

# RCL FOODS LIMITED

Registered Office: No. 200-A, Madhavaram High Road,  
Madhavaram, Chennai- 600 060. Tamil Nadu, India.  
T: 91-44-31905002 E: desk@rclfoods.in Web: rclfoods.in



Date: 21.02.2017

To  
The Deputy General Manager – CRD  
The Bombay Stock Exchange Limited  
PJ Towers  
Dalal Street  
Mumbai – 400 001

Sub: Submission of a copy of annual report

Dear Sir,

Pursuant to regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Please find enclosed the copy of Annual Report for your kind information and records.

Kindly acknowledge the receipt.

Thanking you,

Yours sincerely,

A handwritten signature in black ink, appearing to be 'K. S. S.', written in a cursive style.

FOR RCL FOODS LIMITED

Director

**RCL Foods Limited**

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**24<sup>TH</sup> Annual Report & Accounts  
For the year ended  
31<sup>st</sup> March 2016**



**RCL FOODS LIMITED**  
(Formerly Known As Passari Cellulose Limited)

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**BOARD OF DIRECTORS**

Mr. Nitesh R Lodha - Chairman & Director  
Mr. Kushal Jain - Director  
Mr. Pramod Kumar Agarwal - Director (Up to 04.06.2016)  
Mrs. Kushbu - Director  
Mr. Vimal Chand Chordia - Addl. Director (W.E.F 03.09.2016)  
Mr. Shreyans R Lodha - Cfo

**AUDITORS**

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

**BANKERS**

1) Icici Bank Ltd,  
Madhavaram Branch,  
Chennai

**LISTING INFORMATION**

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

**REGISTERED OFFICE**

No.200-A, Madhavaram High,  
Road, Madhavaram,  
Chennai - 600 060.

**REGISTRAR & SHARE TRANSFER AGENT**

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

**FACTORY**

No.200-A, Madhavaram High  
Road, Madhavaram,  
Chennai - 600 060.

## NOTICE

Notice is hereby given that the TWENTY FOURTH ANNUAL GENERAL MEETING of the members of M/s. RCL FOODS LIMITED will be held at No.200-A, Madhavaram High Road, Madhavaram, Chennai 600060 on Wednesday, the 8<sup>th</sup> day of February, 2017 at 11.00 A.M to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2016, the Profit and Loss Account and Cash Flow Statement of the Company for the period ending 31.03.2016 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Ms. Kushbu, (DIN: 07141954), Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of M/s. Krishnan & Giri., Chartered Accountants (FRN: 001512S) as Statutory Auditors of the Company for the year 2016-17 and to fix their remuneration.

### SPECIAL BUSINESS:

#### **4. To consider and if thought fit, to pass the following resolution as an Ordinary resolution.**

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Gumanmal Vimal Chand Chordia (DIN: 03446848), who was appointed as an Additional Director of the Company with effect from September 03, 2016 by the Board of Directors and who holds office upto the date of this Annual General Meeting pursuant to section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, for a period of five years, not liable to retire by rotation”

“RESOLVED FURTHER THAT the any one of the Director of the Company, be and is hereby authorized to sign necessary forms and do all such acts, deeds, things as may be required to give effect to the above resolution.”

By Order of the Board

For RCL FOODS LIMIED

Place: Chennai

Date: 25.11.2016

Sd/-

NITESH R LODHA

Chairman & Director

DIN: 01748000

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and proxy need not be a member. The proxies should be lodged with the company not later than 48 hours before the time fixed for the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Annual General Meeting is annexed hereto.

3. Revenue stamp should be affixed on the Proxy form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's Signature may also be furnished in the Proxy Form, for identification purpose.

4. Corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the AGM.

5. The register of members and share transfer of the company will remain closed from 02.02.2017 to 08.02.2017 (Both days inclusive).

6. The members are requested to intimate to the Company and or to its Registrar & Share Transfer Agent M/s. Cameo Corporate Services Limited, No.2, Club House Road, Chennai – 600 002 for changes, if any, in their registered address along with Pin Code Number.

7. Members are informed that copy of annual report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the annual report to the meeting.

8. Members are requested to quote their Folio Number, email ID, mobile numbers in all correspondences with the Company.

9. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

### **10. Voting through electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions as set forth in this Notice.

### **The instructions for shareholders voting electronically are as under:**

(i) The voting period begins on Saturday the 4<sup>th</sup> day of February 2017 (09.00 a.m. IST) and ends on Tuesday the 7<sup>th</sup> day of February, 2017 (05.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday the 1<sup>st</sup> day of February 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iv) Click on Shareholders.

(v) Now Enter your User ID

- a. CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant “RCL FOODS LIMITED” on which you choose to vote.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other instructions:**

- (a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday 1<sup>st</sup> February, 2017.
- (b) Mr. Balu Sridhar, Practicing Company Secretary (Membership No.F5869) has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (c) The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and shall declare the results forthwith.
- (d) The results declared along with the Scrutinizer's Report shall be placed on the website of CDSL and shall be immediately forwarded to the Stock exchange in which the shares of the Company are listed.

**Information about director seeking appointment / re-appointment in this annual general meeting in respect of item No.2 & 4 above (in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

Name Of The Director	Ms. Kushbu	Mr. Gumanmal Vimal Chand Chordia
Date of Birth	02.04.1989	01.10.1966
Date of Appointment on the Board as a Director	30.03.2015	03.09.2016
Qualification	M.B.A	Higher Secondary
List of Outside Directorships held	RCL Retail Limited	RCL Retail Limited
Chairman / Member of the committees of the Board of Directors of other company	Nil	Chairman in AC & NRC and Member in SRC
No of shares held in company	Nil	Nil

AC – Audit Committee

NRC – Nomination &amp; Remuneration Committee

SRC – Stakeholders Relationship Committee

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ITEM NO.04:**

Mr. Gumanmal Vimal Chand Chordia was appointed as an Additional / Independent director of the Company w.e.f September 3, 2016, pursuant to Section 149, 161 and other applicable provisions of the Companies Act, 2013. He has 25 years of experience in the field of finance and debt syndication. In terms of Section 161 of the Act, he holds office upto the date of ensuing Annual General Meeting and is eligible to continue as Director of the Company. The Company had received consent from him in form DIR 2 and declaration in form DIR 8 in terms of Section 164 of the Act. The Company has also received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Gumanmal Vimal Chand Chordia for the office of Director of the Company. Mr. Gumanmal Vimal Chand Chordia has given a declaration that he meets the criteria of independence as provided under Section 149(7) of the Act.

In the opinion of the Board, Mr. Gumanmal Vimal Chand Chordia fulfills the conditions specified in the Act and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Gumanmal Vimal Chand Chordia as an Independent Director. Accordingly, the Board recommends the resolution in relation to confirmation of appointment of Gumanmal Vimal Chand Chordia as an Independent Director, for the approval by the shareholders of the Company. In terms of provisions of Section 149(13) of the Companies Act, 2013, Mr. Gumanmal Vimal Chand Chordia shall not be liable to retire by rotation.

Except Mr. Gumanmal Vimal Chand Chordia, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 04. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchange.

## DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with Audited accounts for the year ended 31.03.2016.

### 1. FINANCIAL RESULTS:

The financial results for the year ended 31.03.2016 and for the previous year 31.03.2015 are as under:

PARTICULARS	March 31, 2016	March 31, 2015
Income	15,626,387	15,305,721
Less: Expenditure	17,317,377	19,645,010
<b>Profit before depreciation &amp; Tax</b>	<b>(16,90,990)</b>	<b>(43,39,289)</b>
Less: Depreciation	28,73,912	17,51,078
<b>Profit before tax</b>	<b>(45,64,902)</b>	<b>(60,90,367)</b>
Less: Current tax		
Less: Deferred Tax	(4,08,896)	(2,16,845)
<b>Profit after Tax</b>	<b>(41,56,007)</b>	<b>(58,73,522)</b>

### 2. STATE OF AFFAIRS OF THE COMPANY & CHANGE IN NATURE OF BUSINESS:

The Company is engaged in the business of Manufacturing and Trading of ready to eat food products and processed foods. There is no change in the nature of business during the year under review.

### 3. DIVIDEND:

In view of losses, your Directors do not recommend any dividend for the year.

### 4. DEPOSITS:

The company has not accepted or invited any deposits under the provisions of the Companies Act, 2013, and rules related thereto.

### 5. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in form MGT 9 for the year ended 31.03.2016 is attached as **Annexure "A"**.

### 6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

The Company is not having any subsidiary, associate and joint venture company. Hence, the reporting under this clause does not arise.

### 7. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

### 8. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186:

During the year under review, the Company had invested in securities to an extent of Rupees Twenty Lakhs and the loans advanced is within the limits obtained in the Annual General Meeting held on December 31, 2014.

### 9. SHARE CAPITAL:

The Company during the year under review has not issued any Sweat Equity Shares or Shares with Differential Rights or under Employee Stock Option Scheme nor did it Buy Back any shares.



## 10. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

## 11. BOARD OF DIRECTORS AND ITS COMMITTEES:

### A. COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of the Company comprises Four Directors of which two are Non-Executive Independent Directors and two are Non-Executive Promoter Directors.

#### *Appointment / Re-Appointment:*

In terms of Section 152 of the Companies Act, 2013, Ms. Kushbu, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her continuation as Director of the Company.

The Board of Directors has appointed Mr. Gumanmal Vimal Chand Chordia as an Additional / Independent Director of the Company with effect from September 03, 2016. Pursuant to Section 161 of the Act, he holds office upto the date of ensuing Annual General Meeting and is eligible to continue as Director of the Company. The shareholders are requested to continue his appointment as an Additional / Independent Director of the Company for a term of five years not liable to retire by rotation.

#### *Resignation:*

Mr. Pramod Kumar Agarwal resigned from the Board with effect from 04.06.2016. The board expresses its sincere appreciation for the contribution made by him during his tenure as Director of Company.

#### *Key Managerial Personnel:*

Mr. Prabhakaran Ramkumar, CFO, tendered his resignation w.e.f. 10.09.2015. The Company had appointed Mr. Shreyans Lodha as Chief Financial Officer (CFO) with effect from 23<sup>rd</sup> November, 2015.

### B. MEETINGS OF BOARD OF DIRECTORS

During the year under review, the Board of Directors met 10 times on 17.04.2015, 15.05.2015, 22.06.2015, 17.07.2015, 25.08.2015, 10.09.2015, 28.10.2015, 14.11.2015, 23.11.2015 and 15.02.2016 and the gap between two Board meetings were not more than 120 days. The particulars of name of the Directors and attendance are mentioned below:

S.No	Name of the Directors	Designation & Category	No. of Meetings in the year 2015-16		Attended 23 <sup>rd</sup> AGM	No. of other Directorship in other Public/ Private Companies	No. of Membership / Chairmanship in Other Companies Board Committee
			Held	Attended			
1	Mr. Nitesh R Lodha	Director (NED)	10	10	Yes	3	2
2	Mr. Kushal Jain	Director (NEID)	10	10	Yes	1	Nil
3	Ms. Kushbu	Director (NED)	10	10	No	1	Nil
4	Mr. Pramod Kumar Agarwal *	Director (NEID)	10	10	Yes	Nil	Nil
5	Mr. Gumanmal Vimal Chand Chordia **	Director (NEID)	0	0	NA	1	3

\* Resigned from the Board w.e.f. 04.06.2016

\*\* Appointed w.e.f. 03.09.2016

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held during the year under review.

### C. AUDIT COMMITTEE

The Audit committee of your company comprises of three members and the committee met 5 (Five) times on 15.04.2015, 13.08.2015, 14.11.2015, 28.10.2015 and 15.02.2016. The composition of the Audit Committee and details of meeting held are provided hereunder:

Name of Directors	Designation	Category	No. of Meetings	
			Held	Attended
Mr. Kushal Jain	Chairman	Non executive & Independent director	5	5
Mr. Nitesh R Lodha	Member	Non-executive director	5	5
Mr. Pramod Kumar Agarwal	Member	Non-executive independent director	5	5

The terms of reference of the Audit committee covers the matter specified under Section 177 of the Companies Act, 2013 and SEBI (LODR Regulations), 2015.

#### D. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration committee of your company comprises of four members and the committee met one time on 23.11.2015 The Nomination & Remuneration committee consists of the following members.

Name of Directors	Designation	Category	No. of Meetings	
			Held	Attended
Mr. Kushal Jain	Chairman	Non-executive & Independent director	1	1
Ms. Kushbu	Member	Non executive director	1	1
Mr. Pramod Kumar Agarwal *	Member	Non-executive & Independent director	1	1
Mr. Gumanmal Vimal Chand Chordia **	Member	Non-executive & Independent director	0	0

\* Resigned from the Board w.e.f. 04.06.2016

\*\* Appointed w.e.f. 03.09.2016

The Nomination and Remuneration Committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. In compliance with Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and including criteria for determining qualifications, positive attributes, independence of Directors and other matters.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selecting candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

#### **E. STAKEHOLDERS RELATIONSHIP COMMITTEE**

a. The Stakeholders Relationship Committee is to look after transfer of shares and the investor's complaints, if any, and to redress the same expeditiously. The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. One meeting of the Committee was held during the year under review. The Stakeholders relationship committee consists of the following members:

Name of Directors	Designation	No. of Meetings	
		Held	Attended
Mr. Kushal Jain	Chairman	1	1
Mr. Pramod Kumar Agarwal *	Member	1	1
Mr. Nitesh R Lodha	Member	1	1
Mr. Gumanmal Vimal Chand Chordia **	Member	0	0

\* Resigned from the Board w.e.f. 04.06.2016

\*\* Appointed w.e.f. 03.09.2016

- b. The number of investor complaints received during the year is NIL
- c. The number of investor complaints not solved to the satisfaction of Shareholders is NIL
- d. The number of pending complaints as on date is NIL

#### **NAME, DESIGNATION AND ADDRESS OF THE COMPLIANCE OFFICER:**

Mr. Nitesh RLodha –Compliance Officer

RCL Foods Limited

200-A Madhavaram High Road,

Madhavaram, Chennai 600 060

#### **F. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-independent Directors.

The Board subsequently evaluated its own performance, the working of its Committees and the Independent Directors.

#### **G. STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS OF THE COMPANY:**

All the Independent directors of the Company have given declarations under Section 149 of the Companies Act, 2013, that they meet the criteria of independence

#### **H. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the requirements of Section 134(5) of the Companies Act, 2013, we, on behalf of the Board of Directors, hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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) the Directors have 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) the Directors had prepared the annual accounts on going concern basis.

e) the directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **12. AUDITORS:**

M/s. Krishnan & Giri, Chartered Accountants, Chennai (FRN: 001512S), Statutory Auditors of the company, were appointed in the 22<sup>nd</sup> Annual General Meeting of the Company for a term of five years from the conclusion of the said Annual General Meeting as per the provisions of Companies Act, 2013, subject to ratification by shareholders in every subsequent Annual General Meeting. The Board of Directors recommends the Shareholders to ratify the appointment of Statutory Auditors for the financial year 2016-2017 and fix their remuneration.

## **13. REPLY TO AUDITORS REMARK:**

### **Emphasis of Matter:**

In the opinion of Board of Directors the investments are approximately of the value stated, as realized in the ordinary course of business.

### **Point No.7 of Annexure “A”:**

The Board will ensure that the undisputed statutory dues are deposited within the statutory time limit.

## **14. SECRETARIAL AUDIT:**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Ms. A.K. Jain & Associates, Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2016. The Secretarial Audit Report (in Form MR-3) is attached as **Annexure “B”** to this Report.

## **15. COMMENTS ON SECRETARIAL AUDITORS’ REPORT**

The Company is taking necessary steps to comply with the provisions of Section 203 of the Companies Act, 2013. The Board of Directors will ensure that the necessary forms are filed with the Registrar of Companies wherever applicable.

## **16. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

The Company does not fall under the class of Companies mentioned under Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility) Rules, 2014. Hence, the Company has not spent any funds towards Corporate Social Responsibility.

## **17. VIGIL MECHANISM:**

In compliance with the provisions of Section 177(9) the Board of Directors of the Company has framed the “Whistle Blower Policy” as the vigil mechanism for Directors and employees of the Company.

## **18. MANAGEMENT DISCUSSION ANALYSIS & REVIEW REPORT:**

A detailed analysis on the performance of the industry, the company, internal control systems, risk management are enumerated in the Management Discussion and Analysis report forming part of this report and annexed as **‘Annexure C’**.

## **19. CORPORATE GOVERNANCE:**

Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, does not apply to your Company, as the Company’s equity share capital and net worth is below the threshold limit prescribed under the said Regulation. Hence, the report on Corporate Governance is not provided.

## **20. CODE OF CONDUCT:**

A declaration signed by the Director affirming compliance with the Code of Conduct by the Directors and senior management personnel of the Company for the financial year 2015-16 is given in **“Annexure D”**.

## **21. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

All transactions entered by the company with Related Parties were in the ordinary course of business and at arm’s length pricing basis. The details of related party transaction pursuant to clause (h) of sub -section 134 of the Act, is enclosed in Form AOC-2 as **Annexure – E**.

**22. DETAILS TO BE DISCLOSED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

None of the employees draws remuneration of Rs.8,50,000/- or above per month and Rs.1,02,00,000/- or above per year. Hence, details of the employees of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not furnished.

**23. RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Audit Committee has also revisited the Risk Management Policy and has taken steps to strengthen the Risk Management process in keeping with the changes in the external environment and business needs.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. In addition to the Internal Control Systems, the Board has laid emphasis on adequate Internal Financial Controls to ensure that the financial affairs of the Company are carried out with due diligence. These are routinely tested and certified by the Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

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

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

**25. LISTING WITH STOCK EXCHANGE**

The Company's equity shares are listed in Bombay Stock Exchange.

**26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013. During the year under review no complaints have been received.

**27. ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the customers, suppliers, bankers, business partners/associates, financial institutions and various regulatory authorities for their consistent support/encouragement to the Company. Your Directors would also like to thank the Members for reposing their confidence and faith in the Company and its Management.

By Order of the Board

For RCL FOODS LIMITED

Sd/-  
Nitesh Ratanchand Lodha  
Chairman & Director  
(DIN: 01748000)

Place: Chennai  
Date: 25.11.2016

## FORM NO. MGT-9

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31/03/2016**  
[Pursuant to Section 92(3) of the Companies Act, 2013, and

Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

(i)	CIN:	L01407TN1992PLC075956
(ii)	Registration Date	02.11.1992
(iii)	Name of the Company	RCL FOODS LIMITED
(iv)	Category / Sub-category of the Company	Public Company / Having a Share Capital
(v)	Address of the Registered office and contact details	No.200-A, Madhavaram High Road, Madhavaram, Chennai – 600 060  Tel: 044 – 31905002
(vi)	Whether listed Company	Yes, BOMBAY STOCK EXCHANGE
(vii)	Name and Address of Registrar & Transfer Agents ( RTA )	M/s Cameo Corporate Services Limited  No.2, Club House Road, Chennai 600 002  Tel: 044 - 2846 0390  Email id: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Manufacturing and Trading in Food and Processed food products.	107	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
NIL			

**IV. SHARE HOLDING PATTERN**

Category code	Category of Shareholder	No. of shares held at the beginning of the year	No. of shares held at the end of the year	% Change during
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										the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	DIRECTORS AND THEIR RELATIVES	1097822	0	1097822	24.1412	1097822	0	1097822	24.1412	0.0000
		<b>1097822</b>	<b>0</b>	<b>1097822</b>	<b>24.1412</b>	<b>1097822</b>	<b>0</b>	<b>1097822</b>	<b>24.1412</b>	<b>0.0000</b>
	<b>SUB - TOTAL (A)(1)</b>	<b>1097822</b>	<b>0</b>	<b>1097822</b>	<b>24.1412</b>	<b>1097822</b>	<b>0</b>	<b>1097822</b>	<b>24.1412</b>	<b>0.0000</b>
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>1097822</b>	<b>0</b>	<b>1097822</b>	<b>24.1412</b>	<b>1097822</b>	<b>0</b>	<b>1097822</b>	<b>24.1412</b>	<b>0.0000</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									

1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	<b>SUB - TOTAL (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	455959	18700	474659	10.4378	329745	18700	348445	7.6623	-2.7754
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	780691	586505	1367196	30.0647	754830	580705	1335535	29.3685	-0.6962
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	1321747	51400	1373147	30.1956	1479671	51400	1531071	33.6684	3.4727
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	7475	0	7475	0.1643	0	0	0	0.0000	-0.1643
	HINDU UNDIVIDED FAMILIES	223429	0	223429	4.9132	232640	0	232640	5.1157	0.2025
	NON RESIDENT INDIANS	3772	0	3772	0.0829	1987	0	1987	0.0436	-0.0392



		234676	0	234676	5.1605	234627	0	234627	5.1594	-0.0010
	<b>SUB - TOTAL (B)(2)</b>	<b>2793073</b>	<b>656605</b>	<b>3449678</b>	<b>75.8587</b>	<b>2798873</b>	<b>650805</b>	<b>3449678</b>	<b>75.8587</b>	<b>0.0000</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>2793073</b>	<b>656605</b>	<b>3449678</b>	<b>75.8587</b>	<b>2798873</b>	<b>650805</b>	<b>3449678</b>	<b>75.8587</b>	<b>0.0000</b>
	<b>TOTAL (A)+(B)</b>	<b>3890895</b>	<b>656605</b>	<b>4547500</b>	<b>100.0000</b>	<b>3896695</b>	<b>650805</b>	<b>4547500</b>	<b>100.0000</b>	<b>0.0000</b>
<b>C.</b>	<b>SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3890895</b>	<b>656605</b>	<b>4547500</b>	<b>100.0000</b>	<b>3896695</b>	<b>650805</b>	<b>4547500</b>	<b>100.0000</b>	<b>0.0000</b>

## ii. SHAREHOLDINGS OF PROMOTERS

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year	FOLIO/DP_CL_ID	PAN	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares					
1	SATISH JAIN	461900	10.1572	0.0000	461900	10.1572	0.0000	0.0000	'1202620000084743	ABVPJ0983D	0	0
2	NITESH R LODHA	168691	3.7095	0.0000	168691	3.7095	0.0000	0.0000	'1203900000029646	ACLPL3650L	0	0
3	RATAN CHAND LODHA (HUF)	155000	3.4084	1.2094	155000	3.4084	1.2094	0.0000	'1301740000127036	AANHR0029K	55000	55000
4	NITHA LODHA	116826	2.5690	2.0890	116826	2.5690	2.0890	0.0000	'1301740000110398	ACLPL3651M	95000	95000
5	SHOBHA LODHA	111144	2.4440	2.0890	111144	2.4440	2.0890	0.0000	'1301740000110383	ADLPL5656R	95000	95000

6	SHREYAN S LODHA	75032	1.6499	0.0000	75032	1.6499	0.0000	0.0000	'1204840000 217517	CISPS2517N	0	0
	HAVING SAME PAN											
6	SHREYAN S LODHA .	9229	0.2029	0.0000	9229	0.2029	0.0000	0.0000	'1203970000 069201	CISPS2517N	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

		Shareholding at the beginning of the year		Cumulative Shareholding during the year			
SI No	Name of the Share holder	No of shares	% of total shares of the company	No of shares	% of total shares of the company	FOLIO/DP_CL_ID	PAN
1	SATISH JAIN						
	At the beginning of the year 01-Apr-2015	461900	10.1572	461900	10.1572	'1202620000084743	ABVPI0983D
	At the end of the Year 31-Mar-2016	461900	10.1572	461900	10.1572		
2	NITESH R LODHA .						
	At the beginning of the year 01-Apr-2015	168691	3.7095	168691	3.7095	'1203900000029646	ACLPL3650L
	At the end of the Year 31-Mar-2016	168691	3.7095	168691	3.7095		
3	RATAN CHAND LODHA (HUF) .						
	At the beginning of the year 01-Apr-2015	155000	3.4084	155000	3.4084	'1301740000127036	AANHR0029K
	At the end of the Year 31-Mar-2016	155000	3.4084	155000	3.4084		
4	NITHA LODHA .						
	At the beginning of the year 01-	116826	2.5690	116826	2.5690	'1301740000110398	ACLPL3651M

	Apr-2015						
	At the end of the Year 31-Mar-2016	116826	2.5690	116826	2.5690		
5	SHOBHA LODHA .						
	At the beginning of the year 01-Apr-2015	111144	2.4440	111144	2.4440	'1301740000110383	ADLPL5656R
	At the end of the Year 31-Mar-2016	111144	2.4440	111144	2.4440		
6	SHREYANS LODHA						
	At the beginning of the year 01-Apr-2015	75032	1.6499	75032	1.6499	'1204840000217517	CISPS2517N
	At the end of the Year 31-Mar-2016	75032	1.6499	75032	1.6499		
	HAVING SAME PAN						
6	SHREYANS LODHA .						
	At the beginning of the year 01-Apr-2015	9229	0.2029	9229	0.2029	'1203970000069201	CISPS2517N
	At the end of the Year 31-Mar-2016	9229	0.2029	9229	0.2029		

**iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	NAJMUDDIN GULAMHUSEIN KHERAJ						
	At the beginning of the year 01-Apr-2015	160120	3.5210	160120	3.5210	'IN30154916851815	AACPK2487M
	At the end of the Year 31-Mar-2016	160120	3.5210	160120	3.5210		
2	NAZLIN NAZMUDDIN						

	KHERAJ						
	At the beginning of the year 01-Apr-2015	123800	2.7223	123800	2.7223	IN30115125599909	AABPK6633J
	At the end of the Year 31-Mar-2016	123800	2.7223	123800	2.7223		
3	GUINNESS SECURITIES LIMITED						
	At the beginning of the year 01-Apr-2015	115138	2.5318	115138	2.5318	IN30289810018888	AAACG9843L
	Purchase 29-Jan-2016	200	0.0043	115338	2.5362		
	At the end of the Year 31-Mar-2016	115338	2.5362	115338	2.5362		
4	THESEUS VENTURES LIMITED						
	At the beginning of the year 01-Apr-2015	109500	2.4079	109500	2.4079	'1201370000222781	AAKCS2631L
	Sale 10-Apr-2015	-25000	0.5497	84500	1.8581		
	Sale 17-Apr-2015	-74800	1.6448	9700	0.2133		
	At the end of the Year 31-Mar-2016	9700	0.2133	9700	0.2133		
5	JESINTHAMARY SOOSAIRAJ						
	At the beginning of the year 01-Apr-2015	98700	2.1704	98700	2.1704	IN30169611520722	BQRPS5852A
	At the end of the Year 31-Mar-2016	98700	2.1704	98700	2.1704		
6	M SHIKAR						
	At the beginning of the year 01-Apr-2015	91000	2.0010	91000	2.0010	IN30226912037896	AAHPS8798Q
	Sale 17-Apr-2015	-91000	2.0010	0	0.0000		
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000		
7	KOTAK MAHINDRA INVESTMENTS LTD						
	At the beginning of the year 01-Apr-2015	80000	1.7592	80000	1.7592	IN30021410671128	AAACH1075K
	At the end of the Year 31-Mar-2016	80000	1.7592	80000	1.7592		

8	VARUN PREM BUDHRANI						
	At the beginning of the year 01-Apr-2015	76559	1.6835	76559	1.6835	'1201260000009294	AIPPB3561N
	At the end of the Year 31-Mar-2016	76559	1.6835	76559	1.6835		
	HAVING SAME PAN						
8	VARUN PREM BUDHRANI						
	At the beginning of the year 01-Apr-2015	3	0.0000	3	0.0000	'IN30160410883067	AIPPB3561N
	Purchase 31-Mar-2016	15728	0.3458	15731	0.3459		
	At the end of the Year 31-Mar-2016	15731	0.3459	15731	0.3459		
9	KIRAN I KARNAWAT						
	At the beginning of the year 01-Apr-2015	70000	1.5393	70000	1.5393	'IN30154914145785	AFYPK8790C
	At the end of the Year 31-Mar-2016	70000	1.5393	70000	1.5393		
10	PREM REWACHAND BUDHRANI						
	At the beginning of the year 01-Apr-2015	66061	1.4526	66061	1.4526	'1201260000011814	AASPB4885G
	At the end of the Year 31-Mar-2016	66061	1.4526	66061	1.4526		
	HAVING SAME PAN						
10	PREM REWACHAND BUDHRANI						
	At the beginning of the year 01-Apr-2015	6	0.0001	6	0.0001	'IN30038610077681	AASPB4885G
	At the end of the Year 31-Mar-2016	6	0.0001	6	0.0001		
	NEW TOP 10 AS ON (31-Mar-2016)						
11	MARIARETHINAM SUSAIRAJ						
	At the beginning of the year 01-Apr-2015	28600	0.6289	28600	0.6289	'IN30169611031195	ASMPS4335C
	Purchase 17-Apr-2015	88412	1.9441	117012	2.5731		

	Purchase 01-May-2015	100	0.0021	117112	2.5753		
	Purchase 05-Jun-2015	3488	0.0767	120600	2.6520		
	At the end of the Year 31-Mar-2016	120600	2.6520	120600	2.6520		
	HAVING SAME PAN						
11	SUSAIRAJ M						
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000	'1203900000078905	ASMPS4335C
	Purchase 04-Dec-2015	3250	0.0714	3250	0.0714		
	Purchase 11-Dec-2015	1000	0.0219	4250	0.0934		
	Purchase 18-Dec-2015	1538	0.0338	5788	0.1272		
	At the end of the Year 31-Mar-2016	5788	0.1272	5788	0.1272		
12	VISHWARAJ MUTTA						
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000	'IN30115128340051	AQAPM0197N
	Purchase 31-Mar-2016	100000	2.1990	100000	2.1990		
	At the end of the Year 31-Mar-2016	100000	2.1990	100000	2.1990		

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	NITESH R LODHA.						
	At the beginning of the year 01-Apr-2015	168691	3.7095	168691	3.7095	'1203900000029646	ACLPL3650L
	At the end of the Year 31-Mar-2016	168691	3.7095	168691	3.7095		
2	PRAMOD KUMAR AGARWAL						
	At the beginning of the year 01-Apr-2015	10749	0.2363	10749	0.2363	'1201060001845062	AHIPP2476Q
	At the end of the Year 31-Mar-2016	10749	0.2363	10749	0.2363		

	HAVING SAME PAN						
2	PRAMOD KUMAR AGARWAL						
	At the beginning of the year 01-Apr-2015	11800	0.2594	11800	0.2594	'00000401	AHIPP2476Q
	At the end of the Year 31-Mar-2016	11800	0.2594	11800	0.2594		
	HAVING SAME PAN						
2	PRAMOD KUMAR AGARWAL						
	At the beginning of the year 01-Apr-2015	375	0.0082	375	0.0082	'IN30311610461394	AHIPP2476Q
	At the end of the Year 31-Mar-2016	375	0.0082	375	0.0082		

#### V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	1,05,46,685	0	1,05,46,685
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>1,05,46,685</b>	<b>0</b>	<b>1,05,46,685</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	19,90,860	85,30,553	0	1,05,21,413
Reduction	0	39,27,545	0	39,27,545
<b>Net Change</b>	<b>19,90,860</b>	<b>46,03,008</b>	<b>0</b>	<b>65,93,868</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	19,90,860	1,51,49,694	0	1,71,40,554
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>19,90,860</b>	<b>1,51,49,694</b>	<b>0</b>	<b>1,71,40,554</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: NIL**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	NA	

**B. REMUNERATION TO OTHER DIRECTORS**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Kushal Jain	Mr. Pramod Kumar Agarwal	Mrs. Kushbu	
1	Independent Directors				
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NA			



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: NIL**

SN	Particulars of Remuneration	Key Managerial Personnel	
			Total
1	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	- as % of profit	NIL	NIL
	others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total	NIL	NIL

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

Compounding	-	-	-	-	-
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Place: Chennai  
Date: 25.11.2016

By Order of the Board  
For RCL FOODS LIMITED

Sd/-  
Nitesh Ratanchand Lodha  
Chairman & Director  
DIN: 01748000

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
 FOR THE FINANCIAL YEAR ENDED 31.03.2016  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To  
 The Members,  
 RCL FOODS LIMITED  
 No.200-A, Madhavaram High Road,  
 Madhavaram, Chennai  
 600 060

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s.RCL FOODS LIMITED, (hereinafter called as "thecompany"). The secretarial Audit was conducted in a manner that provided us a reasonable basis forevaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of theCompany's books,papers, minute books, forms and returns filed and other records maintained by the company and alsothe information provided by the Company, its officers, agents and authorized representatives duringthe conduct of secretarial audit, we hereby report that in our opinion, the company has, duringthe audit period covering the financial year ended on 31.03.2016,complied with the statutoryprovisions listed hereunder and also that the Company has proper Board-processes and compliancemechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other recordsmaintained by the Company for the financial year ended on 31.03.2016 according tothe provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Boardof India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1<sup>st</sup>December, 2015).

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

- (a)Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India. (Effective 1<sup>st</sup>July, 2015).
- (b)The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd.

We report that, the provisions of the following regulations are not applicable to the Company during the audit period:-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (c)The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that,

- (a) the Company has no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing during the year.
- (b) the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. *The Company has not appointed Managing Director or CEO or Manager or Whole Time Director and Company Secretary as required u/s 203 of the Companies Act, 2013.*
- b. *The Company has not filed the returns pertaining to change in the number of shares held by Promoters and Top Ten Shareholders as required u/s 93 of the Companies Act, 2013.*
- c. *The Company has not filed Form MGT 14's for resolutions passed under Section 117 and 179 of the Act, read with rules thereto.*
- d. *The Company had delayed in submission of results to the Stock Exchange for the quarter and year ended March 31, 2015, and for the quarter ended June 30, 2015 & September 30, 2015*

The Company has generally complied with the applicable clauses of the Listing Agreements entered into by the Company with Stock Exchanges.

We further report that, having regard to the compliance system prevailing in the Company and based on the written representations received from the officials/executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of the following laws applicable specifically to the Company;

- a. Food Safety And Standards Act, 2006 and rules framed thereunder
- b. The Factories Act, 1948.

**We further report that**

- (a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (b) adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) majority decision is carried through while there were no dissenting members.
- (d) there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For A.K.JAIN & ASSOCIATES**  
Company Secretaries

Place: Chennai  
Date: 25.11.2016

Sd/-  
**BALU SRIDHAR**  
Partner  
M.No. F5869  
C.P. No. 3550

**MANAGEMENT ANALYSIS AND REVIEW REPORT:**

We herewith submit Management Discussion and Analysis Report on the business of the Company for the year ended 31<sup>st</sup> March, 2016 in this we have attempted to include discussion on all the specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's own competitive position.

**ECONOMY**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

**FMCG**

FMCG goods are popularly known 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 packaged foodstuff, detergents, shampoos, toothpaste, shaving products and household accessories and extends to certain electronic goods. These items are meant for daily of frequent consumption and have a high return. India's market for fast moving consumer goods (FMCG) is expected to more than double to \$104 billion by 2020 from the present level of \$49 billion. The industry is currently the fourth largest sector in the Indian economy which has grown at an annual rate of about 11% over the last decade. Food products, the leading market segment (43% of the overall revenues), along with personal care (at 22%), account for almost two-thirds of the industry's revenue. Traditionally, the consumer goods were mainly retailed through two primary channels - general trade and modern trade, however things started changing as new channels such as e-commerce emerged to become forces to reckon with; but this space is yet to provide a profitable and sustainable model as things stand today. However, India only accounts for a share of just 0.68 per cent of the global FMCG market.

The implementation of the Goods and Services Tax (GST), which aims to replace a multitude of indirect taxes with a single GST rate, is expected to benefit the sector enormously by reducing the overall incidence of taxation. Furthermore, FMCG companies will be able to optimize logistics and distribution costs in the GST era.

**GROWTH FACTORS****Abundant availability of raw material**

Availability of key raw materials and presence across the entire value chain gives India a competitive advantage over other developing nations. The efforts in increasing rural reach by leading players have resulted in greater penetration in rural availability across categories

**Increasing Urbanization:**

With rising urbanization and development of consumption power, India's TIRE I and TIRE II cities have become an increasingly important battlefield for FMCG players. Also, increase in the urban population, along with rising income levels and the availability of new categories, would help the urban areas maintain their position in terms of consumption.

**Raising prosperity of the consumer:**

The industry is likely to get benefited from growing prosperity of the consumer. Incomes have risen at a quick pace in India and will continue rising given the country's strong economic growth prospects. Evolving middle class, exponential growth in GDP per capita & Urbanization Consumer sector growth has a high correlation with strong economic growth. The best example of this is the Seventh Pay Commission, the salary hike of government employees and pensioners by 23.55%, which was implemented from January 1, 2016.

**Growing Awareness:**

Indian consumers are changing rapidly related to the education and awareness of the products. Now even the customer from rural area have become selective and demanding in their buying preferences. With the rising purchasing power changing consumption pattern increased access to information & technology and improving infrastructure, the rural market holds great potential for FMCG players.

**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**

Lifestyle and premium range products are the new target product segment among Indian FMCG players. 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.

### **Key Challenges:**

Competition among leading FMCG companies to win over customers is getting severe and companies are leaving no stone unturned in making products that not only satisfies consumers but also retains them for future. With increasing competition, FMCG companies have to focus more in attracting new customers for the existing products and services, and to start or develop a new market.

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 became popular for its products.

### **Segment-wise analysis**

Your Company is dealing in only one segment i.e., Manufacturing and Trading of ready to eat food products and processed foods.

### **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. These procedures are designed to ensure that:

- \* An effective and adequate internal control environment is maintained across the Company.
- \* 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.

**DIRECTOR'S DECLARATION ON CODE OF CONDUCT:**

To  
The Members of  
RCL FOODS LIMITED

I, Nitesh Ratanchand Lodha, Director of the Company declare that all the Board members and Senior Management of the Company have affirmed compliance with the code of conduct.

For RCL FOODS LIMITED

Place: Chennai  
Date: 25.11.2016

Sd/-  
Nitesh Ratanchand Lodha  
Chairman & Director  
DIN: 01748000

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act  
and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

S.No	Particulars	Details
(a)	Name of the related party and nature of relationship	RCL Retail Limited – common directors
(b)	Nature of contracts / arrangements / transactions	Sales
(c)	Duration of the contracts / arrangements/transactions	2015-2016
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	In the ordinary course of business and at arm's length  Rs.20,57,188/-
(e)	Date(s) of approval by the Board	17.04.2015
(f)	Amount paid as advances, if any	Nil

By Order of the Board  
For RCL FOODS LIMIE/TD

Place: Chennai  
Date:25.11.2016

Sd/-  
Nitesh RLodha  
Chairman & Director  
DIN: 01748000



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RCL FOODS LIMITED

We have audited the accompanying financial statements of **RCL Foods Ltd** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### *Emphasis of matter*

*The Valuation in respect of company's investment of Rs 35 lakhs (refer Note 13a) included in Non current Investments has not been produced and hence we are unable to express our opinion on whether provision for diminution if any in such investments is required to be made, which is of such importance that it is fundamental/relevant to the user's understanding of such financial statements.*

Subject to the above, We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements subject to Basis of qualified opinion 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 case of Balance sheet, of the state of affairs of the Company as at **31st March, 2016**;
- b) In case of Statement of Profit and Loss, of the **Loss** for the year ended date; and
- c) In case of the Cash Flow statement, of the **Cash flows** for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

As required by the companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the said Order.

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

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the company, and the operating effectiveness of such controls refer to our separate report in “**Annexure B**” to this report

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations.
- ii. The Company did not have any long term contracts including forward exchange contracts.
- iii. The company is not required to transfer any amounts to the Investor Education and Protection Fund.

For **KRISHNAN & GIRI.**,

Chartered Accountants

(FRN: 001512S)

**(JAYANTILAL JAIN)**

Partner

(M No.029712)

Place: Chennai

Dated:25-11-2016

**Annexure "A" 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, 2016**

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. The assets have been physically verified by the management at reasonable intervals. All the immovable assets are held in the name of company.
2. The stocks of Traded Goods have been physically verified by the management at the close of the year. As per the information given to us, the procedure of physical verification of traded stocks followed by the management is in our opinion reasonable and adequate in relation to the size of the company and nature of its business.

On the basis of examination of stock records, it is found that the same have been properly maintained and the discrepancies if any noticed on physical verification have not been material as compared to book records.

3. In our opinion, and according to information and explanation given to us, the company has not granted any loans to parties covered under section 189 of the Companies Act, 2013. Hence clause 3 of the order is not applicable.
4. According to the information and explanation given to us, the company has complied with the provisions of Section 185 of the Companies Act, 2013. In our opinion and in according to the information and explanations given to us, the company has given loans to parties, which are repayable on demand. However interest has been charged in accordance with Section 186 of the Companies Act, 2013. Further in our opinion and based on the information given to us, the aggregate of the amounts advanced and the investment exceed the limits specified U/S 186 of the Companies Act, 2016, for which consent of shareholders by way of special resolution is duly obtained.
5. According to the information and explanation given to us, the company has not accepted any deposits from General public.
6. In our opinion, the Company is not required to maintain cost records as required under sub-section (1) of section 148 of the Companies Act, 2013 and (Cost Records and Audit) Rules, 2014.
7. In respect of Statutory dues
  - i. According to the information and explanations given to us, the company is not regular in depositing undisputed statutory dues including VAT and CST with the appropriate authorities. Further according to the information and explanations given to us, subject to Payment of VAT Rs.7,43,735/- and CST Rs.74,484/-, is outstanding for more than six months from the date they became payable, there are no other arrears of undisputed statutory dues outstanding as on 31st March, 2016 for a period of more than six months from the date they became payable.
  - ii. According to the information and explanations given to us, there are no disputed demands.
8. In our opinion and according to the information and explanation given to us, the company does not have any loans outstanding for repayment during the year to financial institutions and bank. Hence Clause 3(viii) of the order is not applicable to the company.
9. According to the information and explanation given to us, the company has during the year not raised moneys by way of initial public offer nor by way of term loans. Hence paragraph 3(ix) is not applicable to the company.
10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
11. According to information and explanation given to us, the company not paid managerial remuneration during the year and complied with all the provisions of section 197 of Companies Act, 2013.
12. According to information and explanation given to us, the Company is not a Nidhi Company. Hence paragraph 3(xii) of the Order is not applicable
13. In our opinion and according to the explanations given to us, all transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 and approved by Audit committee and the details have been disclosed in the Financial Statements., as required by the applicable accounting standards.
14. According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with any of the parties specified in Section 192 of the Companies Act, 2013.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **KRISHNAN & GIRI,**

Chartered Accountants

(FRN: 001512S)

**(JAYANTILAL JAIN)**

Partner

(M No.029712)

Place: Chennai

Dated: 25-11-2016

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF RCL FOODS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **RCL FOODS LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company.
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

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

For KRISHNAN & GIRL,  
Chartered Accountants  
(FRN: 001512S)

(JAYANTILAL JAIN)  
Partner  
(M No.029712)

Place: Chennai  
Dated:25-11-2016

**RCL FOODS LIMITED**  
**Balance Sheet as at March 31, 2016**

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

	Note No	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share Capital	3	45,475,000		45,475,000
Reserves and Surplus	4	<u>(24,101,916)</u>		<u>(19,945,910)</u>
			21,373,084	25,529,090
<b>Non-current liabilities</b>				
Long Term Borrowings	5	6,681,413		-
Other Long Term Liabilities	6	375,000		-
Long Term Provisions	7	<u>228,145</u>		<u>162,269</u>
			7,284,558	162,269
<b>Current Liabilities</b>				
Short Term Borrowings	8	10,459,141		10,546,685
Trade Payables	9	602,808		1,130,551
Other Current Liabilities	10	5,539,782		694,736
Short Term Provisions	11	<u>-</u>		<u>453,600</u>
			16,601,730	12,825,572
<b>Total</b>			<b><u>45,259,371</u></b>	<b><u>38,516,931</u></b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	12	8,866,892		6,663,761
Intangible Assets	13	<u>8,701</u>		<u>13,405</u>
			8,875,593	6,677,166
Non Current investments	13a	3,900,000		3,900,000
Deferred Tax Assets (Net)	14	784,320		375,424
Long Term Loans and advances	15	2,468,670		2,403,907
Other Non current assets	16	<u>-</u>		<u>986,968</u>
			7,152,990	7,666,299
<b>Current assets</b>				
Current investments	13b	2,000,000		861,264
Inventories	17	2,344,730		4,603,409
Trade receivables	18	1,471,401		661,765
Cash and cash equivalents	19	275,809		831,187
Short-term loans and advances	20	22,969,547		17,130,109
Other current assets	21	<u>169,302</u>		<u>85,732</u>
			29,230,789	24,173,466
<b>Total</b>			<b><u>45,259,371</u></b>	<b><u>38,516,931</u></b>

Significant accounting policies 2

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

This is the balance sheet referred to in our report of even date.

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

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

Sd/-  
**M JAYANTILAL JAIN**  
Partner  
Membership No.29712  
Place: Chennai  
Dated : 25.11.2016

Sd/-  
**DIRECTOR**  
  
**NITESH R**  
**LODHA**

Sd/-  
**DIRECTOR**  
  
**VIMAL CHAND**  
**CHORDIA**

Sd/-  
**CFO**  
  
**SHREYANS R**  
**LODHA**

**RCL FOODS LIMITED****Statement of Profit and Loss for the year ended March 31, 2016**

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

	Notes	Year Ended 31-Mar-2016	Year Ended 31-Mar-2015
<b>Revenue</b>			
Revenue from Operations	22	12,853,465	12,516,774
Other Income	23	2,772,922	2,788,947
<b>Total revenue</b>		<b><u>15,626,387</u></b>	<b><u>15,305,721</u></b>
<b>EXPENSES</b>			
Cost of materials consumed	24	7,376,456	9,336,128
Direct Expenses	25	2,398,452	2,314,953
Changes in Inventories	26	(168,720)	(138,643)
Employee benefits	27	811,951	1,276,218
Finance Costs	28	1,087,970	543,392
Depreciation and amortisation		2,873,912	1,751,078
Other Expenses	29	5,811,268	6,312,962
<b>Total Expenses</b>		<b><u>20,191,289</u></b>	<b><u>21,396,088</u></b>
<b>Profit before tax</b>		<b>(4,564,902)</b>	<b>(6,090,366)</b>
<b>Tax Expenses :</b>			
Current Tax		-	-
Deferred Tax Expenses		(408,896)	(216,845)
<b>Profit for the period</b>		<b><u>(4,156,007)</u></b>	<b><u>(5,873,521)</u></b>
<b>Earnings per equity share</b>			
-Basic and diluted		(0.91)	(1.29)
Weighted average number of equity shares outstanding		4,547,500	4,547,500
Nominal value of equity shares (Rs.)		10	10

Significant accounting policies 2

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

This is the statement of profit and loss referred to in our report of even date.

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

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

Sd/-  
**M JAYANTILAL JAIN**  
Partner  
Membership No.29712  
Place: Chennai  
Dated : 25.11.2016

Sd/-  
**DIRECTOR**  
  
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**VIMAL CHAND  
CHORDIA**

Sd/-  
**CFO**  
  
**SHREYANS R  
LODHA**

**RCL FOODS LIMITED**

**Cash flow Statement for the year ended March 31, 2016**

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

	Note No.	March 31, 2016	March 31, 2015
<b>Cash flow from operating activities</b>			
Net Profit before tax		<b>(4,564,902)</b>	<b>(6,090,366)</b>
<b>Add :</b>			
Depreciation / amortisation		2,873,912	1,751,078
Interest expenses		1,072,599	520,343
Loss on sale of Investments		707,528	(4,754,014)
Interest Income		(2,333,737)	(1,731,344)
Dividend Income		(5,500)	(50,831)
Profit on sale of fixed assets		(419,231)	-
Reversal of Diminution in the value of Invesments		-	1,652,463
<b>Operating cash flow before working capital changes</b>		<b>(2,669,331)</b>	<b>(8,702,670)</b>
<i>Adjustments for:</i>			
(Increase)/decrease in inventories		2,258,679	1,440,885
(Increase)/decrease in trade receivables		(809,636)	345,786
Increase/ (decrease) in current liabilities and provisions		4,317,303	3,331,048
<b>Cash generated from operations</b>		<b>3,097,014</b>	<b>(3,584,951)</b>
Income taxes paid		(453,600)	-
<b>Net cash provided/(used) by operating activities</b>	<b>A</b>	<b>2,643,414</b>	<b>(3,584,951)</b>
<b>Cash flow from investing activities</b>			
Purchase of Fixed Assets		(5,153,108)	(1,216,575)
Sale of Investments		153,736	10,557,421
Purchase of Investments		(2,000,000)	
Sale of Fixed Assets		500,000	-
Increase/(decrease) in loans and advances		(5,000,803)	(616,605)
Interest Receipt		2,333,737	1,731,344
<b>Net cash (used)/provided by investing activities</b>	<b>B</b>	<b>(9,166,438)</b>	<b>10,455,585</b>
<b>Cash flow from financing activities</b>			
Increase/(decrease) in Borrowings		7,034,744	(5,955,175)
Dividend Income		5,500	50,831
Interest paid		(1,072,599)	(520,343)
<b>Net cash (used)/provided by financing activities</b>	<b>C</b>	<b>5,967,646</b>	<b>(6,424,687)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>A+B+C</b>	<b>(555,378)</b>	<b>445,948</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>831,187</b>	<b>385,241</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>275,809</b>	<b>831,187</b>

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

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

Sd/-  
**M JAYANTILAL JAIN**  
Partner  
Membership No.29712  
Place: Chennai  
Dated : 25.11.2016

Sd/-  
**DIRECTOR**  
  
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**DIRECTOR**  
  
**VIMAL CHAND**  
**CHORDIA**

Sd/-  
**CFO**  
  
**SHREYANS R**  
**LODHA**



## RCL FOODS LIMITED

### Notes to financial statements for the year ended March 31, 2016

(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.

Depreciation on fixed assets is provided on written down value method in accordance with Schedule II to the Companies Act, 2013 . 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. However as of date, the management has not estimated the useful life of the assets to be shorter than that envisaged in the aforesaid schedule.

##### 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:

Description	Estimated useful life (in years)
Software	6

##### 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) **Employee benefit**

*Defined benefit plan*

- j) **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. **40**

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.

**As at  
31-Mar-16**                      **As at  
31-Mar-15**

**3 Share Capital**

a) The details of authorised, issued, subscribed and paid up share capital is as under:

**Authorised :**

1,20,00,000 (31 March 2015: 1,20,00,000) Equity Shares of Rs.10/- each

120,000,000                      120,000,000

**120,000,000**                      **120,000,000**

b) **Issued, Subscribed & Paid-up :**

45,47,500 (31 March 2015: 45,47,500) Equity Shares of Rs.10/-each Fully Paid up

45,475,000                      45,475,000

**45,475,000**                      **45,475,000**

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

Particulars	As at 31-Mar-16 (No. of shares)	As at 31-Mar-15 (No. of shares)	As at 31-Mar-16 (Rs.)	As at 31-Mar-15 (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. .

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

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of shares	% of holding	No. of shares held	% of holding
Equity shares of Rs. 10 each fully paid Sathish Jain	461,900	10.16%	461,900	10.16%

4 **Reserves & Surplus :**

Particulars	As at 31-Mar-16	As at 31-Mar-15
<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/(Deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	(30,727,395)	(24,853,873)
Profit/(Loss) for the year	(4,156,007)	(5,873,522)
Less: Appropriations	-	-
Transfer to general reserve	-	-
<b>Net surplus/(Deficit) in the statement of profit and loss</b>	<b>(34,883,401)</b>	<b>(30,727,395)</b>
	<b>(24,101,916)</b>	<b>(19,945,910)</b>

5 **Long term Borrowings**

	As at 31-Mar-16	As at 31-Mar-15
<b>Secured loan</b>		
ICICI Car Loan (Secured against hypothecation of vehicle)	1,990,860	-
<b>Unsecured loans</b>		
From Body Corporates	4,690,553	-
	<b>6,681,413</b>	<b>-</b>

6 **Other Long Term Liabilities**

	As at 31-Mar-16	As at 31-Mar-15
Trade Payables	375,000	-
	<b>375,000</b>	<b>-</b>

7 **Long Term Provisions:**

	As at 31-Mar-16	As at 31-Mar-15
Provision for Gratuity	228,145	162,269
	<b>228,145</b>	<b>162,269</b>

8 **Short Term Borrowings:**

	As at 31-Mar-16	As at 31-Mar-15
<i>Unsecured</i>		
From a Director	4,452,623	612,623
From Body Corporates	6,006,517	9,934,062
	<b>10,459,141</b>	<b>10,546,685</b>

9 **Trade Payables:**

	As at 31-Mar-16	As at 31-Mar-15
Trade Payables	602,808	1,130,551
	<b>602,808</b>	<b>1,130,551</b>

<b>10 Other Current Liabilities:</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
Instalments due within a year	817,800	-
TDS Payable	127,167	218,251
VAT & CST Payable	1,187,971	471,247
ESI Payable	21,008	5,238
Others	3,385,836	-
	<b>5,539,782</b>	<b>694,736</b>
<b>11 Short Term Provisions:</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
Provision for Taxation	-	453,600
	<b>-</b>	<b>453,600</b>
<b>13 Investment</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
<b>a) Non Current Investments :</b>		
<i>Trade, unquoted (at cost)</i>		
Share Application Money in Bond Chem India Pvt Ltd	400,000	400,000
Udhaya Energy Photo Valnics Pvt Ltd (1,75,000 (Previous year : 1,75,000) equity shares of Rs 10 each fully paid up) Refer Emphasis of Matter of the Audit report)	3,500,000	3,500,000
	<b>3,900,000</b>	<b>3,900,000</b>
<b>b) Current Investments :</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
<i>Trade, quoted (at cost)</i>		
42,988 (31 March 2015: 75,587) equity shares of Rs 10 each fully paid up in Olympic Cards Limited	-	817,264
Suryachakra Typres (20000 equity shares of Rs.10/- each fully paid up)	-	44,000
Arihant Shelters India ltd -20,000 equity shares of Rs.10/- each fully paid up) (Unquoted)	2,000,000	
	<b>2,000,000</b>	<b>861,264</b>
	<b>2,000,000</b>	<b>861,264</b>
<b>14 Deferred Tax Assets :</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</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	743,420	354,880
Provision for gratuity	40,899	20,544
	<b>784,320</b>	<b>375,424</b>
<b>15 Long Term Loans &amp; Advances:</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
<i>Unsecured - considered Good</i>		
Security Deposits	2,170,110	1,318,870
Other Advances	298,560	1,085,037
	<b>2,468,670</b>	<b>2,403,907</b>
<b>16 Other Non- Current Assets</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
<i>Unsecured - considered Doubtful for which no provision has been made)</i>		
Trade receivables	-	986,968
	<b>-</b>	<b>986,968</b>

<b>17 Inventories:</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
Stock-in trade (As per inventory taken, valued and as certified by the management)		
Raw material (At cost)	556,036	2,474,819
Finished Goods (At lower of cost or market price)	327,727	159,007
Packing Material (At cost)	1,460,967	1,969,583
	<b>2,344,730</b>	<b>4,603,409</b>
<b>18 Trade Receivables :</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months from the date they became due for payment	18,400	-
Other receivables	1,453,001	661,765
	<b>1,471,401</b>	<b>661,765</b>
<b>19 Cash and cash equivalents :</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
Cash	275,809	726,644
Balance with Banks - in current accounts	-	104,544
	<b>275,809</b>	<b>831,187</b>
<b>20 Short Term Loans And Advances:</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
<i>Unsecured and considered good:</i>		
Advances	22,969,547	17,130,109
	<b>22,969,547</b>	<b>17,130,109</b>
<b>21 Other Current Assets :</b>	As at <b>31-Mar-16</b>	As at <b>31-Mar-15</b>
<i>Unsecured and considered good:</i>		
Prepaid Expenses	-	18,558
Income tax including TDS	169,302	67,174
	<b>169,302</b>	<b>85,732</b>
<b>22 Revenue From Operations</b>	Year ending <b>31-Mar-16</b>	Year ending <b>31-Mar-15</b>
Sales	12,853,465	12,516,774
	<b>12,853,465</b>	<b>12,516,774</b>
<b>23 Other Income</b>	Year ending <b>31-Mar-16</b>	Year ending <b>31-Mar-15</b>
Interest receipts	2,333,737	1,731,344
Discount receipts	103	6,485
Dividend income	5,500	50,831
Profit on Sale of Investments	14,232	-
Profit on Sale of fixed assets	419,231	-
Sundries written back	119	1,000,287
	<b>2,772,922</b>	<b>2,788,947</b>

<b>24</b>	<b>Materials Consumed/Purchases :</b>	Year ending <b>31-Mar-16</b>	Year ending <b>31-Mar-15</b>
	Raw material consumed :		
	Opening stock	4,444,402	6,023,930
	Add: Purchases including packing material	4,949,057	7,756,600
		<u>9,393,459</u>	<u>13,780,530</u>
	Less: Closing Stock	2,017,003	4,444,402
	Consumption of Materials	<u><b>7,376,456</b></u>	<u><b>9,336,128</b></u>
<b>25</b>	<b>Direct Expenses</b>	Year ending <b>31-Mar-16</b>	Year ending <b>31-Mar-15</b>
	Factory Electricity Charges	227,116	229,048
	Factory Expenses	11,077	84,933
	Factory Rent	1,552,422	1,404,408
	Fuel Expenses	334,050	429,056
	Loading & Unloading Expenses	36,187	-
	Wages	237,600	167,509
		<u><b>2,398,452</b></u>	<u><b>2,314,953</b></u>
<b>26</b>	<b>Increase In Stocks :</b>	Year ending <b>31-Mar-16</b>	Year ending <b>31-Mar-15</b>
	Opening Stock :		
	Finished goods	159,007	20,364
		<u>159,007</u>	<u>20,364</u>
	Closing Stock :		
	Finished Goods	327,727	159,007
		<u>327,727</u>	<u>159,007</u>
	<b>(Increase)/decrease in Stocks</b>	<u><b>(168,720)</b></u>	<u><b>(138,643)</b></u>
<b>27</b>	<b>Employees Remuneration &amp; Benefits:</b>	Year ending <b>31-Mar-16</b>	Year ending <b>31-Mar-15</b>
	Salaries, Bonus & Other Allowances	667,000	1,070,367
	Staff welfare expenses	54,857	90,198
	Gratuity Provided	65,876	
	ESI Contribution	24,218	115,653
		<u><b>811,951</b></u>	<u><b>1,276,218</b></u>
<b>28</b>	<b>Finance Cost:</b>	Year ending <b>31-Mar-16</b>	Year ending <b>31-Mar-15</b>
	Interest expenses	1,072,599	520,343
	Bank Charges	15,372	23,049
		<u><b>1,087,970</b></u>	<u><b>543,392</b></u>

29 Other Expenses	Year ending 31-Mar-16	Year ending 31-Mar-15
Barcode	-	9,551
Cooly & Freight Expenses	119,414	137,342
Bad debts	2,102,161	15,117
Conveyance Expenses	18,146	-
Electricity Charges	-	33,360
Rent	122,550	268,950
Listing Fees	34,270	254,120
Office Maintenance	15,833	29,038
Postage, Telegram, Telephone & Telex charges	101,747	96,705
Printing & Stationery	45,415	30,639
Share Transfer Expenses	13,577	43,225
Travelling Expenses	22,634	21,824
Vehicle Maintenance	121,661	106,124
Rates, Taxes, Fees & Insurance	67,002	58,219
Repairs & Maintenance :	29,271	241,740
Professional Charges	66,245	232,708
Subscription & Membership	30,177	-
Auditors Remuneration :		
- Statutory Audit	86,000	85,500
- Tax Audit	29,000	28,500
Discount	1,610	1,580
Advertisement & Sales Promotion	480,809	583,258
Diminution in the Value of Investment(reversed)	-	(1,652,463)
Loss on sale of Investments	707,528	4,754,014
Loss in shares trading	11,253	773,158
Securities Transaction Tax	21,461	48,413
Shares Transaction Charges	32,379	43,518
Donation	2,000	61,500
BSE Penalty	1,529,125	-
General Expenses	-	7,322
	<b>5,811,268</b>	<b>6,312,962</b>

**30 Contingent Liabilities And Commitments:**

*i) Contingent Liabilities*

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 31-Mar-16	As at 31-Mar-15
-	-
-	-

**31 Segment reporting**

The Company is engaged in a business of 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-16****31-Mar-15**

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
	RCL Enterprise Private Limited
Key management personnel (KMP)	Nitesh R Lodha

b) Details of related party transactions

Investment/(Disinvestment) in RCL Retail Limited	-	(4,568,400)
Towards Sales to RCLRetail Limited	<b>2,057,188</b>	6,542,123
Balance due to Directors:		
- Nitesh R Lodha	<b>4,452,623</b>	<b>612,623</b>
Balance due to/(from) RCL Retail Limited	<b>5,506,517</b>	<b>3,686,253</b>

**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 not 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, it is not feasible to furnish the disclosure in respect of the amount payable to such enterprises as at 31 March, 2016.

**37 Additional Information:**

a) In respect of Finished Goods ( Food Products)

Opg Stock	159,007	20,365
Purchases	-	-
Sales	12,853,465	12,516,774
Closing Stock	312,147	159,007

b) Raw Materials consumed (100% indigenus)

	<u>7,376,456</u>	<u>9,336,128</u>
Total	<u>7,376,456</u>	<u>9,336,128</u>
		<b>47</b>

**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 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Projected benefit obligations at the beginning of the year	<b>59,935</b>	<b>44,582</b>
Service cost	35,204	22,622
Interest cost	5,094	3,789
Benefits settled		
Actuarial (gain) / loss	(7,608)	(11,058)
<b>Projected benefit obligations at the end of the year</b>	<b>92,625</b>	<b>59,935</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 of th</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of present value of obligation on the fair value of plan assets</b>		
Present value of projected benefits at the end of the year	92,625	59,935
Funded status of the plan	-	-
<b>Funded status amount of liability recognized in the balance sheet</b>	<b>92,625</b>	<b>59,935</b>

The components of net gratuity costs are reflected below:

<b>Components of net gratuity costs</b>	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Interest cost	5,094	3,789
Service Cost	35,204	22,622
Expected returns on plan assets	-	-
Recognized net actuarial (gain) / loss	(7,608)	(11,058)
<b>Net gratuity costs</b>	<b>32,690</b>	<b>15,353</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

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

Sd/-  
**M JAYANTILAL JAIN**  
Partner  
Membership No.29712  
Place: Chennai  
Dated : 25.11.2016

Sd/-  
**DIRECTOR**  
  
**NITESH R  
LODHA**

Sd/-  
**DIRECTOR**  
  
**VIMAL CHAND  
CHORDIA**

Sd/-  
**CFO**  
  
**SHREYANS R  
LODHA**

M/S. RCL FOODS LIMITED

**11. FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON	ADDITION	(DELETIONS)	AS AT	AS ON	FOR THE	ADJUSTMENT	AS AT	AS AT	AS AT
	01.04.2015			31.03.2016	01.04.2015	YEAR		31.03.2016	31.03.2016	31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND	345,143.00	-	-	345,143.00	-	-	-	-	345,143.00	345,143.00
GENERATOR	263,936.00	-	-	263,936.00	135,856.00	24,278.00	-	160,134.00	103,802.00	128,080.00
PLANT & MACHINERY	9,970,979.00	268,872.00	-	10,239,851.00	4,186,746.00	1,088,504.00	-	5,275,250.00	4,964,601.00	5,784,233.00
ELECTRONIC WEIGH MACHINE	31,889.00	-	-	31,889.00	11,484.00	4,502.00	-	15,986.00	15,903.00	20,405.00
FURNITURE & FIXTURES	402,092.00	-	-	402,092.00	138,626.00	67,102.00	-	205,728.00	196,364.00	263,466.00
VEHICLES	1,260,099.00	4,875,836.00	1,260,099.00	4,875,836.00	1,179,330.00	1,682,457.00	1,179,330.00	1,682,457.00	3,193,379.00	80,769.00
COMPUTER & PRINTER	263,250.00	8,400.00	-	271,650.00	221,585.00	2,365.00	-	223,950.00	47,700.00	41,665.00
	<b>12,537,388.00</b>	<b>5,153,108.00</b>	<b>1,260,099.00</b>	<b>16,430,397.00</b>	<b>5,873,627.00</b>	<b>2,869,208.00</b>	<b>1,179,330.00</b>	<b>7,563,505.00</b>	<b>8,866,892.00</b>	<b>6,663,761.00</b>
<b>PREVIOUS YEAR FIGURES</b>	<b>11,320,813.00</b>	<b>1,216,575.00</b>	<b>-</b>	<b>12,537,388.00</b>	<b>4,130,865.00</b>	<b>1,742,762.00</b>	<b>-</b>	<b>5,873,627.00</b>	<b>6,663,761.00</b>	<b>7,189,948.00</b>
<b>12. INTANGIBLE ASSETS</b>										
SOFTWARE	74,280.00	-	-	74,280.00	60,875.00	4,704.00	-	65,579.00	8,701.00	13,405.00
	<b>74,280.00</b>	<b>-</b>	<b>-</b>	<b>74,280.00</b>	<b>60,875.00</b>	<b>4,704.00</b>	<b>-</b>	<b>65,579.00</b>	<b>8,701.00</b>	<b>13,405.00</b>
<b>PREVIOUS YEAR FIGURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,280.00</b>	<b>52,559.00</b>	<b>8,316.00</b>	<b>-</b>	<b>60,875.00</b>	<b>13,405.00</b>	<b>21,721.00</b>
<b>TOTAL</b>	<b>74,280.00</b>	<b>-</b>	<b>-</b>	<b>74,280.00</b>	<b>60,875.00</b>	<b>4,704.00</b>	<b>-</b>	<b>65,579.00</b>	<b>8,701.00</b>	<b>13,405.00</b>

**RCL FOODS LIMITED**  
CIN: L01407TN1992PLC075956  
No.200-A, Madhavaram High Road, Madhavaram, Chennai - 600060.  
Tel:044. 31905002, e-mail:[rcloffoods@gmail.com](mailto:rcloffoods@gmail.com)

**Form No. MGT-11**

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:

E-mail Id:

Folio No./Client Id & DP. Id:

I/We, being the Member(s) of .....shares of the above named Company, hereby appoint

1. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him
  
2. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him
  
3. Name : \_\_\_\_\_ Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the company, to be held on Wednesday, 8<sup>th</sup> day of February, 2017 at 11.00 A.M. at No.200-A, Madhavaram High Road, Madhavaram, Chennai - 600060 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1	To receive, consider and adopt the Audited Balance Sheet as at 31.03.2016, the Profit and Loss Account and Cash Flow Statement of the Company for the period ending 31.03.2016 and the reports of the Directors and Auditors thereon
2	To appoint a Director in the place of Ms. Kushbu, (DIN: 07141954), Director, who retires by rotation and being eligible, offers herself for re-appointment
3	To ratify the appointment of M/s. Krishnan &Giri., Chartered Accountants (FRN: 001512S) as Statutory Auditors of the Company for the year 2016-17 and to fix their remuneration
4	To confirm the appointment of Mr. Gumanmal Vimal Chand Chordia (DIN: 03446848), as Director of the Company.

Signed this..... day of February 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp
---------------------------

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**RCL FOODS LIMITED**

CIN: L01407TN1992PLC075956

No.200-A, Madhavaram High Road, Madhavaram, Chennai - 600060.

Tel: 044- 31905002, e-mail:[rclfoods@gmail.com](mailto:rclfoods@gmail.com)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

*DP ID :	Folio No :
*Client Id:	No. of Shares :

Name and Address of the Shareholder:

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the company held on the 8<sup>th</sup> day of February, 2017 at 11.00 A.M. at No.200-A, Madhavaram High Road, Madhavaram, Chennai – 600060.

\*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

**BOOK POST**

If undelivered please return to;

**RCL Foods Limited**  
No.200A, Madhavaram High Road,  
Madhavaram, Chennai – 600060,  
Tamil Nadu, India.

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