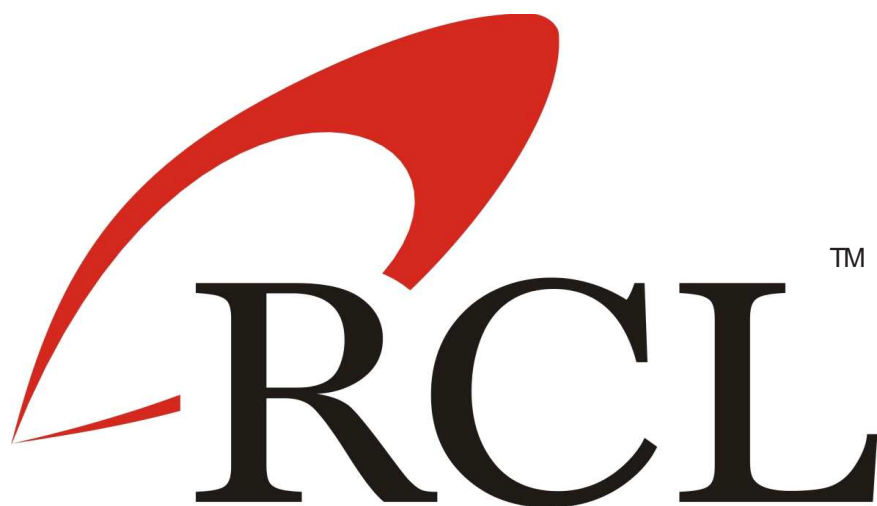


*RCL Foods Limited*

---

**20<sup>th</sup> Annual Report & Accounts  
For the Year Ended  
31<sup>st</sup> March, 2012**



***RCL FOODS LIMITED***

(Formerly known as Passari Cellulose Limited)

---

## **BOARD OF DIRECTORS**

Mr. Nitesh R Lodha	- Chairman & Director
Mr. Satish Jain	- Director
Mr. D Suresh Jain	- Director
Mr. Kushal Jain	- Director

## **AUDITORS**

M/s. Krishnan & Giri,  
Chartered Accountants, Chennai

## **COMPANY LAW ADVISORS**

M/s. A.K Jain & Associates,  
Company Secretaries, Chennai

## **BANKERS**

1. Indian Overseas Bank  
Sowcarpet Branch, Chennai

2. Axis Bank,  
G.T Branch, Chennai

## **LISTING INFORMATION**

1. The Bombay Stock Exchange Ltd  
2. Madras Stock Exchange Ltd

## **REGISTERED OFFICE**

No.84/85, Walltax Road,  
I Floor, Chennai - 600 003

## **REGISTRAR & SHARE TRANSFER AGENT**

Cameo Corporate Services Limited  
No.2, Club House Road,  
Chennai 600 002

## **FACTORY**

Plot No.60, Chettymedu  
Village Road, K.K Nagar,  
Madhavaram, Chennai – 60

## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the members of M/s. RCL Foods Limited, will be held on Saturday the 29<sup>th</sup> day of September 2012 at YMCA Madras Youth Centre, No.6/74, Ritherdon Road, Vepery, Chennai – 600 007 at 11.00 A.M., to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012 together with the Directors and the Auditor's reports thereon.
2. To appoint a Director in place of Mr. D Suresh Jain, who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint a Director in place of Mr. Nitesh R Lodha, who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General meeting till conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board  
For **RCL Foods Limited**

Place: Chennai  
Date: 28.08.2012

Sd/-  
**Nitesh R Lodha**  
Chairman

### Notes

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself / themselves and the proxy need not be a member. (Proxy form is annexed herewith). The proxy form duly completed must be sent so as to reach the Company at its Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- b) Members / Proxies should bring the Attendance slip sent herewith duly filled in and signed and hand over the same at the entrance of the Hall for attending the meeting.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from 27.09.2012 to 29.09.2012 (both days inclusive).
- d) The members are requested to intimate to the Company and or to its Share Transfer Agent M/s. Cameo Corporate Services Limited, No.2, Club House Road, Chennai - 600002 for changes, if any, in their registered address along with Pin Code Number.
- e) Members are requested to quote their Folio Number in all correspondences with the Company.
- f) Members are requested to send query(ies), if any, regarding Audited Accounts at least 10 days before the meeting.
- g) Members are requested to bring with them their copy of the Annual Report in the meeting.
- h) The Company's Shares are under compulsory demat mode and hence the Members are requested to dematerialize their holdings for their convenience.
- i) Information pursuant to Clause 49 of the Listing Agreement for directors seeking appointment / re-appointment:-

<b>Name of the Director</b>	<b>Mr. D Suresh Jain</b>	<b>Mr. Nitesh R Lodha</b>
Date of Birth	17.01.1968	18.07.1986
Date of Appointment	22.04.2008	20.02.2008
Qualification	B.B.A	B.B.A
Experience	18 years experience in the field of Finance and strong knowledge in Gift Mart.	5 years experience in Agro based food processing & FMCG which is a family owned business.
Directorship in other Public limited Companies	Nil	RCL Retail Limited - Managing Director
Chairman/Membership of the committees of other public limited companies	Nil	RCL Retail Limited (i) Investors Grievance & Share Transfer Committee (Member) (ii) Audit Committee (Member)

By Order of the Board  
For **RCL Foods Limited**

Place: Chennai  
Date: 28.08.2012

Sd/-  
**Nitesh R Lodha**  
Chairman

### **Disclaimer**

*“The following report should be read in conjunction with the audited financial statements and notes for the year ended March 31, 2012 and the audited financial statements and notes for the year ended March 31, 2011. This report contains forward looking statements, which may be identified by their use of words like plans, expects, will, anticipates, believes, intends, projects, estimates or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company’s strategy for growth, market position, expenditures, and financial results, are forward looking statements. Forward – looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward - looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events”.*

## **MANAGEMENT DISCUSSION & ANALYSIS:**

### **ECONOMIC ENVIRONMENT**

International Monetary Fund's April 2012 report says growth in global economic output slowed down considerably in 2011. Against a growth rate of 5.3% recorded in 2010 and a forecast of 4.4% at the beginning of the year, global output is estimated to have grown by only 3.9% in 2011. Growth in Emerging & Developing economies also decelerated from 7.5% in 2010 to 6.2% in 2011 with China, India and Brazil recording significant decline in growth rates. The world economy is passing through a very difficult phase and is expected to grow by 3.5% in 2012. Growth in the developing world is forecast to slow down further to 5.7% with the key economies of China, India, Brazil and Russia – all expected to record lower rates of growth.

As stated above, the Indian economy decelerated considerably during the year, growing below 7% in 2011/12 as compared to 8.4% in 2010/11. As per the RBI's Monetary Policy Statement 2012/13 released in April 2012, the Indian economy is projected to grow by 7.3% in 2012/13 assuming normal monsoons.

### **FMCG**

Your Company operates under Food Industry with specific reference to FMCG (Fast Moving Consumer Goods). It is pertinent to note that the Indian FMCG industry is estimated to be over Rs. 160000 Crores in size and accounts for nearly 2.2% of the GDP of the country. The industry has tripled in size over the last 10 years and has grown at approximately 17% CAGR in the last 5 years, driven by robust economic growth, rising income levels, increasing urbanization and favourable demographic trends. These growth drivers are expected to continue to favourably impact the industry which is estimated to reach Rs. 400000 Crores by 2020.

(Source: CII, FMCG Roadmap to 2020)

### **GROWTH FACTORS**

#### **Abundant availability of raw material**

India has varied agro climatic conditions; it has a wide-rang and large raw material base suitable for food industries. It has a vast coastline of 8000 km, vast marine land with 10 major ports. India produces annually 90 million tones of milk (highest in the world), 150 million tones of fruits and vegetables (second largest), 485 million livestock (largest), 204 million tones food grain (third largest), India's agricultural production base is huge.

#### **Demographic trends**

The food industry has a bright future due to demographic environment in India, which is a key positive.

#### **Rising income levels leading to large customer base**

India with its population of more than 1 billion accounts for close to 17% of the global population. It is one of the most attractive consumer markets in the world with the increase in income levels across the population segments. Food and grocery comprise the largest share of the spending pie followed by personal care items, thus offering a lot of scope for the food industry.

#### **Relatively young population**

India has a relatively young population with close to 55% of population in the age group of 20- 59 years. This group is also high in consumption and therefore, this trend is expected to provide a further boost to the growth of consumption in India.

#### **Changing lifestyles**

Increase in literacy and exposure to western lifestyles by more and more urban consumers have led to change in mindset and preference of people. Increase in the population of working women and increase in nuclear double income families in urban areas are some of the other factors that are influencing the lifestyles. As a result, there has been an increase in demand for processed, ready-to-cook and ready-to-eat food. According to Euro monitor, money spend by Indians on meals outside the home has more than doubled in the past decade to about US \$5 billion a year, and is expected to further double in the next 5 years.

#### **Increase in consuming class in rural areas**

Nearly 70% of India's population resides in rural areas and account for nearly 50% of India's consumption. Even with increasing urbanization and migration it is estimated that 63% of India's population will continue to

live in rural areas in 2025. Average income levels for rural India will increase with higher agri-incomes and a gradual shift from farm to non-farm employment. 37% of rural households could move into the middle income-and-above consuming class by 2010 according to NCAER survey from just 15-17% in the late 1990s. This will result in a consuming class of 56 million rural households by 2010 more than half of India's overall estimated middle class by this time. This will open up vast and relatively unexplored section of India to companies.

**Key Challenges:**

Food industry is facing constraints like non-availability of adequate infrastructural facilities, lack of adequate quality control & testing infrastructure, inefficient supply chain, seasonality of raw material, high inventory carrying cost, high taxation, high packaging cost, affordability and cultural preference of fresh food.

Major Challenges for the Indian Food Industry are:

- Consumer education on nutritional facts of processed foods
- Low price-elasticity for processed food products
- Backward-forward integration from farm to consumers
- Development of marketing channels
- Development of linkages between industry, government and institutions
- Taxation in line with other nations
- Streamlining of food laws

Your Company will continue to rapidly scale up the Branded Packaged Foods business drawing upon product development capabilities, branding, sales & distribution competencies to establish itself as the 'most trusted provider of food products in the Indian market'

Your Company's products are named for its quality and taste. Customer satisfaction is key ingredient for your Company. Comparing to last fiscal year, this year your Company become popular for its products.

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

Financial Results	(Rs. In '000)	
	31st March,2012	31st March,2011
<b>Profit/(Loss) before Interest, Depreciation &amp; Tax</b>	1806.79	2661.37
Less: Interest	198.62	897.00
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>1608.17</b>	<b>1764.37</b>
Less: Depreciation	982.40	1018.12
Less: Diminution in value of investments	106.36	—
<b>PROFIT/(LOSS) FOR THE YEAR BEFORE EXCEPTIONAL ITEMS</b>	<b>519.41</b>	<b>746.25</b>
Loss on Sale of Shares	(3647.16)	—
<b>PROFIT/(LOSS) FOR THE YEAR BEFORE TAX</b>	<b>(3127.75)</b>	<b>746.25</b>
Less: Tax	223.00	300.00
Less: Provision for Deferred Taxation	(31.14)	(72.18)
<b>Profit/(Loss) after tax</b>	<b>(3319.61)</b>	<b>518.43</b>
Deficit in Profit & Loss A/c.Brought Forward	(17617.76)	(18136.19)
Carried Forward	(20937.37)	(17617.76)

## FINANCIAL RESULT

Your Company had a Turnover of Rs. 1,36,58,939/- during the financial year ended 31<sup>st</sup> March 2012. Your Company is confident to improve the sales in coming year. The Profit before exceptional and extraordinary items and tax for the period under review is Rs. 5,19,411/-.

## DIVIDEND

Your Directors express their inability to recommend any dividend for the period under report.

## DIRECTORS

Mr. D. Suresh Jain, and Mr. Nitesh R Lodha are liable to retire by rotation, being eligible offers themselves for reappointment. Your Board recommends their continuation.

During the year under review, Mr. Bafna Mahaveer Chand and Mr. Prakash Jain resigned with effect from 10.08.2011

## COMPLIANCE CERTIFICATE

In terms of provisions of Section 383 A of the Companies Act, 1956, Compliance Certificate received from a Practicing Company Secretaries is enclosed with this report.

## AUDITORS

The retiring Auditors M/s. Krishnan & Giri, Chartered Accountants, Chennai have expressed their willingness to be appointed as Statutory Auditors of the Company and confirmed that if appointed, their appointment would be within the limits prescribed under section 224 (1 B) of the Companies Act, 1956.

With respect to the remarks made by the Statutory Auditor in point no. 7 of their report, we wish to clarify that the Company is taking steps to have an adequate internal audit system commensurate with the size of the Company.

## **DEPOSIT**

Your Company has not accepted any deposit pursuant to Section 58A of the Companies Act, 1956.

## **LISTING**

Your Company's Shares are listed at Bombay Stock Exchange Limited and the Madras Stock Exchange Limited and the necessary listing fees have been paid to the stock exchanges.

## **PARTICULARS OF EMPLOYEES**

None of the employees is covered under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

## **DEPOSITORY SYSTEM**

Your Company's Shares are under compulsory demat mode and members are requested to dematerialize their shares for operational convenience.

## **CORPORATE GOVERNANCE**

Report on Corporate Governance along with Certificate thereon is annexed herewith and forms part of our report.

## **RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Board hereby confirms:

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimate 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 loss of the Company for that period ;
- c) that the Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the annual accounts ongoing concern basis.

## **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The product manufactured by the Company is material intensive and not power intensive. However, the thrust on energy conservation continues and necessary measures for optimization of energy consumption have been taken. The technology used is indigenous, neither any foreign exchange was earned nor there was any outgo of foreign exchange during the period under report. The quantitative and other details of the various raw materials used are given in Notes on Accounts to the Statement of Accounts of the Company.



## **INFORMATION PURSUANT TO SECTION 217 (1) (e)**

### **A. CONSERVATION OF ENERGY:**

#### **1. POWER AND FUEL CONSUMPTION:**

<b>1. Electricity</b>	<b>Current Year</b>	<b>Previous Year</b>
(a) Unit	6505	5126
Total Amount	40835	30757
Rate/Unit (Rs.)	6.27	6
(b) Own generation	NIL	NIL
(i) Through Diesel Generator Unit		
Units per Ltr. of Diesel Oil		
Cost/ Unit		
(ii) Through Steam turbine/generator Unit		
Units per Ltr. of fuel oil/gas		
Cost/Unit		
2. Coal (specify quality and where used)	NIL	NIL
Quantity		
Total Cost		
Average rate		
3. Furnace Oil	NIL	NIL
Quantity (k Ltrs)		
Total amount		
Average Rate		
4. Others/ internal generation (please give details)	NIL	NIL
Quantity		
Total Cost		
Rate/Unit		

#### **2. CONSUMPTION PER UNIT OF PRODUCTION**

Since the Company's production is material intensive and not energy intensive, the consumption of energy is at minimum levels.

#### **3. RESEARCH AND DEVELOPMENT (R & D)**

The Company has not spent any amount on Research & Development and Technology Absorption. The Company is planning for marketing the products through focused research and consumer feedback.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the co-operation received from the employees and support received from various authorities under the Government of Orissa and Tamil Nadu, the Company's Bankers, Business Associates. Your Directors also place on record the whole-hearted support received from employees and Shareholders of the Company.

By Order of the Board  
For **RCL Foods Limited**

Place: Chennai  
Date: 28.08.2012

Sd/-  
**Nitesh R Lodha**  
Chairman

**COMPLIANCE CERTIFICATE**

**CIN: L 01407 TN 1992 PLC 075956**

To  
The Members  
**M/s. RCL FOODS LIMITED**  
**(Formerly known as *Passari Cellulose Limited*)**

We have examined the registers, records, books and papers of **M/s. RCL FOODS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ending 31<sup>st</sup> March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and wherever required entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Chennai, within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed paid up capital.
4. The Board of directors met Four times on 30.05.2011, 10.08.2011, 10.11.2011 and 10.02.2012 in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 11.07.2011 to 13.07.2011.
6. The Annual General Meeting for the financial year ended on 31.03.2011 was held on 13.07.2011 after giving notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. According to information and explanations given to us, the Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company made necessary entries in the register maintained under Section 301 of the Act.

**NAME OF THE COMPANY** : M/s. RCL FOODS LIMITED  
**CIN** : L 01407 TN 1992 PLC 075956

11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, Members or Central Government, as the case may be.
12. The Company has issued duplicate share certificates during the year.
13. The Company has:
  - (i) not made any allotment of securities during the financial year under review. The Company has delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) has not deposited any amount in a separate Bank Account as no Dividend was declared during the financial year.
  - (iii) has not posted warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) has not transferred the amounts in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there is no such account.
  - (v) Generally, complied with the requirements of Section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any managing director / whole-time director / manager during the financial year.
16. The Company has not appointed any sole -selling agents during the financial year.
17. The Company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any Preference shares / debentures, hence the question of redeeming any Preference shares / debentures does not arise.
22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited /accepted any deposits falling within the purview of Section 58A during the financial year under review.

**NAME OF THE COMPANY** : M/s. RCL FOODS LIMITED  
**CIN** : L 01407 TN 1992 PLC 075956

24. The amount borrowed by the Company from directors, members, Public, financial institutions, banks and others during the financial year ending 31.03.2012 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1) (d) of the Act have been passed in duly convened Extra Ordinary General Meeting held on 17.04.2010.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate. However the Company has made investments in the securities of other bodies corporate within the limit prescribed by the Act.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny after complying with the provisions of the Act.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the year under review.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. According to information and explanations given to us, the Company has not constituted its own Provident Fund Trust for its employees, therefore provisions of Section 418 of the Act is not applicable to the Company.

for **A.K.JAIN & ASSOCIATES**  
Company secretaries

Place: Chennai  
Date: 28.08.2012

Sd/-  
**BALU SRIDHAR**  
Partner  
C.P.No.3550

**NAME OF THE COMPANY** : M/s. RCL FOODS LIMITED  
**CIN** : L 01407 TN 1992 PLC 075956

#### **Annexure A**

Registers as maintained by the Company

1. Register of Members u/s 150.
2. Register of Share Transfer.
3. Register of Charges u/s 143.
4. Register of Directors u/s 303.
5. Register of Directors Share Holding u/s 307.
6. Register of Contracts in which Directors are interested u/s 301.
7. Minutes of the meeting of the Board of Directors / Committee(s) along with Attendance Register.
8. Minutes of the meeting of Share Holders & Directors.
9. Register of Investments.

#### **Annexure B**

Forms and Returns as filed by the Company, during the financial year ending on 31<sup>st</sup> March, 2012 with the Registrar of Companies, Chennai:

<b>Sl.No.</b>	<b>e-Form</b>	<b>Particulars</b>	<b>Event date</b>	<b>SRN</b>	<b>Filed on</b>	<b>With additional fees</b>
1.	32	For Change in designation of director filed u/s 303(2).	30.05.2011	B14662472	21.06.2011	No
2.	32	For Resignation of director filed u/s 303(2).	10.08.2011	B18379701	17.08.2011	No
3.	20B	Annual Return - Schedule V filed u/s 159.	13.07.2011	P68996149	04.08.2011	No
4.	66	Compliance Certificate filed u/s 383A.	31.03.2011	P68995760	04.08.2011	No
5.	23AC & 23ACA XBRL	Profit & Loss a/c and Balance Sheet filed u/s 220.	31.03.2011	P83589507	23.12.2011	No

## CORPORATE GOVERNANCE REPORT:

### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Your Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operation and in all its interactions of its stake holders including shareholders, employees, the Government and Lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

### **2. BOARD OF DIRECTORS:**

#### a) Composition and category of Directors

The Composition and category of the Board of Directors are detailed hereunder

<b>Name of Directors</b>	<b>Category</b>
Mr.Satish Jain	Promoter Director (Non Executive)
Mr.Nitesh R Lodha*	Chairman – Promoter – Director
Mr.D. Suresh Jain	Non Executive Independent Director
Mr.Kushal Jain	Non Executive Independent Director
Mr.Bafna Mahaveer Chand**	Non Executive Independent Director
Mr.Prakash Jain**	Non Executive Director

#### b) Attendance of each Director at the Board Meetings and the last Annual General Meeting

<b>Name of Directors</b>	<b>No. of Board Meetings held</b>	<b>No. of Meetings attended</b>	<b>Attendance at the last A.G.M</b>
Mr.Satish Jain	4	1	<i>Absent</i>
Mr.Nitesh R Lodha*	4	4	Present
Mr.D. Suresh Jain	4	4	Present
Mr. Kushal Jain	4	4	Present
Mr.Bafna Mahaveer Chand**	4	1	<i>Absent</i>
Mr.Prakash Jain**	4	0	<i>Absent</i>

\*Mr. Nitesh R Lodha was re designated from whole Time Director to Director cum Chief Executive officer w.e.f 30.05.2011. However He continues to be the Chairman of the Company.

\*\*Mr. Bafna Mahaveer Chand and Mr. Prakash Jain resigned w.e.f. 10.08.2011.

#### c) Number of other Directorship and Chairmanship/ Membership of Committee of each Director \*

<b>Name of Directors</b>	<b>No. of Directorship in other Boards of other Public Limited Companies</b>	<b>No. of Chairman ship in Board / Committees of other Public Limited Companies</b>	<b>No. of Membership in Committees of other Public Limited Companies</b>
Mr. Satish Jain	4	0	0
Mr. Nitesh R Lodha	1	1	2
Mr. D. Suresh Jain	1	1	0
Mr. Kushal Jain	0	0	0

**Note:** Number of Directorships / Memberships held in other companies excludes Directorships / Memberships in Private Limited Companies, Foreign Companies, membership of various committees of various chambers / bodies and Companies under Section 25 of the Companies Act, 1956 and alternate Directorships whereas the Membership or Chairmanship of any committee includes Audit Committee and Shareholders' / Inventors' Grievance Committees only.

d) Details of Board Meetings held during the year:

The Board met 4 times during the year and the time gap between two Board Meetings are not more than four months. Details of Board Meetings held during the year 2011 – 2012 are as under:

Date	Board Strength	No. of Directors present
30.05.2011	6	4
10.08.2011	4	3
10.11.2011	4	4
10.02.2012	4	3

Brief resumes of the Directors proposed to be appointed/re-appointed is mentioned in Point No.(j) of Notes to Notice calling Annual General Meeting.

**CODE OF CONDUCT:**

The Company has formulated and implemented a Code of Conduct for all Board Members and Senior Management of the Company in compliance with clause 49 of the Listing Agreement. All Board Members and Senior Management personnel has affirmed compliance with the code on annual basis.

**3. COMMITTEE OF THE BOARD:**

**(A) AUDIT COMMITTEE:**

The Audit Committee comprises of the following Non-Executive Independent Directors as on 31.03.2012

- |                               |   |          |
|-------------------------------|---|----------|
| 1. Mr. D Suresh Jain          | - | Chairman |
| 2. Mr. Nitesh R Lodha         | - | Member   |
| 3. #Mr. Kushal Jain           | - | Member   |
| 4. * Mr. Bafna Mahaveer Chand | - | Member   |

\* Member only up to 10.08.2011

# Member from 10.08.2011

Meetings of the Audit Committee and attendance of the members therein in 2011-2012

Date of Meeting	Mr. D. Suresh Jain	Mr. Bafna Mahaveer Chand*	Mr. Kushal Jain	Mr. Nitesh R Lodha
30.03.2011	Present	Present	Nil	Present
10.08.2011	Present	Nil	Present	Present
10.11.2011	Present	Nil	Present	Present
10.02.2012	Present	Nil	Present	Present

All the members of the Committee are eminent in their respective fields and financially literate with sufficient accounting or related financial management expertise.

The Committee acts as a link between the management, auditors and the Board of Directors of the Company and has full access to the financial information. The terms of reference of the Audit Committee are in lieu with Clause 49 II(C) and (D) of the Stock Exchange Listing Agreement coinciding with the provisions under Section 292A of the Companies Act, 1956 and inter alia, includes:

## **FUNCTIONS OF THE COMMITTEE**

**Review with the management and/or Internal Audit Department and / or Statutory Auditors:**

- i) Company's financial statements and reports;
- ii) Disclosure of Company's financial information to ensure the same is correct, sufficient and credible;
- iii) Changes/ improvements in Financial/Accounting practices;
- iv) Adequacy of Internal Audit Function and Systems and;
- v) Charter of Audit Committee;

## **(B) REMUNERATION COMMITTEE:**

The remuneration committee comprises of the following Non-Executive Directors as on 31.03.2012.

- |                              |   |          |
|------------------------------|---|----------|
| 1. Mr. Kushal Jain           | - | Chairman |
| 2. Mr. D Suresh Jain         | - | Member   |
| 3. *Mr. Satish Jain          | - | Member   |
| 4. #Mr. Bafna Mahaveer Chand | - | Chairman |

\* Member only from 10.08.2011

# Chairman only up to 10.08.2011

No meeting was conducted during the period

## **FUNCTIONS OF THE COMMITTEE:**

The function of the Committee is recommend the payment of remuneration / perquisites / commission / sitting fees

**Shares/Convertible Instruments held by Non-Executive Independent Directors as on 31.03.2012**

<b>Name of the Non-Executive Independent Directors</b>	<b>No. of shares of the Company</b>	<b>Convertible Instruments</b>
Mr. D Suresh Jain	NIL	NA
Mr. Kushal Jain	NIL	NA

## **(C) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:**

Shareholders'/Investors' Grievance Committee under the Chairmanship of Independent Non-Executive Director comprises of the following Directors as on 31.03.2012.

- |                       |   |          |
|-----------------------|---|----------|
| 1. Mr. Kushal Jain    | - | Chairman |
| 2. Mr. D Suresh Jain  | - | Member   |
| 3. Mr. Nitesh R Lodha | - | Member   |

The Committee met 9 times in the year under review

<b>Date of Meeting</b>	<b>Mr. Kushal Jain</b>	<b>Mr. D. Suresh Jain</b>	<b>Mr. Nitesh R Lodha</b>
05.05.2011	Present	Present	Present
27.06.2011	Present	Present	Present
22.07.2011	Present	Present	Present
04.08.2011	Present	Present	Present
09.09.2011	Present	Present	Present
30.09.2011	Present	Present	Present
11.10.2011	Present	Present	Present
16.11.2011	Present	Present	Present
21.12.2011	Present	Present	Present



**FUNCTIONS OF THE COMMITTEE :**

The Committee, inter alia, approves issue of duplicate certificates and overseas and reviews all matters connected with the securities transfer. The Committee also looks into redressal of Shareholders'/Investors' complaints like transfer of shares, non-receipt of Balance Sheet etc. during the year under review the Company has generally processed all the applications within time.

**SHARE TRANSFER SYSTEM:**

The Company's shares are traded in the Stock Exchange compulsorily in Demat mode.

i) Share Transfers: Share transfers are registered and returned in the normal course within a period of 15 days from the date of receipt, if the documents are order in all respects. Request for dematerialization of shares are processed and confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) within 15 days.

ii) Investor Correspondence: Shareholders can send in their correspondence to No.84/85, First Floor, Walltax Road, Chennai – 600 003 of the Company at or to the Registrar and share transfer agents at the above address.

iii) Intimation of change of address, bank details etc. All the members are requested to notify immediately any change in their address, bank details, and bank mandate and nominate details to the Registrar and Share transfer agent of the Company.

iv) Investor Grievances & Share Transfer

The Company has a regular system of attending to investor grievances. These grievances are promptly attended to and there is no complaint pending as on date.

**4. GENERAL BODY MEETINGS:**

(i) The last three Annual General Meetings of the Company were held as under:

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2008-2009	20, Balgopalpur Industrial Estate, P.O.: Rasalpur, Balasore, Orissa – 756 020	17.09.2009	11 AM
2009-2010	Ajanta Hall, Hotel Deccan Plaza, No.36, Royapettah High Road, Royapettah, Chennai – 600 014	24.07.2010	11 AM
2010-2011	YMCA Madras Youth Centre, No.6/74, Ritherdon Road, Vepery, Chennai – 600 007	13.07.2011	11 AM

(ii). Special Resolution and Resolution passed through Postal Ballot in the last Three AGMs

17 <sup>TH</sup> AGM - 17.09.2009	18 <sup>TH</sup> AGM – 24.07.2010	19 <sup>TH</sup> AGM – 13.07.2011
<p><b>Item No.6</b> Shifting of Registered office from the state of Orissa to Tamil Nadu</p> <p><b>Item No.7</b> Ratification of resolution passed by shareholders on 14.01.2009, the act of Board to issue and allot 12,27,500 Equity shares at a premium of Rs.5.25/- per share instead of Rs.5.00/- per share.</p>	<p><b>Item No.6</b> Appointment / confirmation of Mr. Nitesh R Lodha as Whole time Director with the remuneration of Rs.40,000/- p.m for a period of five years.</p> <p><b>Item No.7</b> Approval for paying Sitting fees to Non executive directors</p> <p><b>Item No.8</b> Resolution u/s 17 for object change by alteration of memorandum through postal ballot process</p> <p><b>Item No.9</b> Resolution u/s 21 for name change from Passari Cellulose Limited to RCL Foods Limited.</p>	NIL

## **5. DISCLOSURES:**

(i) The financial statements are prepared following the Accounting Standards and there is no deviation from it.

(ii) Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

There are no significant transactions with related parties which may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions in which directors are interested is placed before the Board regularly.

(iii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority or any matter related to Capital Markets, during the last three years:

There were no such significant instances of non-compliances of any matter related to the capital markets during the last year.

(iv) The Company has complied with all the mandatory and non-mandatory requirements of the revised Clause 49 of the Listing Agreement. The extents of compliance of the following non-mandatory requirements are given below:

(a) With regard to training of Board Members, the directors of the Company are continuously trained in the business model of the Company and the risk profile of business parameters through various presentations at Board/Committee Meetings.

(b) With regard to Whistle Blower Policy, the Company is examining the formulation and implementation of the same, after which the same would be submitted to the Board.

## **6. SUBSIDIARY COMPANY:**

The Company does not have any subsidiary Company.

## **7. MEANS OF COMMUNICATION:**

The Company's Notice, Results etc. generally published in 'Trinity Mirror' (in English) and in 'Makkal Kural' (in Tamil). Whereas the printed Annual Report along with statement of accounts and notices convening the Annual General Meeting are mailed to the shareholders.

The unaudited quarterly financial results, limited review by the Auditors and the audited full year financial results are sent to the Bombay Stock Exchange Limited and Madras Stock Exchange Limited, within the specified time limit.

## **8. CEO/CFO CERTIFICATE:**

The CEO / Director of the Company has certified to the Board that the particulars as stipulated vide Clause 49 V of the Listing Agreement is complied.

## **9. GENERAL SHAREHOLDER INFORMATION:**

### **(a) Annual General Meeting**

Date & Time : 29.09.2012, 11 A.M  
Venue : YMCA Madras Youth Centre,  
No.6/74, Ritherdon Road,  
Vepery, Chennai – 600 007

### **(b) Financial Calendar 2012-2013 (tentative)**

Annual General Meeting (next year)	- September 2013
Results for the quarter ending June 30, 2012	- Last week of July 2012
Results for the quarter ending Sept. 30, 2012	- Last week of Oct. 2012
Results for the quarter ending Dec. 31, 2012	- Last week of Jan. 2013
Results for the quarter ending Mar. 31, 2013	- Last week of April 2013

### **(c) Book Closure date:**

The Register of Members and Share Transfer records shall be closed from 27.09.2012 to 29.09.2012 (both days inclusive) for the purpose of AGM.

### **(d) Listing:**

Shares are currently listed at:

- i) The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai – 400 001
- ii) Madras Stock Exchange Limited,  
No.30, Second Line Beach,  
Chennai – 600 001

Demat : ISIN: INE 008F01014  
Scrip Code : 530923  
CIN : L 01407 TN 1992 PLC 075956

The Listing Fees for the Stock Exchanges are paid upto 31.03.2012.

### **e) Market Price Data & Performance:**

Stock Market Price & Stock Performance - BSE

**(f) Registrar & Share Transfer Agent:**

Cameo Corporate Services Limited  
No.2, Club House Road,  
Chennai 600 002  
Phone : 044 - 2846 0390  
Fax : 044 – 2846 0129  
Email : [investor@cameoindia.com](mailto:investor@cameoindia.com)

**Depositories** : The National Securities  
Depository Limited  
4th Floor, Trade World  
Kamala Mill compound  
Senapati Bapat Marg  
Lower Parel, Mumbai – 400 013

Central Depository  
Services (India) Limited  
Phirozee Jeejeebhoy Towers  
17th Floor Dalal Street  
Mumbai – 400 001

**(g) Distribution of Shareholding (as on 31.3.2012)**

<b>Category</b>	<b>No. of Shares Held</b>	<b>% of Share Holding</b>
A. Promoter(s) Holding		
1. Promoters		
a. Indian Promoters	626900	13.79
b. Foreign Promoters		
Sub-Total	626900	13.79
2. Persons Acting in concert	528625	11.62
B. Non-Promoters Holding		
3. Institutional Investors		
a. Mutual Funds & UTI		
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)		
c. FIIS		
Sub-Total		
4. Others		
a. Bodies Corporate	805114	17.70
b. Individual Holding		
(i) Nominal Share Capital upto Rs.1 Lakh	1336086	29.39
(ii) Nominal Share Capital in excess of Rs.1 Lakh	973589	21.41
c. Any Other		
Clearing Members	14320	0.31
Hindu Undivided Families	260053	5.72
Non Resident Indians	2813	0.06
Sub-Total	3391975	
<b>GRAND TOTAL</b>	<b>4547500</b>	<b>100.00</b>

(ii) Distribution Schedule (as on 31.03.2012)

Share Holding	Share Holders	%	Total Share Amount	%
10 - 5000	2023	76.54	4392480	9.66
5001 - 10000	286	10.82	2171620	4.78
10001- 20000	126	4.77	1886450	4.14
20001- 30000	49	1.85	1272650	2.80
30001- 40000	25	0.95	894980	1.97
40001- 50000	22	0.83	1033140	2.27
50001- 100000	49	1.85	3895230	8.57
100001- Above	63	2.39	29928450	65.81
<b>Total</b>	<b>2643</b>	<b>100.00</b>	<b>45475000</b>	<b>100.00</b>

(iii) Holding pattern as on 31.03.2012

	Shareholders		Shares	
	No.	%	No.	%
Physical	1486	56.22	677305	14.89
NSDL	586	22.17	1380060	30.35
CDSL	571	21.61	2490135	54.76
<b>TOTAL</b>	<b>2643</b>	<b>100.00</b>	<b>4547500</b>	<b>100.00</b>

(h) i) Address for correspondence : No.84/85, Walltax Road, First Floor,  
Chennai - 600 003.

ii) Any query on Annual Report : No.84/85, Walltax Road, First Floor,  
Chennai- 600 003.

iii) Investor Correspondence:

Cameo Corporate Services Limited  
No.2, Club House Road,  
Chennai 600 002

Phone : 044 - 2846 0390  
Fax : 044 - 2846 0129  
Email : investor@cameoindia.com

**COMPLIANCE OFFICER:**

**Name** : Mr. Nitesh R Lodha  
**Address** : No.84/85, Walltax Road, Chennai – 600 003  
**Phone No** : (044) 2534 5283  
**Fax No.** : (044) 2534 5275  
**Email** : [rclfoods@gmail.com](mailto:rclfoods@gmail.com)

## **10. MANAGEMENT ANALYSIS AND REVIEW:**

### **a. Industry structure & Development:**

India is the second largest producer of food in the world. Whether it is canned food, processed food, food grains, dairy products, frozen food etc, the Indian agro industry has a huge potential, the significance and growth of which will never cease. A few years ago, companies struggled to sell packaged foods. But now it is much easier to break into the Indian market because of a younger population, higher incomes, new technologies and a growing middle class, estimated at 50 million households. An average Indian spends around 53 per cent of his/her income on food. The domestic market for processed foods is not only huge but is growing fast in tandem with the economy. It is estimated to be worth \$90 billion. Processed Food Manufacturing companies are required to be persistent and must adapt products to the Indian cultural preferences. With modernization, innovation and incorporation of latest trends and technology in the entire food chain as well as agro-production, the total production capacity of agro products in India and the world is likely to double by the next decade.

### **b. Opportunities & Threats**

The Company deals in FMCG goods like mouth Fresheners; Agro based processed food products, Ready to eat Foods and Bakery products. There is a positive support from the Government for manufacturing of Agro based processed food products. Moreover, the Indian Government is providing stimulus wherever possible by cutting taxes and duties and granting of Subsidies, in order to increase the consumption among the consumer fraternity. Since the Company is manufacturing Agro based processed food products, timely availability of raw material and failure of crops is a threat to your Company.

### **c. Segment-wise analysis**

Your Company is concentrating in only one segment i.e., Manufacturing and trading of Agri based Fast Moving Consumer Goods and Food Products.

### **d. Outlook:**

The Company is planning to introduce the following products in the years to come like, additional Variety of Mouth Freshener, Bakery Products like Khari, Cookies, Dry Amla and Dry Chapatti (Khakra), Namkeens. These products are having good market both domestic and international market.

Our endeavour to drive organic growth is driven by a two pronged strategy. Firstly, we are focusing on expanding the number and variety of products offered to customers across categories based upon focused research and consumer feedback. Secondly, our thrust is on enhancing distribution and presence in the country.

### **e. Risks and concerns**

The key risks that affect the functioning of the Company and are actively considered for risk management activities are:

- Seasonal Fluctuations / Failure of Crops / Non availability of raw materials
- Economic depression and inflation Shelf Life of the products of the Company
- Labour shortages and attrition of key staff
- Increasing costs of raw material, transport and storage
- Compliance and regulatory pressures including changes to tax laws.

### **f. Internal control systems and their adequacy**

Your Company has in place, adequate internal control systems and procedures commensurate with the size and nature of our business. The system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. These procedures are designed to ensure that:

All assets and resources are acquired economically, used efficiently and are adequately protected.  
Significant financial, managerial and operating information is accurate, reliable and is provided timely,  
and  
All internal policies and statutory guidelines are complied with.

**g. Discussion on financial performance with respect to operational performance:**

The sales achieved during the financial year ended 31<sup>st</sup> March 2012, was Rs. 1,36,58,939/-. The Company producing FMCG products like mouth freshers, Dry Chappati (Khakra), Namkeen, additional Variety of Mouth Freshner, Bakery Products like Khari, Cookies, Dry Amla, etc., in different sizes, shapes and tastes throughout the year.

**h. Material developments in human resources / industrial relations front, including number of people employed**

The Company is continuously endeavoring to align the employee's objectives with the business objectives of the organization through its HR policies, process and other development initiatives to achieve its organizational goals. Industrial relations have been cordial. The total number of employees in the Company during the financial year 2011 – 2012 was 4 permanent employees. The Company also engages the services of Casual labourers on weekly basis as and when the need arises.

**11. CAUTIONARY STATEMENT:**

Details given herein above relating to various activities and future plans may be forward looking statements within the meaning of applicable laws and regulations. The actual performance may differ from those expressed or implied.

**12. CERTIFICATE:**

The Company has obtained the Certificate from M/s. AK Jain & Associates, Firm of Company Secretaries regarding compliance of Corporate Governance as stipulated in Clause 49 of the listing agreement and the same is annexed.

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

Place: Chennai  
Date: 28.08.2012

On behalf of the Board  
**For RCL Foods Limited**  
Sd/-  
**Nitesh R Lodha**  
Chairman

**CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY:**

This is to confirm that a code of conduct for the Board Members and Senior Management Personnel of the Company has been adopted in the Board Meeting held on 31.01.2006. The Code of Conduct as adopted by the Board was also circulated. The Company received declarations affirming compliance of the Code from the persons concerned for the Financial Year ended 31<sup>st</sup> March, 2011. The same has also been noted by the Board.

On behalf of the Board  
**For RCL Foods Limited**

Place: Chennai  
Date: 28.08.2012

Sd/-

**Nitesh R Lodha**

Chairman

---

**CERTIFICATE OF CORPORATE GOVERNANCE**

To  
The Members  
RCL Foods Limited  
No.84/85, Wall Tax Road,  
First Floor, Chennai – 600 003

We have examined the compliance of conditions of Corporate Governance by M/s.RCL Foods Limited for the year ended on 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchange(s) in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither the 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 and the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement and that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by Company's Registrar and Transfer Agents.

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 **A.K. Jain & Associates**  
Company Secretaries

Place: Chennai  
Date: 28.08.2012

Sd/-  
**Balu Sridhar**  
CP No.3550



**RCL FOODS LIMITED, CHENNAI**  
**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note No	FIG AS AT 31.03.2012 In Rs	FIG AS AT 31.03.2012 In Rs	FIG AS AT 31.03.2011 In Rs
<b>I EQUITY AND LIABILITIES :</b>				
<b>(1) Shareholders' funds :</b>				
(a) Share Capital	1	45,475,000		45,475,000
(b) Reserves and Surplus	2	<u>-10,155,888</u>	35,319,112	-6,836,278
<b>(2) Non Current Liabilities :</b>				
(a) Long Term Borrowings	3	0		327,766
(b) Other Long Term Liabilities	4	461,374		461,374
(c) Long Term Provisions	5	<u>44,882</u>	506,256	56,475
<b>(3) Current Liabilities :</b>				
(a) Short Term Borrowings	6	154,014		5,119,218
(b) Trade Payables	7	6,689,485		1,295,608
(c) Other Current Liabilities	8	373,086		262,806
(a) Short Term Provisions	9	<u>223,000</u>		824,086
			7,439,586	
<b>TOTAL</b>			<b><u>43,264,954</u></b>	<b><u>46,986,056</u></b>
<b>II ASSETS:</b>				
<b>(1) Non Current Assets:</b>				
(a) Fixed Assets	10			
(i) Tangible Assets		5,943,477		6,406,358
(ii) Intangible Assets		23,983		6,517
		5,967,460		6,412,875
(b) Non Current investments	11	6,900,000		13,311,160
(c) Deferred Tax Assets (Net)	12	177,054		145,909
(d) Long Term Loans and advances	13	3,097,309		3,347,661
(e) Other Non current assets	14	<u>986,968</u>		1,486,968
			17,128,791	
<b>(2) Current Assets:</b>				
(a) Current investments	12	1,456,125		-
(b) Inventories	15	3,346,121		1,589,066
(c) Trade receivables	16	5,274,625		5,456,070
(d) Cash and Cash Equivalents	17	421,472		620,548
(e) Short Term Loans and Advances	18	14,990,046		13,407,756
(f) Other Current Assets	19	<u>647,774</u>		1,208,043
			26,136,163	
<b>TOTAL</b>			<b><u>43,264,954</u></b>	<b><u>46,986,056</u></b>

The annexed notes form an integral part of these financial statements

As per our Report of even date.  
**for KRISHNAN & GIRI**  
Chartered Accountants

**(M JAYANTILAL JAIN)**  
Partner  
M.No.29712

Chennai  
Dated :28th August,2012

For and on behalf of the Board  
**for RCL FOODS LIMITED**

**DIRECTOR**                      **DIRECTOR**

**RCL FOODS LIMITED, CHENNAI**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012.**

<b>PARTICULARS</b>	<b>NOTE No.</b>	<b>Figures for the Current Year</b>	<b>Figures for the previous year</b>
I. Revenue from Operations	21	13,658,939	31,597,347
II. Other Income	22	1,385,582	890,711
III. Total revenue(I+II)		<b>15,044,520</b>	<b>32,488,058</b>
IV. EXPENSES :			
Cost of materials consumed	23	3,536,739	3,356,217
Direct Expenses	24	1,111,651	1,146,677
Purchases of Traded Goods		6,491,026	20,251,864
Changes in Inventories	25	212,790	2,959,530
Employee benefits expenses	26	465,833	775,220
Finance Costs	27	198,620	897,003
Depreciation and amortisation expenses		982,404	1,018,117
Other Expenses	28	1,526,046	1,337,181
Total Expenses		<b>14,525,110</b>	<b>31,741,809</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		519,411	746,249
VI. Exceptional Items		3,647,165	-
VII. Profit before extraordinary items and tax (V - VI)		(3,127,755)	746,249
VIII. Extraordinary Items		-	-
IX. Profit before Taxes (VII - VIII)		(3,127,755)	746,249
X. Tax Expenses :			
a. Current tax		223,000	300,000
b. Deferred tax		(31,145)	(72,179)
XI. Profit (Loss) for the period from continuing operations ( VII - VIII)		(3,319,610)	518,428
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expenses of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (after tax) (XII -XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(3,319,610)	518,428
XVI. Earnings per equity share :			
a. Basic		(0.73)	0.11
b. Diluted		-	0

The annexed notes form an integral part of these financial statements

As per our Report of even date.  
**for KRISHNAN & GIRI**  
Chartered Accountants

For and on behalf of the Board  
**for RCL FOODS LIMITED**

**(M JAYANTILAL JAIN)**  
Partner  
M.No.29712

**DIRECTOR**

**DIRECTOR**

Chennai  
Dated :28th August,2012

**M/S. RCL FOODS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

	<b>FIGURES AS AT 31.03.2012 (Rs. In '000)</b>	<b>FIGURES AS AT 31.03.2011 (Rs. In '000)</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss before Tax and exceptional items	519,411	746,249
<b>Adjustments for :</b>		
Interest Paid	193,970	886,952
Interest Receipts	(1,371,175)	(828,541)
Depreciation	982,404	1,018,117
Gratuity	(11,593)	46,041
Diminution Provision in the value of Invesments written back	106,360	-
Profit on sale of shares	(188,840)	-
Loss on sale of Shares	-	-
Preliminary Expenses Written off	70,000	70,000
<b>Operating Profit before working capital changes</b>	<b>300,537</b>	<b>1,938,818</b>
Direct Taxes Paid	(333,817)	(1,028,043)
<b>Adjustments for :</b>		
Inventories	(1,757,055)	<b>2,488,094</b>
Trade & Other Receivables	181,445	12,869,950
Trade Payables	5,504,156	(9,817,868)
Current Liabilities & Provisions	<u>(5,292,970)</u>	<u>817,554</u>
Net Cash Flow from Operating activites (A)	<u>(1,397,704)</u>	<u>7,268,505</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of fixed assets	(536,989)	<b>(4,273,055)</b>
Sale of Investments	6,600,000	<b>118,259</b>
New Investments made	(1,562,485)	<b>(3,000,000)</b>
Exceptional items of expenditure	(3,647,165)	-
Preliminary Expenses Incurred	-	<u>(100,000)</u>
Net Cash Flow from investing activites (B)	<u>853,361</u>	<u>(7,254,796)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from Long Term Borrowings	750,352	2,416,138
Interest Receipts	1,371,175	828,541
Loans & Advances	(1,582,289)	(2,315,298)
Interest on Loan	<u>(193,970)</u>	<u>(886,952)</u>
Net Cash Flow from financing activites ( C)	<u>345,268</u>	<u>42,429</u>
Net Increase in Cash and Cash Equivalentts (A)+(B)+( C)	(199,075)	56,138
Opening Cash and Cash Equivalensts	620,548	564,410
Closing Cash and Cash Equivalensts	421,472	620,548

**The Schedules referred to above form an integral part of the Accounts**

In terms of our report of even date attached

**For KRISHNAN & GIRI**  
Chartered Accountants

**for R C L FOODS LIMITED**

**(M.JAYANTILAL JAIN)**  
**Partner**  
**M.No. 029712**  
**Firm Regn No.001512S**

**DIRECTOR      DIRECTOR**

**Place : Chennai**  
**Dated : 28th August,2012**

**M/S. RCL FOODS LIMITED**

**10. FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS ON 01.04.2011 Rs.	ADDITION Rs.	(DELETIONS) Rs.	AS AT 31.03.2012 Rs.	AS ON 01.04.2011 Rs.	FOR THE YEAR Rs.	ADJUSTMENT Rs.	AS AT 31.03.2012 Rs.	AS AT 31.03.2012 Rs.	AS AT 31.03.2011 Rs.
LAND	345,143.00	-	-	345,143.00	-	-	-	-	345,143.00	345,143.00
GENERATOR	263,936.00	-	-	263,936.00	15,088.00	34,615.00	-	49,703.00	214,233.00	248,848.00
PLANT & MACHINERY	5,857,951.00	472,729.00	-	6,330,680.00	779,101.00	747,022.00	-	1,526,123.00	4,804,557.00	5,078,850.00
ELECTRONIC WEIGH MACHINE	22,500.00	-	-	22,500.00	1,105.00	2,976.00	-	4,081.00	18,419.00	21,395.00
FURNITURE & FIXTURES	72,513.00	12,560.00	-	85,073.00	14,344.00	12,105.00	-	26,449.00	58,624.00	58,169.00
OFFICE EQUIPMENTS	14,200.00	3,350.00	-	17,550.00	1,633.00	2,020.00	-	3,653.00	13,897.00	12,567.00
VEHICLES	1,260,099.00	-	-	1,260,099.00	636,172.00	161,535.00	-	797,707.00	462,392.00	623,927.00
COMPUTER & PRINTER	54,850.00	22,350.00	-	77,200.00	37,391.00	13,597.00	-	50,988.00	26,212.00	17,459.00
	<b>7,891,192.00</b>	<b>510,989.00</b>	-	<b>8,402,181.00</b>	<b>1,484,834.00</b>	<b>973,870.00</b>	-	<b>2,458,704.00</b>	<b>5,943,477.00</b>	<b>6,406,358.00</b>
<b>PREVIOUS YEAR FIGURES</b>	<b>3,618,137.00</b>	<b>4,273,055.00</b>	-	<b>7,891,192.00</b>	<b>475,237.00</b>	<b>1,009,597.00</b>	-	<b>1,484,834.00</b>	<b>6,406,358.00</b>	<b>3,142,900.00</b>
<b>INTANGIBLE ASSETS</b>										
SOFTWARE	21,300.00	26,000.00	-	47,300.00	14,783.00	8,534.00	-	23,317.00	23,983.00	6,517.00
	<b>21,300.00</b>	<b>26,000.00</b>	-	<b>47,300.00</b>	<b>14,783.00</b>	<b>8,534.00</b>	-	<b>23,317.00</b>	<b>23,983.00</b>	<b>6,517.00</b>
<b>PREVIOUS YEAR FIGURES</b>	<b>21,300.00</b>	-	-	<b>21,300.00</b>	<b>6,263.00</b>	<b>8,520.00</b>	-	<b>14,783.00</b>	<b>6,517.00</b>	<b>15,037.00</b>

## **RCL FOODS LIMITED - CHENNAI**

### **NOTES FORMING PART OF INTEGRAL ACCOUNTS AS ON 31ST MARCH 2012**

#### **SIGNIFICANT ACCOUNTING POLICIES :**

##### **A. Basis of Preparation of Financial Statements :**

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Policies in India to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### **B. Fixed Assets :**

Fixed Assets are stated at Cost less accumulated depreciation and impairment losses, if any.

##### **C. Intangible Assets :**

Intangible Assets are stated at Cost less accumulated amortisation/depletion.

##### **D. Depreciation and Amortisation :**

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

##### **E. Cash flow Statement**

Cash flows are reported using the indirect method, whereby profit/(Loss) before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

##### **F. Inventories :**

- i) Packing Materials are valued at cost and net realisable value.
- ii) Raw Materials are valued at cost.
- ii) Finished Goods/Traded Goods are valued at lower of cost or market price.

##### **G. Accounting for Investments**

Investments are stated at cost. Provision for diminution in value is made only if such a decline is other than temporary in the opinion of the management. A diminution in the value of investment to the extent of Rs.106360/- is made in the books of accounts.

##### **H. Gratuity :**

Provision for Gratuity Liability to employees is made on the basis of actuarial valuation.

##### **I. Provision for Current and Deferred Tax :**

Provision for Current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

		<b>Figures as at 31.03.2012</b>	<b>Figures as at 31.03.2011</b>
<b>1 SHARE HOLDERS' FUND</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised :</b>			
1,20,00,000 Equity Shares of Rs.10/- each (Previous Year 1,20,00,000/- Equity shares of 10/- each)		120,000,000	120,000,000
		<u><b>120,000,000</b></u>	<u><b>120,000,000</b></u>
<b>Issued, Subscribed &amp; Paid-up :</b>			
45,47,500 Equity Shares of Rs.10/-each Fully Paid up (Previous Year 45,47,500 Equity shares of Rs.10/- each)		45,475,000	45,475,000
		<u><b>45,475,000</b></u>	<u><b>45,475,000</b></u>
<b>TOTAL</b>		<u><b>45,475,000</b></u>	<u><b>45,475,000</b></u>
<b>List of Shareholders holding more than 5% Equity</b>			
Name of the Shareholder		No.of Shares	No.of Shares
Sathish Jain		461,900	461,900
B P Equities Pvt Ltd.,		231,212	-
Gaurisuta Business Pvt Ltd.,		-	300,000
<b>2 RESERVES &amp; SURPLUS :</b>			
<b>Capital Reserve :</b>			
Capital Subsidy	824,400		824,400
On account of Share Forfeiture	<u>3,512,710</u>	4,337,110	<u>3,512,710</u> 4,337,110
<b>Share Premium account</b>			
Balance as per previous Balance Sheet		6,444,375	6,444,375
<b>Profit and Loss Account:</b>			
<b>Opening Balance</b>	-17,617,763		-18,136,191
Surplus in Profit & Loss A/c	<u>-3,319,610</u>	-20,937,373	<u>518,428</u> -17,617,763
<b>TOTAL</b>		<u><b>-10,155,888</b></u>	<u><b>-6,836,278</b></u>
<b>3 LONG TERM BORROWINGS:</b>			
<b>Term Loans : From Banks (Secured)</b>		Rs.	Rs.
Secured against Vehicle (Previous Year Loans are repayable over 21 months)		0	327,766
		<u><b>0</b></u>	<u><b>327,766</b></u>
<b>4 OTHER LONG TERM LIABILITIES</b>			
Trade Payables		461,374	461,374
		<u><b>461,374</b></u>	<u><b>461,374</b></u>
<b>5 LONG TERM PROVISIONS:</b>			
Provision for Gratuity		44,882	56,475
		<u><b>44,882</b></u>	<u><b>56,475</b></u>
<b>6 SHORT TERM BORROWINGS:</b>			
From Director		5,588	955,000
From Bank (Secured against vehicle)		148,426	0
From a Body Corporate		0	4,164,218
		<u><b>154,014</b></u>	<u><b>5,119,218</b></u>

<b>7 TRADE PAYABLES:</b>				
Sundry Creditors for Goods		6,462,081		1,049,527
Sundry Creditors for Expenses		227,404		246,081
		<u>6,689,485</u>		<u>1,295,608</u>
<b>8 OTHER CURRENT LIABILITIES:</b>				
Other payables		373,086		262,805
		<u>373,086</u>		<u>262,805</u>
<b>9 SHORT TERM PROVISIONS:</b>				
Provision for Taxation		223,000		824,086
		<u>223,000</u>		<u>824,086</u>

<b>11 NON CURRENT INVESTMENTS :</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
Share Application Money: Bond Chem India Pvt Ltd.,		400,000		400,000
<b>Unquoted - Non Trade (At Cost)</b>				
Udhaya Energy Photo Valnics Pvt Ltd.,	175000	3500000	175000	3500000
Passari Organics Pvt Ltd.,			571116	5711160
Altona (Exim) Pvt Ltd.,			30000	300000
MBR Promoters Pvt Ltd.,			40000	400000
<b>Investments in Associate Equity Instruments (Unquoted)</b>				
Rcl Retail Limited	300000	3000000	300000	3000000
<b>Total Unquoted Investments</b>		<u>6,900,000</u>		<u>13,311,160</u>
<b>CURRENT INVESTMENTS :</b>	<b>Numbers</b>	<b>Amount</b>	<b>Numbers</b>	<b>Amount</b>
<b>Investment in Equity Instruments (quoted)</b>				
<b>Olympic Cards Limited</b>	45000	1,273,600		0
<b>Texmco Limited</b>	7500	288,885		0
<b>Total Quoted Investments (A)</b>		<u>1,562,485</u>		<u>0</u>
Less : Provision for Diminution in Value of Investment		106,360		0
		<u>1,456,125</u>		<u>0</u>

**12 DEFERRED TAX ASSETS :**

On Account of Timing Difference		
- Depreciation	163,185	128,458
- Others	13,869	17,451
	<u>177,054</u>	<u>145,909</u>

Deferred Tax Liability/Asset has been recognized in accordance with the Accounting Standard "AS 22" on Accounting for taxes on Income.

**13 LONG TERM LOANS & ADVANCES:**

Capital Advances - Considered Good	115,200	383,052
Security Deposits - Considered Good	495,570	478,070
Corporate Advances -Considered Good	1,210,828	1,275,711
Other Loan & Advances -Considered Good	1,275,711	1,210,828
	<u>3,097,309</u>	<u>3,347,661</u>

<b>14 OTHER NON- CURRENT ASSETS</b>		
Long Term Trade Receivable (Considered Good)	986,968	1,486,968
	<u>986,968</u>	<u>1,486,968</u>
<b>15 INVENTORIES:</b>		
Stock-in trade (As per inventory taken, valued and as certified by the Raw material (At cost)	917,316	248,743
Finished Goods (At lower of cost or Market price)	150,729	363,519
Packing Material (At cost)	2,278,076	976,804
	<u>3,346,121</u>	<u>1,589,066</u>
<b>16 TRADE RECEIVABLES :</b>		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months from due date	3,683	11,526
Other Debts	5,270,942	5,444,544
	<u>5,274,625</u>	<u>5,456,070</u>
<b>17 CASH AND CASH EQUIVALENTS:</b>		
Cash on hand	401,858	599,831
Balance with Bank in Current Account	19,614	20,717
	<u>421,472</u>	<u>620,548</u>
<b>18 SHORT TERM LOANS AND ADVANCES:</b>		
Loans & Advances	14,989,046	13,407,756
Advance to Staff	1,000	0
	<u>14,990,046</u>	<u>13,407,756</u>
<b>19 OTHER CURRENT ASSETS :</b>		
Mis exp amortised within 12 months	110,000	180,000
Income Tax including TDS	537,774	1,028,043
	<u>647,774</u>	<u>1,208,043</u>
<b>20 CONTINGENT LIABILITIES AND COMMITMENTS:</b>		
<b>CONTINGENT LIABILITES</b>		
Claims against the company not acknowledged as debts	NIL	NIL
<b>COMMITMENTS:</b>		
Estimated amount of Contracts remaining to be executed on capital account not provided for		
Other commitments	NIL	NIL
<b>21 REVENUE FROM OPERATIONS</b>		
Manufactured Products	6,876,939	6,105,690
Traded Products	6,782,000	25,491,657
	<u>13,658,939</u>	<u>31,597,347</u>
<b>22 OTHER INCOME</b>		
Interest Receipts	1,371,175	828,541
Discount Receipts	10,138	35,819
Profit on Sale of Shares (F & O)	-	28,041
Profit on Sale of Shares	(189,440)	709
Long Term Profit on sale of shares	188,840	-
Sundries written back	4,869	(2,399)
	<u>1,385,582</u>	<u>890,711</u>
<b>23 MATERIALS CONSUMED/PURCHASES :</b>		
Raw material consumed :		
Opening stock	1,225,547	754,110
Add: Purchases including packing material	5,506,585	3,827,654
	6,732,132	4,581,764
Less: Closing Stock	3,195,392	1,225,547
Consumption of Materials	<u>3,536,739</u>	<u>3,356,217</u>



<b>24 DIRECT EXPENSES</b>		
Factory Electricity Charges	40,835	35,215
Factory Expenses	50,047	345,667
Factory Licence	9,900	0
Factory Rent	180,000	194,000
Fuel Expenses	109,443	106,795
Wages	717,196	465,000
Water Charges	4,230	0
	<u>1,111,651</u>	<u>1,146,677</u>
<b>25 INCREASE IN STOCKS :</b>		
Closing Stock :		
Finished goods	363,519	3,323,049
	363,519	3,323,049
Opening Stock :		
Finished Goods	150,729	363,519
	150,729	363,519
<b>(Increase)/decrease in Stocks</b>	<u>212,790</u>	<u>2,959,530</u>
<b>26 EMPLOYEES REMUNERATION &amp; BENEFITS:</b>		
Salaries, Bonus & Other Allowances	445,483	729,179
Welfare Expenses	31,943	0
Gratuity	(11,593)	46,041
	<u>465,833</u>	<u>775,220</u>
<b>27 FINANCE COST:</b>		
Interest Payments	193,970	886,952
Bank Charges	4,650	10,051
	<u>198,620</u>	<u>897,003</u>
<b>28 OTHER EXPENSES</b>		
Annual Maintenance Charges	4,500	0
Barcode Licence	44,760	0
Conveyance	889	0
Cooly & Freight Expenses	123,892	55,300
Director's Sitting Fees	27,500	7,500
Donation	2,500	0
Electricity Charges	24,467	30,757
Rent	101,200	75,900
Listing Fees	40,811	0
Maintenance Charges	12,051	0
Office Maintenance	3,633	72,322
Postage, Telegram, Telephone & Telex charges	76,945	41,641
Printing & Stationery	115,385	36,972
Share Transfer Expenses	24,866	0
Travelling Expenses	13,155	102,398
Vehicle Maintenance	8,214	14,983
Rates, Taxes, Fees & Insurance	14,220	260,445
Repairs & Maintenance :	16,621	0
Professional Charges	34,678	252,296
Auditors Remuneration :		
-Statutory Audit	56,180	55,150
- Tax Audit	11,236	11,030
Discount	<b>105,256</b>	0
Advertisement	<b>246,987</b>	132,069
Sales Promotion/Conference Expenses	124,704	84,018
Diminishing In the Value of Investment	106,360	0
Securities Transaction Tax	71,806	0
Transaction Charges	22,784	0
Preliminary Expenses written off	70,000	70,000
General Expenses	20,448	34,400
	<u>1,526,046</u>	<u>1,337,181</u>

## QUANTITATIVE PARTICULARS OF STOCK

	Opening Stock		Purchases		Consumption		Closing stock	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Raw Materials								
Bush Chocalate	2.00	375.00	5.00	2,186.21	5	1723.21	2.00	838.00
Groceries	3,092.00	120,521.89	7,090.73	1,200,262.25	6,011	760,655.45	4,172.00	560,128.69
Groceries			4,425.00	300,597.95	3,925	266,625.25	500.00	33,972.70
Souf	540.00	34,316.73	4,624.50	351,535.00	4,664.50	347,843.84	500.00	38,007.89
Sugar	3,232.00	93,529.92	60,801.00	1,734,503.00	54,061	1,543,664.33	9,972.00	284,368.59
	6,866.00	248,743.54	76,946.23	3,589,084.41	68,666.23	2,920,512.08	15,146.00	917,315.87
Packing Materials								
Boxes	-	526,803.92	-	862,876.00	-	332,852.39	-	-1,056,827.53
Pouches	-	450,000.00	-	1,054,623.00	-	283,374.69	-	-1,221,248.31
		976,803.92		1,917,499.00		616,227.08		2,278,075.84
Finished Goods								
Confectionery Items	3656	62,452.00	11,387		13,227		1816	27,202.66
Confectionery Items	225	18,000.00	13,530		13,362		393	39,350.72
Savouries			7,779		7,614		165	19,819.46
Scented Sounf	6067	283,066.50	47,749		52,432		1384	64,356.00
			-					
	9,948.00	363,518.50	80,445	-	86,635.00	-	3,758.00	150,728.84

## SEGMENT INFORMATION

Since the company is manufacturing and trading and food and processed food only and it is related to a single reportable segment.

### Related Party disclosure:- (AS 18)

Remuneration to Director including perks		
- Nitesh R Lodha	80,000	480,000
- Sitting Fees	27,500	7,500
Balance Due to Directors:		
'- Nitesh R Lodha	5,588	955,000
Investment in RCL Retail Limited	-	3,000,000
Towards Purchases(RCL Retail Ltd.,)	38,640	-
Towards Sales(RCLRetail Ltd)	1,264,476	-
Balance due to RCL Retail Ltd.	341,524	-

**Value of Imports (On C.I.F Basis) NIL NIL**

**Earnings in Foreign Currency : NIL NIL**

**Expenditure in Foreign Currency : NIL NIL**

### Employees Benefit obligation - AS 15

#### Salient Features of the Benefit Plan (as provided by the Company):

Benefit type:	Gratuity Payment	
When Due:	On exit from service due to resignation, retirement or death. { [ (15/26) times the Monthly eligible salary at the time of exit] X the number of years of service put in by the employee }.	
Quantum of Benefit:	Eligible Salary: Basic only	
	1. Ceiling on gratuity payable:	Rs. 10,00,000/-
	2. Minimum Service for vesting :	Five completed
Constraints:	years. However, during this period the accrued liability is recognized on straight-line basis. This constraint, however, is not applicable if the incidence of the benefit arises due to death.	

**Summary of the Results****Net Liability to be Recognized  
in the Balance Sheet**

(All amounts are in Rupees)

	As on 31/03/2012	As on 31/03/2011
Value of Current Year Obligation (Estimated):	3,338	48
Present Value of Non-current Year Obligation (Estimated):	41,244	56,427
Present Value of Obligation	44,582	56,475
Fair Value of Assets	0	0
Net Asset / (Liability) Recognized	-44,582	-56,475

**Accrued Gratuity Liability****Disclosure Tables**

Company: RCL Foods Limited,

Valuation Date: 31/3/2012

(Earlier Valuation considered: As on 31/3/2011)

**Movements in Accrued Liability**

	12 Months	12 Months
	As on	As on
	31-Mar-12	31-Mar-11
	In Rupees	In Rupees
Accrued Liability as at beginning of the period:	56,475	10,434
Interest Cost	4,518	835
Current Service Cost	5,901	45,233
Past Service Cost	0	0
Curtailement Cost	0	0
Settlement Cost	0	0
Benefits Paid	0	0
Actuarial gain / loss	-22,312	-27
Accrued Liability as at the end of the period:	44,582	56,475

**(No Fund is being maintained)****Amounts to be recognized in the Balance Sheet**

	In Rupees	In Rupees
Present Value of obligations as on the accounting date:	44,582	56,475
Fair Value of the Plan Assets: (Zero as no fund is being maintained)	0	0
Liability to be recognized in the Balance Sheet:	-44,582	-56,475

**Expenses to be recognized in P/L Account**

	In Rupees	In Rupees
Interest Cost	4,518	835
Current Service Cost	5,901	45,233
Past Service Cost	0	0
Expected Return on Plan Assets	0	0
Curtailement Cost (Credit)	0	0
Settlement Cost (Credit)	0	0
Net Actuarial (gain) / loss	-22,312	-27
Net Expenses to be recognized in P/L a/c	-11,893	46,041

**Reconciliation**

	In Rupees	In Rupees
Net Liability as at the beginning of the period:	56,475	10,434
Net Expenses in P/L a/c	-11,893	46,041
Benefits Paid	0	0
Net Liability as at the end of the period:	44,582	56,475

Principal Actuarial Assumptions		
Interest (Discount) Rate (Liabilities)	8.00%	8.00%
Rate of Return on Assets	N.A.	N.A.
Mortality Table	LIC (94-96)	LIC (94-96)
Resignation Rate per annum	10.00%	10.00%
Salary Escalation Rate	10.00%	10.00%
Experience Rated Adjustments		
Liability Side	In Rupees -22,312	In Rupees -27
Asset Side	N.A.	N.A.

	As per LIC (1994 – 96) (Ultimate) Mortality Table	
* Rate of Mortality:	3/31/2012	3/31/2011
* Date of Valuation:	8.00% per annum	8.00% per annum
* Rate of Interest:	10.00% per annum	5.00% per annum
* Rate of Salary Escalation:	2.00% per annum	2.00% per annum
* Rate of exit due to reasons other than death or retirement:	Does not arise	
* Rate of Return on Plan Assets:	Fully recognized by the Company.	
* Actuarial gain / loss	(That is, no amortization)	

The estimate of future salary escalation considered in the actuarial valuation has taken into account inflation rate, security, promotion and other relevant factors such as supply and demand in the employee market.

Previous years figures have been regrouped/rearranged wherever necessary.

**On behalf of the Board  
RCL FOODS LIMITED**

for **KRISHNAN & GIRI**  
Chartered Accountants

**DIRECTOR                  DIRECTOR**

**(M JAYANTILAL JAIN)**  
Partner  
M.No.29712

Chennai  
Dated :28th August, 2012

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Folio No:

No. of Shares held:

I hereby record by presence at the 20<sup>th</sup> Annual General Meeting of RCL Foods Limited held at YMCA Madras Youth Centre, No.6/74, Ritherdon Road, Vepery, Chennai – 600 007, on Saturday the 29<sup>th</sup> day of September 2012 at 11.00 A.M as Shareholder/Proxy.

\_\_\_\_\_  
Name of the Shareholder/Proxy

\_\_\_\_\_  
Signature of the Shareholder/Proxy

**RCL RETAIL LIMITED**  
**Regd off: - No.84/85, Walltax Road, 1<sup>st</sup> Floor,**  
**Chennai – 600 003**

**PROXY FORM**

Folio No:

No. of Shares held:

I/We \_\_\_\_\_ of \_\_\_\_\_  
— in the district of \_\_\_\_\_ being a member/members of  
M/s. RCL FOODS LIMITED, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the District  
of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the District  
of \_\_\_\_\_ as my / our Proxy to vote for me/ us on my/our behalf, at  
the 20<sup>th</sup> Annual General Meeting to be held at No.6/74, Ritherdon Road, Vepery, Chennai – 600 007, on  
Saturday the 29<sup>th</sup> day of September 2012 at 11.00 A.M and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2012

Affix 30  
paise  
Revenue  
stamp

Signature \_\_\_\_\_

**NOTE:**

1. *In the case of a Corporation this Proxy shall be either given under the Common Seal or signed on its behalf by an Attorney or Officer of the Corporation.*
2. *Proxies to be valid must be deposited at the Registered Office of the Company, not later than 48 hours before the time for holding the Meeting.*

## BOOK POST

*If undelivered please return to,*  
**RCL Foods Limited,**  
No.84/85, Walltax Road,  
1st Floor,  
Chennai - 600 003.  
Tamilnadu, India.