

**21<sup>st</sup> Annual Report & Accounts  
For the year ended  
31<sup>st</sup> March 2013**



***RCL FOODS LIMITED***  
*(Formerly known as Passari Cellulose Limited)*

---

## **BOARD OF DIRECTORS**

Mr. Nitesh R Lodha - Chairman & Director  
Mr. Satish 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. Axis Bank,  
G.T Branch, Chennai

2. Indian Overseas Bank  
Mount Road 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 21<sup>st</sup> Annual General Meeting of the members of M/s. RCL Foods Limited, will be held at Plot No.60, Chettymedu Village Road, K.K Nagar, Madhavaram, Chennai 600 060 on Monday the 30<sup>th</sup> day of September 2013 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, 2013 together with the Directors and the Auditor's reports thereon.
2. To appoint a Director in place of Mr. Kushal Jain, who retires by rotation and being eligible offers himself for re- appointment.
3. 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: 30.05.2013

Sd/-  
**Nitesh R Lodha**  
Chairman & Director

### 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 28.09.2013 to 30.09.2013 (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. Kushal Jain</b>
Date of Birth	14.11.1973
Date of Appointment	20.10.2009
Qualification	B.Com, CA ( Inter )

Experience	Has 15 years of experience as Chief Accounts Officer with M/s. Mukesh & Co., Chartered Accountants. And around 8 years of Experience as Bullion merchants which is a family owned business
Directorship in other Public limited Companies	NIL
Chairman/Membership of the committees of other public limited companies	NIL

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

Place: Chennai  
Date: 30.05.2013

Sd/-  
**Nitesh R Lodha**  
Chairman & Director

**Disclaimer**

*“The following report should be read in conjunction with the audited financial statements and notes for the year ended March 31, 2013 and the audited financial statements and notes for the year ended March 31, 2013. 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:**

### **FMCG**

Fast Moving Consumer Goods (FMCG) goods are popularly named as consumer packaged goods. Items in this category include all consumables (other than groceries/pulses) people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and household accessories and extends to certain electronic goods. These items are meant for daily or frequent consumption and have a high return. The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 13.1 billion. It has a strong MNC presence and is characterised by a well established distribution network, intense competition between the organised and unorganised segments and low operational cost. Availability of key raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage. The FMCG market is set to treble from US\$ 11.6 billion in 2003 to US\$ 33.4 billion in 2015. Penetration level as well as per capita consumption in most product categories like jams, toothpaste, skin care, hair wash etc in India is low indicating the untapped market potential. Burgeoning Indian population, particularly the middle class and the rural segments, presents an opportunity to makers of branded products to convert consumers to branded products. Growth is also likely to come from consumer 'upgrading' in the matured product categories. With 200 million people expected to shift to processed and packaged food in the long run.

(Source: CII)

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-range 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.

### **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. During the period under review your company had launched the following products 1. Masala Khari, 2. Badam Stick, 3. Dry puffs, 4. Bombay biscuits among the others.

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2013.

<b>Financial Results</b>	<b>(Rs. In '000)</b>	
	<b>31st March, 2013</b>	<b>31st March, 2012</b>
<b>Profit/(Loss) before Interest, Depreciation &amp; Tax</b>	2729.51	1806.79
Less: Interest	2002.25	198.62
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>727.26</b>	<b>1608.17</b>
Less: Depreciation	859.17	982.40
Less: Diminution in value of investments	---	106.36
<b>PROFIT/(LOSS) FOR THE YEAR BEFORE EXCEPTIONAL ITEMS</b>	(131.91)	519.41
Loss on Sale of Shares	---	(3647.16)
<b>PROFIT/(LOSS ) FOR THE YEAR BEFORE TAX</b>	(131.91)	(3127.75)
Less: Tax	75.00	223.00
Less: Provision for Deferred Taxation	37.89	(31.14)
<b>Profit/(Loss) after tax</b>	(244.80)	(3319.61)

### FINANCIAL RESULT

Your Company had a Turnover of Rs. 89,88,267/- during the financial year ended 31<sup>st</sup> March 2013. 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 has become negative i.e Rs. 1,31,910/-.

### DIVIDEND

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

## **DIRECTORS**

Mr. Kushal Jain is liable to retire by rotation, being eligible offers himself for reappointment. Your Board recommends their continuation.

During the year under review, Mr. D. Suresh Jain, resigned with effect from 17.02.2013. The Board of Directors expresses their appreciation for the contribution made by him during his tenure as Director of the Company

## **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, there appointment would be within the limits prescribed under section 224 (1 B) of the Companies Act, 1956.

## **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.

## **DIRECTORS 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 indigenious, 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	7330	6505
Total Amount	43978	35143
Rate/Unit (Rs.)	6.00	5.40
(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: 30.05.2013

Sd/-  
**Nitesh R Lodha**  
Chairman & Director

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

To  
The Members  
**M/s. RCL FOODS 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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ending 31<sup>st</sup> March, 2013. 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 thereunder 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, as applicable, 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 Seven times on 15.05.2012, 18.06.2012, 14.08.2012, 28.08.2012, 07.09.2012, 07.11.2012 and 15.02.2013 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 27.09.2012 to 29.09.2012 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 29.09.2012 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.
- 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 not issued any 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 of shares 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.
24. The amount borrowed by the Company from directors, members, Public, financial institutions, banks and others during the financial year ending 31.03.2013 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 and consequently no entries have been made in the register kept for the purpose.
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 and complied with the provisions of the Act.
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: 30.05.2013

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

## 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, 2013 with the Registrar of Companies, Chennai:

Sl.No.	e-Form	Particulars	Event date	SRN	Filed on	With additional fees
1.	20B	Annual Return - Schedule V filed u/s 159.	29.09.2012	P90406257	15.10.2012	No
2.	66	Compliance Certificate filed u/s 383A.	31.03.2012	P90406836	15.10.2012	No
3.	23AC & 23ACA XBRL	Profit & Loss a/c and Balance Sheet filed u/s 220.	31.03.2012	Q07057367	27.02.2013	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 (Non Executive)
Mr.Kushal Jain	Non Executive Independent Director
Mr.D. Suresh Jain*	Non Executive Independent 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	7	2	<i>Absent</i>
Mr.Nitesh R Lodha	7	7	Present
Mr. D. Suresh Jain	7	5	Present
Mr. Kushal Jain	7	7	Present

\*Mr. D. Suresh Jain resigned w.e.f. 17.02.2013.

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	2	1	0
Mr. Nitesh R Lodha	1	1	1
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' / Invertors' Grievance Committees only.

d) Details of Board Meetings held during the year:

The Board met 7 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 2012 - 2013 are as under:

<b>Date</b>	<b>Board Strength</b>	<b>No. of Directors present</b>
15.05.2012	4	4
18.06.2012	4	2
14.08.2012	4	3
28.08.2012	4	4
07.09.2012	4	2
07.11.2012	4	3
15.02.2013	4	3

Brief resumes of the Directors proposed to be appointed/re-appointed is mentioned in Point No.(i) 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 31.03.2013

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

\* Member only up to 17.02.2013

Meetings of the Audit Committee and attendance of the members therein in 2012-2013

<b>Date of Meeting</b>	<b>Mr. D. Suresh Jain</b>	<b>Mr. Kushal Jain</b>	<b>Mr. Nitesh R Lodha</b>
15.05.2012	Present	Present	Present
14.08.2012	Present	Present	Present
28.08.2012	Present	Present	Present
07.11.2012	Present	Present	Present
15.02.2013	Present	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 31.03.2013.

1. Mr. Kushal Jain	-	Chairman
2. Mr. D Suresh Jain*	-	Member
3. Mr. Satish Jain	-	Member

\* Member only up to 17.02.2013

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 31.03.2013**

<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

### **Directors' Remuneration**

The Non-Executive Directors are paid remuneration by way of sitting fee. The Company pays sitting fees of Rs. 2,500/- per meeting and no other salary is paid to any director.

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

Shareholders'/Investors' Grievance Committee under the Chairmanship of Independent Non-Executive Director comprises of the following Directors as on 31.03.2013.

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

The Committee met 7 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>
26.04.2012	Present	Present	Present
05.06.2012	Present	Present	Present
22.06.2012	Present	Present	Present
29.11.2012	Present	Present	Present
01.02.2013	Present	Present	Present
15.02.2013	Present	Present	Present
30.03.2013	Present	NA	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>
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

2011-2012	YMCA Madras Youth Centre, No.6/74, Ritherdon Road, Vepery, Chennai - 600 007	29.09.2012	11 AM
-----------	--	------------	-------

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

<b>18<sup>TH</sup> AGM - 24.07.2010</b>	<b>19<sup>TH</sup> AGM - 13.07.2011</b>	<b>20<sup>TH</sup> AGM - 29.09.2012</b>
<p><b>Item No.6</b></p> <p>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></p> <p>Approval for paying Sitting fees to Non executive directors</p> <p><b>Item No.8</b></p> <p>Resolution u/s 17 for object change by alteration of memorandum through postal ballot process</p> <p><b>Item No.9</b></p> <p>Resolution u/s 21 for name change from Passari Cellulose Limited to RCL Foods Limited.</p>	NIL	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 : 30.09.2013, 11 A.M  
Venue : Plot No.60, Chettymedu Village Road, K.K Nagar,  
Madhavaram, Chennai 600 060

### **(b) Financial Calendar 2013-2014 (tentative)**

Annual General Meeting (next year)	- September 2014
Results for the quarter ending June 30, 2013	- Second week of July 2013
Results for the quarter ending Sept. 30, 2013	- Second week of Oct. 2013
Results for the quarter ending Dec. 31, 2013	- Second week of Jan. 2014
Results for the quarter ending Mar. 31, 2014	- Second week of May 2014

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

The Register of Members and Share Transfer records shall be closed from 28.09.2013 to 30.09.2013 (both days inclusive) for the purpose of AGM.

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

Shares are currently listed at:

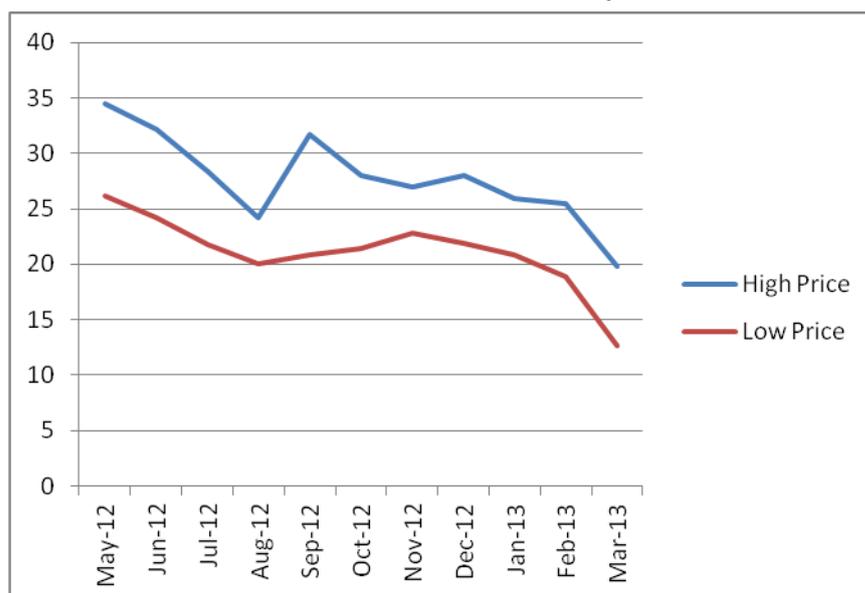
- i) The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai – 400 001
- ii) Madras Stock Exchange Limited,  
No.30, Second Line Beach,  
Chennai – 600 001

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

The Listing Fees for the Stock Exchanges are paid upto 31.03.2014.

### e) Market Price Data & Performance:

Stock Market Price & Stock Performance – BSE (Source: [www.bseindia.com](http://www.bseindia.com))



Month	High (Rs)	Low (Rs)
May-12	34.5	26.2
Jun-12	32.15	24.15
Jul-12	28.4	21.8
Aug-12	24.2	20
Sep-12	31.7	20.9
Oct-12	28	21.45
Nov-12	27	22.8
Dec-12	27.95	21.9
Jan-13	25.9	20.9
Feb-13	25.45	18.9
Mar-13	19.8	12.65

### (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 30.3.2013)

<b>Category</b>	<b>No. of Shares Held</b>	<b>% of Share Holding</b>
A. Promoter(s) Holding		
1. <u>Promoters</u>		
a. Indian Promoters	<b>676900</b>	<b>14.89</b>
b. Foreign Promoters		
2. Persons Acting in concert	<b>587094</b>	<b>12.91</b>
B. Non-Promoters Holding		
3. <u>Institutional Investors</u>		
a. Mutual Funds & UTI	--	--
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt.Institutions/ Non-Government Institutions)	--	--
c. FIIS	--	--
Sub-Total	--	--
4. <u>Others</u>		
a. Bodies Corporate	311193	6.84
b. Individual Holding		
(i) Nominal Share Capital upto Rs.1 Lakh	1347811	29.64
(ii) Nominal Share Capital in excess of Rs.1 Lakh	1334998	29.36
c. Any Other		
Clearing Members	280	0.01
Hindu Undivided Families	284077	6.25
Non Resident Indians	5147	0.11
Sub-Total		
<b>GRAND TOTAL</b>	<b>4547500</b>	<b>100.00</b>

(ii) Distribution Schedule (as on 30.03.2013)

Share Holding	Share Holders	%	Total Share Amount	%
10 - 5000	1994	76.84	4298610	9.45
5001 - 10000	267	10.29	2018430	4.44
10001- 20000	125	4.85	1865400	4.10
20001- 30000	50	1.93	1284930	2.83
30001- 40000	23	0.89	823370	1.81
40001- 50000	24	0.92	1118310	2.46
50001- 100000	53	2.04	4218790	9.28
100001- Above	59	2.27	29847160	65.63
<b>Total</b>	<b>2595</b>	<b>100.00</b>	<b>45475000</b>	<b>100.00</b>

(iii) Holding pattern as on 31.03.2013

	Shareholders		Shares	
	No.	%	No.	%
Physical	1464	56.42	671605	14.77
NSDL	567	21.85	1452016	31.93
CDSL	564	21.73	2423879	53.30
<b>TOTAL</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 new products which are now under the R&D. These products are expected to fetch good 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 2013, was Rs. 8988267/-. The Company is producing FMCG products like mouth freshers, Dry Chappati (Khakra), Namkeen, additional Variety of Mouth Freshner, Bakery Products like Khari, Cookies, Dry Amla, etc., Masala Khari, Badam Stick, dry puffs, Bombay biscuits 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 2012 – 2013 was 3 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. A.K 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.

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

Place: Chennai

Date: 30.05.2013

Sd/-  
**Nitesh R Lodha**  
Chairman & Director

**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, 2013. The same has also been noted by the Board.

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

Place: Chennai  
Date: 30.05.2013

Sd/-  
**Nitesh R Lodha**  
Chairman & Director

## **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, 2013 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: 30.05.2013

Sd/-

**Balu Sridhar**

CP No.3550

**AUDITOR'S REPORT TO THE MEMBERS OF**  
**RCL FOODS LIMITED, CHENNAI**

We have audited the accompanying financial statements of **RCL FOODS LIMITED**, (Formerly Known as Passari Cellulose Limited), which comprise the Balance Sheet **as at March 31, 2013**, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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.

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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2013**;
- b) in the case of the Statement of Profit and Loss Account, of the **LOSS** 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.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors **as on March 31, 2013** , and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **KRISHNAN & GIRI**  
Chartered Accountants  
Firm Regn No. 001512S

Place : CHENNAI  
Dated : 30-05-2013

Sd/-  
**(M. JAYANTILAL JAIN)**  
Partner  
Membership No. 29712

**Annexure referred to in paragraph 1 of the Our Report of even date to the members of RCL FOODS LIMITED on the accounts of the company for the year Ended 31st March, 2013**

On the Basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. All the assets have been physically verified by the management and no serious discrepancies were noticed on such verification of the Fixed Assets.
2. The stock of raw materials, packing materials and finished goods has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the company and nature of its business.

The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

In our opinion, the company has maintained proper records of its inventory. No material discrepancies have been noticed on verification between physical stock and book records.

3. In our opinion, the terms and conditions on which loans have been taken from a party listed in the register maintained under Sec. 301 of the Companies Act, 1956, are prima facie not prejudicial to the interests of the Company. The balance outstanding at the end of the year is Rs.7,25,000/-. The company has not advanced amounts to any party listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business, for purchase of inventories, fixed assets and for the sale of goods.
5. In our opinion, and according to the information and explanations given to us, we are of the opinion that the contracts and agreements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposit within the meaning of provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. We have been informed that the Company is in the process of setting up an internal audit system, which would be in operation from the next year.
8. According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records required to be maintained Under Section 209(1)(d) of the Companies Act, 1956.

9. According to the information and explanations given to us, the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948 are not applicable to the company

According to the information and explanations given to us and on the basis of our examination of books of account, the Company is regular in depositing undisputed material statutory dues including Income tax, sale tax, VAT, cess with appropriate authorities during the year.

According to the information and explanations given to us and on the basis of our examination of books of account, there are no undisputed material statutory dues payable in respect of Income tax, sale tax, VAT, cess and others which are in arrears as on 31<sup>st</sup> March, 2013.

10. On the basis of the audited financial statements, the accumulated loss of the company at the close of the year is not more than 50% of its net worth. The Company has incurred cash loss in the financial year and in the immediately preceding financial year.
11. The company has not issued any debentures and has not taken any loan from any financial institution. In respect of loan taken from a Bank, the company has not defaulted in repayment of installments during the year.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
13. The company is not a Chit fund, Nidhi, Mutual benefit fund or a Society. Accordingly, clause 4(xiii) of the Order is not applicable.
14. According to the information and explanations given to us, the company has maintained proper records in respect of the transactions for shares and has been duly entered into on a timely basis. Further on verification, it is observed that the investments have been held by the company in its own name.
15. On the basis of information and explanations given to us, the company has not given guarantee to any Bank on behalf of other parties.
16. The company has not taken any term loans during the year. Hence clause 4(xvi) is not applicable to the company.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements, the funds raised on short term basis have not been used for long term investment.
18. The company has not any made preferential allotment of shares during the year.
19. The company has not issued debentures. Hence, clause 4(xix) of the Order is not applicable to the company.
20. The company has not raised any money by way of public issues during the year.

21. As represented to us by the management and based on our examination in the normal course of audit, no fraud on or by the company has been noticed or reported during the year.

For **KRISHNAN & GIRI**  
Chartered Accountants  
Firm Regn No. 001512S

Place :CHENNAI  
Dated : 30.05.2013

Sd/-

**(M.JAYANTILAL JAIN)**

Partner  
Membership No: 029712





**Cash flow Statement for the year ended March 31, 2013**

(All amounts are in Indian Rupees, except share data or as stated)

	Note No.	March 31, 2013	March 31, 2012
<b>Cash flow from operating activities</b>			
Net Profit before tax		(131,910)	519,411
<b>Adjustments for:</b>			
Depreciation / amortisation		859,174	982,404
Interest expenses		1,994,205	193,970
Provision for gratuity		15,053	(11,593)
Interest income		(1,958,821)	(1,371,175)
Diminution Provision in the value of Investments written back		(106,360)	106,360
Profit on sale of shares		(441,652)	(188,840)
Preliminary expenses written off		70,000	70,000
		<b>299,689</b>	<b>300,537</b>
<b>Operating cash flow before working capital changes</b>			
<i>Adjustments for:</i>			
(Increase)/decrease in inventories		(649,545)	(1,757,055)
(Increase)/decrease in trade receivables		3,500,684	181,445
Increase/ (decrease) in current liabilities and provisions		(4,861,546)	211,186
<b>Cash generated from operations</b>		<b>(1,710,718)</b>	<b>(1,063,887)</b>
Income taxes paid		(245,800)	(333,817)
<b>Net cash provided/(used) by operating activities</b>	<b>A</b>	<b>(1,956,518)</b>	<b>(1,397,704)</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets		(63,665)	(536,989)
Purchase of investment		(11,723,675)	(1,562,485)
Sale of investment		3,441,652	6,600,000
Exceptional items of expenditure		-	(3,647,165)
<b>Net cash (used)/provided by investing activities</b>	<b>B</b>	<b>(8,345,688)</b>	<b>853,361</b>
<b>Cash flow from financing activities</b>			
Increase/(decrease) in Borrowings		14,606,488	750,352
Increase/(decrease) in loans and advances		(3,504,258)	(1,582,289)
Interest paid		(1,994,205)	(193,970)
Interest Receipt		1,958,821	1,371,175
<b>Net cash (used)/provided by financing activities</b>	<b>C</b>	<b>11,066,846</b>	<b>345,268</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>A+B+C</b>	<b>239,640</b>	<b>(199,075)</b>
Cash and cash equivalents at the beginning of the year		421,473	620,548
Cash and cash equivalents at the end of the year		661,113	421,473

The notes referred to above form an integral part of the financial statements

This is the cash flow statement referred to in our report of even date

*for* KRISHNAN & GIRI  
Chartered Accountants  
Firm Registration no.001512S

Sd/-  
**M JAYANTILAL JAIN**  
Partner  
Membership No.29712  
Chennai

Place: Chennai  
Dated :30Th May,2013

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

Sd/- Sd/-  
**DIRECTOR DIRECTOR**

	As at 31-Mar-13	As at 31-Mar-12
<b>3 Share Capital</b>		
a) The details of authorised, issued, subscribed and paid up share capital is as under:		
<b>Authorised :</b>		
1,20,00,000 (31 March 2012: 1,20,00,000) Equity Shares of Rs.10/- each	120,000,000	120,000,000
	<b><u>120,000,000</u></b>	<b><u>120,000,000</u></b>
b) <b>Issued, Subscribed &amp; Paid-up :</b>		
45,47,500 (31 March 2012: 45,47,500) Equity Shares of Rs.10/-each Fully Paid up	45,475,000	45,475,000
	<b><u>45,475,000</u></b>	<b><u>45,475,000</u></b>

c) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31-Mar-13 (No. of shares)	As at 31-Mar-12 (No. of shares)	As at 31-Mar-13 (Rs.)	As at 31-Mar-12 (Rs.)
Balance at the beginning of the year	4,547,500	4,547,500	45,475,000	45,475,000
Shares issued during the year	-	-	-	-
Balance at the end of the year	<b>4,547,500</b>	<b>4,547,500</b>	<b>45,475,000</b>	<b>45,475,000</b>

d) **Terms / rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company declares dividend in Indian rupees and pays dividend to shareholders outside India in foreign currency based on the rates prevailing on the date of such remittances, with respect to other shareholders, dividend is paid in Indian rupees.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended March 31, 2013, the Company has not declared any dividend.

e) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the**

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Sathish Jain	461,900	10.16%	461,900	10.16%
B P Equities Pvt Ltd.,	-	-	231,212	5.08%
Najmuddin Gulamhusein Kheraj	250,979	5.52%	-	0.00%

4 **Reserves & Surplus :**

Particulars	As at 31-Mar-13	As at 31-Mar-12
<b>Capital Reserve (Capital Subsidy):</b>		
At the commencement and at the end of the year	824,400	824,400
	<b>824,400</b>	<b>824,400</b>
<b>Capital Reserve (On account of share forfeiture):</b>		
At the commencement and at the end of the year	3,512,710	3,512,710
	<b>3,512,710</b>	<b>3,512,710</b>
<b>Share Premium Account:</b>		
At the commencement and at the end of the year	6,444,375	6,444,375
	<b>6,444,375</b>	<b>6,444,375</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	(20,937,373)	(17,617,763)
Profit/(Loss) for the year	(244,796)	(3,319,610)
Less: Appropriations	-	-
Transfer to general reserve	-	-
<b>Net surplus in the statement of profit and loss</b>	<b>(21,182,169)</b>	<b>(20,937,373)</b>
	<b>(10,400,684)</b>	<b>(10,155,888)</b>

5 **Other Long Term Liabilities**

	As at 31-Mar-13	As at 31-Mar-12
Trade Payables	1,000,000	461,374
	<b>1,000,000</b>	<b>461,374</b>

6 **Long Term Provisions:**

	As at 31-Mar-13	As at 31-Mar-12
Provision for Gratuity	59,935	44,882
	<b>59,935</b>	<b>44,882</b>

7 **Short Term Borrowings:**

	As at 31-Mar-13	As at 31-Mar-12
<i>Secured</i>		
Finance lease obligation (Refer Note a below)	-	148,426
<i>Unsecured</i>		
From Director	725,000	5,588
From body Corporate	20,000,000	-
	<b>20,725,000</b>	<b>154,014</b>

8 **Trade Payables:**

	As at 31-Mar-13	As at 31-Mar-12
Payable to micro and small enterprises (Also refer note 36)	-	-
Trade Payables	1,522,437	6,689,485
	<b>1,522,437</b>	<b>6,689,485</b>

9 **Other Current Liabilities:**

	As at 31-Mar-13	As at 31-Mar-12
TDS Payable	66,288	11,377
VAT & CST Payable	68,801	17,254
Others	4,873	344,455
	<b>139,962</b>	<b>373,086</b>

<b>10</b>	<b>Short Term Provisions:</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
	Provision for Taxation	75,000	223,000
		<b>75,000</b>	<b>223,000</b>
<b>13</b>	<b>Investment</b>		
<b>a)</b>	<b>Non Current Investments :</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
	<i>Trade, unquoted (at cost)</i>		
	Share Application Money in Bond Chem India Pvt Ltd	400,000	400,000
	1,75,000 (31 March 2012: 1,75,000) equity shares of Rs 10 each fully paid up in Udhaya Energy Photo Valnics Pvt Ltd	3,500,000	3,500,000
	<i>Trade, quoted (at cost)</i>		
	<i>Equity instruments - subsidiary companies</i>		
	Nil (31 March 2012: 3,00,000) equity shares of Rs 10 each fully paid up in Rcl Retail Limited	-	3,000,000
		<b>3,900,000</b>	<b>6,900,000</b>
<b>b)</b>	<b>Current Investments :</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
	<i>Trade, quoted (at cost)</i>		
	269,527 (31 March 2012: 45,000) equity shares of Rs 10 each fully paid up in Olympic Cards Limited	13,286,160	1,273,600
	Nil (31 March 2012: 7,500) equity shares of Rs 10 each fully paid up in Texmco Limited	-	288,885
		<b>13,286,160</b>	<b>1,562,485</b>
	Less : Provision for Diminution in Value of Investment	-	106,360
	<b>Market value of quoted shares as on 31.03.13 Rs.1,57,26,900/-</b>	<b>13,286,160</b>	<b>1,456,125</b>
<b>14</b>	<b>Deferred Tax Assets :</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
	The major components of the deferred tax assets are as follows:		
	Excess of depreciation / amortisation on fixed assets under accounts over depreciation / amortisation provided in income tax law	130,043	163,185
	Provision for gratuity	9,125	13,869
		<b>139,168</b>	<b>177,054</b>
<b>15</b>	<b>Long Term Loans &amp; Advances:</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
	<i>Unsecured - considered good</i>		
	Capital Advances	66,000	115,200
	Security Deposits	478,070	495,570
	Corporate Advances	1,210,828	1,210,828
	Others	7,821,512	1,275,711
		<b>9,576,410</b>	<b>3,097,309</b>
<b>16</b>	<b>Other Non- Current Assets</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
	<i>Unsecured - considered good</i>		
	Trade receivables	986,968	986,968
		<b>986,968</b>	<b>986,968</b>

<b>17 Inventories:</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
Stock-in trade (As per inventory taken, valued and as certified by the management)		
Raw material (At cost)	880,961	917,316
Finished Goods (At lower of cost or market price)	140,010	150,729
Packing Material (At cost)	2,974,695	2,278,076
	<b>3,995,666</b>	<b>3,346,121</b>
<b>18 Trade Receivables :</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months from the date they became due for payment	142,368	3,683
Other receivables	1,631,572	5,270,942
	<b>1,773,940</b>	<b>5,274,625</b>
<b>19 Cash and cash equivalents :</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
Cash	124,882	401,858
Balance with Banks - in current accounts	536,230	19,614
	<b>661,113</b>	<b>421,472</b>
<b>20 Short Term Loans And Advances:</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
<i>Unsecured and considered good:</i>		
Advances to supplier and others	18,494,304	14,989,046
Advance to Staff	-	1,000
	<b>18,494,304</b>	<b>14,990,046</b>
<b>21 Other Current Assets :</b>	As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
<i>Unsecured and considered good:</i>		
Preliminary expenses	40,000	110,000
Prepaid Expenses	10,397	-
Income tax including TDS	560,574	537,774
	<b>610,971</b>	<b>647,774</b>
<b>22 Revenue From Operations</b>	Year ending <b>31-Mar-13</b>	Year ending <b>31-Mar-12</b>
Manufactured Products	7,642,467	6,876,939
Traded Products	1,345,800	6,782,000
	<b>8,988,267</b>	<b>13,658,939</b>
<b>23 Other Income</b>	Year ending <b>31-Mar-13</b>	Year ending <b>31-Mar-12</b>
Interest receipts	1,958,821	1,371,175
Discount receipts	3,252	10,138
Dividend income	41,607	-
Short term profit on sale of shares	441,652	(189,440)
Long term profit on sale of shares	-	188,840
Sundries written back	-	4,869
	<b>2,445,332</b>	<b>1,385,582</b>

<b>24</b>	<b>Materials Consumed/Purchases :</b>	Year ending <b>31-Mar-13</b>	Year ending <b>31-Mar-12</b>
	Raw material consumed :		
	Opening stock	3,195,392	1,225,547
	Add: Purchases including packing material	5,414,379	5,506,585
		<u>8,609,771</u>	<u>6,732,132</u>
	Less: Closing Stock	3,855,656	3,195,392
	Consumption of Materials	<u><b>4,754,115</b></u>	<u><b>3,536,739</b></u>
<b>25</b>	<b>Direct Expenses</b>	Year ending <b>31-Mar-13</b>	Year ending <b>31-Mar-12</b>
	Factory Electricity Charges	43,978	40,835
	Factory Expenses	41,864	50,047
	Factory Licence	2,000	9,900
	Factory Rent	180,000	180,000
	Fuel Expenses	195,583	109,443
	Wages	674,439	717,196
	Water Charges	16,746	4,230
		<u><b>1,154,610</b></u>	<u><b>1,111,651</b></u>
<b>26</b>	<b>Increase In Stocks :</b>	Year ending <b>31-Mar-13</b>	Year ending <b>31-Mar-12</b>
	Opening Stock :		
	Finished goods	150,729	363,519
		<u>150,729</u>	<u>363,519</u>
	Closing Stock :		
	Finished Goods	140,010	150,729
		<u>140,010</u>	<u>150,729</u>
	<b>(Increase)/decrease in Stocks</b>	<u><b>10,719</b></u>	<u><b>212,790</b></u>
<b>27</b>	<b>Employees Remuneration &amp; Benefits:</b>	Year ending <b>31-Mar-13</b>	Year ending <b>31-Mar-12</b>
	Salaries, Bonus & Other Allowances	265,356	445,483
	Staff welfare expenses	28,574	31,943
	Gratuity expenses	15,053	(11,593)
		<u><b>308,983</b></u>	<u><b>465,833</b></u>
<b>28</b>	<b>Finance Cost:</b>	Year ending <b>31-Mar-13</b>	Year ending <b>31-Mar-12</b>
	Interest expenses	1,994,205	193,970
	Bank Charges	8,048	4,650
		<u><b>2,002,253</b></u>	<u><b>198,620</b></u>

<b>29 Other Expenses</b>	Year ending <b>31-Mar-13</b>	Year ending <b>31-Mar-12</b>
Annual Maintenance Charges	18,000	4,500
Barcode Licence	-	44,760
Conveyance	1,425	889
Cooly & Freight Expenses	127,419	123,892
Director's Sitting Fees	5,000	27,500
Donation	21,000	2,500
Electricity Charges	5,745	24,467
Rent	151,800	101,200
Listing Fees	28,190	40,811
Maintenance Charges	10,920	12,051
Office Maintenance	1,800	3,633
Postage, Telegram, Telephone & Telex charges	37,997	76,945
Printing & Stationery	51,538	115,385
Share Transfer Agent Charges	24,720	24,866
Travelling Expenses	-	13,155
Vehicle Maintenance	7,740	8,214
Rates, Taxes, Fees & Insurance	63,423	14,220
Repairs & Maintenance :	29,812	16,621
Professional Charges	19,474	34,678
Auditors Remuneration :		
-Statutory Audit	84,270	56,180
- Tax Audit	-	11,236
Discount	11,242	105,256
Advertisement	379,755	246,987
Sales Promotion/Conference Expenses	75,374	124,704
Diminishing In the Value of Investment	(106,360)	106,360
Securities Transaction Tax	24,316	71,806
Transaction Charges	-	22,784
Preliminary Expenses written off	70,000	70,000
General Expenses	10,055	20,448
	<b><u>1,154,655</u></b>	<b><u>1,526,046</u></b>

**30 Contingent Liabilities And Commitments:**

*i) Contingent Liabilites*

Claims against the company not acknowledged as debts

*ii) Commitments:*

Estimated amount of contracts remaining to be executed on capital account and not provided for

As at <b>31-Mar-13</b>	As at <b>31-Mar-12</b>
-	-
680,992	-

**31 Segment reporting**

The Company is engaged into only one business namely manufacturing and trading of food and processed foods and the operations primarily cater to the needs of the domestic market. Accordingly there are no separate reportable segments according to AS 17 'Segment Reporting' issued under the Companies (Accounting Standards) Rules, 2006.

**32 Related party transactions****31-Mar-13****31-Mar-12**

a) Names of related parties and nature of relationship are as follows:

<b>Nature of relationship</b>	<b>Name of the related party</b>
Associate company	RCL Retail Limited
Key management personnel (KMP)	Nitesh R Lodha

b) Details of related party transactions

Remuneration to Director including perks - Nitesh R Lodha	-	80,000
Sitting fees to directors	2,500	27,500
Disinvestment in RCL Retail Limited	3,000,000	-
Towards Purchases from RCL Retail Limited	-	38,640
Towards Sales to RCL Retail Limited	4,090,403	1,264,476
Balance due to Directors: - Nitesh R Lodha	725,000	5,588
Balance due to RCL Retail Limited	(1,514,584)	341,524

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

-

-

**34 Earnings in Foreign Currency :**

-

-

**35 Expenditure in Foreign Currency :**

-

-

**36 Micro, Small and Medium Enterprises Development Act, 2006**

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31 March, 2013 has been made in the financial statements based on information received and available with the Company, to the extent identified by the management and relied upon by the auditors. The details of overdue amount and interest payable are set out below.

<b>Sl No</b>	<b>Particulars</b>	<b>As at 31-Mar-13</b>	<b>As at 31-Mar-12</b>
(i)	a) Principal amount remaining unpaid to any supplier as at the end of the year.	-	-
	b) Interest due on the above amount	-	-
(ii)	Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006 and amounts of payment made to the suppliers beyond the appointed day during the year.	-	-
(iii)	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act.	-	-
(iv)	Amount of interest accrued and remaining unpaid at the end of the year.	-	-
(v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

## 11 Tangible assets

Particulars	Land	Plant and machinery	Furniture and fittings	Office equipments	Vehicles	Computer and accessories	Total
<b>Gross block</b>							
Balance as at April 1, 2011	345,143	6,144,387	72,513	14,200	1,260,099	54,850	7,891,192
Additions	-	472,729	12,560	3,350	-	22,350	510,989
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2012</b>	<b>345,143</b>	<b>6,617,116</b>	<b>85,073</b>	<b>17,550</b>	<b>1,260,099</b>	<b>77,200</b>	<b>8,402,181</b>
Balance as at April 1, 2012	345,143	6,617,116	85,073	17,550	1,260,099	77,200	8,402,181
Additions	-	36,685	-	-	-	-	36,685
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2013</b>	<b>345,143</b>	<b>6,653,801</b>	<b>85,073</b>	<b>17,550</b>	<b>1,260,099</b>	<b>77,200</b>	<b>8,438,866</b>
<b>Depreciation</b>							
Balance as at April 1, 2011	-	795,294	14,344	1,633	636,172	37,391	1,484,834
Depreciation for the year	-	784,613	12,105	2,020	161,535	13,597	973,870
Accumulated depreciation on disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2012</b>	<b>-</b>	<b>1,579,907</b>	<b>26,449</b>	<b>3,653</b>	<b>797,707</b>	<b>50,988</b>	<b>2,458,704</b>
Balance as at April 1, 2012	-	1,579,907	26,449	3,653	797,707	50,988	2,458,704
Depreciation for the year	-	701,671	10,611	1,933	119,713	10,485	844,413
Accumulated depreciation on disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2013</b>	<b>-</b>	<b>2,281,578</b>	<b>37,060</b>	<b>5,586</b>	<b>917,420</b>	<b>61,473</b>	<b>3,303,117</b>
<b>Net Block as at March 31, 2012</b>	<b>345,143</b>	<b>5,037,209</b>	<b>58,624</b>	<b>13,897</b>	<b>462,392</b>	<b>26,212</b>	<b>5,943,477</b>
<b>Net Block as at March 31, 2013</b>	<b>345,143</b>	<b>4,372,223</b>	<b>48,013</b>	<b>11,964</b>	<b>342,679</b>	<b>15,727</b>	<b>5,135,749</b>

## 12 Intangible assets

Particulars	Software	Total
<b>Gross block</b>		
Balance as at April 1, 2011	21,300	21,300
Additions	26,000	26,000
Disposals	-	-
<b>Balance as at March 31, 2012</b>	<b>47,300</b>	<b>47,300</b>
Balance as at April 1, 2012	47,300	47,300
Additions	26,980	26,980
Disposals	-	-
<b>Balance as at March 31, 2013</b>	<b>74,280</b>	<b>74,280</b>
<b>Depreciation</b>		
Balance as at April 1, 2011	14,783	14,783
Depreciation for the year	8,534	8,534
Accumulated depreciation on disposals	-	-
<b>Balance as at March 31, 2012</b>	<b>23,317</b>	<b>23,317</b>
Balance as at April 1, 2012	23,317	23,317
Depreciation for the year	14,761	14,761
Accumulated depreciation on disposals	-	-
<b>Balance as at March 31, 2013</b>	<b>38,078</b>	<b>38,078</b>
<b>Net Block as at March 31, 2012</b>	<b>23,983</b>	<b>23,983</b>
<b>Net Block as at March 31, 2013</b>	<b>36,202</b>	<b>36,202</b>

**37. Details of inventories of raw material, packing material and finished goods**

Particulars	Opening Stock		Purchases		Consumption		Closing stock	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
<b>Raw Materials</b>								
Sugar	11137 Kgs	288,469	75133 Kgs	2,375,590	72246 Kgs	2,106,037	14024 Kgs	558,022
Oil	2907 Ltr	200,846	460 Ltr	29,980	3367 Ltr	230,826	-	-
Groceries & Others*		427,952		1,832,447		1,937,460		322,939
	6,866	917,268	-	4,238,016	-	4,274,323	-	880,961
<b>Packing Materials*</b>								
Boxes		877,862		80,146		47,061	-	910,593
Pouches		1,277,010		305,860		232,129	-	1,343,847
Others		123,204		790,406		200,601		720,255
		2,278,076		1,176,411		479,792		2,974,695
<b>Finished Goods</b>								
Cookies	1816 PCS	27,203					948 PCS	20,253
Khari	2461 PCS	39,351					740 PCS	14,075
Namkeens	1026 PCS	19,868					396 PCS	7,887
Sounf	1384 Kgs	64,356					2777 Kgs	97,795
	6,687	150,778					4,861	140,010

Total inventory **3,346,121** **3,995,666**

\* It is not practicable to furnish quantitative information in view of the considerable number of items with diverse size and nature.

**Notes to financial statements for the year ended March 31, 2013**  
**(All amounts are in Indian Rupees except share data or as stated)**

**1 Background**

RCL Foods Limited was originally Incorporated on 02.11.1992 in the State of Orissa in the name and style of 'Passari cellulose Private Limited' which was subsequently changed to "RCL Foods Limited" on 04.08.2010 having its registered office in Chennai. The Company is engaged in the business of manufacturing and trading of food and processed foods.

**2 Significant Accounting Policies**

**a) Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the generally accepted accounting principles ('GAAP') in India and comply with the Accounting Standards notified by the Central Government pursuant to Companies (Accounting Standard) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, to the extent applicable.

**b) Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**c) Revenue recognition**

Revenue from sale of goods is recognised on despatch of goods to customers which corresponds with transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is exclusive of sales tax, trade and quantity discounts.

Dividend income is recognized when unconditional right to receive the payment is established.

Interest income on deposits and interest bearing securities is recognized on the time proportionate method.

**c) Tangible fixed assets and depreciation**

Tangible fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost of tangible fixed assets includes freight, duties and taxes and other incidental expenses related to the acquisition, but exclude duties and taxes that are recoverable subsequently from tax authorities. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Advances paid towards acquisition of tangible fixed assets and the cost of assets not ready to be put to use before the year end are disclosed under long term loans and advances and capital work in progress respectively.

Depreciation on fixed assets is provided on written down value method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimates of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management estimate of useful life/ remaining useful life. Accordingly, the rates of depreciation for various assets are as under:

<b>Fixed Assets</b>	<b>Rate of Depreciation</b>
Computers	40.00%
Furniture and fittings	18.10%
Vehicles	25.89%
Office equipments	13.91%
Plant and machinery	13.91%

All individual assets costing Rs 5,000 or less are depreciated at 100% in the year of purchase.

**d) Intangible assets and amortisation**

Intangible fixed assets are recorded at the consideration paid for acquisition. Intangible assets are amortized over their estimated economic useful lives on a straight line basis commencing from the date the asset is available for its use. The management estimates the useful lives for the various intangible assets as follows:

<b>Description</b>	<b>Estimated useful life (in years)</b>
Software	3

**e) Borrowing costs**

Borrowing cost comprising interest and finance charges directly attributable to the construction of qualifying assets are capitalized as part of the cost of that asset until the activities necessary to prepare the qualifying asset for its intended use are complete. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**f) Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**g) Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from tax authorities.

The methods of determining cost of various categories of inventories are as follows:

<b>Description</b>	<b>Method of determining cost</b>
Raw materials	First in first out
Work in progress	First in first out and including an appropriate share of production overheads
Finished goods	First in first out and including an appropriate share of production overheads

**h) Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions or rates that approximates the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the statement of profit and loss account of the year.

**i) Operating lease**

Lease payments under operating lease are recognised as an expense on straight line basis over the lease term.

**j) Employee benefit**

*Defined benefit plan*

i) **Gratuity:** The Company provides for gratuity, a defined benefit retirement Plan (the “Gratuity Plan”) covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment with the Company. Liabilities related to the Gratuity Plan are determined by actuarial valuation done by an independent actuary using projected unit credit method as at March 31 each year.

Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Profit and Loss Account.

ii) **Compensated absences:** Provision for long term compensated absences is made on the basis of an actuarial valuation as at the balance sheet date carried out by an independent actuary using projected unit credit method. Provision for short term compensated absences is made on actual liability basis.

**k) Income taxes**

Income-tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting that tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

**l) Earnings per share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

**m) Cash flow statements**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions.

**n) Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

**o) Investments:**

Long-term investments are stated at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value.

**38 Retirement benefits**

**Gratuity Plan**

Based on actuarial valuation necessary provision has been created in the books to meet the liability as per Accounting Standard 15 (R).

The following table sets out the status of the gratuity plan as required under AS 15 (Revised 2005). Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

<b>Change in projected benefit obligation</b>	<b>Year ended 31-Mar-13</b>	<b>Year ended 31-Mar-12</b>
Projected benefit obligations at the beginning of the year	<b>44,582</b>	<b>56,475</b>
Service cost	22,622	5,901
Interest cost	3,789	4,518
Benefits settled		
Actuarial (gain) / loss	(11,058)	(22,312)
<b>Projected benefit obligations at the end of the year</b>	<b>59,935</b>	<b>44,582</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Employer contributions	-	-
Benefits settled	-	-
<b>Fair value of plan assets at the end o</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of present value of obligation on the fair value of</b>		
Present value of projected benefits at the end of the year	59,935	44,582
Funded status of the plan	-	-
<b>Funded status amount of liability recognized in the balance sheet</b>	<b>59,935</b>	<b>44,582</b>

**The components of net gratuity costs are reflected below:**

<b>Components of net gratuity costs</b>	<b>Year ended 31-Mar-13</b>	<b>Year ended 31-Mar-12</b>
Service cost	3,789	4,518
Interest cost	22,622	5,901
Expected returns on plan assets	-	-
Recognized net actuarial (gain) / loss	(11,058)	(22,312)
<b>Net gratuity costs</b>	<b>15,353</b>	<b>(11,893)</b>
<b>Financial Assumptions at Balance sheet date:</b>		
Discount rate	8.50%	8.00%
Long term rate of compensation increase	10.00%	10.00%
Estimated rate of return on plan assets	0.00%	0.00%

**39** Previous years figures have been regrouped/rearranged wherever necessary.

for KRISHNAN & GIRI  
Chartered Accountants  
Firm Registration no.001512S

Sd/-  
**M JAYANTILAL JAIN**  
Partner  
Membership No.29712  
Chennai

Place: Chennai  
Dated :30Th May,2013

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

Sd/-

**DIRECTOR**

Sd/-

**DIRECTOR**

**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 21<sup>st</sup> Annual General Meeting held at Plot No.60, Chettymedu Village Road, K.K Nagar, Madhavaram, Chennai 600 060 on Monday the 30<sup>th</sup> day of September 2013 at 11.00 A.M as Shareholder/Proxy.

-----  
Name of the Shareholder/Proxy

-----  
Signature of the Shareholder/Proxy

-----  
**RCL FOODS 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 21st Annual General Meeting held at Plot No.60,  
Chettymedu Village Road, K.K Nagar, Madhavaram, Chennai 600 060 on Monday the 30th day of September 2013 at 11.00  
A.M and at any adjournment thereof.

Signed this ----- day of -----, 2013

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,  
1<sup>st</sup> Floor, Chennai – 600003,  
Tamil Nadu, India.

# RCL FOODS LIMITED

Regd. Office: No.84/85, Walltax Road, 1 Floor,  
Chennai - 600 003 India Tel: 91 - 44 - 25345283 / 64615106  
Fax: 91 - 44 - 25345275 E mail: rclfoods@gmail.com

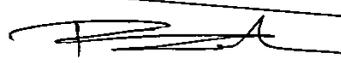


To  
Bombay Stock Exchange Limited ✓  
PJ Towers  
Dalal Street  
Mumbai - 400 001

Date: 14.09.2013  
The Manager (Compliance)  
Madras Stock Exchange Limited  
2nd Beach Line,  
Chennai - 600 001.

Dear Sir,

Sub: Submission of Annual Report 2013 - Clause 31(a) of Listing Agreement - Reg.

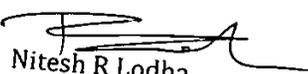
Form A		
1	Name of the Company	M/s. RCL Foods Limited
2	Annual financial statements for the year ended	31.03.2013
3	Type of Audit observation	Unqualified
4	Frequency of observation	Appeared first time
5	To be signed by- <ul style="list-style-type: none"><li>• CEO/ Director</li><li>• CFO</li><li>• Auditor of the Company</li><li>• Audit Committee Chairman</li></ul>	 P. Jayaram

Please find enclosed six copies of Annual Report per Clause 31(a) of the Listing agreement for your kind information and records.

Kindly acknowledge the receipt.

Thanking you,  
Yours sincerely,

For RCL Foods Limited

  
Nitesh R Lodha  
Director  
Encl: As above