - | 242,824,087 | 112,725,982 | 8,924,521 | - | 121,650,503 | 121,173,584 | - |

| Particulars | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Note 2.11- Other non-current assets | | |
| Security deposits | 1,886,642 | 1,886,642 |
| Share issue expenses | - | 4,134,039 |
| (To the extent not written off or adjusted) | | |
| Total | 1,886,642 | 6,020,681 |

Note 2.12- Inventories

(As taken, valued and certified by the Management)

| | | |
|--|-------------------|-------------------|
| Raw materials | 22,790,286 | 39,165,760 |
| Work-in-progress | 8,439,355 | 35,510,627 |
| Stores and spares | 6,341,407 | 4,364,363 |
| Packing and printing materials | 464,848 | 463,610 |
| Raw materials, store and spares in transit | 3,763,989 | 888,460 |
| Total | 41,799,885 | 80,392,820 |

Note 2.13- Trade receivables

(Unsecured, considered good)

| | | |
|--|-------------------|-------------------|
| Debts outstanding for more than six months | 6,724,440 | 3,659,596 |
| Other Debts | 88,410,109 | 85,394,920 |
| Total | 95,134,549 | 89,054,516 |

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

(Amount in ₹)

| Particulars | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|--|--|
| Note 2.14- Cash and bank balances | | |
| a. Cash and cash equivalents : | | |
| Cash on hand (as certified by the Management) | 207,910 | 84,395 |
| Balances with banks | 535,063 | 3,015,890 |
| Sub_total (a) | 742,973 | 3,100,285 |
| b. Other bank balances : | | |
| Unpaid dividend | 1,841,621 | 995,419 |
| Fixed deposits : | | |
| Pledged against bank guarantees / letter of credit / other flexi deposit | 13,199,869 | 11,545,888 |
| IPO proceeds deposited in Escrow / current Account (refer note no. 2.33 and 2.34) | 261,286,589 | 261,286,589 |
| Sub_total (b) | 276,328,079 | 273,827,896 |
| Total (a+b) | 277,071,052 | 276,928,181 |
| Note 2.15- Short-term loans and advances | | |
| (Unsecured, considered good) | | |
| Loan to body corporates | 209,000,000 | 207,000,000 |
| Advance to suppliers | 9,649,056 | 7,669,109 |
| Advance to employees | 716,000 | 219,500 |
| Total | 219,365,056 | 214,888,609 |
| Note 2.16- Other current assets | | |
| (Unsecured, considered good) | | |
| Balances with revenue authorities | 20,525,607 | 23,718,590 |
| Prepaid expenses | 247,856 | 252,998 |
| Total | 20,773,463 | 23,971,588 |
| Particulars | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
| Note 2.17- Revenue from operation | | |
| Sale of products : | | |
| Sale of finished goods | 698,155,131 | 734,001,486 |
| Sale of stock-in-trade | 355,052 | 15,824,802 |
| Total | 698,510,183 | 749,826,288 |
| Note 2.18- Other income | | |
| Interest Income (refer note no 2.35) | 53,793,380 | 84,978,591 |
| Foreign Exchange Fluctuation Gain | 2,073,428 | 2,738,107 |
| Recovery of Bad Debts | 3,006,226 | 569,831 |
| Other receipts (Including subsidy of Rs.3,755,000, P.Y. Rs. Nil) | 4,315,358 | 2,110,247 |
| Total | 63,188,392 | 90,396,776 |
| Note 2.19- Cost of raw material consumed | | |
| Opening stock | 39,165,760 | 13,961,258 |
| Add : Purchase | 361,434,330 | 420,504,062 |
| Less: Closing stock | 22,790,286 | 39,165,760 |
| Total | 377,809,804 | 395,299,560 |
| Note 2.19(a)- Details of cost of raw material consumed | | |
| Poly Granules | 330,576,458 | 348,148,041 |
| Others | 47,233,346 | 47,151,519 |
| Total | 377,809,804 | 395,299,560 |
| Note 2.19(b) Particulars of raw material consumed (% and value) | 31.03.2016 | 31.03.2015 |
| | % consumption / value-consumption | % consumption / value-consumption |
| Imported | 18.57% | 25.88% |
| | 70,143,324 | 102,294,631 |
| Indigenous | 81.43% | 74.12% |
| | 307,666,480 | 293,004,929 |

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

(Amount in ₹)

| Particulars | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Note 2.20- Change in inventories of finished goods and works-in-progress | | |
| a. Opening Stock : | | |
| Work-in-progress | 35,510,627 | 66,227,328 |
| Sub_total (a) | 35,510,627 | 66,227,328 |
| b. Closing Stock : | | |
| Work-in-progress | 8,439,355 | 35,510,627 |
| Sub_total (b) | 8,439,355 | 35,510,627 |
| Total (a-b) | 27,071,272 | 30,716,701 |
| Note 2.21- Employee benefits expenses | | |
| Salaries and wages, bonus and allowances | 25,968,432 | 40,785,526 |
| Directors' remuneration | 2,940,000 | 2,940,000 |
| Contribution to employees provident and other funds | 1,110,358 | 1,024,950 |
| Staff welfare expenses | 1,435,462 | 1,369,243 |
| Gratuity | 912,683 | 571,279 |
| Total | 32,366,935 | 46,690,998 |
| Note 2.22- Finance costs | | |
| Interest expense | 8,846,723 | 12,580,718 |
| Other borrowing cost | 885,245 | 1,415,166 |
| Total | 9,731,968 | 13,995,884 |
| Note 2.23- Other expenses | | |
| a. Manufacturing expenses : | | |
| Printing and packing materials consumed | 4,756,236 | 4,070,738 |
| Stores and spares consumed | 6,704,173 | 9,988,219 |
| Power and Fuel consumed | 46,664,796 | 44,500,861 |
| Machine repairs | 1,338,830 | 1,045,839 |
| Building repairs | 72,749 | 1,147,930 |
| Inward freight, coolie, cartage etc. | 5,850,372 | 20,694,983 |
| Job work charges | 34,699,651 | 13,254,700 |
| Other manufacturing expenses | 54,231 | 31,163 |
| Sub-total (a) | 100,141,038 | 94,734,433 |
| b. Administration expenses : | | |
| Rent | 194,850 | 193,097 |
| Rates and taxes | 1,067,152 | 862,342 |
| Repair and maintenance | 595,247 | 1,025,221 |
| Vehicle maintenance expenses | 456,481 | 580,897 |
| Insurance | 344,528 | 293,175 |
| Travelling and conveyance | 563,493 | 367,606 |
| Postage, telegraph and telephones | 377,359 | 289,999 |
| Printing and stationery | 427,552 | 369,155 |
| Directors' sitting fees | - | 160,000 |
| Legal and consultancy charges | 1,877,806 | 1,783,177 |
| Contribution to CSR Activity | 900,000 | - |
| Bad debts | 317,470 | 189,941 |
| Share issue expenses written off | 4,134,039 | 4,134,036 |
| Sundry balances written off (net) | 3,247,922 | 292,361 |
| Miscellaneous expenses | 1,613,773 | 1,712,434 |
| Auditors' remuneration - | | |
| Audit fee | 40,000 | 40,000 |
| Taxation matters | 10,000 | 10,000 |
| Sub_total (b) | 16,167,672 | 12,303,441 |

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

(Amount in ₹)

| Particulars | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| c. Selling and distribution expenses : | | |
| Advertisement and publicity expenses | 86,888 | 84,576 |
| Sales tax and Value added tax | 21,141,134 | 24,996,292 |
| Freight and forwarding charges | 12,338,473 | 11,742,364 |
| Brokerage, commission and discounts | 20,961,059 | 22,583,978 |
| Sales promotion expenses | 105,363 | 69,804 |
| ECGC premium charges | 176,701 | 132,160 |
| Application and membership fees | 202,309 | 128,604 |
| Detention charges | 34,200 | 58,200 |
| Fumigation charges | 72,000 | 47,900 |
| Sub_total (c) | 55,118,127 | 59,843,878 |
| Total (a+b+c) | 171,426,837 | 166,881,752 |

2.24 In accordance with the West Bengal Incentive Scheme 2000, announced by the Govt. of West Bengal, the company has approved an action plan for availing the subsidy benefits based on the eligibility certificate issued by the West Bengal Industrial Development Corporation Ltd. In view of the reasonable uncertainty and the method of calculation of subsidies, such subsidies are accounted for as and when the disbursements will be received. During the year under review, the Company has received subsidy of Rs.3,755,000 (P.Y. Nil).

2.25 In the opinion of the Board the Current Assets, Loans and Advances are not less than the stated value if realized in ordinary course of business. The provision for all known liabilities is adequate. There is no contingent liabilities except stated, as informed by the Management.

2.26 The Business of the company falls under a single segment i.e. manufacturing and trading of PP woven sacks / Fabric / Liner and its related raw material. In view of the general classification notified by Central Government in exercise of powers conferred u/s 133 of Companies Act, 2013 for Companies operating in single segment, the disclosure requirement as per Accounting Standard-17 on "Segment Reporting" is not applicable to the Company. The Company's business is mainly concentrated in similar geographical, political and economical conditions; hence disclosure for geographical segment is also not required.

2.27 The Company is in communication with its suppliers to ascertain the applicability of "The Micro, Small and Medium Enterprises Development Act, 2006". As on the date of this Balance Sheet the Company has received communication from few of its suppliers regarding the applicability of this Act to them and the same has been disclosed under note no 2.7.

2.28 Earnings per share in accordance with AS-20

| | | |
|---|------------|------------|
| Earnings per share is computed as under | 2015-16 | 2014-15 |
| Profit after taxation available for equity shareholders (A) (Rs.) | 41,552,341 | 64,844,174 |
| Weighted average number of equity shares outstanding (B) | 17,714,800 | 17,714,800 |
| Earnings per share (Face value of Rs.10/- per share) | | |
| Basic & Diluted (A/B) (Rs.) | 2.35 | 3.66 |

2.29 Post employment benefits:

- Defined contribution plans:** The Company has recognized an expense of Rs. 1,110,358 (Previous Year Rs. 1,024,950) towards the defined contribution plans.
- Defined benefit plans:** As per actuarial valuation as on March 31, 2016 and recognized in the financial statements in respect of Employee Benefit Schemes:

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

(Amount in ₹)

| Particulars | | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
|-------------|--|-------------|-------------|-----------|-----------|
| | | Gratuity | Gratuity | Leave | Leave |
| I | Components of employer expense | | | | |
| | 1 Current service cost | 345,285 | 258,750 | 90,680 | 76,830 |
| | 2 Interest cost | 141,886 | 94,574 | 30,808 | 25,835 |
| | 3 Expected return on plan assets | ---- | ---- | ---- | ---- |
| | 4 Curtailment cost/ (credit) | ---- | ---- | ---- | ---- |
| | 5 Settlement cost/ (credit) | ---- | ---- | ---- | ---- |
| | 6 Past service cost | ---- | ---- | ---- | ---- |
| | 7 Actuarial losses/ (gains) | 425,512 | 217,955 | 188,537 | 52,609 |
| | 8 Total employer expense recognized in the Statement of Profit & Loss | 912,683 | 571,279 | 310,025 | 155,274 |
| | Gratuity expense is recognized in Gratuity and Leave encashment in "Employee benefit expenses" under note 2.21 | | | | |
| II | Net Asset/ (Liability) recognized in Balance Sheet | | | | |
| | 1 Present Value of Defined Benefit Obligation | 2,125,905 | 1,411,562 | 382,517 | 385,589 |
| | 2 Fair Value of Plan Assets | ----- | ----- | ----- | ----- |
| | 3 Funded Status [Surplus/ (Deficit)] | (2,125,905) | (1,411,562) | (382,517) | (385,589) |
| | 4 Unrecognized Past Service Costs | ----- | ----- | ----- | ----- |
| | 5 Net Asset/ (Liability) recognized in Balance Sheet | (2,125,905) | (1,411,562) | (382,517) | (385,589) |
| III | Change in defined benefit obligation (DBO) | | | | |
| | 1 Present Value of DBO at the Beginning of Period | 1,411,562 | 952,789 | 385,589 | 260,286 |
| | 2 Current service cost | 3,45,285 | 258,750 | 90,680 | 76,830 |
| | 3 Interest cost | 1,41,886 | 94,574 | 30,808 | 25,835 |
| | 4 Curtailment cost/ (credit) | --- | --- | ---- | ---- |
| | 5 Settlement cost/ (credit) | --- | --- | ---- | ---- |
| | 6 Plan amendments | ---- | ---- | ----- | ----- |
| | 7 Acquisitions | --- | --- | ----- | ----- |
| | 8 Actuarial losses/ (gains) | 4,25,512 | 217,955 | 188,537 | 52,609 |
| | 9 Benefit payments | (198,340) | (112,506) | (313,097) | (29,971) |
| | 10 Present value of DBO at the end of period | 2,125,905 | 1,411,562 | 382,517 | 385,589 |
| IV | Change in fair value of assets | | | | |
| | 1 Plan Assets at the beginning of period | --- | --- | --- | --- |
| | 2 Acquisition adjustment | --- | --- | ---- | ---- |
| | 3 Expected return on plan assets | --- | --- | ---- | ---- |
| | 4 Actual company contributions | 198,340 | 112,506 | 313,097 | 29,971 |
| | 5 Actuarial gain/ (loss) | --- | --- | --- | --- |
| | 6 Benefit payments | (198,340) | (112,506) | (313,097) | (29,971) |
| | 7 Plan assets at the end of period | --- | --- | ---- | ---- |

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

(Amount in ₹)

| Particulars | | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
|-------------|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | | Gratuity | Gratuity | Leave | Leave |
| V | Actuarial assumptions | | | | |
| | 1 Discount rate | 8.00% | 8.00% | 8.00% | 8.00% |
| | 2 Expected return on assets | N.A | N.A | N.A | N.A |
| | 3 Salary escalations | 6.00% | 5.00% | 6.00% | 5.00% |
| | 4 Mortality | LIC (2006-08) Ultimate | LIC (2006-08) Ultimate | LIC (2006-08) Ultimate | LIC (2006-08) Ultimate |
| | 5 The estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. | | | | |
| | 6 Discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches with that of liabilities. | | | | |

2.30 Related party disclosures in accordance with AS-18

a) Other related parties to whom the Company had transactions:

i. Key management personnel and their relatives :

| Sl. No. | Name | Designation / Relationship |
|---------|---------------------|---------------------------------|
| 1. | Sri Shanti Lal Baid | Managing Director |
| 2. | Sri Sandeep Baid | Whole time Director |
| 3. | Sri Vinod Dugar | Son-in-law of Managing Director |

ii. Enterprises over which key management personnel / major shareholders / their relatives have significant Influence :

| Sl. No. | Name of enterprise | Relationship with enterprise |
|---------|------------------------------------|--|
| 1. | M/s. Ajanta Trading Company | Director's Brother & Son are partner |
| 2. | M/s. R D Motors Private Ltd | Director's son-in-law is director |
| 3. | M/s. NTC Industries Ltd. | Entity under significant influence of KMP / relative of KMP. |
| 4. | M/s. Infra Vision Developers P Ltd | |

b) Disclosure of transactions between the related parties and the status of outstanding balances as on 31.03.2016

(Amount in ₹)

| Transaction with key management personnel & their relatives | | | |
|---|-----------------------|--|-----------|
| Nature of transaction | Name of related party | Key management personnel & their relatives | |
| | | 2015-2016 | 2014-2015 |
| Remuneration | Sri Shanti Lal Baid | 12,00,000 | 12,00,000 |
| | Sri Sandeep Baid | 17,40,000 | 17,40,000 |
| Balance Payable at year end | Sri Shanti Lal Baid | 75,965 | 110,300 |
| | Sri Sandeep Baid | 120,535 | 134,700 |

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016 (Contd...)

(Amount in ₹)

Enterprises over which KMP & their relatives have significant influence

| Nature of transaction | Name of related party | Enterprises over which KMP & their relatives have significant influence | |
|---|-----------------------------------|---|------------|
| | | 2015-2016 | 2014-2015 |
| Rent paid | Sri Vinod Dugar | 61,960 | 61,128 |
| Purchase of store, spares, repair & maintenance Items | M/s. Ajanta Trading Company | 502,237 | 52,840 |
| Purchase & Repair of Car | M/s. R D Motors P Ltd | 44,545 | 913,769 |
| Refund of Advance | M/s. Infra Vision Developer P Ltd | ----- | 55,000,000 |
| Compensation Received | M/s. Infra Vision Developer P Ltd | ----- | 1,500,000 |
| Refund of Security Deposit for Godown | M/s. NTC Industries Ltd | ----- | 108,900 |
| Balance payable at year end | M/s. Ajanta Trading Company | 44,160 | 13,468 |
| | M/s. R D Motors P Ltd | 32,963 | ----- |

Note : Related party relationships and transactions are identified by the company on the basis of available information.

2.31 Contingent liabilities:

- Unexpired bank guarantee is given by the Company against EPGC scheme and Public issue for Rs. 1,948,431 (Previous year Rs. 1,948,431).
- Outstanding liability on account of letter of credit is given by the Company against electricity security deposit for Rs. 4,300,000 (Previous year Rs. 4,300,000).

2.32 C.I.F. value of imports, expenditure and earning in foreign currencies

(Amount in ₹)

| Description | 2015-16 | 2014-15 |
|------------------------------------|------------|-------------|
| C.I.F. value of imports : | | |
| - Raw materials | 40,128,868 | 127,865,360 |
| Earnings in foreign currency : | | |
| - Export on F.O.B basis | 72,415,820 | 58,238,986 |
| Expenditures in foreign currency : | | |
| - Travelling expenses | 16,605 | --- |

- 2.33 The Company was under process of investigation as per SEBI ad interim exparte order WTM/PS/45/ID9/DEC/2011 dated 28.12.2011 in exercise of the powers conferred upon SEBI under section 11(1), 11(4), 11A and 11B of the said act and issued certain directions for the Company to comply with. Accordingly the Company recalled the secured loan from its group company and deposited the same in Escrow account.
- 2.34 As per direction of SEBI WTM's order dated 19.12.2014, the Company has been granted liberty to utilize the funds raised in IPO lying in Escrow Account for the purpose disclosed in prospectus. However, the proceeding under Sec 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 has been initiated and the same is in under process.
- 2.35 Pursuant to the order dated 19.12.2014 of SEBI, the Company in last year has accounted for interest income of Rs. 68,632,314 and TDS there on Rs. 6,863,231 of which interest of Rs. 42,605,637 and TDS of Rs. 4,260,565 pertain to earlier years which was not accounted for before in accordance with the guideline prescribed under AS-9 with regard to "Revenue Recognition".
- 2.36 The company and the noticee directors have filed appeal before the Securities Appellate Tribunal, Mumbai on 16.12.2015 and 23.12.2015 respectively against the SEBI WTM's Order dated 19.12.2014
- 2.37 The Company has filed a WRIT petition with the Hon'ble High Court of Calcutta challenging the vires of the West Bengal Tax on Entry of Goods into Local Areas Act, 2012. The Company has received an interim order from Court admitting the WRIT petition filed. Outstanding Liability on account of West Bengal Tax on Entry of Goods is Rs. 2,083,603 (P.Y. Rs. 795,082)
- 2.38 Note no 1 to 2.38 forms an integral part of financial statement.

For S.M. DAGA & CO.
Chartered Accountants
Firm Registration No 303119E

For and on behalf of the Board

Deepak Kumar Daga
(Partner)
Membership No. 059205

Place: Kolkata
Date : 30th Day of May, 2016

Shanti Lal Baid
Managing Director

Sandeep Baid
Whole time Director

Mausami Das
Company Secretary

Bidhan Neogi
Chief Financial Officer

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of Meeting Hall)

I/ We hereby record my/ our presence at the 21st Annual General Meeting of RDB Rasayans Limited being held on Saturday, 3rd September, 2016 at 9:30 a.m. at Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, 4th Floor, Kolkata-700017.

Name of member /proxy (In BLOCK LETTERS)

Signature of member/proxy

----- ✂ -----

Electronic Voting Particulars

| EVEN (E- Voting Event number) | USER - ID | PASSWORD |
|----------------------------------|-----------|----------|
| | | |

Please refer the attached AGM Notice for instructions on E-Voting.

The E-Voting facility will commence on 31st August, 2016 at 9:00 a.m. and will end on 2nd September, 2016 at 5:00 p.m.

----- ✂ -----

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 : L36999WB1995PLC074860
Name of the Company : RDB RASAYANS LIMITED
Regd Office : Bikaner Building, 8/1 Lal Bazar Street, 3rd Floor, Room No. 9, Kolkata-700001, Phone: 033-44500500, Fax: 033-22420588, Email: info@rdbindia.com, Website: www.rdbgroup.in
Name of the members :
Registered Address :
E-mail id :
Folio No./DP Client ID :

I/We, being the member(s) of shares of the above Company, hereby appoint

1 Name..... Address.....
E-mail id..... Signature..... or failing him
2 Name..... Address.....
E-mail id..... Signature..... or failing him
3 Name..... Address.....
E-mail id..... Signature.....

as my/our proxy to attend & vote (on a poll) for me/ us on my/ our behalf at the 21st AGM of the Company, to be held on Saturday, 3rd September, 2016 at 9:30 a.m. at Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, 4th Floor, Kolkata-700017 and at any adjournment thereof in respect of such resolution(s) as are indicated below:

| Resolution No. | Resolution | Optional (✓) * | | |
|-------------------|--|------------------|---------|---------|
| Ordinary Business | | For | Against | Abstain |
| 1. | Ordinary Resolution to consider and adopt Audited Financial Statements together with the Reports of the Board of Directors and Auditors thereon. | | | |
| 2. | Ordinary Resolution to appoint a director in place of Sri Shanti Lal Baid, who retires by rotation and being eligible, seeks re-appointment. | | | |
| 3. | Ordinary Resolution to appoint M/s. S.M. Daga & Co. as Statutory Auditors of the Company | | | |
| Special Business | | | | |
| 4. | Special Resolution to re-appoint Sri Sandeep Baid as Whole-Time Director of the Company | | | |

Signed this.....day of2016

Signature of the member

Signature of proxy holders(s)

Affix
Revenue
Stamp

Note: 1. 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.
2. For the Resolutions, Notes and Explanatory Statement please refer to the Notice of the 21st Annual General Meeting.
* 3. It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.