

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 realised, 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 materialise, 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.

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THE PLANT



A VIEW OF FACTORY SHED



TAPE PLANT



CIRCULAR WOVEN MACHINE



NARROW LOOM



ON-LINE PRINTING MACHINE



STITCHING SECTION



LINER



FINISHING SECTION



PEAK LOAD TESTING MACHINE



JUMBO BAG



For years RDB Rasayans Limited has been enriching future prospects through a persistent and focused approach.



THROUGH FOCUS:

- On product quality
- On capacity expansion
- On product innovation
- On geographic spread
- On robust financials
- On shareholder value
- On brand recall
- On business sustainability





RDB Rasayans Ltd. (RDBRL) is more than just one of eastern India's leading polymer-based woven bags manufacturer.

It is one of the most competitive polymer-based woven bags manufacturers globally; through leveraging on size, product quality, core competence and customer selection.

About us

■ RDB Rasayans Limited is a group Company of the conglomerate RDB Group which is headquartered in Kolkata, West Bengal.

■ The RDB group has ventured into real estate (residential and commercial), cigarettes and tobacco, printing and packaging, automobiles marketing, retail, production and installation of power transmission lines and logistics businesses.

■ RDB Rasayans Limited is engaged in the business of manufacturing packaging materials; its plant for the production of polymer-based woven bags is located at Haldia, West Bengal. It started operations in 2003 with a humble capacity of 1800 MTPA and today its capacity stands at 8600 MTPA.

Awards and certifications

■ The Company is an ISO 9001:2008 certified organisation.

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.

Presence in overseas market

■ Europe, Egypt and Lithuania.

Quality policy

■ To focus on our customers delight by giving them quality products and best services.

Product portfolio

Woven sacks

- o Food grade bags
- o Fertiliser bags
- o Sugar bags with inner liner
- o Standard cement bags
- o Perforated laminated cement bags
- o Normal standard and gusseted bags
- o Tea / Coffee Bags
- o Valve bags

Fabric

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

FIBC

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

LINER

- o LDPE liner
- o LLDPE liner
- o HM-HDPE liner
- o FORM-Fit liner
- o Small Bag liner
- o Bulk Container liner

Brand Enhancing Clients



JOURNEY OVER THE YEARS...

1995-96

The Company got incorporated.

2001-02

Haldia Development Authority allotted 2.5 acres of land to the Company for setting up HDPE/PP Woven Sacks, Tarpaulin and FIBC manufacturing plant at Haldia.

2003-04

Commissioned 1800 MT woven sacks manufacturing plant. The plant was inaugurated by Hon'ble Ex-Chief Minister Mr. Buddhadev Bhattacharya.

2005-06

Haldia Development Authority further allotted a 2.63 acres land to manufacture woven sack units.

2006-07

Accredited with ISO 9001:2000 certification from Moody International Certification Ltd.

2008-09
Enhanced production capacity from 1800 MT to 6050 MT.

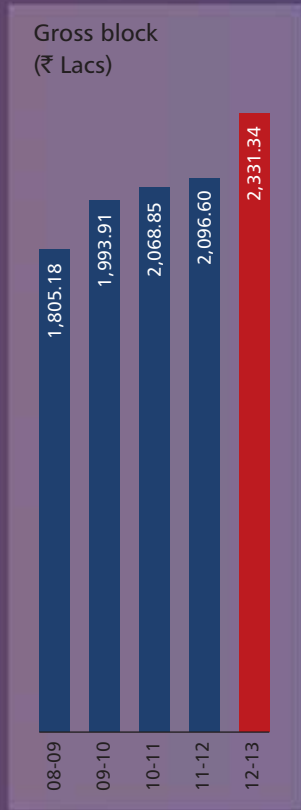
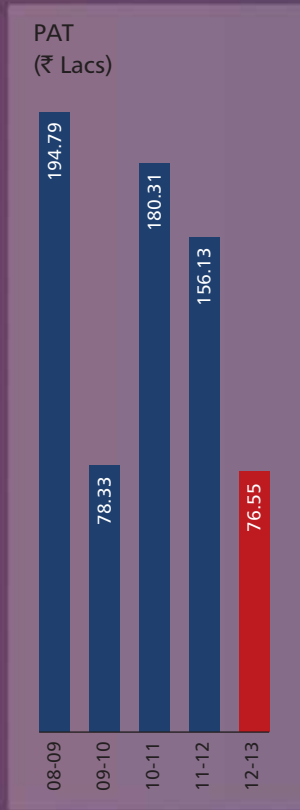
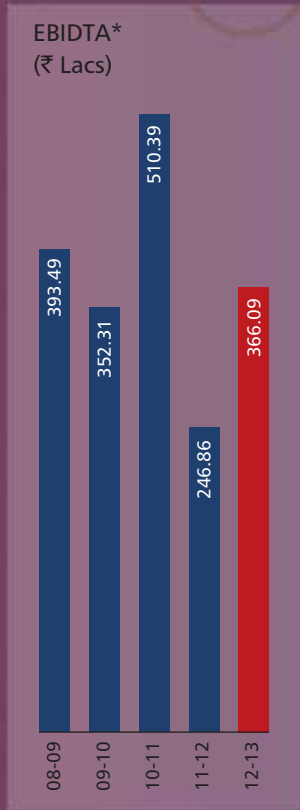
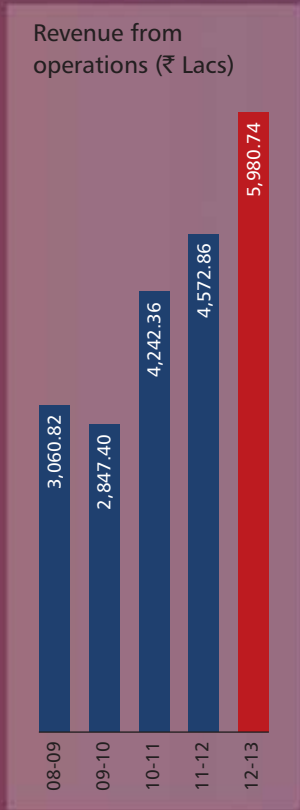
2011-12
IPO of the Company and listing of its shares in Bombay Stock Exchange.

2012-13
Enhanced production capacity to 8600 MT and got accredited with ISO 9001:2008 certification from British Certification Inc.

2007-08
Received Award of Excellence from Federation of Small & Medium Industries, West Bengal for Outstanding Export Performance.

2009-10
Enhanced production capacity to 7000 MT.

ATTRACTIVE PAST, EXCITING FUTURE



*Excluding other income

CHAIRMAN'S REVIEW



Performance highlights

The Company's operational activities have shown significant improvement during the year as the total revenue grew 23.85% from ₹ 4,890.24 lacs in 2011-12 to ₹ 6,056.48 lacs owing to a growth in the manufacturing and trading activities. The EBIDTA margins (excluding other income) grew from 5.40% in 2011-12 to 6.12% in 2012-13. The Company's IPO proceeds are lying unutilized in the Escrow account with the bank due to restrictions imposed by SEBI. Thus, the interest income derived from it is not recorded in the books unlike the previous financial year. As a result of which, at the PAT level the margins declined. However, the good news is that during the year we worked on various back-end initiatives that would enhance productivity and reduce operational costs in the coming years.

Industry optimism

At RDBRL, we are confident of enhancing business value over the medium term for some pertinent reasons:

- Despite a two decade presence in India, the flexible intermediate bulk container (FIBC) industry is still at its nascent stage. However, with a change in the bulk packaging standards, stringency in the labour regulation as per international standards, relaxation

in jute packaging norms for the sugar and food grains industry, increasing applications of FIBCs, convenience of use, time and cost savings the industry is set to double its revenues in the next 3-4 years.

- For years, the FIBC manufacture was concentrated in few of the large consumer markets as it provided cost, competence and convenience advantage. However, with rising labour costs, its production shifted to Mexico, then to Eastern Europe and finally to Turkey, China and India.

- Total plastic consumption in India is expected to grow from 8 million tonnes per annum (MMTPA) in 2009 to 16 MMTPA in 2016 and 25 MMTPA by 2020. With this the total manufacturing capacity of ethylene will reach 9.4 MMTPA, polyethylene (PE) will reach 5.76 MMTPA and polypropylene (PP) will be 5.1 MMTPA (Source: *Plastics India Magazine, April 2013*).

- The industry has attracted investments worth ₹ 3,300 cr in the last 7 years for adding a capacity of 1.5 MMTPA (Source: *Reliance Polymers Report, Issue 3, 2012-13*).

Changing business dynamics

In the past few years, the customers prefer to deal with those FIBC manufacturers who offer products with excellent price-value proposition that can take their overall business ahead.

“About 30% of our customers account for nearly 85% of our sales which gives us enough opportunity to widen relationships with the remaining 70% customers”

As the norms for product purity standards got stringent, the quality-demanding corporates (particularly in the food and pharmaceutical sectors) shifted to FIBC suppliers who have invested in research led production and clean room factory environment, to enhance safety measures.

As large and professional corporates look-forward to unmatched service standards, most of them have shifted to suppliers who offer one stop product solution along with timely delivery.

As product competitiveness increases, the buyers prefer vendors who offer products that are lower in weight but provide superior load bearing capacity compared to other types of packaging material.

As environmental norms are getting stringent, the buyers prefer vendors who are socially responsible and have invested in eco-friendly manufacturing facilities.

RDBRL's strategic response

At RDBRL, we undertook various strategic decisions to respond to these changes:

■ We enhanced our manufacturing capacity to 8600 MTPA to emerge as one the largest manufacturer of polymer-based woven bags in eastern India. Thereby gaining advantage of superior economies of scale.

■ We have widened our marketing presence and targeted regions of Lithuania, Egypt and Europe where our products have been accepted despite stiff competition in International market.

■ We are trying to strengthen our financial position to create a strong foundation for sustainable growth.

■ We have strengthened our process of realisation from clients to enhance cash flows. Almost 95% of our debtors make payment within scheduled time.

■ We have increased focus on product innovation, productivity enhancement, quality control and maintaining timely product delivery which has resulted in better customer service and satisfaction.

■ We have tie-ups with Haldia Petrochemicals, Reliance Industries Ltd and Indian Oil Corporation to ensure continuous supply of polypropylene for production.

■ We have strengthened relations with our customers (that include reputed industrial houses). They have been in business with us since inception. About 30% of our customers account for nearly 85% of our sales which gives us enough opportunity to widen relationships with the remaining 70% customers.

Message to stakeholders

We are optimistic of the future

prospects of polymer based packaging material industry and the initiatives that we have undertaken to enhance our competitiveness. We believe that the Company can generate larger profits and develop a sustainable business model in the coming years.

Your company has chalked out various strategic expansion plans. But as of now, they have been put on hold as our IPO funds are not yet available for use in expansion plans. On release of IPO funds, we shall be in a position to increase production capacity and come up with more innovative products. The objective is to attain a larger market share.

The sum of these initiatives will be progressively reflected in our numbers and help us emerge as a relatively non-cyclical company that would maximize returns in favourable economic scenarios and protect bottomline in the most challenging markets. I am extremely thankful to our Board, customers, management team and shareholders at large for believing in us and giving us your constant support.

Mr. Shanti Lal Baid
Chairman and M.D.

INDUSTRY OVERVIEW

Indian economy

The growth in the Indian economy decelerated for the second year in succession. The GDP grew 5% in 2012-13 compared to 6.2% in 2011-12. This is the slowest growth in the decade primarily owing to decline in the services and industrial sectors. Services sector was down mainly on account of slowdown in the global economy. Whereas the industrial sector was down owing to policy logjams, low investments, high interest rates, rupee depreciation and high inflation.

Outlook 2013-14

The Indian economy is expected to revive and grow between 6.1-6.7% during 2013-14 on account of relaxed interest rates, higher government spending and consumption revival catalyzed by acceleration in the agricultural sector.

Indian packaging industry

The Indian packaging industry, pegged at USD 24.6 billion (USD 550 billion globally), is the sixth largest in the world. The industry is expected to witness a compounded growth of 12.3% in the next 4-5 years to become the fourth largest in the world with sales of USD 42.7 billion. The country's

per capita packaging consumption is merely 4.3 kg per person compared to Germany's 42 kg and Taiwan's 20 Kg. The bulk packaging industry grew at a phenomenal rate of 28% in the first 6-7 years and is currently expected to grow in the range of 15-20%. Processed food account for 48% of the total packaging industry in India, personal care product 27%, pharmaceuticals 6% and others 19%. (Source: India Pack 2013 report)

Polymer based bulk packaging industry

Polymer based bulk packaging is the single largest bulk packaging segment that includes primary/secondary packaging of industrial products, commodities and food right from small retail packs of 10kg to jumbo/FIBC bags of 2500 kg.

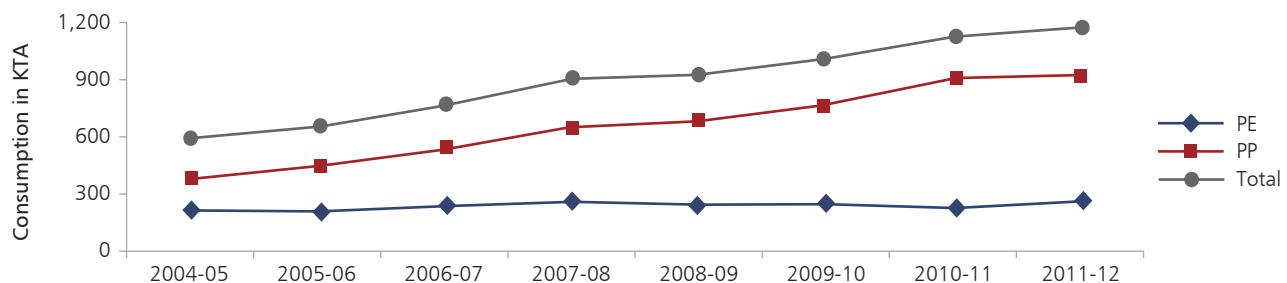
Global Flexible Intermediate Bulk Container (FIBC) market

Globally the FIBC market is expected to grow at around 9%. North America, with a growth rate of 11% per annum is the largest FIBC market. Globally, developing Asian countries have emerged as the largest manufacturers of FIBCs owing to its low-cost advantage. USA imports a majority of its requirement from Central and South America, Turkey and India. Europe

accounting for a quarter of the FIBC market, primarily sources from Turkey and India. Turkey, China and India are the three largest FIBC-producing countries and account for over 50 per cent of the global FIBC requirement.

FIBC industry in India

FIBCs were first introduced in India in the 1990s. Despite, the slow growth in the domestic market, India has emerged as the 3rd largest producer of FIBCs globally (behind Turkey and China) and 2nd largest exporter owing to its low-cost advantage. Almost 90 percent of the production of the country is exported (Source: IFBCA website). The ₹14,000 cr flexible bulk packaging industry (that includes FIBC, woven sacks, wrapping fabric and leno bags), growing at 20% per annum is expected to become three fold in the coming five years. (Source: India Pack 2013 report). The industry has grown four-fold in the past decade owing to a significant increase in the food grade FIBC segment. The polymer based bulk packaging segment, with 1176 kilotonnes of annual PP and HDPE consumption, is the single largest segment compared to other bulk packaging materials in term technical advantage and cost competitiveness.



Applications of FIBCs

- Stones & Mines
- Chemicals
- Pharmaceuticals
- Agriculture products
- Sea food products
- Food products
- Hazardous products and chemicals (UN Certified bags)
- Plastic granules and resins
- Cement
- Fertilizer

Polymer based woven bags – the future of bulk packaging

A life cycle analysis by IIT Delhi team suggests that polymer based woven sacks are more economically affordable, socially acceptable and environmentally effective compared to jute/paper bags. Its manufacturing process is comparatively less hazardous to health.

Moreover, these bags being weight efficient reduces loss to environment through efficient transportation of commodities. Proper waste management of these bags ensures efficient recycling through use of fewer resources and generating less pollution.

Growth drivers

- Industries are increasingly switching over to FIBC packaging on grounds of convenient handling, ease in polymer procurement, low cost, superior protection and time savings.
- Polymer-woven bags are aesthetically superior as they are available in various colors and also offers branding advantage.
- PP based FIBCs are lighter and save three-five times packaging materials over conventional bags. Lower weight in turn reduces energy cost during manufacture and transportation.

■ Increasing application of FIBCs as UN certified bags (for hazardous goods) and clean room bags (for food products).

■ The rapidly growing petrochemicals and minerals industry in India account for almost 60% of the FIBC demand.

■ FIBCs are easier to stack and require less space than conventional bags.

■ The value addition in the food products in India is only 7% compared to 23% in China, 45% in Philippines and 188% in UK. The country's ready-to-eat food market is expected to grow from USD 32.09 mn to USD 727.09 mn by 2015 which is likely to boost the growth in packaging industry.

■ Relaxation in the compulsory jute packaging norm in the sugar industry to 40% from 100%, food grains to 90% from 100% likely to boost demand for FIBCs (Source: *The Hindu*, Nov. 2012).

FIBC production in India

Year	FIBC production in MT	Food grade FIBC production in MT
2008	115000	17500
2009	124000	22000
2010	139000	29000
2011	160000	40000
2012 A*	177000	51000
2013 A*	198000	67000

* Based on average compounded growth in the last 3 years.

	Conventional loading system	Efficient loading with FIBCs
Bag capacity	25 kgs or 50 kgs	1000 kgs
No. of bags required for 1000 kgs	40 bags or 20 bags	1
No. of workers needed	6	1
Time consumed for loading a vehicle	3-4 hours	20-30 minutes

Food grade plastic packaging becomes a necessity

According to an estimate by Food and Agriculture Organisation (FAO) almost 280 to 300 kgs of food/person is wasted every year in US and Europe. Europe alone accounts for 90 million tonnes of food wastage every year and it is estimated that this can rise to levels of 126 million tonnes by 2020.

CORPORATE **PILLARS**

Operational scale

The Company is one of the largest manufacturers of polymer-based woven bags in Eastern India with an installed capacity of 8600 MTPA.

Product portfolio

The Company manufactures different types of bags catering to diverse customer demand. Its portfolio includes jumbo bags (bulk container liners, Q bags and baffle bags), PP and HDPE woven sacks, woven polypropylene sheets, box bags and PP fibrillated twisted yarn. It also manufactures high strength low GSM FIBC bags of 140 GSM (5:1 safety factor for 1000 kg safe working load) and 180 GSM bags (6:1 safety factor for 1500 kg safe working load). It offers wide range of industrial packaging solution that can bear load of 25kgs to 20 tons.

Superior technology

The Company's state-of-the-art manufacturing facility and investment in the latest Duotec technology allows it to manufacture products that meet international quality standards. Moreover, it also enhances the productivity, raw material efficiency and product strength.

Experience

The Company has been in the industry for a decade. Over the years it has emerged as one of the reputed brands with a pan-India product acceptance.

Clientele

The Company has established itself as one of the most trusted polymer-based woven bags manufacturer and enjoys long term relationships with its clients.

Rich intellectual capital

The Company's rich human resource pool translates into desired growth, innovation, customisation and competitiveness. As on 31.03.2013, the Company's total employee strength stood at 324 (152 own and 172 contract). Besides this the Company also resorts to outsourcing for cutting and stitching jobs.

Location advantage

Haldia being a port city provides exclusive transportation advantages. Moreover, the Company's primary raw material supplier M/s Haldia Petrochemicals Ltd. is less than a kilometer away from its plant thereby reducing transportation cost and providing just-in-time procurement advantages. Most of the Company's production is marketed in Haldia itself, with its nearest competitor being 70 kms away.

Integration

The Company's plant is sufficiently equipped with all necessary equipment (tape plant, lamination plant, liner plant, looms, online 4-colour printing, bale press, automatic jumbo and web cutting machine and bag stitching machines) that facilitates manufacturing from base raw materials to final products under the same roof.

DE-RISKING BUSINESS

AT RDBRL, WE HAVE WELL-DEFINED RISK MANAGEMENT SYSTEM THAT INCLUDE A CLEAR UNDERSTANDING OF RISK, ITS EVALUATION, ITS IMPACT ON THE BUSINESS AND UNDERTAKING APPROPRIATE RISK MITIGATION MEASURES. THE RISK MANAGEMENT APPROACH IS DEvised CENTRALLY FROM THE SENIOR MANAGEMENT AND IS PRUDENTLY CASCADED DOWN TO MANAGERS AT VARIOUS LEVELS, TO ENSURE THAT RISKS ARE KEPT WELL UNDER CONTROLLABLE LEVELS.

01

Industry risk

Any slowdown in the global and domestic markets could adversely impact the industry growth

Risk mitigation:

- FIBCs have emerged to be the most efficient and effective bulk packaging material. Most industrial concerns have slowly started to switch over from jute bags to FIBCs, given the inherent product benefits. The global FIBC market is expected to grow at 9% per annum.
- The Company manufactures various grades of products that finds application across various industries.

02

Raw material risk

Inability of the Company to procure raw material in time could lead to stoppage in production and increase manufacturing costs

Risk mitigation:

- Polypropylene (a crude derivative) is the primary raw material required in the manufacture of polymer-based bags. The Company is not dependant on single source of supply. Over years it has developed business relation and has tied up with different supply sources like Haldia Petrochemicals Ltd, Reliance Industries Ltd. and Indian Oil Corporation to ensure continuous supply. In times of difficulty the Company can also source through imports.
- The prices of polypropylene are very volatile as it depends on the international crude oil prices. However based on our past experience of the range of price fluctuation, we build in cushion against fluctuation while negotiating selling price to our client.

03

Intellectual capital risk

The industry being a labour-intensive one is highly dependent on the availability of good quality labour

Risk mitigation:

- The Company ensures that employee grievances are immediately addressed. It provides all necessary amenities to its employees and undertakes various HR initiatives to ensure cordial relations with the union.
- The Company provides technical training to its employees to enhance work efficiency and product quality.

04

Competition risk

High level of competition from various large and small companies may tend to reduce the Company's market share and erode margins

Risk mitigation:

- The Company provides best quality products, better services and timely delivery to ensure high levels of customer satisfaction. Over 95% of our business is from repeat orders from existing clients.
- The Company's plant in Haldia is proximate to most of its vendors with its nearest competitor being about 70 kms away. This enables timely delivery of products with low logistics cost.

05

Quality risk

Inability of the Company to manufacture quality products may reduce its product acceptance

Risk mitigation:

- The Company's plant is accredited with quality certification – ISO 9001:2000. Moreover, it has invested in state-of-the-art manufacturing facility and developing a research team that continuously works towards quality improvement.

BOARD OF DIRECTORS



Mr. Shanti Lal Baid

Mr. Shanti Lal Baid is the Chairman and Managing Director of RDB Rasayans. He is an industrialist over 40 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.



Mr. Sandeep Baid

Mr. Sandeep Baid is the Whole time Director and is the son of Mr. Shanti Lal Baid. He holds an MBA degree, and is B.Com (Hons.) Graduate from Delhi University. He has an experience of over 14 years in setting up the plant to looking after the entire business operation in the field of Electrical wires and cables and Woven sack / FIBC. He currently looks after the production, marketing and complete administration of the plant.



Mr. Mahendra Pratap Singh

Mr. Mahendra Pratap Singh is the Independent Director of RDB Rasayans. He is Ex-Dy Superintendent of Police in CRPF. He holds a Master degree in Geophysics from Banaras Hindu University and is an MBA from Asian Institute of Management. He has a wide experience and exposure in strategic management during a competitive business era.



Mr. Prabir Kumar Sarkar

Mr. Prabir Kumar Sarkar is the Independent Director of RDB Rasayans. He has over 40 years of experience in financial management. He started his career with erstwhile Union Carbide India Ltd and held various positions in the organisation including the post of CFO of the chemical and plastic division. He was also the president of one of the group companies of Nagarjuna Finance Limited, where he dealt with various financial operations like lease, hire purchase, loans etc.



Mr. Sharad Kumar Bachhawat

Mr. Sharad Kumar Bachhawat, the Independent Director of RDB Rasayans. He is the son of Late Tej Karan Bachhawat and started his career in cosmetic and manufacturing of readymade garment. For the last ten years he is associated with the Real Estate business. He was also the president of a sports club and involved with social organization. His varied experience and exposure can immensely help the Board to take appropriate strategic decision in a competitive business era.

Corporate information

Board of Directors

Mr. Shanti Lal Baid, *Managing Director*

Mr. Sandeep Baid, *Whole Time Director*

Mr. Mahendra Pratap Singh, *Non-Executive Independent Director*

Mr. Prabir Kumar Sarkar, *Non-Executive Independent Director*

Mr. Sharad Kumar Bachhawat, *Non-Executive Independent Director*

Company Secretary and Compliance Officer

Ms. Swati Agarwal

Auditors

M/s S.M.DAGA & Co., Chartered Accountants
11, Clive Row, Kolkata-700 001.

Bankers

AXIS Bank Limited
State Bank of India
Oriental Bank of Commerce
Kotak Mahindra Bank

Registrar & Share Transfer Agent

Main Office

M/s Link Intime India Private Limited
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 Private Limited
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).

Solicitors

Mr. Dipayan Choudhury, Advocates
5, Kiran Shankar Roy Road, 3rd Floor, Kolkata-700 001.

Registered office

“Bikaner Building”, 8/1, Lal Bazar Street,
3rd Floor, Room No. - 9, Kolkata - 700 001
Phone No. 033-4450 0500
Fax No. 033-2242-0588.

Directors' report

To,
The Members,

Your Directors are pleased to present the 18th Annual Report together with the Audited Accounts for the year ended 31st March, 2013.

Financial Performance

Particulars	Financial Year 2012-2013 (₹)	Financial Year 2011-2012 (₹)
Income from operations	598,074,601	457,285,850
Other income	7,573,343	31,738,392
Profit before interest, depreciation and tax	43,084,652	55,177,429
Less: a) Interest	15,753,894	15,837,845
b) Depreciation	16,156,373	15,947,043
Profit before taxation	11,174,385	23,392,541
Less: Provisions for current tax, deferred tax and tax adjusted for earlier year	3,518,900	7,779,624
Profit/(Loss) after tax	7,655,485	15,612,917
Add: Balance brought forward from last year	39,338,507	38,930,154
Add: Adjustment for transitional provision of AS-15	-	236,874
Balance available for appropriations	46,993,992	54,779,945
Less: Appropriations		
a) Proposed dividend on equity shares	8,857,400	13,286,100
b) Dividend distribution tax on proposed dividend	1,436,892	2,155,338
c) Transfer to general reserves	-	-
Balance carried to the Balance Sheet	36,699,700	39,338,507

Review of Operation

Financial Year 2012-13 was a very challenging for RDBRL. Persistent recession in the global and domestic markets drastically reduced demand of packaging material. Fierce business competition resulted in reduction in the prices of the finished products. Rising unrest across the country posed further challenges. Despite these constraints the Company managed to increase its turnover. The highlights are as follows:

1. Company's gross turnover increased from ₹ 493,819,684 to ₹ 657,595,716.
2. Exports decreased from ₹ 89,277,276 to ₹ 27,224,391.

3. Profit before tax decreased from ₹ 23,392,541 to ₹ 11,174,385 primarily due to non-recognition of interest accrued in the Escrow Account, since the matter is sub judice. The recognition of interest has been postponed in accordance with the AS-9 "Revenue Recognition". Hence, the net profit after tax has also decreased from ₹ 15,612,917 to ₹ 7,655,485.

Dividend

Keeping in view the overall performance during the year your Directors are pleased to recommend a dividend of ₹ 0.50 per Equity Share (Previous year ₹ 0.75 per Equity share) for the financial year ended 31st March, 2013, which if approved will

be paid to those members whose names appear in the Register of Members as on 31st July, 2013; with respect to the shares held in demat form, it would be paid to members whose names are furnished by the NSDL and CDSL as beneficial owners as on that date. The total dividend outgo for the current year amounts to ₹ 10,294,292 (inclusive of dividend distribution tax).

SEBI Matter

Pursuant to the application filed by the Company in the Hon'ble High Court, Calcutta against an ad interim ex-parte order of SEBI dated 28.12.2011, the Hon'ble High Court, Calcutta vide their order dated 18.07.2012 has granted liberty to the Company to withdraw and utilize ₹ 6.50 Crores out of ₹ 31.60 Crores lying in the Escrow Account.

SEBI being aggrieved by the interim order dated 18.07.2012 of the Hon'ble High Court, Calcutta has preferred a Special Leave Petition (SLP) on 15.02.2013 before Hon'ble Supreme Court of India. The SLP is now pending with Supreme Court of India for disposal.

The detailed utilisation of IPO proceeds as on 31.03.2013 has been reported under note no. 2.1(h) in Notes to the Accounts.

Business Activity

RDB Rasayans Limited, an ISO 9001:2008-certified organisation, is engaged in manufacture and sale of FIBC (Jumbo Bags) and woven sacks and various woven polymer based products like container liners, protective irrigation system, canal liners, etc. which find large scale applications in the segments like cement, fertiliser and carbon etc.

Directors

Sri Sandeep Baid Whole Time Director was appointed for a period of 3 years which was expired on 31.03.2013. Board decided to re-appoint him for a further period of three years w.e.f. 01.04.2013 subject to the approval of members in the ensuing Annual General Meeting. Considering his experience, expertise and knowledge in this field the Board recommends his re-appointment.

Sri Sharad Kumar Bachhawat was appointed as additional director w.e.f. 08.08.2012 in terms of section 260 of the Companies Act, 1956. Sri Sharad Kumar Bachhawat holds office up to the date of ensuing Annual General Meeting of the Company and being eligible offers himself for appointment as the Director of the Company. The Company has received a notice from the member under section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Sri Sharad Kumar Bachhawat for the office of director of the Company liable to retire by rotation.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and Article 89 of the Article of Association

of the Company, Mr. Mahendra Pratap Singh, whose period of office is liable to retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Sri Sachin Shridhar, Independent Director of the Company resigned from the Board on 27.05.2013 due to his pre-occupation. The Board places on record its sincere appreciation for his services and valuable contribution in the development and growth of the Company.

Brief resume and other relevant details pursuant to clause 49 of the Listing Agreement of Sri Sandeep Baid, Sri Sharad Kumar Bachhawat and Sri Mahendra Pratap Singh who are proposed to be appointed, re-appointed, is annexed in the notice convening the Annual General Meeting.

Your Directors recommend the above appointment/re-appointment.

Based on the confirmations received, none of the directors of your Company are disqualified as per provisions of section 274(1) (g) of the Companies Act, 1956.

Industrial Relations and Human Resource Management

Your Company recognises the importance of human resource in creating a great organization.

The Company is constantly working to create a congenial work environment and motivating employees at all levels and shall always place all necessary emphasis on continuous development of its human resources.

Management Discussion and Analysis Report

Management Discussion and Analysis Report (MDA) for the year under review as stipulated under clause 49 of the Listing Agreement with the stock exchange is presented in a separate section forming part of the Annual Report.

Corporate Governance

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement along with the Auditors' Certificate for its due compliance forms part of the Annual Report.

CEO/CFO Certification

The CEO/CFO certificate on the financial statements of the Company as required under Clause 49 of the Listing Agreement forms part of the Annual Report.

Health, Safety and Environmental Protection

The Company has complied with all the applicable laws. The Company has been complying with relevant laws and has been taking all necessary measures to protect the environment and maximise worker protection and safety.

Subsidiaries

The Company does not have any subsidiary.

Auditors

M/s S.M. Daga & Co., Chartered Accountants, as Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting, and being eligible, have offered themselves for re-appointment and have further confirmed that the said re-appointment will be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for re-appointment within the meaning of Section 226 of the said Act. The Board of Directors upon the recommendation of the Audit Committee proposes the re-appointment of M/s S.M. Daga & Co., Chartered Accountants, as Statutory Auditors of the Company.

Auditors' Observations

With reference to the auditor's opinion point no. 6, it is reported that as a matter of prudence, interest accrued on Escrow Account of ₹ 19,598,109 (previous year ₹ 2,553,937) and TDS thereon of ₹ 1,959,811 (₹ 255,394) for the year ended 31.03.2013 has not been accounted for in the books of accounts as the matter is sub judice, the recognition of interest has been postponed in accordance with AS-9 "Revenue Recognition".

Cost Audit

The Company has appointed M/s D.K. Lodha & Co., as cost auditors for conducting Cost Audit for the financial year 2012-13. The last date for submitting the Cost Audit Report for the year ended 31st March, 2013 to the ROC is 29th September, 2013.

Public Deposit

During the year under review, the Company has neither accepted nor renewed any public deposit and has no overdue or unclaimed public deposit, as defined under section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposit) Rules, 1975.

Particulars of Employees

None of the employees of the Company are drawing remuneration exceeding the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Long Term Agreement

Charter of Demand settled on dated 30th July, 2012 with the worker w.e.f. 01st January 2012 to 30th June, 2015. It will remain binding upon the parties thereafter until a fresh settlement is signed.

Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm: -

- i. that in the preparation of the annual accounts for the year ended 31st March, 2013 the applicable Accounting Standards have been followed;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the statement of profit or loss of the Company for that period;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the annual accounts on a going concern basis.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the annexure attached hereto and forms part of this Report.

Acknowledgements

Your Directors would like to place on record their sincere gratitude to the stakeholders, bankers, business associates, retailers, suppliers, customers, government authorities and other regulatory agencies for their continued support and faith in the Company. Your Directors are also happy to place on record their appreciation for the whole-hearted co-operation, commitment and contribution made by all the employees and look forward to their continued support.

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

Place: Kolkata
Date: 27.05.2013

Shanti Lal Baid
Chairman & M.D.

Annexure to the Directors' Report

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo

Information under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forms a part of the Directors' Report.

Form A - Conservation of energy (Power and Fuel consumption)

A. Conservation of energy (Power and Fuel consumption)	
a) 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.
b) Additional Investments and proposals, being implemented for reduction of consumption of energy	
c) Impact of the measures at (a) or (b) above for reduction of energy consumption and consequent impact on the cost of production	

d) Total Energy consumption and energy consumption per unit of production -

Particulars	2012 – 2013	2011 – 2012
Electricity		
Purchased Unit	4,101,210.00	4,170,538.00
Total Amount (₹)	34,850,485.00	27,740,771.00
Rate/Unit (₹)	8.50	6.65
Own Generation		
Through Generator (₹)	576,538.45	899,307.10
Rate Per Ltr. of Diesel/Oil Cost (₹)	46.12	40.96
Cost/Units (₹)	14.03	13.32

Form B - Disclosure of particulars with respect to absorption

Research & Development (R & D) -			
Specific areas in which R & D carried out by the Company		The Company has carried out R & D in multiple 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.	
Benefits derived as a result of the above R&D		Product improved in quality and quantity, cost reduction is the outcome of such efforts made by the Company.	
Future plan of action		Steps would be initiated for innovation and renovation of products including new market development and enhancement of product quality, to offer better products at relatively affordable prices.	
Sl. No.	Particulars	2012-13 (₹)	2011-12 (₹)
	Expenditure on R & D		
1	Capital Expenditure	Expenses incurred are charged to respective heads and not allocated separately.	
2.	Recurring Expenditure		
	Total Total R & D expenditure as a percentage of total turnover	Not determinable.	
Technology, absorption, adaptation and innovation			
Efforts, in brief, made towards technology absorption, adaptation and innovation.			
Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.		There is no change in technology used by the Company	
In case of imported technology (imported during the last 5 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.		Not Applicable	

Form C - Foreign Exchange Earning and Outgo

1.	Activities relating to exports	The Company is at present exporting its products to Europe, Asia Pacific, Middle East, Australia etc. The Company is continuously exploring possibilities of exporting more of its products to different markets.	
2.	Initiatives taken to increase exports		
3.	Development of new export markets for products and services		
4.	Export plans		
5.	Total Foreign Exchange earned and used	(₹)	
		2012-13	2011-12
	a) Foreign Exchange earned	25,617,493.00	82,837,065.52
	b) Foreign Exchange used	34,377,714.16	3,072,571.50

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

Place: Kolkata
Date: 27.05.2013

Shanti Lal Baid
Chairman & M.D.

Management Discussion and analysis

Industry Structure & Development

The Indian technical textiles segment is still at its nascent stage. According to a working group on technical textiles during the 12th Five Year Plan (2012-17) the industry is expected to witness a compounded growth of 20% to reach USD 28.72 billion by 2016-17. Packaging is the most important segment of the technical textiles industry accounting for about 37% of the segment. The manufacture of bags and sacks that was traditionally from cotton, flax and jute is increasingly shifting focus to polypropylene given the inherent product benefits.

SWOT ANALYSIS

Strengths and opportunities

The FIBC industry was primarily dominated by Europe and US. However, the economic crisis in these countries has been a major boost for Asian manufacturers given their advantage of low-cost manufacture. Turkey, China and India have emerged to be the three major manufacturers. Moreover, with widening usage of FIBCs in food, pharmaceutical, petrochemicals and minerals segment has further enhanced its importance as the most effective and efficient bulk packaging material.

Your Company has single-mindedly focused on FIBC sector through investments in research and development, productivity enhancement, quality improvement and maintaining delivery schedules. With this your Company has emerged to be the

leading supplier of woven bags to large corporate in Eastern India. We are increasingly focusing on manufacture of value added bags to enhance profit margins. Clean room bags for pharmaceutical and food sector is one segment that have shown huge growth potential and we expect to increase our market share in this segment to enhance shareholder value.

Weakness and threats

Constant fluctuations in the raw material (polypropylene) prices, labour shortage and volatility in the forex market can be a major hindrance in the Company's growth. However, with proper planning we have managed to keep these uncertainties under control.

Segment-wise Performance

Your Company is primarily engaged in the business of manufacturing of polymer-based woven bags. It also deals in trading of raw materials to further enhance its performance.

Industry Outlook

The Indian packaging industry has huge growth potential as the country focuses on enhancing product quality and cost reduction; through increased research and development, providing technical training to labour force and enhancing productivity. European and US buyers continue to find India as an attractive destination to source polymer-based products given its advantage of low-cost and quality.

Discussion on financial performance with respect to operational performances

The Indian economy continued its poor performance for the second year in succession. The industrial and manufacturing sectors were no exception to this. During the year your Company witnessed a significant growth of 33.16% in its topline from ₹ 4,938.20 lacs in 2011-12 to ₹ 6,575.96 lacs in 2012-13. The bottomline of the Company declined primarily due to non-recognition of interest accrued in Escrow Account, since the matter is sub judice. The recognition of interest has been postponed in accordance with AS-9 "Revenue Recognition".

Your Company continued to focus on the quality and timely delivery of products to maintain relations with its customers. Tough economic scenario and stiff market competition led to temporary lack in demand and reduction in price of finished goods. The Company undertook various HR initiatives to counter the problem of employee unrest and maintain peace. To counter the problems of raw material unavailability the Company has tied-up with various suppliers such that higher capacity utilization is achieved.

Internal Control Systems and their Adequacy

Your Company continuously strives to enhance the control monitoring system to achieve uninterrupted growth. The Company's Control and Monitoring Systems ensures that all assets are safeguarded and protected against loss from

unauthorized use or disposition, and all transactions are authorized, recorded and reported correctly. Periodic review of the Control Systems by the Internal Auditors M/s. J.B.S. & Company, Chartered Accountant, Kolkata ensures their adequacy and effectiveness.

Material Developments in Human Resources/ Industrial Relations Front

Your Company considers its human resources as its most valuable assets, among all. It has been a Company policy to motivate the talent by providing development opportunities within the organisation. The Company continued to maintain very cordial and harmonious relations with its employees. Charter of Demand settled on dated 30th July, 2012 with the worker w.e.f. 01st January 2012 to 30th June, 2015. It will remain binding upon the parties thereafter until a fresh settlement is signed.

Corporate Governance report

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organisation and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to building confidence of its various stakeholders and paying way for its long term success. At RDBRL, Corporate Governance is defined as systematic process by which companies are directed and controlled keeping in mind the long term interests of all their stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuing fairness and transparency in all its dealings with its stakeholders including society at large. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

1. Company's Philosophy

Your Company firmly believes that Corporate Governance is about commitment to values and ethical business conduct. Rasayans has a strong legacy of fair, transparent and ethical governance practices and endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches. The Board of Directors is responsible for and committed to sound principles of Corporate Governance in the Company. It has been enduring in its philosophy to enhance stakeholders' value and customer's satisfaction by consistently endeavouring to follow the best Corporate Governance practices. The Board plays a crucial role in overseeing how the management serves the short and long term interest of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. The Board updates its policies and guidelines from time to time to address the changing need of the environment in which it operates and to effectively achieve the stated objective of the Company.

2. Board of Directors

In terms of the Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees to the shareholders. The Board of Directors ('The Board') is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

■ Composition

The Board has 6 (six) Directors as on 31st March, 2013. The Board comprises of Executive and Non-Executive (Independent) Directors. Two Directors are Executive Directors and rests are Non-Executive (Independent) Directors.

The composition of the Board of Directors as on 31st March, 2013 is in conformity with the Code of Corporate Governance as per clause 49 of the Listing Agreement. The composition of Board and the category of Directors are as follows:

Name of the Director	Designation	Category	No. of Directorship and Committee Membership(s)/ Chairmanship (excluding the Company)		
			Other Directorship(s)**	Committee Membership***	Committee Chairmanship***
Mr. Shanti Lal Baid	Managing Director	Executive Director	02	02	01
Mr. Sandeep Baid	Whole Time Director	Executive Director	-	-	-
Mr. Mahendra Pratap Singh	Director	Independent Director	01	01	-
Mr. Sachin Shridhar	Director	Independent Director	04	-	-
Mr. Prabir Kumar Sarkar	Director	Independent Director	02	-	-
Mr. Sharad Kumar Bachhawat*	Director	Independent Director	-	-	-

* Appointed w.e.f. 08.08.2012

** Excludes Directorships in private limited, foreign companies and government companies.

*** Only memberships/chairmanships of the Audit Committee and Shareholders Grievance Committee in various public limited companies, considered.

1. The Directorship/Committee membership is based on the Disclosures received from the Directors as on 31.03.2013.
2. None of the Directors hold Directorships in more than 15 companies pursuant to Section 275 read with Section 278 of the Companies Act, 1956.
3. None of the Directors hold Membership and/or Chairmanship of any Committee exceeding 10 Companies and/or 5 Companies respectively as per Clause 49 of the Listing Agreement.
4. Mr. Shanti Lal Baid is the father of Mr. Sandeep Baid, except them no other Directors of the Company are related to any other Director on the Board.

■ 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 provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long term interests of the shareholders are being served. 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 agenda of the Board and Committees meetings, notes and explanatory statements are distributed well in advance to the Directors to ensure meaningful participation in the meetings. Every Board member is free to suggest items for inclusion on the agenda. The Board meets at least once in a quarter to review the quarterly results and other agendas.

Number of Board Meetings

Five Board meetings were held during the year 2012-13. The maximum time gap between any two consecutive meetings did not exceed four months.

The meetings of the Board held during the year 2012-13 are as follows:

Sl. No.	Date of Meeting	Board Strength	No. of Director's Present
1	07.04.2012	5	3
2	28.05.2012	5	5
3	08.08.2012	5	4
4	10.11.2012	6	4
5	11.02.2013	6	5

■ Attendance of each Director at Board Meetings and at last AGM

Director	No. of Board Meetings		Attendance at last AGM (08.08.2012)
	Held	Attended	
Mr. Shanti Lal Baid	5	5	Yes
Mr. Sandeep Baid	5	5	Yes
Mr. Mahendra Pratap Singh	5	3	Yes
Mr. Sachin Shridhar	5	1	No
Mr. Prabir Kumar Sarkar	5	5	Yes
Mr. Sharad Kumar Bachhawat*	2	2	N.A.

*Appointed w.e.f. 08.08.2012

3. As required under Clause 49(IV)(G) of the Listing Agreement the brief resume of Directors retiring by rotation and seeking re-appointment is appended in the notice for convening the Annual General Meeting (AGM).

4. Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles. The Board supervises the execution of its responsibilities by the Committees and is responsible for their new action. The Minutes of the meetings of all the Committees are placed before the Board for review. The Board has constituted three standing Committees namely Audit Committee, Shareholder's/ Investor Grievance Committee and Remuneration Committee.

a) Audit Committee

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

that ensures:

- Efficiency and effectiveness of operations.
- Safeguarding of assets and adequacy of provisions for all liabilities.
- Reliability of financial and other management information and adequacy of disclosures.
- Compliance with all relevant statutes.

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

- Investigate any matter within its terms of reference or in relation to the compliance with the provisions of the Companies Act, 1956 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.

The role of the Audit Committee includes the following:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment/ re-appointment and removal of statutory auditors, internal auditors, cost auditors and fixation of their remuneration.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing with the management, the financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Any changes in accounting policies and practices.
 - Major accounting entries involving estimates based on exercise of judgement by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Disclosures of any related party transactions.
 - Qualifications in the draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- g) Reviewing with the management, performance of statutory, internal and cost auditors, and adequacy of the internal control systems.
- h) Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up there on.
- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity on a failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same, prior to endorsement by the Board.

- k) Discussion with the statutory auditors before the audit commences, about the nature and the scope of audit as well as post audit discussion to ascertain any area of concern.
- l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.
- m) To review the functioning of Whistle Blower Mechanism, in case the same is existing.
- n) Approval of appointment of CFO (i.e. the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
- o) Considering such other matters as may be required by the Board.

■ Composition of the Audit Committee

The Audit Committee comprises of Mr. Sandeep Baid Whole Time Director, Mr. Prabir Kumar Sarkar & Mr. Sharad Kumar Bachhawat, Independent Director. Mr. Prabir Kumar Sarkar, Independent Director is the 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. The Committee was reconstituted on 08th November, 2012 due to induction of Mr. Sharad Kumar Bachhawat and resignation of Mr. Mahendra Pratap Singh and Mr. Sachin Shridhar from the Committee.

■ Details of Audit Committee Meetings and their attendance during the year

Four meetings of the Audit Committee were held during the year 2012-13 which are as follows:

Sl. No.	Date of the Meeting	Attendance
1.	28.05.2012	4
2.	08.08.2012	3
3.	10.11.2012	3
4.	11.02.2013	3

■ Details of members and their attendance at the meetings

Director	Position	No. of Committee Meetings	
		Held	Attended
Mr. Sachin Shridhar*	Chairman	2	1
Mr. Mahendra Pratap Singh*	Member	2	2
Mr. Prabir Kumar Sarkar**	Chairman	4	4
Mr. Sandeep Baid	Member	4	4
Mr. Sharad Kumar Bachhawat ***	Member	2	2

* Resigned from the Committee w.e.f. 08.11.2012.

** Appointed as Chairman of the Committee w.e.f. 08.11.2012.

*** Inducted in the Committee w.e.f. 08.11.2012.

b) Remuneration Committee

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

■ Composition of the Remuneration Committee

The Remuneration Committee comprises of Mr. Sachin Shridhar, Mr. Mahendra Pratap Singh and Mr. Prabir Kumar Sarkar, Independent Directors. Mr. Mahendra Pratap Singh acts as the Chairman of the Committee.

During the financial year ended 31st March, 2013 no meeting of the Remuneration Committee was held.

■ Remuneration policy

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

■ Details of Remuneration to Directors for the year

Remuneration paid to Directors for the Financial Year 2012-13 is as follows:

Director	Consolidated salary	Perquisites and other Benefits	Sitting Fees	Total
Mr. Shanti Lal Baid	9,60,000/-	1,29,600/-	Nil	10,89,600/-
Mr. Sandeep Baid	14,40,000/-	21,600/-	Nil	14,61,600/-

No remuneration (including sitting fees) has been paid to the Non-Executive (Independent) Directors in the financial year 2012-13. 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.

c) Shareholder's/ Investor Grievance Committee

The Shareholder's/Investor's Grievance Committee of the Company oversees the performance of the share transfer agents and recommends measures to improve Shareholder's/Investor's service. The Committee specifically looks into redressal of shareholders and investor grievances and approves the remat, sub-division, transfer, transmission of shares, issue of duplicate share certificates etc. The Committees also meets as and when required for approving share transfers. The processing activities with respect to requests received for share transfer are normally completed within 15 working days from the date of receipt of such request.

■ Composition

The Shareholder's/Investor's Grievance Committee comprises of Mr. Shanti Lal Baid, Chairman & Managing Director, Mr. Sandeep Baid, Whole-Time Director and Mr. Prabir Kumar Sarkar, Independent Director. Mr. Prabir Kumar Sarkar, Independent Director acts as a Chairman of the Committee. Ms. Swati Agarwal, Company Secretary is the Compliance Officer of the Committee and looks after the investor's grievances. The shareholders may send their complaints at investor.rasayans@rdbindia.com.

During the financial year ended 31st March, 2013 five meetings of the Committee were held on 28th May, 2012, 08th August, 2012, 10th November, 2012, 28th January, 2013 and 11th February, 2013.

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Prabir Kumar Sarkar	Chairman	5	5
2	Mr. Shanti Lal Baid	Member	5	5
3	Mr. Sandeep Baid	Member	5	5

Details of Shareholder's Complaints

(a)	Number of Shareholder's complaints received during the year	1
(b)	Number of Shareholder's complaints resolved during the year	1
(c)	Number of complaints not solved to the satisfaction of Shareholders	Nil
(d)	Number of complaints pending	Nil

The name, designation and address of the Compliance Officer are as under:

Name and Designation:	Ms. Swati Agarwal, Company Secretary & Compliance Officer.
Address:	8/1, Lal Bazar Street, Kolkata- 700 001
Contacts:	033-44500500
Email:	swatiagarwal@rdbindia.com

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	Location	Special Resolutions, if any, passed
2011-12	17th AGM	Wednesday 08th August, 2012	10.00 A.M.	Gyan Manch, 11 Pretoria Street, Kolkata- 700 071	-
2010-11	16th AGM	Wednesday 28th September, 2011	11.00 A.M.	No. 1, Ramesh Mitra Road, Kolkata- 700 025	Alteration of Articles of Association of the Company u/s 31 of the Companies Act, 1956
2009-10	15th AGM	Wednesday 29th September, 2010	11.00 A.M.	Bikaner Building, 8/1, Lal Bazar Street, 1st Floor, Kolkata- 700 001	-

b) Details of Extra Ordinary General Meeting:

No Extra Ordinary General Meeting was held during the financial year 2012-13.

c) Postal Ballot:

Details of special resolutions passed through Postal Ballot and details of voting pattern for the financial year 2012-13 are as follows -

There were two special resolutions passed through Postal Ballot on 7th April, 2012 as under:

1. Special Resolution under section 61 of the Companies Act, 1956 for alteration and or variation in terms of the Prospectus dated 26.09.2011.
2. Special Resolution under section 372A of the Companies Act, 1956 to make any loans or Investments in M/s Surya Polytex Pvt. Ltd.

The name of the Scrutinizer who conducted the Postal Ballot exercise was Mrs. Sudhanya Roy Choudhury (bearing C P No: 7756), M/s S.R. & Associates, Practicing Company Secretary having her office at 16A, Shakespeare Sarani, Kolkata- 700 071.

Details of voting pattern of the above resolutions are as under:

Sl. No.	Particulars	Resolution No. 1			Resolution No.2		
		No. of PBF	No. of shares	% of total votes casted	No. of PBF	No. of shares	% of total votes casted
1	No. of valid Postal Ballot Forms	14288477	17714800	100	14288452	17714800	100
a)	Postal Ballot Forms with assent for the Resolution	14273632	17714800	99.33	14273357	17714800	99.31
b)	Postal Ballot Forms with dissent to the Resolution	14845	17714800	0.67	15095	17714800	0.69

- No special resolution requiring a postal ballot is being proposed at the ensuing AGM.
- The procedure prescribed under section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 has been followed for the Postal Ballot conducted during the year for resolution mentioned above. The results of Postal Ballot were announced by the Board in its meeting at the registered office of the Company on 07.04.2012 and advertised in the newspapers.

5. 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 transactions with related parties have been disclosed in Note No. 2.30 in Notes to the Accounts forming part of the accounts for the year ended 31st March, 2013.

b) **Statutory Compliances**

The Company is regular in complying with the requirements of the regulatory authorities on the matters relating to the capital market and no penalties/strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority.

Pursuant to the application filed by the Company against the ad-interim ex-parte order of SEBI dated 28th December, 2011, the Hon'ble High Court, Calcutta vide their order dated 18th July, 2012 has granted liberty to the Company to withdraw and utilise ₹ 6.50 Crore out of ₹ 31.60 Crore lying in Escrow Account.

SEBI vide its order dated 08th October, 2012 has revoked the direction issued vide their ad-interim, ex-parte order dated 28th December, 2011 against three Independent Directors and Company Secretary of the Company.

SEBI being aggrieved by the order dated 18th July, 2012 of the Hon'ble High Court, filed a Special Leave petition (SLP) in Supreme Court. The SLP is now pending before the Hon'ble Supreme Court.

c) **Compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange.

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

d) **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 Audited Accounts.

e) **Management Discussion and Analysis Report (MDA)**

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

f) **Declaration- Code of Conduct**

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

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

The Board of Directors has adopted the Code of Conduct for the Directors and Senior Management ("the code"). A copy of the code has been put on the Company's website www.rdbgroup.in.

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

"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 01.04.2012 to 31.03.2013."

Shanti Lal Baid
Chairman & Managing Director

6. 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 all other matters which in its opinion, are material and relevant for the Shareholders.

- a. The quarterly financial results are generally published in Business Standard & Financial Express in English and Duranto Barta in Bengali.
- b. The quarterly financial results and annual audited financial results of the Company are sent to the BSE Ltd.
- c. The Company's financial results are also displayed in its website www.rdbgroup.in.
- d. The Company website does not display any official news releases.
- e. In Clause 47(f) of the Listing Agreement the Company has designated the following e-mail id exclusively for investor services: investor.rasayans@rdbindia.com
- f. No presentation was made to the institutional investors or to the analysis during the year under review.
- g. 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.

7. Compliance Certificate by the Auditors

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

8. 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 dematerialised shares held with NSDL and CDSL, is placed before the Board on a quarterly basis and also submitted to the Stock Exchange.

9. General Shareholder Information

Details of Annual General Meeting for financial year 2012-13:

Date	:	08th August, 2013
Venue	:	The Aryans School, 149, B.T. Road, Kolkata 700 058
Time	:	9.00 A.M.
Book Closure Date	:	1st August, 2013 to 08th August, 2013 (both days inclusive)

Financial Calendar

Financial year	:	01st April to 31st March
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For the year ended 31st March, 2013 the results were adopted on:

First Quarter (Un-audited)	:	08th August, 2012
Second Quarter (Un-audited)	:	10th November, 2012
Third Quarter (Un-audited)	:	11th February, 2013
Annual (Audited)	:	27th May, 2013

For the year ending 31st March, 2014 the results are likely to be adopted:

On or before 14th August, 2013	:	First quarter (Un-audited)
On or before 14th November, 2013	:	Second quarter (Un-audited)
On or before 14th February, 2014	:	Third Quarter (Un-audited)
On or before 30th May, 2014	:	Annual (Audited)

Listing on Stock Exchange

The shares of the Company are listed on the Bombay Stock Exchange Limited.

Bombay Stock Exchange Limited,

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai- 400 001

Website: www.bseindia.com

BSE Code: 533608

Listing Fees

The Listing Fees for the financial year 2013-14 have been paid to the above Stock Exchange.

Depositories

Name of the Depository	Address of the Depository	Website
National Securities Depository Limited	Trade World, Kamala Mills Compound, Lower Parel, Mumbai- 400 013	www.nsdl.co.in
Central Depository Services (India) Limited	P J Towers, 17th Floor, Dalal Street, Fort Mumbai- 400 001	www.cdslindia.com

The International Securities Identification Number (ISIN) allotted to Company's securities under the Depository system is: INE123M01017.

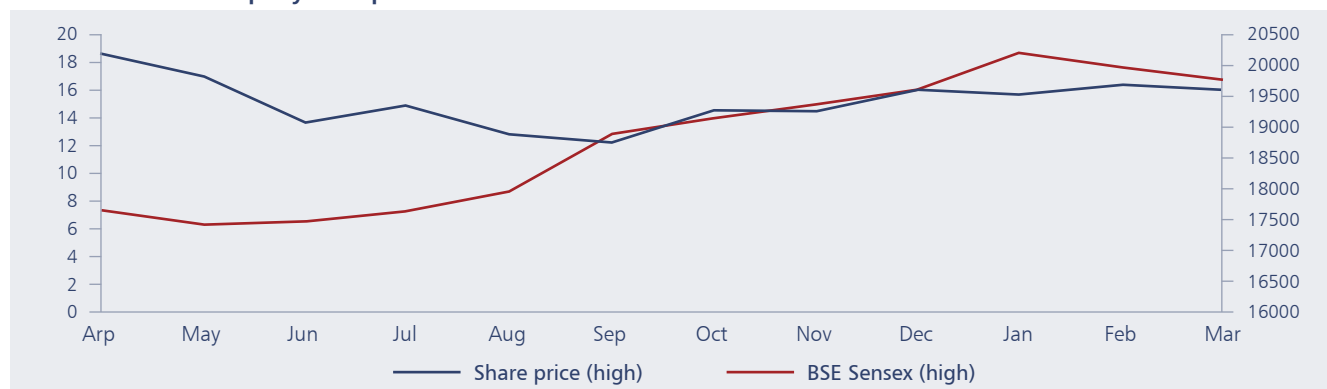
The fees to the depositories for the financial year 2013-14 have been paid.

Market Price Data

The monthly high and low share price data at the Bombay Stock Exchange Limited for the period April, 2012 to March, 2013:

Month	Share Price (High) ₹	Share Price (Low) ₹	BSE Sensex (High)	BSE Sensex (Low)
Apr, 2012	18.69	9.99	17664.10	17010.16
May, 2012	17.10	12.40	17432.33	15809.71
June, 2012	13.67	10.88	17448.48	15748.98
July, 2012	14.90	11.97	17631.19	16598.49
Aug, 2012	12.78	9.76	17972.54	17026.97
Sep, 2012	12.25	9.35	18869.94	17250.80
Oct, 2012	14.55	11.65	19137.29	18393.42
Nov, 2012	14.57	11.94	19372.70	18255.69
Dec, 2012	16.00	13.00	19612.18	19149.03
Jan, 2013	15.70	13.52	20203.66	19508.93
Feb, 2013	16.40	13.70	19966.69	18793.97
Mar, 2013	15.90	11.60	19754.66	18568.43

Performance of Company's Script on BSE vs BSE Sensex



Registrar & Share Transfer Agents

Main Office	Branch Office
M/s Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L B S Marg, Bhabdup (W), Mumbai- 400 078 Phone No: 022-2596 0320 Fax No: 022- 2594 6969 E-mail: mumbai@linkintime.co.in	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)

Share Transfer System

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 mentioned above. Shareholders holding shares in the electronic form should address their correspondences to their respective depository participants.

Distribution of Shareholding as on 31st March, 2013

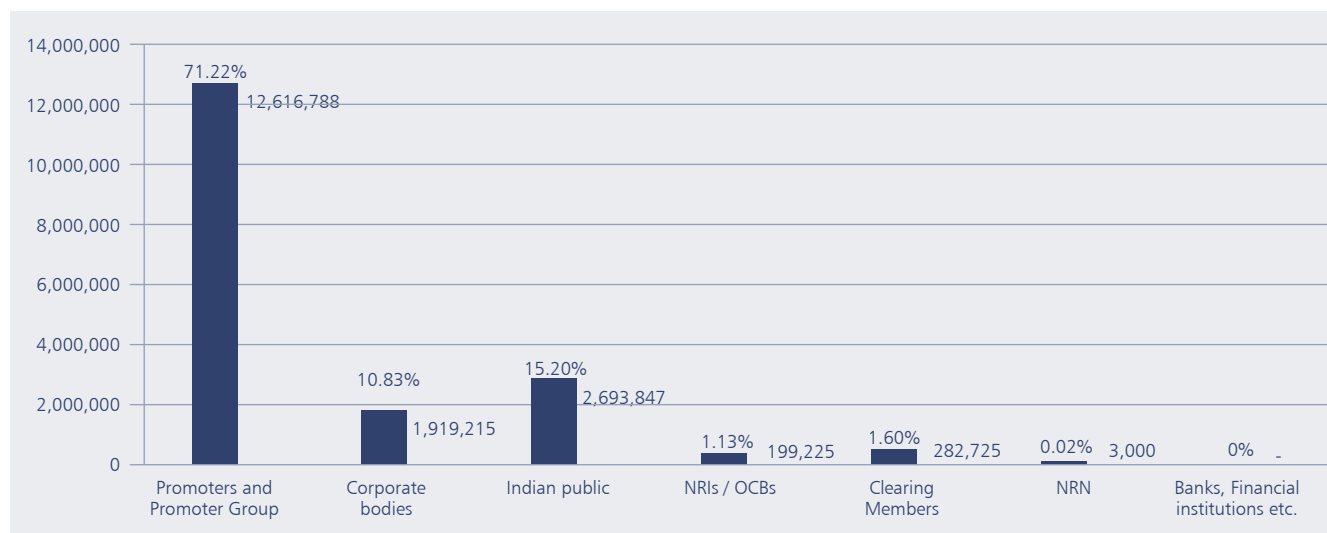
■ By size:

Range of Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	2651	80.70	390,404	2.20
501-1000	324	9.86	278,494	1.57
1001-2000	129	3.93	208,818	1.18
2001-3000	49	1.49	129,236	0.73
3001-4000	29	0.88	108,051	0.61
4001-5000	16	0.49	76,359	0.43
5001-10000	36	1.10	269,155	1.52
10001- above	51	1.55	16,254,283	91.76
Total	3285	100	17,714,800	100

■ By Category:

Category	Number of Shares	% to Total
Promoter and Promoter Group	12,616,788	71.22
Banks, Financial Institution etc.	Nil	Nil
Corporate Bodies	1,919,215	10.83
Indian Public	2,693,847	15.20
NRIs	199,225	1.13
Clearing Members	282,725	1.60
NRN	3,000	0.02
Total	17,714,800	100

Shareholding Category as 31st March, 2013



List of Top Ten Shareholders as on 31st March, 2013

Name of the Shareholder	No. of Shares held	% of Shareholding
Mrs. Sheetal Dugar	4,114,093	23.224
M/s Pyramid Sales Pvt. Ltd.	3,513,800	19.835
Mr. Vinod Dugar	3,434,800	19.389
M/s Growth Techno Projects Ltd.	1,640,000	9.258
Mr. Sandeep Baid	893,695	5.044
Mr. Shanti Lal Baid	380,000	2.145
Mr. Moizbhai Hakimuddin Boriawala	168,000	0.948
Mr. Aditya Jajodia	157,857	0.891
Mrs. Usha Jajodia	148,817	0.840
M/s Shanti Lal Baid (HUF)	140,000	0.790

Details of Shares held by Directors as on 31st March, 2013

Name of Director	No. of Equity Shares	% of Total Holding
Mr. Shanti Lal Baid	520,000*	2.94
Mr. Sandeep Baid	893,695	5.04
Mr. Sachin Shridhar	Nil	Nil
Mr. Mahendra Pratap Singh	Nil	Nil
Mr. Prabir Kumar Sarkar	Nil	Nil
Mr. Sharad Kumar Bachhawat	Nil	Nil
Total	1,413,695	7.98

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

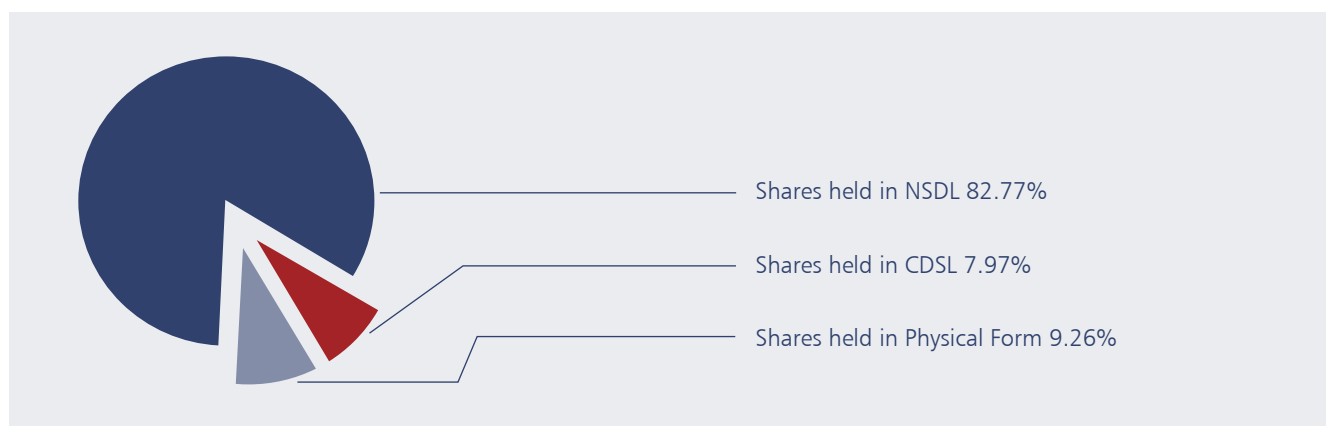
Dematerialisation of Shares and liquidity

As on 31st March, 2013 a total of 1,60,74,719 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, 2013 is given below:

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	14,662,984	82.77
Shares held in CDSL	1,411,735	7.97
Shares held in Physical Form	1,640,081	9.26

Demat Status as on 31-Mar-2013



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 205C of the Companies Act, 1956, 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. For the Financial Year 2011-12 dividend has been declared on 08th August, 2012, and the unclaimed/unpaid dividend of 2011-12 is due for transfer in IEPF as on 06th September, 2019.

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

Certificate of Corporate Governance

To
The Members of
RDB RASAYANS LTD

We have examined the compliance of conditions of Corporate Governance by RDB RASAYANS LTD for the year ended on 31st March, 2013, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

Deepak Kumar Daga
Partner
Membership No.59205

Place : Kolkata
Date : 27th day of May, 2013

CEO/CFO Certification

To,
The Board of Directors,
RDB Rasayans Limited

We, Shanti Lal Baid, Managing Director and Chief Executive Officer, appointed in terms of the Companies Act, 1956 and Bidhan Neogi, Chief Financial Officer, hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the year and
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For RDB Rasayans Limited

For RDB Rasayans Limited

Shanti Lal Baid
Managing Director & Chief Executive Officer

Bidhan Neogi
Chief Financial Officer

Place: Kolkata

Date: 27th day of May, 2013

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, 2013, and the Statement of Profit & Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

We report that –

1. We have obtained all the information and explanations, which to the best to our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of these books.
3. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by these report comply with the Accounting Standards referred to in sub section (3C) of Section 211 to Companies Act, 1956.
5. On the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Note No. 2.37 regarding non recognition of interest income of ₹ 1,95,98,109/- (PY ₹ 25,53,937/-) and TDS thereon of ₹ 19,59,811/- (PY ₹ 2,55,394/-) on Escrow Account in accordance with AS – 9, due to restrictions imposed by SEBI on utilisation of IPO funds resulting in :
 - a) Understatement of profit for current year and current assets by ₹ 1,95,98,109/- in the current year.
 - b) Understatement of reserves and current assets by ₹ 2,21,52,046/- upto date.and other notes give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2013;
 - b) In the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and

- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2003, issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India (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 paragraphs 4 and 5 of the said order.

1.
 - a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. In our opinion and as explained to us, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
 - c. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
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 informations 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.
 - a. The company has not granted any loans secured or unsecured to any party covered in Register maintained

under Section 301 of the Companies Act, 1956. Consequently, the requirements of sub clauses (a) (b) (c) and (d) of clause (iii) of paragraph 4 of the order are not applicable.

- b. The company has not taken any loan during the year from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of sub clauses (e) (f) and (g) of clause (iii) of paragraph 4 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, no major weakness in internal have been noticed or reported.
 5.
 - a. In our opinion and according to information and explanations given to us, all the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been entered.
 - b. Transactions made in pursuance to section 301, have been entered at price with regard to the prevailing market price.
 6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore the provisions of clause (vi) are not applicable to the company.
 7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
 8. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. a. According to the information and explanations given to us and records of the company examined by us, in our opinion, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
b. According to the information and explanations given to us and the record examined by us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The company does not have accumulated losses. Further, neither there was any cash loss in the financial year under review nor in the immediately preceding financial year.
11. As per the books and records examined by us and according to the information and explanations given to us, in our opinion, the company has not defaulted in repayment of dues to financial institutions or banks.
12. According to the information and explanations given to us and based on the documents and records examined by us, in our opinion, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
14. In our opinion and according to the informations and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. The company has given guarantee in connection with loan taken by the group companies from banks or financial institutions in preceeding financial years, which has been released in the current year under review and there is no guarantee given by company remains outstanding as the end of the reporting period. According to the information and explanations given to us, we are of the opinion that the terms and conditions, on which the company has given guarantees for such loans, are not prejudicial to the interest of the company.
16. In our opinion, and according to the informations and explanations given to us, the term loan has been applied, on an overall basis, for the purpose for which they were obtained.
17. Based on the information and explanations given to us and an on overall examination of the balance sheet of the company, in our opinion, no fund raised on short term basis have been used for long term investment.
18. Based on the information and explanations given to us, in our opinion, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The company does not have any debentures outstanding at any time during the year under audit and hence question of creating security in respect thereof does not arise.
20. The company has raised ₹ 35.55 crore by way of public issue in the Year ended 31st March, 2012. However the fund raised could not be utilized for the purpose it was raised, due to restrictions imposed by SEBI (refer note no. 2.1h and 2.33 to 2.36).
21. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the informations and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

For S. M. Daga & Co.
Chartered Accountants
Firm Registration No. 303119E

Deepak Kumar Daga
Partner
Membership No. 059205

11, Clive Row, Kolkata – 700 001.
The 27th day of May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

Sr. No.	Particulars	Note	As at 31st March, 2013		As at 31st March, 2012	
I.	EQUITY AND LIABILITIES					
	1. Shareholders' funds					
	(a) Share capital	2.1	177,148,000		177,148,000	
	(b) Reserves and surplus	2.2	354,894,700	532,042,700	357,533,507	534,681,507
	2. Non-current liabilities					
	(a) Long-term borrowing	2.3	26,245,678		30,906,649	
	(b) Deferred tax liabilities (net)	2.4	10,468,282		10,910,892	
	(c) Long-term provisions	2.5	1,108,525	37,822,485	618,799	42,436,340
	3. Current liabilities					
	(a) Short-term borrowings	2.6	93,520,476		78,853,214	
	(b) Trade payables		27,474,546		22,535,910	
	(c) Other current liabilities	2.7	6,329,651		5,705,034	
	(d) Short-term provisions	2.8	14,394,292	141,718,965	24,601,438	131,695,596
	Total			711,584,150		708,813,443
II.	ASSETS					
	1. Non-current assets					
	(a) Fixed assets					
	Tangible assets	2.9	138,671,375		131,056,204	
	(b) Long-term loans and advances	2.10	55,000,000		95,000,000	
	(c) Other non-current assets	2.11	14,964,008	208,635,383	18,403,363	244,459,567
	2. Current assets					
	(a) Inventories	2.12	116,888,220		82,259,816	
	(b) Trade receivables	2.13	95,084,242		46,844,734	
	(c) Cash and bank balances	2.14	266,638,775		319,050,446	
	(d) Short-term loans and advances	2.15	15,383,018		8,062,346	
	(e) Other current assets	2.16	8,954,512	502,948,767	8,136,534	464,353,876
	Total			711,584,150		708,813,443
	Significant accounting policies and notes to accounts	1 & 2				

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

For and on behalf of the Board

For S. M. DAGA & CO.

Chartered Accountants

Firm registration No. 303119E

Deepak Kumar Daga

Partner

Membership No. 059205

Shanti Lal Baid
Managing Director

Sandeep Baid
Whole time Director

Swati Agarwal
Company Secretary

Place: Kolkata

Date: 27th day of May 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

Sr. No.	Particulars	Note	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
I.	REVENUE					
	Revenue from operations	2.17	657,595,716		493,819,684	
	Less : Excise duty		59,521,115	598,074,601	36,533,834	457,285,850
	Other income	2.18		7,573,343		31,738,392
	Total revenue			605,647,944		489,024,242
II.	EXPENSES					
	Purchase of stock-in-trade			111,032,309		-
	Cost of materials consumed	2.19		304,684,295		318,655,043
	Changes in inventories of finished goods and work-in-progress	2.20		(11,309,117)		(15,737,131)
	Employee benefit expenses	2.21		35,144,563		25,818,011
	Finance cost	2.22		16,852,240		17,084,507
	Depreciation	2.9		16,156,373		15,947,043
	Other expenses	2.23		121,912,896		103,864,228
	Total expenses			594,473,559		465,631,701
III.	Profit before tax (PBT)			11,174,385		23,392,541
IV.	Tax expenses of continuing operation :					
	(a) Current tax		4,100,000		9,160,000	
	(b) Tax adjustments for earlier year		(138,490)		(17,827)	
	(c) Deferred tax		(442,610)	3,518,900	(1,362,549)	7,779,624
V.	Profit/ (loss) for the period after tax (PAT)			7,655,485		15,612,917
VI.	Earning per equity share: (refer note no. 2.28)			0.43		1.01
	Significant accounting policies and notes to accounts	1 & 2				

This is the Statement of Profit and Loss referred to in our report of even date

For and on behalf of the Board

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

Deepak Kumar Daga
Partner
Membership No. 059205

Shanti Lal Baid
Managing Director

Sandeep Baid
Whole time Director

Swati Agarwal
Company Secretary

Place: Kolkata
Date: 27th day of May 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net profit before tax as per Statement of Profit & Loss		11,174,385		23,392,541
	Adjustments for :				
	Depreciation	16,156,373		15,947,043	
	Bad Debts expenses written off	77,328		303,286	
	(Profit) / Loss on sale of fixed assets	99,194		62,667	
	Foreign Exchange (gain) / loss	641,806		(2,229,838)	
	Interest paid	15,753,894		15,837,845	
	Sundry balances / (liabilities) written back	80,229		256,199	
	Interest received	(7,363,460)		(29,249,509)	
	Share Issue expenses written off	4,134,036		4,134,037	
	Provision for employees benefits	559,938	30,139,338	90,485	5,152,215
	Operating profit before working capital changes		41,313,723		28,544,756
	(Increase) / Decrease in inventories	(34,628,404)		13,041,645	
	(Increase) / Decrease in trade receivables	(49,038,870)		4,672,741	
	(Increase) / Decrease in short-term advances	(7,726,751)		7,265,360	
	Increase / (Decrease) in other current liabilities	503,654		(562,941)	
	Increase / (Decrease) in trade payables	4,938,636	(85,951,735)	158,226	24,575,031
	Cash generated from operations		(44,638,012)		53,119,787
	Less: Direct taxes paid/ (refunds) including interest (net)		9,433,409		8,861,479
	Cash Flow before exceptional items		(54,071,421)		44,258,308
	Net cash generated/(used) from operating activities		(54,071,421)		44,258,308
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of fixed assets	(23,942,854)		(3,071,095)	
	Proceeds from sale of fixed assets	72,115		110,000	
	(Payment) / refund for purchase of capital goods	40,000,000		(67,200,000)	
	(Payment) / refund from other non-current assets	(694,681)		(20,434,529)	
	Fixed Deposits	52,708,505		(315,925,875)	
	Interest received	7,363,460		29,249,509	
	Net cash from investing activities		75,506,545		(377,271,990)

CASH FLOW STATEMENT (CONTD.) FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
C.	CASH FLOW FROM FINANCING ACTIVITIES :				
	Proceeds from issue of equity shares	-		355,500,000	
	Proceeds / (repayment) of long term borrowings	(4,660,971)		(3,408,005)	
	Proceeds / (repayment) of short term borrowings	14,667,262		(8,218,306)	
	Interest paid	(15,771,415)		(15,845,723)	
	Dividend paid	(13,217,828)		-	
	Dividend tax paid	(2,155,338)		-	
	Net cash generated/(used) in financing activities		(21,138,290)		328,027,966
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		296,834		(4,985,716)
	Cash and cash equivalents -Opening balance		121,836		5,107,552
			418,670		121,836
	Cash and cash equivalents -Closing balance		418,670		121,836
	Cash and cash equivalents comprise:				
	Cash on hand		69,579		47,756
	Balances with bank		280,819		74,080
	Unpaid dividend		68,272		-
			418,670		121,836

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

For and on behalf of the Board

For S. M. DAGA & CO.

Chartered Accountants

Firm registration No. 303119E

Deepak Kumar Daga

Partner

Membership No. 059205

Place: Kolkata

Date: 27th day of May 2013

Shanti Lal Baid
Managing Director

Sandeep Baid
Whole time Director

Swati Agarwal
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

NOTE 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, 1956 and in compliance with Companies (Accounting Standard) Rules, 2006 as notified u/s 211(3C) of Companies Act, 1956 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

- a) 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.
- b) All other Income are accounted on accrual basis except otherwise stated.
- c) 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

- a) Leasehold lands are stated at cost including cost incurred for its development.
- b) 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.
- c) 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 XIV of the Companies Act, 1956. 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

- a) 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.
- b) 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.
- c) Finished goods are valued at lower of, cost determined on the basis of absorption costing method or net realizable value inclusive of Excise duty.
- d) Packing & printing materials, stores & spares are valued at lower of cost determined on weighted average basis or net realizable value.
- e) 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.

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

1.10 Value Added Tax and Central Sales Tax

VAT and CST paid 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 Employees State Insurance Corporation, 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 211(3C) of Companies Act, 1956. 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 ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 period presentation.

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
NOTE 2.1 - SHARE CAPITAL		
a. Authorised share capital:		
18,000,000 (Previous year 18,000,000) equity shares of ₹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 ₹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	31.03.2013	31.03.2012
	Nos	Nos
Shares outstanding as at the beginning of the year	17,714,800	13,214,800
Add : Shares allotted for cash pursuant to public issue during the year	-	4,500,000
Number of 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	31.03.2013	31.03.2012
	% holding / No. of shares	% holding / No. of shares
1. Sheetal Dugar	23.22%	20.24%
	4,114,093	3,585,800
2. Pyramid Sales 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	5.04%	5.04%
	893,695	893,695
Total	76.75%	73.77%
	13,596,388	13,068,095

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
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

Particulars	(Amount in ₹)
9,911,100 equity shares of ₹10/- each allotted during F.Y. 2009-10	99,111,000

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

h. Utilization of proceeds of initial public issue as per clause 43A & 49 of the Listing Agreement is as under

(Amount in ₹)

Particulars	As per prospectus net amount to be deployed from issue proceeds	Incurred upto 31.03.2013
a. To finance the capital expenditure to enhance the manufacturing capacity :		
Civil works	-	-
Plant and machinery	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 order		261,286,589
Total		261,286,589

Particulars	As at 31st March, 2013	As at 31st March, 2012
NOTE 2.2- RESERVES AND SURPLUS		
a. Capital reserve	7,695,000	7,695,000
b. Securities premium account	310,500,000	-
Add : Additions during the year	-	310,500,000
Sub_total (b)	310,500,000	310,500,000
c. Surplus - brought forward from last year	39,338,507	38,930,154
Add: Adjustment for transitional provision of AS-15	-	236,874
Add: Profit for the year	7,655,485	15,612,917
Less: Appropriations		
Proposed equity dividend	8,857,400	13,286,100
Dividend distribution tax	1,436,892	2,155,338
Sub_total (c) - Surplus as at end of the period	36,699,700	39,338,507
Total (a+b+c)	354,894,700	357,533,507

NOTE 2.3- LONG-TERM BORROWINGS		
(Secured)		
Term loan from bank :		
(Repayable in 116 monthly installments of ₹ 6,30,980, starting from 20.07.2009 and last installment will fall due on 20.02.2019.	23,616,206	27,911,966
The applicable rate of interest is base rate plus 2.75%.)		
(Repayable in 110 monthly installments of ₹ 60,690, starting from 21.01.2010 and last installment will be falling due on 20.02.2019.	2,629,472	2,994,683
The applicable rate of interest is base rate plus 2.75%.)		
(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	26,245,678	30,906,649

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
NOTE 2.4- DEFERRED TAX LIABILITIES (NET)		
a. Deferred tax assets :		
Provision for bonus	107,104	105,652
Provision for leave salary	74,281	43,849
Provision for gratuity	285,380	156,920
Sub_total (a)	466,765	306,421
b. Deferred tax liability :		
Depreciation allowance on fixed assets	10,935,047	11,217,313
Total (b-a)	10,468,282	10,910,892

NOTE 2.5- LONG-TERM PROVISIONS		
Provision for employee benefits :		
Gratuity	879,580	483,650
Leave encashment	228,945	135,149
Total	1,108,525	618,799

NOTE 2.6- SHORT-TERM BORROWING		
(Secured, repayable on demand)		
Cash credit from bank :	93,520,476	78,853,214
(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 2.50%)		
Total	93,520,476	78,853,214

NOTE 2.7- OTHER CURRENT LIABILITIES		
a. Current maturities of long-term debt	3,919,478	3,415,883
b. Interest accrued but not due on borrowings	126,446	143,967
c. Statutory liabilities	840,216	968,540
d. Other payables :		
Advance received from customer	40,000	50,819
Employee expenses -		
To related party	200,000	147,959
To others	1,135,239	977,866
Unpaid Dividend*	68,272	-
* There is no amount due and outstanding as on 31.03.2013 to be credited to Investor Education and Protection Fund.		
Sub_total (d)	1,443,511	1,176,644
Total (a+b+c+d)	6,329,651	5,705,034

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
NOTE 2.8- SHORT-TERM PROVISIONS		
Income tax	4,100,000	9,160,000
Proposed equity dividend (refer note below)	8,857,400	13,286,100
Dividend distribution tax	1,436,892	2,155,338
Total	14,394,292	24,601,438

Note : The Board of Directors has recommended dividend ₹ 8,857,400 per equity shares of ₹ 10/- each on 17,714,800 equity shares for the year ended 31.03.2013 (Previous year : ₹ 13,286,100).

NOTE 2.9- FIXED ASSETS- TANGIBLE ASSETS

Sl. No	Description of assets	Gross Block				Depreciation				Net Block	
		As at 01.04.12	Addition during the year	Deductions during the year	As at 31.03.13	Upto 31.03.12	For the year	Deduction during the year	Up to 31.03.13	As at 31.03.13	As at 31.03.12
1	Leasehold lands	13,012,792	-	-	13,012,792	-	-	-	-	13,012,792	13,012,792
2	Factory buildings	56,529,491	-	-	56,529,491	10,093,103	1,888,085	-	11,981,188	44,548,303	46,436,388
3	Air condition machines	953,143	-	-	953,143	503,469	45,274	-	548,743	404,400	449,674
4	Plant and machineries	122,180,892	23,455,738	-	145,636,630	60,979,277	12,997,587	-	73,976,864	71,659,766	61,201,615
5	Electric installations	7,062,420	-	-	7,062,420	3,394,413	335,465	-	3,729,878	3,332,542	3,668,007
6	Furnitures and fixtures	3,333,684	13,847	-	3,347,531	999,869	211,201	-	1,211,070	2,136,461	2,333,815
7	Vehicles	4,686,762	460,368	469,094	4,678,036	1,218,100	432,928	297,785	1,353,243	3,324,793	3,468,662
8	Office equipments	539,285	12,900	-	552,185	300,631	25,015	-	325,646	226,539	238,654
9	Computers	1,362,234	-	-	1,362,234	1,115,637	220,818	-	1,336,455	25,779	246,597
	Total	209,660,703	23,942,853	469,094	233,134,462	78,604,499	16,156,373	297,785	94,463,087	138,671,375	131,056,204
	Previous Year	206,884,519	3,226,095	449,911	209,660,703	62,934,699	15,947,043	277,243	78,604,499	131,056,204	-

Particulars	As at 31st March, 2013	As at 31st March, 2012
NOTE 2.10- LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital advances :		
Related party	55,000,000	55,000,000
Other	-	40,000,000
Total	55,000,000	95,000,000

NOTE 2.11- OTHER NON-CURRENT ASSETS		
Security deposits	2,561,897	1,867,216
Share issue expenses (To the extent not written off or adjusted)	12,402,111	16,536,147
Total	14,964,008	18,403,363

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(Amount in ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
NOTE 2.12- INVENTORIES		
(As taken, valued and certified by the Management)		
Raw materials	28,770,884	8,353,924
Work-in-progress	77,156,171	61,856,490
Finished goods	-	3,990,564
Stores and spares	3,889,447	4,996,396
Packing and printing materials	549,615	840,269
Raw materials, store and spares in transit	6,522,103	2,222,173
Total	116,888,220	82,259,816

NOTE 2.13- TRADE RECEIVABLES		
(Unsecured, considered good)		
Debts outstanding for more than six months	4,962,107	4,195,036
Other Debts	90,122,135	42,649,698
Total	95,084,242	46,844,734

NOTE 2.14- CASH AND BANK BALANCES		
a. Cash and cash equivalents :		
Cash on hand (as certified by the Management)	69,579	47,756
Balances with banks	280,819	74,080
Unpaid dividend	68,272	-
Sub_total (a)	418,670	121,836
b. Other bank balances :		
Fixed deposits :		
Pledged against bank guarantees / letter of credit / other flexi deposit	15,220,105	2,928,610
IPO proceeds deposited in Escrow Account (refer note no. 2.35)	251,000,000	316,000,000
Sub_total (b)	266,220,105	318,928,610
Total (a+b)	266,638,775	319,050,446

NOTE 2.15- SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances	15,383,018	8,062,346
Total	15,383,018	8,062,346

NOTE 2.16- OTHER CURRENT ASSETS		
Balances with government authorities	8,597,485	7,974,775
Prepaid expenses	357,027	161,759
Total	8,954,512	8,136,534

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
NOTE 2.17- REVENUE FROM OPERATIONS		
a. Sale of products :		
Sale of finished goods	530,859,783	492,663,505
Sale of stock-in-trade	125,265,647	-
Sub_total (a)	656,125,430	492,663,505
b. Sale of service	1,470,286	1,156,179
Total (a+b)	657,595,716	493,819,684

NOTE 2.18- OTHER INCOME		
Interest received	7,363,460	29,249,509
Foreign currency fluctuation gain	-	2,229,838
Other receipts	209,883	259,045
Total	7,573,343	31,738,392

NOTE 2.19- COST OF MATERIAL CONSUMED		
Opening stock	8,353,924	37,569,636
Add : Purchase	325,101,255	289,439,331
Less: Closing stock	28,770,884	8,353,924
Total	304,684,295	318,655,043

NOTE 2.19(A)- DETAILS OF COST OF MATERIAL CONSUMED		
Poly Granules	269,157,748	285,325,382
Others	35,526,547	33,329,661
Total	304,684,295	318,655,043

	31.03.2013	31.03.2012
	% consumption / value-consumption	% consumption / value-consumption
NOTE 2.19(B) PARTICULARS OF RAW MATERIAL CONSUMED (% AND VALUE)		
Imported	1.27%	1.99%
	3,855,949	6,328,003
Indigenous	98.73%	98.01%
	300,828,346	312,327,040

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
NOTE 2.20- CHANGES IN INVENTORIES OF FINISHED GOODS AND WORKS-IN-PROGRESS		
a. Opening Stock :		
Finished goods	3,990,564	1,623,711
Work-in-progress	61,856,490	48,486,212
Sub_total (a)	65,847,054	50,109,923
b. Closing Stock :		
Finished goods	-	3,990,564
Work-in-progress	77,156,171	61,856,490
Sub_total (b)	77,156,171	65,847,054
Total (a-b)	(11,309,117)	(15,737,131)

NOTE 2.21- EMPLOYEE BENEFIT EXPENSES

Salaries and wages, bonus and allowances	30,090,439	22,080,347
Directors' remuneration	2,400,000	2,160,000
Contribution to employees provident fund	1,046,701	688,817
Staff welfare expenses	1,156,273	867,299
Gratuity	451,150	21,548
Total	35,144,563	25,818,011

NOTE 2.22- FINANCE COSTS

Interest expense	15,753,894	15,837,845
Other borrowing cost	1,098,346	1,246,662
Total	16,852,240	17,084,507

NOTE 2.23- OTHER EXPENSES

a. Manufacturing expenses :		
Printing and packing materials	3,572,770	3,108,188
Stores and spares	7,299,153	4,996,324
Power and Fuel	35,477,866	28,608,801
Machine repairs	992,158	734,173
Building repairs	162,473	4,327,768
Inward freight, coolie, cartage etc.	5,153,352	4,098,151
Job work charges	7,250,137	7,732,820
Other manufacturing expenses	27,559	74,367
Sub_total (a)	59,935,468	53,680,592

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(Amount in ₹)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
NOTE 2.23- OTHER EXPENSES (Cont.)		
b. Administration expenses :		
Rent	326,252	232,440
Rates and taxes	624,041	517,588
Repair and maintenance	546,709	1,118,444
Vehicle maintenance expenses	525,548	416,703
Insurance	295,397	289,531
Travelling and conveyance	340,501	265,895
Postage, telegraph and telephones	330,014	378,808
Printing and stationery	389,941	227,058
Legal and consultancy charges	3,890,596	2,662,001
Bad debts	77,328	303,286
Foreign currency fluctuation loss	641,806	-
Share issue expenses written off	4,134,036	4,134,037
Loss on sale of fixed assets	99,194	62,665
Sundry balances written off (net)	80,229	256,199
Miscellaneous expenses	1,534,095	973,437
Auditors' remuneration -		
Audit fee	40,000	40,000
Taxation matters	10,000	10,000
Sub_total (b)	13,885,687	11,888,092
c. Selling and distribution expenses :		
Advertisement and publicity expenses	143,640	37,700
Sales tax and Value added tax	19,638,971	13,046,913
Freight and forwarding charges	10,584,161	9,503,307
Brokerage, commission and discounts	17,198,677	14,829,056
Sales promotion expenses	166,280	324,831
ECGC premium charges	98,955	291,985
Application and membership fees	96,059	33,655
Export inspection charges	-	10,000
Detention charges	139,198	136,897
Fumigation charges	25,800	81,200
Sub_total (c)	48,091,741	38,295,544
Total (a+b+c)	121,912,896	103,864,228

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.

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 211(3C) of Companies Act, 1956 for Companies operating in single segment, the disclosure requirement as per Accounting

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

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 not received any communication from any of its suppliers regarding the applicability of this Act to them. This has been relied upon by the Auditors.

2.28 EARNINGS PER SHARE IN ACCORDANCE WITH AS-20

Earnings per share is computed as under		2012-13	2011-12
Profit after taxation available for equity shareholders	(A) (₹)	7,655,485	15,612,917
Weighted average number of equity shares outstanding	(B) *	17,714,800	15,464,800
Earnings per share (Face value of ₹10/- per share)			
Basic & Diluted	(A/B) (₹)	0.43	1.01

*Calculation of weighted average number of equity shares outstanding

Particulars	31.03.2013			31.03.2012		
	Shares	Months	Weighted Average	Shares	Months	Weighted Average
Opening balance of shares issued	17,714,800	12	17,714,800	13,214,800	12	13,214,800
Add : Issue of shares as on 30.09.11				4,500,000	6	2,250,000
	17,714,800		17,714,800	17,714,800		15,464,800

2.29 POST EMPLOYMENT BENEFITS

a) **Defined contribution plans:** The Company has recognized an expense of ₹ 1,046,701 (Previous Year ₹ 688,817) towards the defined contribution plans.

b) **Defined benefit plans:** As per actuarial valuation as on March 31, 2013 and recognized in the financial statements in respect of Employee Benefit Schemes:

(Amount in ₹)

Particulars	2012-13	2011-12	2012-13	2011-12
	Gratuity	Gratuity	Leave	Leave
I Components of employer expense				
1 Current service cost	213,359	146,292	36,616	21,343
2 Interest cost	61,345	39,738	14,564	8,613
3 Expected return on plan assets	----	---	----	---
4 Curtailment cost/ (credit)	----	---	----	---
5 Settlement cost/ (credit)	----	---	----	---
6 Past service cost	----	---	----	---
7 Actuarial losses/ (gains)	176,446	(164,482)	57,610	38,981
8 Total employer expense recognized in the Statement of Profit & Loss	451,150	21,548	108,788	68,937
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	879,580	483,650	228,945	135,149
2 Fair Value of Plan Assets	----	---	----	---
3 Funded Status [Surplus/ (Deficit)]	(879,580)	(483,650)	(228,945)	(135,149)
4 Unrecognized Past Service Costs	----	---	----	----
5 Net Asset/ (Liability) recognized in Balance Sheet	(879,580)	(483,650)	(228,945)	(135,149)

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(Amount in ₹)

Particulars	2012-13	2011-12	2012-13	2011-12
	Gratuity	Gratuity	Leave	Leave
III Change in defined benefit obligation (DBO)				
1 Present Value of DBO at the Beginning of Period	483,650	509,808	135,149	80,168
2 Current service cost	213,359	146,292	36,614	21,343
3 Interest cost	61,345	39,738	14,564	8,613
4 Curtailment cost/ (credit)	---	---	---	---
5 Settlement cost/ (credit)	---	---	---	---
6 Plan amendments	---	---	---	---
7 Acquisitions	---	---	---	---
8 Actuarial losses/ (gains)	176,446	(164,482)	57,610	38,981
9 Benefit payments	(55,220)	(47,706)	(14,992)	(13,956)
10 Present value of DBO at the end of period	879,580	483,650	228,945	135,149
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	55,220	47,706	14,992	13,956
5 Actuarial gain/ (loss)	---	---	---	---
6 Benefit payments	(55,220)	(47,706)	(14,992)	(13,956)
7 Plan assets at the end of period	---	---	---	---
V Actuarial assumptions				
1 Discount rate	8.25%	8.00%	8.25%	8.00%
2 Expected return on assets	N.A	N.A	N.A	N.A
3 Salary escalations	5.00%	5.00%	5.00%	5.00%
4 Mortality	LIC (2006-08) Ultimate	LIC (1994-96) Ultimate	LIC (2006-08) Ultimate	LIC (1994-96) Ultimate

5 The estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

6 Discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches with that of liabilities.

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. RDB Realty & Infrastructure Ltd	
5.	M/s. Infra Vision Developers P Ltd	
6.	M/s. Prashant Commodities P Ltd	

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

b) Disclosure of transactions between the related parties and the status of outstanding balances as on 31.03.2013

Transaction with key management personnel & their relatives		₹	
Nature of transaction	Name of related party	Key management personnel & their relatives	
		2012-2013	2011-12
Remuneration	Sri Shanti Lal Baid	960,000	720,000
	Sri Sandeep Baid	1,440,000	1,440,000
Balance Payable at year end	Sri Shanti Lal Baid	64,000	50,812
	Sri Sandeep Baid	136,000	97,147

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	
		2012-2013	2011-12
Rent paid	Sri Vinod Dugar	61,116	60,000
	M/s. Prashant Commodities P Ltd	-	53,273
Purchase of store, spares, repair & maintenance items	M/s. Ajanta Trading Company	519,715	460,798
Repair service availed	M/s. R D Motors P Ltd	128,356	-
Sale of Car	M/s. R D Motors P Ltd	75,000	-
Sale of woven sacks & Raw Material	M/s. NTC Industries Ltd	625,983	285,966
Sale of pre-used car	M/s. NTC Industries Ltd	-	112,200
Purchase of capital goods	M/s. NTC Industries Ltd	73,866	-
Godown Rent	M/s. NTC Industries Ltd	163,144	-
Advance given	M/s. Infra Vision Developer P Ltd	-	41,700,000
Advance refunded	M/s. Infra Vision Developer P Ltd	-	14,500,000
Loan given including net Interest	M/s. RDB Realty & Infrastructure Ltd	-	484,487,397
Loan refunded including net Interest	M/s. RDB Realty & Infrastructure Ltd	-	484,487,397
Balance payable at year end	M/s. Ajanta Trading Company	21,454	16,254
	M/s. R D Motors P Ltd	48,617	-
Balance receivable at year end	M/s. Infra Vision Developer P Ltd	55,000,000	55,000,000
	M/s. NTC Industries Ltd	584,500	82,967

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

2.31 CONTINGENT LIABILITIES:

- Estimated amount of contract remaining ₹ 45,000,000 (Previous year ₹ 45,000,000) is to be executed on capital account and not provided for.
- Unexpired bank guarantee is given by the Company against EPGC scheme and Public Issue for ₹ 1,948,431 (Previous year ₹ 1,948,431).
- Outstanding liability on account of letter of credit is given by the Company against electricity security deposit for ₹ 2,910,000 (Previous year ₹ 2,910,000).
- On account of corporate guarantee given to bank for secured loan taken by group companies, ₹ Nil (Previous year ₹ 99,472,250).

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

2.32 C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNING IN FOREIGN CURRENCIES

(Amount in ₹)

Description	2012-13	2011-12
C.I.F. value of imports :		
- Raw Materials	34,377,714	3,072,572
Earnings in foreign currency :		
- Export on F.O.B basis	25,617,493	82,837,066

- 2.33 The Company is 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 The Company filed a WRIT petition (1971(W) of 2012) dated 04.02.2012 in Hon'ble High Court, Calcutta challenging validity of SEBI's direction under Article 226. On 08.02.2012, the Company received an interim order from Court allowing SEBI to continue further investigation but restrained them to pass further order.
- 2.35 Pursuant to the application filed by the Company, the Hon'ble High Court, Calcutta vide their order dated 18.07.2012 has granted liberty to the Company to withdraw and utilize ₹ 6.50 crore out of ₹ 31.60 crore lying in Escrow Account.
- 2.36 SEBI being aggrieved by the interim order dated 18.07.2012 of Hon'ble High Court, Calcutta filed a Special leave petition on dated 15.02.2013 before Hon'ble Supreme Court of India.
- 2.37 As a matter of prudence, interest accrued on Escrow Account of ₹ 19,598,109 (Previous Year ₹ 2,553,937) and TDS there on of ₹ 1,959,811 (Previous year ₹ 255,394) for the year ended 31.03.2013 has not been accounted for in the Books of Accounts as the matter is sub judice, the recognition of interest has been postponed in accordance with AS-9 "Revenue Recognition".
- 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

Deepak Kumar Daga
Partner
Membership No. 059205

Shanti Lal Baid
Managing Director

Sandeep Baid
Whole time Director

Swati Agarwal
Company Secretary

Place: Kolkata
Date: 27th day of May 2013

Notice

Notice is hereby given that the 18th Annual General Meeting of M/s. RDB RASAYANS LIMITED will be held on Thursday, the 8th day of August, 2013 at 9.00 A.M. at The Aryans School, 149, B. T. Road, Kolkata 700 058 to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit and Loss for the year ended as on that date with the Report of the Board of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the year ended on 31st March, 2013.
3. To appoint a Director in place of Sri Mahendra Pratap Singh, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s S.M. Daga & Co., Chartered Accountants as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT M/s. S.M. Daga & Co., Chartered Accountants (Registration No. 303119E) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company."

Special Business

5. Re-appointment of Sri Sandeep Baid as Whole Time Director
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of section 198, 269, 309 read with schedule XIII and all other applicable provisions if any of the Companies Act, 1956, and subject to such consents, approvals or permissions as may be

necessary, consent of the Board be and is hereby accorded for the re-appointment of Sri Sandeep Baid as Whole Time Director of the Company for a period of 3 years from 1st April, 2013 on terms and conditions including remuneration and other amenities as set out below and as contained in the Agreement dated 27.05.2013 entered into between the Company and Sri Sandeep Baid, a copy whereof initialed by the Chairman of the meeting for the purpose of identification, has been submitted to this meeting which Agreement be and is hereby specifically approved:

- a) **Salary:** At the rate of ₹ 1,45,000 per month for a period of 3 years.
- b) **Perquisites -**
 - i) **Medical Reimbursement:** Actual expenditure incurred for self and dependent family members subject to one month salary per annum.
 - ii) **Leave Travel Concession:** For self and family in accordance with the Provisions of Income Tax Act, 1961.
 - iii) **Club fees:** Club fees subject to maximum of two clubs except admission and life membership fees.
 - iv) **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.
- c) 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 business incurred by him shall not be treated as perquisite.
- d) **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 XIII to the Companies Act, 1956.
- e) **Sitting Fees:** The Whole Time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof from the date of his appointment.

"RESOLVED FURTHER THAT the terms of appointment

as set out in this resolution and the Agreement dated 27.05.2013 submitted to this meeting is hereby specifically sanctioned with liberty to 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 XIII of the Companies Act, 1956 for the time being in force and that the Board of Directors of the Company be and is hereby authorized to take such steps as would be expedient or desirable to give effect to this resolution.”

6. Appointment of Sri Sharad Kumar Bachhawat as Director of the Company

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

“RESOLVED THAT Sri Sharad Kumar Bachhawat who was appointed as an additional director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 83 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under section 257 of the Companies Act, 1956, from a member signifying his intention to propose him as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By order of the Board
For RDB Rasayans Limited

Place: Kolkata
Date: 27th day of May, 2013

Swati Agarwal
Company Secretary

NOTES

1. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is attached herewith.
2. 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 OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Corporate Members intending to send their authorised 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 appointment/re-appointment in terms of Clause 49 of the Listing Agreement are annexed hereto and forms part of this Notice.
5. (a) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 1st

August, 2013 to Thursday, 8th August, 2013 (both days inclusive) for determining the names of the members eligible for dividend on Equity Shares, if declared at the meeting.

- (b) The dividend on Equity Shares, if declared at the meeting will be credited or dispatched to those members whose names shall appear on the Company's register of Members on 31st July, 2013. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, M/s Link Intime India Pvt. Ltd., cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

7. 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.
8. For convenience of Members and for proper conduct of the meeting, entry to the meeting venue will be regulated by attendance slip, which is enclosed with the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
9. 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.
10. 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 of address immediately to the Company's Registrar and Share Transfer Agent (RTA), M/s Link-Intime India Pvt. Ltd.
11. 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.
12. 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 Registrars and Share Transfer Agents.
13. 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.
14. 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.
15. As a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the meeting.
16. No Compliment or gift of any nature will be distributed at the Annual General Meeting.

Significant Communication to Members

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 Annual Report can be sent by e-mail to its members. To support this green initiative, members 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 at kolkata@linkintime.co.in. Members who hold shares in physical form are requested to register their e-mail address either by e-mail at kolkata@linkintime.co.in or by sending a duly signed letter by the sole/ first named shareholder mentioning their name and Folio-name to M/s. Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent, 59C Chowringhee Road, 3rd Floor, Kolkata - 700 020. Shareholder(s) are requested to keep the Company/Depository Participant informed as and when there is any change in the e-mail address. Even after registering for e-communication, the Shareholders of the Company shall be entitled to receive such communication in physical form, upon request.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 5

Sri Sandeep Baid was appointed as the Whole Time Director of the Company w.e.f. 01.04.2010. His current term of appointment as a Whole Time Director has expired on 31st March, 2013. Considering his knowledge, expertise and contribution to the Company the Board re-appointed him as Whole Time Director of the Company for a further period of 3 years with effect from 1st April, 2013, at a following remuneration and perquisites as mentioned below:

- a) **Salary:** At the rate of ₹ 1,45,000 per month for a period of 3 years.
- b) **Perquisites:**
 - i) **Medical Reimbursement:** Actual expenditure incurred for self and dependent family members subject to one month salary per annum.
 - ii) **Leave Travel Concession:** For self and family in accordance with the Provisions of Income Tax Act, 1961.
 - iii) **Club fees:** Club fees subject to maximum of two clubs except admission and life membership fees.
 - iv) **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.
- c) 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 business incurred by him shall not be treated as perquisite.

A copy of the Agreement dated 27.05.2013 is available for inspection at the Registered office of the Company up to 08th August, 2013 during business hours.

In terms of Section 269, 309 & Schedule XIII of the Act, 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 appointment and Ordinary Resolution.

The Notice and Explanatory Statement may also be treated as abstract of the terms of appointment of above named Whole Time Director, as required under section 302 of the Companies Act, 1956.

None of the Directors except Sri Sandeep Baid and Sri Shanti Lal Baid being father of Sri Sandeep Baid is deemed to be interested or concerned in the said resolution.

Item No. 6

Sri Sharad Kumar Bachhawat was appointed as additional director by the Board in its meeting held on 08.08.2012. In terms of section 260 of the Companies Act, 1956 read with Article 91 of the Article of Association of the Company, Sri Sharad Kumar Bachhawat hold office of additional director up to date of this Annual General Meeting. The Company has received a notice in writing along with a requisite deposit from a member under section 257 of the Act, signifying his intention to propose Sri Sharad Kumar Bachhawat for appointment as director of the Company. Pursuant to Section 264 of the Act, Sri Sharad Kumar Bachhawat consented to act as Director, if appointed.

Your Directors recommend the resolution as Ordinary Resolution.

None of the directors except Sri Sharad Kumar Bachhawat is deemed to be interested or concerned in the said resolution.

Details of Director Seeking Re-Appointment at 18th Annual General Meeting pursuant to Clause 49 of Listing Agreement of Stock Exchange

Name of director	Sri Mahendra Pratap Singh
Date of birth	01st July, 1947
Relationship with other director inter se	None
Date of appointment	12th October, 2009
Expertise in specific functional area	Managerial Qualities
Brief profile	He is a man with par excellence, high experience and a great team leader. The company is and will continue to benefit from his distinctive managerial qualities along with his rich and varied experience and exposures.
No. of equity shares held in the Company	Nil
List of other companies in which directorships are held	1. Alpine Stock Consulting Pvt. Ltd. 2. RDB Realty & Infrastructure Ltd. 3. Solar Unlimited (India) Pvt. Ltd. 4. Tigerswan Vulnerability Management Services Pvt. Ltd. 5. Macbrij International Pvt. Ltd. 6. Moore & Bode India Pvt. Ltd.
Committee Position held in RDB Rasayans Ltd.	Remuneration Committee - Chairman
Committee Positions in other Public Companies	Shareholders/Investor Grievance Committee- Member Remuneration Committee - Member

Name of director	Sri Sandeep Baid
Date of birth	01st January, 1979
Relationship with other director inter se	Son of Sri Shanti Lal Baid
Date of appointment	10th April, 2008
Expertise in specific functional area	Marketing
Brief profile	He has a experience of about 13 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	893695
List of other companies in which directorships are held	Superflex Cables Pvt. Ltd.
Committee Position held in RDB Rasayans Ltd.	Audit Committee - Member Shareholder/ Investor Grievance Committee- Member
Committee Positions in other Public Companies	Nil

Name of director	Sri Sharad Kumar Bachhawat
Date of birth	07th February, 1970
Relationship with other director inter se	None
Date of appointment	08th August, 2012
Expertise in specific functional area	Managerial Qualities
Brief profile	He has a vast experience in cosmetic and manufacturing of readymade garments. From last 10 years he is associated with the Real Estate business. His varied experience and exposure can immensely help the Board to take appropriate strategic decision in a competitive business era.
No. of equity shares held in the Company	Nil
List of other companies in which directorships are held	Nil
Committee Position held in RDB Rasayans Ltd.	Audit Committee - Member / Remuneration Committee - Member
Committee Positions in other Public Companies	Nil





RDB RASAYANS LIMITED

REGD. OFFICE: Bikaner Building, 8/1, Lal Bazar Street, 3rd Floor, Room No. 9, Kolkata – 700 001

FORM OF PROXY

Regd. Folio No./DP Client ID No. of shares held.....
I/We of
being a member/ member(s) of the above named Company, hereby appoint
of or failing him/ her
of as my/ our Proxy to attend and vote for me/ us and on my/ our behalf at the
Eighteenth Annual General Meeting of the Company to be held on Thursday, 8th August, 2013 at 9.00 a.m. at The Aryans School, 149,
B.T. Road, Kolkata- 700 058 and at any adjournment thereof.

As witness my hand / our hands this Day of, 2013

Signature.....



Signed by the said

Note: The proxy must be returned so as to reach the Company's Registrar and Share Transfer Agent M/s. Link Intime India Private Limited
not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.



RDB RASAYANS LIMITED

REGD. OFFICE: Bikaner Building, 8/1, Lal Bazar Street, 3rd Floor, Room No. 9, Kolkata – 700 001

ATTENDANCE SLIP

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

Regd. Folio No./DP Client ID No. of shares held.....

I/ We hereby record my/ our presence at the 18th Annual General Meeting of RDB Rasayans Limited being held on Thursday, 8th August,
2013 at 9.00 a.m. at The Aryans School, 149, B.T. Road, Kolkata- 700 058

Signature of Shareholder(s) or Proxy

