

**4<sup>th</sup> Annual Report & Accounts  
For the year ended  
31<sup>st</sup> March 2014**

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***RCL RETAIL LIMITED***

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## **BOARD OF DIRECTORS**

Mr. Nitesh R Lodha	- Managing Director
Mr. Vimal Chand Chordia	- Director
Mr. Suresh Jain	- Addl. Director
Mr. Kamalesh Kumar	- Addl. Director
Mr. Ganpath Raj Kothari	- Addl. Director

## **AUDITORS**

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

## **BANKERS**

1. Axis Bank  
GT Br, Chennai

2 Indian Overseas Bank,  
Mount Road Br, Chennai

3. ICICI Bank,  
T.Nagar, Branch

## **REGISTERED OFFICE**

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

## **STOCK EXCHANGE**

BSE SME platform

## **REGISTRAR & SHARE TRANSFER AGENT**

M/s. Cameo Corporate Services Limited  
No.2, Club House Road,  
Chennai - 600 002.

## **NOTICE**

Notice is hereby given that **4<sup>TH</sup> ANNUAL GENERAL MEETING** of the Members of M/s. RCL Retail Limited will be held at No.200-A, Madhavaram High Road, Madhavaram, Chennai 600 060 on Wednesday the 31<sup>st</sup> day of December 2014 at 03.00 P.M to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2014 and the Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint M/s. Krishnan & Giri, Chartered Accountants, as the Auditors of the Company from the conclusion of this Meeting to hold such office for a period of five years till the conclusion of the 9<sup>th</sup> Annual General Meeting, at a remuneration of Rs.70,000/- to conduct the audit for the financial year 2014-15, payable in one or more installments plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred.

### **SPECIAL BUSINESS:**

**Item no. 3. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:**

“Resolved that, in terms of section 149 read with schedule IV of the Companies Act, 2013, or any amendment thereto or modification thereof, Mr. Vimal Chand Chordia, (DIN: 03446848) be and is hereby appointed an independent director of the company for a period of five years from the date of this meeting, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

**Item no. 4. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:**

“Resolved that, in terms of section 149 read with schedule IV of the Companies Act, 2013, or any amendment thereto or modification thereof, Mr. Ganpath Raj Kothari, (DIN: 06611148) be and is hereby appointed an independent director of the company for a period of five years from the date of this meeting, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

**Item no. 5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:**

“RESOLVED that Mr. Suresh Jain (DIN: 02819801), who was appointed an Additional Director of the Company with effect from 27.01.2014 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

**Item no. 6. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:**

“RESOLVED that Mr. Kamalesh Kumar (DIN: 06787616), who was appointed an Additional Director of the Company with effect from 27.01.2014 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

**Item No. 7. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

RESOLVED THAT in supersession of resolutions passed in this regard at the General Meeting of the Company and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) (the Act) and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs. 40 Crores (Rupees Forty Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this resolution.

**Item No. 8. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

RESOLVED THAT in supersession of resolutions passed in this regard at the General Meeting of the Company and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or reenactment thereof for the time being in force) (the Act) and other applicable provisions, if any, of the Act, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company, both present and future and /or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures or any other securities or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Act along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this resolution.

**Item No. 9. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

"RESOLVED that pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to invest/acquire the securities of any body corporate by way of subscription/purchase or otherwise, upto a sum of Rs. 20 crores, notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act.

RESOLVED FURTHER that the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively "transactions") including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction."

**By order of the Board  
For RCL RETAIL LIMITED**

**Sd/-**

**Nitesh R Lodha  
Chairman & Managing Director**

**Place: Chennai  
Date: 15.11.2014**

**Notes**

**NOTES:**

- (i) 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.
- (ii) Corporate Members are required to send certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the AGM.
- (iii) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM is annexed.
- (iv) Additional information, pursuant to Clause 52 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for appointment / re-appointment at this AGM is annexed hereto.
- (v) Members who are yet to register their e-mail addresses with the Company or with the Depository are once again requested to register the same.
- (vi) Members who wish to obtain information on the Company or view the Accounts, may visit the Company's website or send their queries at least 10 days before the AGM to the Board of Directors at the Registered Office of the Company.

- (vii) Members are required to bring their admission slips to the AGM. Duplicate admission slips and / or copies of the Report and Accounts will not be provided at the AGM venue.
- (viii) The register of members and share transfer of the company will remain closed from Thursday 27.12.2014 to 31.12.2014 (Both days inclusive).
- (ix) The members are requested to intimate to the Company and or to its Share Transfer Agent M/s. Cameo Corporate Services Limited for changes, if any, in their registered address along with Pin Code Number.
- (x) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of CDSL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.

The process and instructions for e-voting are as under:

i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

ii) Now click on "Shareholders" to cast your votes.

iii) Now, select the Electronic Voting Sequence Number- "EVSN" along with "RCL FOODS LIMITED" from the drop down menu and click on "SUBMIT".

iv) Now, fill up the following details in the appropriate boxes:

User ID	For Members holding shares in Demat Form:- For NSDL :-8 Character DP ID followed by 8 Digits Client ID For CDSL :-16 digits beneficiary ID For Members holding shares in Physical Form:- Folio Number registered with the Company
Password	Your Unique password is printed on the Attendance / Proxy form annexed to this Notice
PAN*	Enter your 10 digit alphanumeric PAN issued by Income Tax Department.

\* Members who have not updated their PAN with the Company/ Depository Participant are requested to use default number 'ALIL12345Z' in the PAN field.

v) After entering these details appropriately, click on "SUBMIT" tab.

vi) Members holding shares in physical form will then reach directly to the voting screen.

vii) Members holding shares in demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@,#,\$,etc). Kindly note that this password is to be also used by the Demat holders for voting for resolution 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.

viii) You can also update your mobile number and e-mail Id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

ix) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.

x) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.

xi) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.

xii) Click on the Resolution File Link if you wish to view the entire Notice. 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.

xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xv) Corporate/Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc., together with attested specimen signature(s) of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer at e-mail ID: [csaashishgolcha@gmail.com](mailto:csaashishgolcha@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The scanned copy image of the above mentioned documents should be in the naming format "Corporate Name\_RCL RETAIL LIMITED."



xvi) The e-voting period commences on December 27, 2014 (9.00 a.m.) and ends on December 29, 2014 (5.00 p.m.).

In case you have any queries or issues regarding e-voting, please contact [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The Company has appointed Mr. Aashish A Golcha, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in fair and transparent manner

**Information about director seeking appointment / re-appointment in this annual general meeting in respect of item Nos. 3, 4, 5 & 6 above (in accordance with clause 52 (G) of the Listing Agreement)**

Name of Director	Vimal Chordia	Suresh Jain	Kamlesh Kumar	Ganpat h Raj Kothari
Date of birth	01.10.1966	01.09.1969	04.04.1982	14.06.1971
Date of Appointment	08.04.2011	27.01.2014	27.01.2014	27.02.2014
Qualification	HSC	SSLC	B.Com.,MBA	Chartered Accountant
Experience	15 years experience in finance	20 years in Finance and Jewellers	7 Years in Jewelers	Vast experience in Accounts and Taxation
Directorship in other public limited companies	NIL	NIL	NIL	NIL
Chairmanship / member in Committee of other limited	NIL	NIL	NIL	NIL

companies				
No of shares held	NIL	397500	512500	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No: 3**

Mr. Vimal Chand Chordia is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 08.04.2011. As per the provisions of the Companies Act, 2013 Independent Directors need to be appointed for a period of 5 (five) years. In terms of Section 149 and the rules made thereunder & other applicable provisions of the Companies Act, 2013, Mr. Vimal Chand Chordia being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit proposing his candidature for the office of Independent director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Vimal Chand Chordia as an Independent Director of the Company for period of 5 years from the date of this meeting pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

No director, Key Managerial Person or their relatives, except Mr. Vimal Chand Chordia to whom this resolution relates, is interested or concerned in the resolution.

The Board considers that his continued association would be of immense benefit to the company and recommends the resolution for approval of the members.

**Item No: 4**

Mr. Ganpath Raj Kothari is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 27.02.2014. As per the provisions of the Companies Act, 2013 Independent Directors need to be appointed for a period of 5 (five) years. In terms of Section 149 and the rules made thereunder & other applicable provisions of the Companies Act, 2013, Mr. Ganpath Raj Kothari being eligible, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit proposing his

candidature for the office of Independent director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Ganpath Raj Kothari as an Independent Director of the Company for period of 5 years from the date of this meeting pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

No director, Key Managerial Person or their relatives, except Mr. Ganpath Raj Kothari to whom this resolution relates, is interested or concerned in the resolution.

The Board considers that his continued association would be of immense benefit to the company and recommends the resolution for approval of the members.

***Item No: 5***

Mr. Suresh Jain is a Promoter Director of the Company. He joined the Board of Directors in 27.01.2014 as an additional director. As per the provisions of the Companies Act, 2013 Directors appointment needs to be confirmed in the general meeting liable to retire by rotation.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit proposing his candidature for the office of director, to be appointed as such under the provisions of the Companies Act, 2013.

The resolution seeks the approval of members for the confirmation of appointment of Mr. Suresh Jain as Director of the Company, liable to retire by rotation.

No director, Key Managerial Person or their relatives, except Mr. Suresh Jain and Mr. Kamallesh Jain, to whom this resolution relates, is interested or concerned in the resolution.

The Board considers that his continued association would be of immense benefit to the company and recommends the resolution for approval of the members.

***Item No: 6***

Mr. Kamallesh Kumar, is a Promoter Director of the Company. He joined the Board of Directors in 27.01.2014 as an additional director. As per the provisions of the Companies Act, 2013 Directors appointment needs to be confirmed in the general meeting liable to retire by rotation.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit proposing his candidature for the office of director, to be appointed as such under the provisions of the Companies Act, 2013.

The resolution seeks the approval of members for the confirmation of appointment of Mr. Kamalesh Kumar as Director of the Company, liable to retire by rotation.

No director, Key Managerial Person or their relatives, except Mr. Kamalesh Jain and Mr. Suresh Jain, to whom this resolution relates, is interested or concerned in the resolution.

The Board considers that his continued association would be of immense benefit to the company and recommends the resolution for approval of the members.

**Item Nos. 7 & 8:**

In terms of the provisions of Section 180(1)(a) and 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a special resolution, borrow moneys, apart from temporary loans, in excess of aggregate of the paid up capital and its free reserves(section 180(1)(c)) nor the Board can create security or create mortgages, charges and hypothecations over the assets of the Company which would be required to secure aforesaid borrowings (section 180(1)(a)).

No Director, Key Managerial Persons (KMPs) or their relatives, are concerned or interested in the said resolution.

The Board recommends the resolution set out in Item no. 6 & 7 for the approval of the members.

**Item Nos. 9:**

The Company being engaged in the business of trading of food products. However, as per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

No Director, Key Managerial Persons (KMPs) or their relatives, are concerned or interested in the said resolution.

The Board recommends the resolution set out in Item no. 8 for the approval of the members.

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

Place: Chennai  
Date: 15.11.2014

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

## DIRECTORS REPORT

To  
The Members,  
RCL Retail Limited

Your Directors are pleased to present the Fourth Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2014.

The summarized financial results for the year ended 31st March, 2014 are as under:

### FINANCIAL RESULTS:

Financial Results	(Rs. In '000)	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March, 2013
<b>Profit/(Loss) before Interest, Depreciation &amp; Tax</b>	(432.14)	4941.70
Less: Interest	2803.13	1763.43
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>(3235.27)</b>	<b>3178.27</b>
Less: Depreciation	496.37	613.181
<b>PROFIT/(LOSS) FOR THE YEAR BEFORE EXCEPTIONAL ITEMS</b>	<b>(3731.64)</b>	<b>2565.09</b>
<b>PROFIT/(LOSS ) FOR THE YEAR BEFORE TAX</b>	(3731.64)	2565.09
Less: Tax	875.00	975.00
Less: Provision for Deferred Taxation	(43.46)	(77.66)
<b>Profit/(Loss) after tax</b>	<b>(4563.19)</b>	<b>1667.74</b>

### REVIEW OF OPERATION:

During the year under review, the Company has achieved a sales turnover of Rs.9,80,82,182/- which is almost double the time of sales figure comparing to the previous year. Your Directors are continuously looking for avenues for future growth of the Company in Retail industry.

**DIVIDEND:**

Your Directors do not recommend any dividend for the year under review.

**DEPOSITS:**

Your Company has neither invited nor accepted deposits from the public.

**AUDITORS:**

M/s. Krishnan & Giri., Chartered Accountants, Chennai who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. M/s. Krishnan & Giri., Chartered Accountants, Chennai have confirmed that the re-appointment, if made would be within the prescribed limits under Section 141 of the Companies Act, 2013.

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, it is proposed to appoint M/s. M/s. Krishnan & Giri., Chartered Accountants, Chennai as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twenty-Seventh AGM, subject to ratification of their appointment at every AGM.

The Board recommends their reappointment as Statutory Auditors of the Company. The report of Auditors and notes forming part of the Accounts are attached along with the Annual Report.

As far as para 9(a) of Auditors report is concerned, your company is taking steps to make statutory payment to the authorities.

**DIRECTORS:**

The Companies Act, 2013 provides for appointment of Independent Directors. As per Section 149, Independent Directors shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the company. Further the Act provides that, no independent director shall be eligible for more than two consecutive terms of five years & the provision of the Companies Act, 2013 on retirement by rotation shall not apply to such independent Directors.

Pursuant to the notification of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, your Directors are seeking appointment of Mr. Ganpath Raj Kothari and Mr. Vimal chand Chordia, as Independent Directors for five consecutive years. The aforesaid non-executive independent directors have given their consent to act as Independent Directors of the company and made a declaration that they meet the criteria of Independence.

Mr. Suresh Jain and Mr. Kamalesh Jain were appointed as additional directors during the period under review. Your Board recommend for their confirmation as directors liable to retire by rotation.

Mr. Shreyans Lodha and Mr. Pramod Kumar Agarwal resigned during the period under review.

The profile of the Directors seeking appointment / reappointment and other information have been detailed in the Notice. Your Board recommends the above appointments/reappointment of Directors in the best interest of the Company.

#### **LISTING FEES:**

Your Company paid the Listing Fees to the Exchange for the year 2014-15 in terms of listing agreement entered with the said Stock Exchange.

Your company utilized the issue proceeds so far for the purpose of establishing two retail outlets out of eight retail outlets as per its public issue objects. As regards setting up of food grain processing unit it is observed that due to increased urbanization and migration, the location of the property owned by the company has turned out to be a residential place, consequently your company has received severe objections from the locality and therefore it has become unfit for our object. In addition to that, the cost required for converting the land, leveling, fencing and construction of factory building is also increased than estimated and thus the project at the said premises is not feasible due to escalation of costs and objections.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under Clause 52 of the Listing Agreement with the Stock Exchange, the Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Directors' Report.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your directors state;

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the period;



c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. that the directors had prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

No employee is in receipt of remuneration in excess of limits prescribed under 217(2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Being Retail Company, the company has no activity in relation to conservation of energy and technology absorption.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The company has not earned or spent any foreign exchange during the year under review.

**CORPORATE GOVERNANCE**

A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance with conditions of Corporate Governance as also the Management Discussion and Analysis Report as stipulated under Clause 52 of the Listing Agreement are annexed to this Report.

**DEPOSITORY SYSTEM**

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

**INSIDER TRADING REGULATIONS**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force.

**CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and society.

**CHANGE OF NOMENCLATURE “REMUNERATION COMMITTEE” TO “NOMINATION & REMUNERATION COMMITTEE”**

In terms of Section 178 of the Companies Act, 2013 & other applicable provisions, if any, Board of Directors at the Board Meeting held on 30.05.2014 has renamed the existing “Remuneration Committee” of the Board of Directors as “Nomination & Remuneration Committee”. There was no change in the members of the Committee.

**CHANGE OF NOMENCLATURE “INVESTOR GRIEVANCE & SHARE TRANSFER COMMITTEE” TO “STAKEHOLDERS RELATIONSHIP COMMITTEE”**

In terms of Section 178 of the Companies Act, 2013 & other applicable provisions, if any, Board of Directors at their meeting held on 30.05.2014 renamed the existing “Investor Grievance & Share Transfer Committee” as “Stakeholders Relationship Committee”.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, as required under the Listing Agreement is enclosed in this Annual Report and forms part of this Report.

**ACKNOWLEDGMENT:**

Your Directors place on record their appreciation for the continued co-operation extended to the Company by its Bankers, Shareholders and the employees of the Company.

**By order of the Board  
For RCL RETAIL LIMITED**

**Sd/-  
Managing Director**

**Sd/-  
Director**

Place: Chennai  
Date: 05.09.2014

## **CORPORATE GOVERNANCE**

In terms of Clause 52 of the Listing Agreement with BSE Limited (BSE) the report containing details of corporate governance systems and processes at RCL Retail Limited is as under:

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

The Company's philosophy on Corporate Governance is to achieve business excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. In its endeavor to achieve the higher standards of governance by adopting the best emerging practices, the Company not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to sound corporate governance principles and practices.

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

The Board of Directors of the Company (Board) has optimum combination of Non-Executive and Independent Directors comprising of more than fifty percent being Non-Executive Directors and fifty percent being Independent Directors.

Mr. Nitesh R Lodha acts as the Executive Chairman of the Board the Managing Director. None of the Directors hold directorship in more than 15 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

### **3. BOARD PROCEDURE**

Generally the Directors of the Company are informed about the Agenda of the Board Meetings and Committee Meetings, containing relevant information / supporting data, as required well in advance, to enable the Board to take informed decision. Statutory Auditors are also requested to attend the Board or Committee meeting as and when required. When deemed expedient, the Board also approves by circular resolution important items of business which are permitted under the Companies Act, 1956, and which cannot be deferred till the next Board Meeting.

Matters discussed at Board Meeting generally relate to Company's performance, quarterly / half yearly results of the Company, approval of related-party transactions, general notice of interest of Directors, review of the reports of the internal auditors, Audit Committee and compliance with their recommendation, suggestion, compliance of any regulatory, statutory or listing requirements, etc.

#### 4. BOARD STRENGTH AND REPRESENTATION:

As of March 31, 2014, the Board consisted of Five members. The Composition and the category of Directors on the Board of the Company were as under:

Category	Name of Directors
Promoter / Executive Chairman/Managing Director	Mr. Nitesh R Lodha
Promoter / Non Executive Director	Mr. Suresh Jain
Promoter / Non Executive Director	Mr. Kamalesh Kumar
Non Executive Independent Director	Mr. Vimal Chand Chordia Mr. Ganpath Raj Kothari

During the financial year 2013-14, the meeting of Board of Directors was held on the following dates:

Date	Nitesh R Lodha	Shreyans R Lodha*	Vimal Chand Chordia	Pramod Kumar Agrawal*	Satish Jain**	Kamalesh Jain**	Ganpath Raj Kothari***
15.04.2013	P	P	P	P	---	---	---
30.05.2013	P	P	P	P	---	---	---
19.08.2013	P	P	P	P	---	---	---
21.09.2013	P	P	P	P	---	---	---
15.11.2013	P	P	P	P	---	---	---
17.12.2013	P	P	P	P	---	---	---
27.01.2014	P	---	P	---	P	P	---
27.02.2014	P	---	P	---	P	P	P

('P' denotes Present and 'A' denotes Absent)

\* Mr. Shreyans Lodha and Mr. Pramod Kumar agarwal were resigned w.e.f.27.01.2014.

\*\* Mr. Satish Jain and Mr. Kamalesh Kumar were appointed as Addl Director w.e.f. 27.01.2014.

\*\*\* Mr. Ganpath Raj Kothari was appointed as Addl. Director w.e.f 27.02.2014.

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

Name of Directors	No. of Directorship in other Boards of other Public Limited Companies	No. of Chairmanship in Board / Committees of other Public	No. of Membership in Committees of other Public Limited

		<b>Limited Companies</b>	<b>Companies</b>
Mr. Nitesh R Lodha	1	1	1
Mr. Suresh Jain	0	0	0
Mr. Kamalesh Jain	0	0	0
Mr. Vimal Chand Chordia	0	0	0
Mr. Ganpath Raj Kothari	0	0	0

## 5. **AUDIT COMMITTEE**

The Audit Committee of our Company consists of the two independent Directors and one Executive Director of the Company. All the Directors have good knowledge of Finance, Accounts and Company Law. The Chairman of the Committee is Mr. Pramod Kumar Agarwal. The Committee held 2 (Two) meeting during the year. The Audit Committee also advises the Management on the areas where internal control system can be improved. The Terms of reference of the Audit Committee are in accordance with all the items listed in Clause 52 (II)(D) and (E) of the Listing Agreement and provisions of the Companies Act, 2013 as follows:

- Oversight of the Issuer’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  1. Matters required to be included in the Directors’ Responsibility Statement to be included in the Board’s report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
  2. Any changes in accounting policies and practices and reasons for the same;
  3. Major accounting entries involving estimates based on exercise of judgment by management;
  4. Significant adjustments made in the financial statements arising out of audit findings;
  5. Compliance with listing and other legal requirements relating to financial Statements;
  6. Disclosure to any related party transactions;
  7. Qualifications in the draft audit report.
- Reviewing with the management the half yearly financial statements before submission to the Board for approval.

- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matters to the Board;
- Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Mandatorily Review the following information:
  - a. Management Discussion and Analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee) submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by statutory auditors;
  - d. Internal audit report relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be review by the Audit Committee.

The Audit Committee has the following powers:

- i. to investigate any activity within its terms of reference.
- ii. to seek information from any employee.
- iii. to obtain outside legal and professional advice.
- iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition and attendance at Meetings:

As on 31st March, 2014, the composition of Audit Committee has been as under:

Category	Name of Director
Non Executive Independent Director	Mr. Vimal Chand Chordia
Promoter / Chairman and Managing Director	Mr. Nitesh R Lodha
Non Executive Independent Director	Mr. Ganpath Raj Kothari**

\*\* Appointed w.e.f. 27.02.2014

During the financial year 2013-14 Two meeting of Audit Committee was held on 30<sup>th</sup> May, 2013 and 15<sup>th</sup> Nov, 2013

Attendance of the Directors at the Audit Committee Meetings held during the financial year is as under:

Name of Director	Position in the Committee	No of Meetings attended
Mr. Pramod Kumar Agarwal*	Chairman	1
Mr. Vimal Chand Chordia	Member	1
Mr. Nitesh R Lodha	Member	1
Mr. Ganpath Raj Kothari**	Chairman	---

\* Resigned w.e.f.27.01.2014

\*\* Appointed w.e.f. 27.02.2014

Mr. Pramod Kumar Agarwal, Chairman of the Audit Committee was present at the last Annual General Meeting held on 30<sup>th</sup> September 2013.

## 6. REMUNERATION COMMITTEE

### Terms of Reference

The terms of reference of Remuneration Committee includes the following:

1. To recommend to the Board, the remuneration packages of the Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
2. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing Director, including pension rights and any compensation payment;
3. To implement, supervise and administer any share or stock option scheme of the Company;
4. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

### Composition of the Remuneration Committee:

The Reconstituted Remuneration Committee currently comprises of:

Category	Position	Name of Director
Non Executive Independent Director	Chairman	Mr. Vimal Chand Chordia
Non Executive Director	Member	Mr. Suresh Jain
Non Executive Independent Director	Member	Mr. Ganpath Raj Kothari

During the financial year 2013-14 no meetings of Remuneration Committee was held.

**Remuneration Policy:**

The Key components of the remuneration policy of the Company are:

- Compensation will be driver of performance and contribution.
- Compensation will be based on merit, experience and criticality of the function.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.

**i) Non-Executive Directors' Remuneration**

The Non-Executive Directors are paid remuneration by way of sitting fee. The Company pays sitting fees of Rs. 1,500/- per meeting. However the directors waived their sitting fees.

The Non-Executive Directors hold any equity shares in the Company as on 31st March, 2014, as follows.

Name of Director	Category	No of shares (Rs.10/-) each
Mr. Vimal Chand Chordia	Independent Director	0
Mr. Suresh Jain	Promoter	397500
Mr. Kamalesh Kumar	Promoter	512500
Mr. Ganpath Raj Kothari	Independent Director	0

**ii) Executive Director's Remuneration**

The Compensation was determined based on level of responsibility, prior experience & remuneration prevailing in the industry.

**Details of remuneration paid to the Directors during the financial year 2013-14.**

Name of Directors	Sitting fees	Salary	Total
Mr. Nitesh R Lodha	---	Rs. 4,80,000/-	Rs. 4,80,000/-

**7. SHAREHOLDERS' / INVESTOR'S GRIEVANCES COMMITTEE**

**Terms of Reference**

The terms of reference of Shareholders' / Investors' Grievances Committee includes the following:

- a. Allotment and listing of our shares in future;
- b. Redressing of shareholders and investors complaints such as non-receipt of declared dividend, annual report, transfer of equity shares and issue of duplicate/split/consolidated Share Certificate(s)
- c. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of share and debentures;



- d. Reference to statutory and regulatory authorities regarding investors grievance; and
- e. To otherwise ensure proper and timely attendance and redressal of investors queries and grievances;
- f. To do all such acts, deeds and things, as may be necessary or incidental to the exercise of the above powers.

**Composition of the Shareholders' / Investors Grievance Committee:**

As on 31st March, 2014, the Composition of the Shareholders' / Investors Grievance Committee has been as under:

Category	Name of Directors
Independent Director	Mr. Ganpath Raj Kothari ( <b>Chairman</b> )
Independent Director	Mr. Vimal Chand Chordia
Promoter / Managing Director	Mr. Nitesh R Lodha

**Name, Designation and address of the Compliance Officer**

Mr. Nitesh R Lodha – Compliance Officer  
RCL Retail Limited  
No. 84/85, Walltax Road, I Floor, Chennai – 600 003.

**Status of Complaints received, resolved and pending as on 31st March, 2013**

Number of Shareholders' Complaints received during the year - Nil  
Number of Shareholders' Complaints resolved during the year - Nil  
Number of Shareholders' Complaints Pending at the end of the year - Nil

**8. GENERAL BODY MEETINGS**

The details of Annual General Meetings held during the last three years are as follows:

Year	Day, Date and Time	Venue
2010-2011	Monday, 05 <sup>th</sup> December 2011 at 11.00 A.M	No.84/85, Walltax Road, Second Floor, Chennai - 600 003
2011 - 2012	Thursday, 13 <sup>th</sup> September 2012 at 11.00 A.M	No.84/85, Walltax Road, Second Floor, Chennai - 600 003
2012 - 2013	Monday, 30 <sup>th</sup> September 2013 at 02.00 P.M	Plot No.60, Chettymedu Village Road, K.K. Nagar, Madhavaram, Chennai – 600 060

Special Resolution(s) passed at the last three Annual General Meetings (“AGM”)

AGM	Date of AGM	Special Resolution passed
1 <sup>st</sup> AGM	5 <sup>th</sup> December 2011	<p>Preferential allotment of equity shares under section 81 (1A) of the Companies Act, 1956 worth about Rs. 18,00,000/- divided into 1,80,000 equity shares of Rs.10/- each to such persons other than the existing shareholders of the Company</p> <p>Alteration of clause IIIA of the Main objects to the MOA by adding new object no.3 after the existing object no.2. and object no.1 in clause IIC of MOA deleted and renumbered accordingly.</p>
2 <sup>nd</sup> AGM	13 <sup>th</sup> September 2012	Nil
3 <sup>rd</sup> AGM	30 <sup>th</sup> September 2013	Nil

### **Extraordinary General Meeting**

During the year under review, No Extra ordinary General Meetings was held.

## **9. DISCLOSURES**

### **Related Party Transaction**

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information in Note No.31 under notes to Accounts.

### **Statutory Compliance, Penalties and Strictures**

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

### **Whistle Blower Policy**

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company does not have any formal Whistle Blower Policy. The Directors of the Company affirms that no personnel have been denied access to the Audit Committee.

### **Proceeds from the Initial Public Offer of the Company**

The Details about the extent of utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not

utilized these funds for the purposes other than those mentioned in the prospectus of the Company.

#### **Reconciliation of Share Capital Audit**

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

#### **Non-Mandatory Requirements**

The Status of compliances with the non-mandatory requirements is as under:

#### **The Board**

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same.

#### **Remuneration Committee**

Details regarding Remuneration Committee are provided and forms part of this report.

#### **Shareholders' Rights**

The Company has posted its half yearly financial results on its website i.e. [www.rclretail.com](http://www.rclretail.com)

#### **Audit Qualification**

There are audit qualifications in the financial statements for the financial year 2013-14. Your company is taking steps to make statutory payment to authorities. Standard practices and procedures are followed to ensure unqualified financial statements.

#### **Training to Board Members**

The Board is equipped to perform its role through inputs from various sources from time to time. Directors are fully briefed on all matters concerning the business and operations of the Company and they regularly interact with the management in a free and open manner in order to obtain any information that they may require.

#### **Mechanism for evaluating Non-Executive Board Members**

The Company presently does not have any formal mechanism for evaluating Non- Executive Board members.

### **10. MEANS OF COMMUNICATION**

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and also uploaded on the Company's website -[www.rclretail.com](http://www.rclretail.com)

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the Company's website - [www.rclretail.com](http://www.rclretail.com).

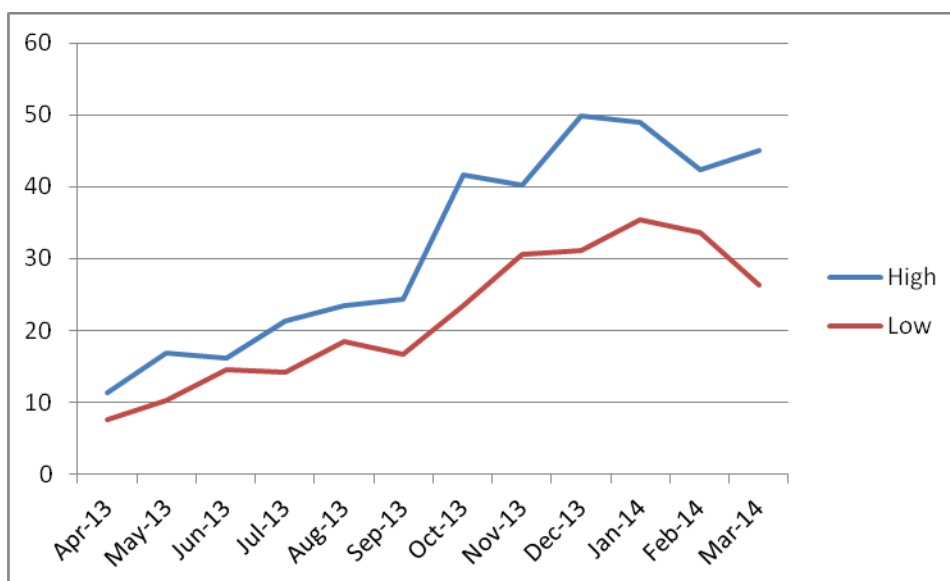
## 11. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date, Time and Venue	:	31 <sup>st</sup> December, 2014 at 03:00 P.M. at No.200-A, Madhavaram High Road, Madhavaram, Chennai 600 060.
Financial Year	:	The Financial Year of the Company is from April 1 to March 31 of the following year.
Date of Book Closure	:	27 <sup>th</sup> December, 2014 to 31 <sup>st</sup> December, 2014 (both days inclusive)
Listing on SE	:	The Company's equity shares are listed on SME Platform of BSE Limited.
Stock Code / Symbol	:	534708 / RCRL
ISIN	:	INE892L01019

## 12. Market Price Data

Table below gives the monthly high and low prices and volumes of RCL Retail Limited equity shares at SME Platform of BSE Limited for the year 2013-2014: (Source: [www.bseindia.com](http://www.bseindia.com))



(Share price movement of RCL Retail Limited)

Month	High	Low
Apr-13	11.4	7.55
May-13	16.8	10.3
Jun-13	16.1	14.5
Jul-13	21.4	14.1
Aug-13	23.4	18.5
Sep-13	24.35	16.7
Oct-13	41.6	23.45
Nov-13	40.3	30.65
Dec-13	49.85	31.1
Jan-14	49	35.45
Feb-14	42.4	33.7
Mar-14	45	26.25

**Registrar and Transfer Agents: Cameo Corporate Services Private Limited**

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

Phone : 044 - 2846 0390  
Fax : 044 - 2846 0129  
Email : [investor@cameoindia.com](mailto:investor@cameoindia.com)

**Share Transfer System** : Shares held in Physical form are processed by the Registrar and Share Transfer Agent in the prescribed manner and if the documents are complete in all respects, are transferred within the timeframe under the applicable provisions of law.

## Distribution of Shareholdings as on 31<sup>st</sup> March, 2014

### Distribution Schedule (as on 31.03.2014)

Share Holding	Share Holders	%	Total Share Amount in Rs.	%
10 - 5000	0	0.0000	0	0.0000
5001 - 10000	1	0.4000	10000	0.0081
10001- 20000	6	2.4000	120000	0.0974
20001- 30000	1	0.4000	30000	0.0243
30001- 40000	20	8.0000	800000	0.6498
40001- 50000	0	0.0000	0	0.0000
50001- 100000	66	26.4000	5421160	4.4038
100001- Above	156	62.4000	116718840	94.8162
<b>Total</b>	<b>250</b>	<b>100.00</b>	<b>123100000</b>	<b>100.00</b>

### Holding pattern as on 31.03.2014

	Shareholders		Shares	
	No	%	No.	%
Physical	10	4.00	820000	6.66
NSDL	100	40.00	6016000	48.87
CDSL	140	56.00	5474000	44.47
<b>TOTAL</b>	<b>250</b>	<b>100.00</b>	<b>12310000</b>	<b>100.00</b>

**Category of Shareholders as on 31<sup>st</sup> March, 2014**

<b>Category</b>	<b>No. of Shares Held</b>	<b>% of Share Holding</b>
A. Promoter(s) Holding		
1. <u>Promoters</u>		
a. Indian Promoters	2977000	24.18
b. Foreign Promoters		
Sub-Total		
2. Persons Acting in concert		
B. Non-Promoters Holding		
3. <u>Institutional Investors</u>		
a. Mutual Funds & UTI	--	--
b. Banks, Financial Institutions, Insurance Companies	--	--
(Central/State Govt.Institutions/ Non-Government Institutions)	--	--
c. FIIS	--	--
Sub-Total	--	--
4. <u>Others</u>		
a. Bodies Corporate	1958361	15.91
Marker makers	8000	0.06
b. Individual Holding	450116	3.66
(i) Nominal Share Capital upto Rs.1 Lakh		
	5941523	48.27
(ii) Nominal Share Capital in excess of Rs.1 Lakh		
c. Any Other	90000	0.73
Clearing Members	885000	7.19
Hindu Undivided Families		
Non Resident Indians		
Sub-Total		
<b>GRAND TOTAL</b>	<b>12310000</b>	<b>100.00</b>

## **Dematerialization of Shares and Liquidity**

As on 31st March, 2014 a total of 11490000 equity shares aggregating to 93.34 % of the total issued, subscribed and paid-up equity share capital of the Company were in dematerialized form. The equity Share of the Company are regularly traded on the BSE SME Platform.

### **Address for Correspondence:**

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

Registered office of Company: No.84/85, First Floor, Wall Tax Road,  
Chennai - 600 003  
Phone : 044 - 25345283  
Fax No : 044 2534 5275  
E mail: [rclretail@gmail.com](mailto:rclretail@gmail.com)

Place: Chennai  
Date: 05.09.2014

For RCL Retail Limited

Sd/-  
Nitesh R Lodha  
Chairman & Managing Director



## **MANAGEMENT DISCUSSION AND ANALYSIS**

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our business.

Management Discussion and Analysis (MDA) is structured as follows:

- Industry structure and Development
- Opportunities and Threats
- Outlook
- Internal Control Systems and their adequacy
- Financial and operational performance
- Material Development in Human Resources

Some Statements in this discussion may be forward looking. Future performance may however differ from those stated in the management discussion and analysis on account of various factors such as changes in Government regulations, tax regimes, impact of competition, etc.

### **A) INDUSTRY STRUCTURE AND DEVELOPMENT**

#### **INDIAN RETAIL INDUSTRY**

The Indian retail market has witnessed consistent growth over the last few years, maintaining its share of around 30% of the GDP at current prices. The total retail market is valued at Rs. 19,48,916 crore, out of which only Rs. 1,26,680 crores - or 6.5% of the total market is organised/modern. The organised market is growing at a CAGR of 27.69% and is expected to touch Rs. 2,06,500 crore in 2011-12. (*Source: India Retail Report*). Modern retail has entered India through sprawling shopping centers, multi-storied malls and huge complexes, offering shopping, entertainment and food under one roof. The increasing numbers of nuclear families, easy financing options, increase in the number of working women and emerging opportunities in the service sector during the past few years have been the key growth drivers for the organised retail sector in India.

#### **FOOD SECTOR IN INDIA – OVERVIEW**

India is one of the world's largest producers as well as consumers of food products; and the sector plays an important role in the Indian economy. This industry is supported by the agriculture sector, which is a significant economic component, employing nearly 60% of the country's population and contributing to around 25% of India's gross domestic product. The Indian domestic food market is expected to grow by nearly 40% of the current market size by 2015, to touch USD 258 billion by 2015. With a population of more than one billion individuals and food constituting a major part of the consumer's budget, this sector has a prominence next to no other businesses in the country. Moreover the importance of this sector to India's economy becomes all the more relevant, considering the fact that this sector continued to perform well, despite fall in GDP number and poor performance by many other industries, during recession in 2008-09. (*Source: FICCI survey on challenges in food processing sector*)

## **SNACK FOODS MARKET IN INDIA**

The size of the Indian snack food market is currently estimated at approximately US\$ 300 million. Unorganized small companies with a localized presence dominate the snack foods market in India but in recent years the organized branded products market size has grown significantly. Potato chips constitute the major segment among a wide range of local snacks available.

## **READY-TO-EAT FOOD**

The popularity of ready-to-eat packs and the bottom lines of eateries have a story to tell. Eating out no longer marks a special occasion. Not only does the traditional eat-at-home type prefer to eat out, he is very demanding too. People want value for their money in terms of quality and variety. Corroborating this trend, Euro-monitor International, a market research company, says the amount of money Indians spend on meals outside the home has more than doubled in the past decade, to about US\$ 5 billion a year and is expected to double again in about half that time. The industry is estimated to grow at 9-12 per cent, on the basis of an estimated GDP growth rate of 6-8 per cent, during the tenth five-year plan period. Value addition of food products is expected to increase from the current 8 per cent to 35 per cent by the end of 2025.

## **CHANGE IN CONSUMPTION PATTERNS**

Increasing incomes are always accompanied by a change in the food basket, says an ICRA report, which analyses food expenditure patterns over the last three decades in India. The report observes that the proportionate expenditure on cereals, pulses, edible oil, sugar, salt and spices declines as households climb the expenditure classes in urban India while the opposite happens in the case of milk and milk products, meat, egg and fish, fruits and beverages. For instance, the proportionate expenditure on staples (cereals, grams, pulses) declined from 45 percent to 44 per cent in rural India while the figure settled at 32 per cent of the total expenditure on food in urban India. A large part of this shift in consumption is driven by the processed food market, which accounts for 32 per cent of the total food market. It accounts for Rs 1,280 billion (US\$ 29.4 billion), in a total estimated market of Rs 3,990 billion (US\$ 91.66 billion). The food processing industry is one of the largest industries in India it is ranked fifth in terms of production, consumption, export and expected growth. The Confederation of Indian Industry (CII) has estimated that the food processing sector has the potential of attracting Rs 1,50,000 Crore (US\$ 33 billion) of investment in 10 years and generate employment of 9 million person-days. The Government has formulated and implemented several Plan Schemes to provide financial assistance for setting up and modernising of food processing units, creation of infrastructure, support for research and development and human resource development in addition to other promotional measures to encourage the growth of the processed food sector.

## **B) OPPORTUNITIES AND THREATS**

Your company being trading in food products have the opportunity based on Changing preferences and trends of people, Rising income, Rising migrants from northern parts of India in Chennai Integration of operations and Adaption of diversified range of products.

Similarly it has the threat of no entry barriers in our industry which puts us to the threat of competition from new entrants either organized as well as unorganised sectors, Changes in government policies and Risk of losing reputation.

### **C) OUTLOOK**

The long term objective of the Company is to remain strong player in the market with strong emphasis on product and market development. Your Company is also continuously improving its operational efficiency, and cost control which alone can improve the bottom line in future in highly competitive environment. Further, your Company is hopeful to get advantage of this overall boom likely to happen for the Indian markets and will do all out efforts to secure the bigger share of the increasing market in future.

### **D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized used or disposition and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive internal audit, periodical review by the management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

### **E) FINANCIAL AND OPERATIONAL PERFORMANCE**

During the year under review, the Company has achieved the double the time of sales comparing to the previous year. Your Directors are continuously looking for avenues for future growth of the Company in Retail industry.

### **F) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

There is no material development on the Human Resources front during the year. As on 31st March, 2013 the Company had 3 employees. The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year.

**ANNUAL DECLARATION BY CEO / MANAGING DIRECTOR PURSUANT TO CLAUSE 52  
(1)(D)(ii) OF THE LISTING AGREEMENT**

I, Nitesh R Lodha, Managing Director of RCL Retail Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 52(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges for the financial year ended 31st March, 2014.

For RCL Retail Limited

Sd/-  
Nitesh R Lodha,  
Managing Director

Place : Chennai  
Date: 05.09.2014

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
RCL Retail Limited,

We have reviewed the compliance of the conditions of Corporate Governance by M/s. RCL Retail Limited for the year ended 31st March, 2014, as stipulated in Clause 52 of the Listing Agreement of the said Company with the Stock Exchange in India.

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

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

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

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

Sd/-

Place :CHENNAI  
Dated : 05-09-2014

**(M.JAYANTILAL JAIN)**  
Partner  
Membership No: 029712

## **AUDITOR'S REPORT TO THE MEMBERS OF RCL Retail LIMITED**

We have audited the accompanying financial statements of RCL Retail Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the [General Circular 15/2013 dated 13th September, 2013](#) of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

### **OPINION**

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) In the case of the Statement of Profit and Loss, of the *Loss* of the Company for the year ended on that date; and

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

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

d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Sd/-

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

Place : CHENNAI  
Dated : 05-09-2014





## **ANNEXURE**

### **RE : RCL RETAIL LIMITED**

#### **REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE**

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

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

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

3. In our opinion, the terms and conditions on which loans have been taken from a party listed in the register maintained under Sec. 301 of the Companies Act, 1956, are prima facie not prejudicial to the interests of the Company. The balance outstanding at the end of the year is Rs.13,50,000/-. The company has not advanced amounts to any party listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business, for purchase of inventories, fixed assets and for the sale of goods.
5. In our opinion, and according to the information and explanations given to us, we are of the opinion that the contracts and agreements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposit within the meaning of provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. We have been informed that the Company is in the process of setting up an internal audit system, which would be in operation from the next year.
8. According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records required to be maintained Under Section 209(1)(d) of the Companies Act, 1956.

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

According. to the information and explanations given to us and on the basis of our examination of books of account, the Company is regular in depositing undisputed material statutory dues including Income tax, sale tax , VAT, cess with appropriate authorities during the year except the following dues of income tax, income tax deducted at source have not been deposited with the appropriate authorities:

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount(net of deposit) (Rs.)</b>	<b>Period to which the amount relates</b>
Income Tax Act ,1961	Income Tax	844,480	2012-13
Income Tax Act ,1961	Tax deducted at source	179,973	2013-14

b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

10. On the basis of the audited financial statements, the accumulated loss of the company at the close of the year is not more than 50% of its net worth. Though the Company has incurred cash loss in the financial year, it has not incurred cash loss in the immediately preceding financial year.

11. The company has not issued any debentures and has not taken any loan from any financial institution.

12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.

13. The company is not a Chit fund, Nidhi, Mutual benefit fund or a Society. Accordingly, clause 4(xiii) of the Order is not applicable.

14. According to the information and explanations given to us, the company has maintained proper records in respect of the transactions for shares and has been duly entered into on a timely basis. Further on verification, it is observed that the investments have been held by the company in its own name.

15. On the basis of information and explanations given to us, the company has not given guarantee to any Bank on behalf of other parties.

16. The company has not taken any term loans during the year. Hence clause 4(xvi) is not applicable to the company.

17. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements, the funds raised on short term basis have not been used for long term investment.

18. The company has not any made preferential allotment of shares during the year.

19. The company has not issued debentures. Hence, clause 4(xix) of the Order is not applicable to the company.

20. The company has not raised any money by way of public issues during the year.

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

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

Sd/-

Place :CHENNAI  
Dated : 05-09-2014

**(M.JAYANTILAL JAIN)**  
Partner  
Membership No: 029712

**RCL Retail Limited**  
**Balance Sheet as at March 31, 2014**

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

	Note No		As at 31-Mar-14	As at 31-Mar-13
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share Capital	3	123,100,000		123,100,000
Reserves and Surplus	4	<u>(1,923,321)</u>	121,176,679	2,639,866
<b>Non-current liabilities</b>				
Long Term Provisions	5		30,042	15,636
<b>Current Liabilities</b>				
Short Term Borrowings	6	21,599,244		11,527,313
Trade Payables	7	17,670,680		69,765,195
Other Current Liabilities	8	213,936		91,426
Short Term Provisions	9	<u>1,850,000</u>	41,333,860	975,000
<b>Total</b>			<b><u>162,540,581</u></b>	<b><u>208,114,436</u></b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed Assets				
Tangible Assets	10	16,555,321		16,594,900
Intangible Assets	11	<u>55,191</u>		91,985
		16,610,512		
Deferred Tax Assets (Net)	12	187,886		144,430
Long Term Loans and advances	13	8,921,239		9,031,240
Other Non current assets	14	<u>1,026,307</u>	26,745,944	1,692,890
<b>Current assets</b>				
Current investments	15	5,694,746		2,509,983
Inventories	16	1,798,553		75,309,040
Trade receivables	17	52,923,061		13,052,688
Cash and cash equivalents	18	270,102		5,305,228
Short-term loans and advances	19	74,478,507		83,738,247
Other current assets	20	<u>629,668</u>	135,794,637	643,805
<b>Total</b>			<b><u>162,540,581</u></b>	<b><u>208,114,436</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 Retail Limited**

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

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

Place: Chennai  
Dated : 05-09-2014

**RCL Retail Limited****Statement of Profit and Loss for the year ended March 31, 2014**

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

	Notes	Year Ended 31-Mar-2014	Year Ended 31-Mar-2013
<b>Revenue</b>			
Revenue from Operations	21	98,082,182	49,604,846
Other Income	22	7,076,355	5,798,518
<b>Total revenue</b>		<b>105,158,537</b>	<b>55,403,364</b>
<b>EXPENSES</b>			
Purchases of Traded Goods	23	20,490,528	121,723,474
Changes in Inventories	24	73,510,486	-75,093,010
Employee benefits	25	1,573,094	920,707
Finance Costs	26	3,110,749	1,763,431
Depreciation and amortisation		496,373	613,181
Other Expenses	27	9,708,948	2,910,512
<b>Total Expenses</b>		<b>108,890,179</b>	<b>52,838,294</b>
<b>Profit before tax</b>		<b>(3,731,642)</b>	<b>2,565,070</b>
<b>Tax Expenses :</b>			
Current tax		875,000	975,000
Deferred tax		(43,455)	(77,659)
<b>Profit for the period</b>		<b>(4,563,187)</b>	<b>1,667,729</b>
<b>Earnings per equity share</b>			
-Basic and diluted		(0.52)	0.19
Weighted average number of equity shares outstanding		8,829,082	8,829,082
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 Retail Limited**

Sd/-

Sd/-

Sd/-

**M JAYANTILAL JAIN**  
Partner  
Membership No.29712  
Chennai

**DIRECTOR****DIRECTOR**

Place: Chennai  
Dated : 05-09-2014

**RCL Retail Limited****Cash flow Statement for the year ended March 31, 2014**

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

	Note No.	March 31, 2014	March 31, 2013
<b>Cash flow from operating activities</b>			
Net (Loss) / Profit before tax		(3,731,642)	2,565,085
<b>Adjustments for:</b>			
Depreciation / amortisation		496,373	613,181
Interest expenses		2,803,129	1,730,470
Provision for gratuity		14,406	(4,252)
Provision for Diminution in the value of Investment		3,431,243	90,506
Interest income		(6,988,236)	(5,650,707)
Preliminary expenses written off		618,204	618,204
		<u>(3,356,523)</u>	<u>(37,513)</u>
<b>Operating cash flow before working capital changes</b>			
<i>Adjustments for:</i>			
(Increase)/decrease in inventories		73,510,487	(75,093,025)
(Increase)/decrease in other current asset		62,516	(3,622,770)
(Increase)/decrease in trade receivables		(39,870,373)	2,030,540
Increase/(decrease) in loans and advances		9,369,742	(59,294,638)
Increase/ (decrease) in current liabilities and provisions		(51,972,007)	69,145,578
<b>Cash generated from operations</b>		<u>(12,256,158)</u>	<u>(66,871,828)</u>
Income taxes paid		-	(475,000)
<b>Net cash provided/(used) by operating activities</b>	<b>A</b>	<u>(12,256,158)</u>	<u>(67,346,828)</u>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets		(420,000)	(203,237)
Purchase of investment		(6,616,006)	(2,600,490)
<b>Net cash (used)/provided by investing activities</b>	<b>B</b>	<u>(7,036,006)</u>	<u>(2,803,727)</u>
<b>Cash flow from financing activities</b>			
Proceeds from Issue of Share Capital		-	67,750,000
Preliminary expenses		-	(2,558,810)
Increase/(decrease) in Long term borrowings		-	(14,105)
Increase/(decrease) in Short term borrowings		10,071,931	1,530,189
Interest paid		(2,803,129)	(1,730,470)
Interest Receipt		6,988,236	5,650,707
<b>Net cash (used)/provided by financing activities</b>	<b>C</b>	<u>14,257,038</u>	<u>70,627,511</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>A+B+C</b>	<u>(5,035,126)</u>	<u>476,956</u>
Cash and cash equivalents at the beginning of the year		5,305,228	4,828,272
Cash and cash equivalents at the end of the year		270,102	5,305,228

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  
Chennai

Sd/-

**DIRECTOR**

Sd/-

**DIRECTOR**

Place: Chennai  
Dated : 05-09-2014

## **RCL Retail Limited**

### **Notes to financial statements for the year ended March 31, 2014**

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

#### **1 Background**

RCL Retail Limited was originally incorporated as private limited company on 29.09.2010 in the State of Tamilnadu which was subsequently converted to public company as on 23.03.2011 having its registered office in Chennai. The Company is engaged in the business of trading of food and processed foods.

#### **2 Significant Accounting Policies**

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

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

##### **b) Use of estimates**

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

##### **c) Revenue recognition**

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

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

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

##### **c) Tangible fixed assets and depreciation**

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

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

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

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

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

**d) Intangible assets and amortisation**

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

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

**e) Borrowing costs**

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

**f) Impairment of assets**

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

**g) Inventories**

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

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

<b>Description</b>	<b>Method of determining cost</b>
Raw materials	First in first out
Packing materials	First in first out



h) **Foreign currency transactions**

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

i) **Operating lease**

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

j) **Employee benefit**

*Defined benefit plan*

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

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

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

k) **Income taxes**

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

l) **Earnings per share**

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

m) **Cash flow statements**

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

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

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

o) **Investments:**

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

**As at  
31-Mar-14      As at  
31-Mar-13**

**3 Share Capital**

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

**Authorised :**

1,30,00,000 (31 March 2013: 1,30,00,000) Equity Shares of Rs.10/- each

130,000,000      130,000,000

**130,000,000      130,000,000**

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

1,23,10,000 (31 March 2013: 1,23,10,000) Equity Shares of Rs.10/-each Fully paid

123,100,000      123,100,000

**123,100,000      123,100,000**

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

Particulars	As at 31-Mar-14 (No. of shares)	As at 31-Mar-13 (No. of shares)	As at 31-Mar-14 (Rs.)	As at 31-Mar-13 (Rs.)
Balance at the beginning of the year	12,310,000	5,535,000	123,100,000	55,350,000
Shares issued during the year	-	6,775,000	-	67,750,000
Balance at the end of the year	<b>12,310,000</b>	<b>12,310,000</b>	<b>123,100,000</b>	<b>123,100,000</b>

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

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

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended March 31, 2014, the Company has not declared any dividend.

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, 2014		As at March 31, 2013	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Nitesh R Lodha	42,000	0.34%	1,290,000	10.48%
Shreyans R Lodha	-	0.00%	1,172,500	9.52%
Guinness Securities Limited	8,000	0.06%	930,000	7.55%

4 **Reserves & Surplus :**

Particulars	As at 31-Mar-14	As at 31-Mar-13
<b>General Reserve</b>		
At the commencement and at the end of the year	210,913	210,913
	<b>210,913</b>	<b>210,913</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	2,428,953	761,224
Profit for the year	(4,563,187)	1,667,729
Less: Appropriations	-	-
Transfer to general reserve	-	-
<b>Net surplus in the statement of profit and loss</b>	<b>(2,134,234)</b>	<b>2,428,953</b>
	<b>(1,923,321)</b>	<b>2,639,866</b>

5 **Long Term Provisions:**

	As at 31-Mar-14	As at 31-Mar-13
Provision for Gratuity	30,042	15,636
	<b>30,042</b>	<b>15,636</b>

6 **Short Term Borrowings:**

	As at 31-Mar-14	As at 31-Mar-13
<i>Secured</i>		
From Bank		
Cash Credit (Refer Note a below)	20,249,244	9,781,852
Finance lease obligation	-	24,301
<i>Unsecured</i>		
From Director	1,350,000	1,721,160.00
	<b>21,599,244</b>	<b>11,527,313</b>

Note a: Secured by hypothecation of Stock-in-Trade, supply bills & additional charge by way of equitable mortgage of land and building.

7 **Trade Payables:**

	As at 31-Mar-14	As at 31-Mar-13
Payable to micro and small enterprises (Also refer note 35)	-	-
Trade Payables	17,670,680	69,765,195
	<b>17,670,680</b>	<b>69,765,195</b>

8 **Other Current Liabilities:**

	As at 31-Mar-14	As at 31-Mar-13
TDS Payable	206,766	86,976
Others	7,170	4,450
	<b>213,936</b>	<b>91,426</b>

9 **Short Term Provisions:**

	As at 31-Mar-14	As at 31-Mar-13
Provision for Taxation	1,850,000	975,000
	<b>1,850,000</b>	<b>975,000</b>

<b>12</b>	<b>Deferred Tax Assets :</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 Provision for gratuity	As at <b>31-Mar-14</b>  197,169 (9,283)  <b>187,886</b>	As at <b>31-Mar-13</b>  149,262 (4,832)  <b>144,430</b>
<b>13</b>	<b>Long Term Loans &amp; Advances:</b> <i>Unsecured - considered good</i> Security Deposits	As at <b>31-Mar-14</b> 8,921,239  <b>8,921,239</b>	As at <b>31-Mar-13</b> 9,031,240  <b>9,031,240</b>
<b>14</b>	<b>Other Non- Current Assets</b> <i>Unsecured - considered good</i> Trade receivables Preliminary Expenses	As at <b>31-Mar-14</b> - 1,026,307  <b>1,026,307</b>	As at <b>31-Mar-13</b> 48,379 1,644,511  <b>1,692,890</b>
<b>15</b>	<b>Current Investments :</b> <i>Trade, quoted (at cost)</i> Share application money in Deccan Green Homes 141,114 (31 March 2013: 43,016) equity shares of Rs 10 each fully paid up in Olympic Cards Limited  Less : Provision for Diminution in Value of Investment	As at <b>31-Mar-14</b> 1,800,000 7,416,496  9,216,496 <b>3,521,749</b> <b>5,694,746</b>	As at <b>31-Mar-13</b> - 2,600,490  2,600,490 90,507 <b>2,509,983</b>
<b>16</b>	<b>Inventories:</b>  Stock-in trade (As per inventory taken, valued and as certified by the management) Traded Goods (At lower of cost or market price) Packing Material (At cost)	As at <b>31-Mar-14</b> 1,786,845 11,708  <b>1,798,553</b>	As at <b>31-Mar-13</b> 75,298,676 10,364  <b>75,309,040</b>
<b>17</b>	<b>Trade Receivables :</b>  <i>Unsecured, considered good</i> Outstanding for a period exceeding six months from the date they became due for payment Other receivables	As at <b>31-Mar-14</b> 51,938,061 985,000  <b>52,923,061</b>	As at <b>31-Mar-13</b> - 13,052,688  <b>13,052,688</b>
<b>18</b>	<b>Cash and cash equivalents :</b>  Cash Balance with Banks - in current accounts	As at <b>31-Mar-14</b> 32,725 237,376  <b>270,102</b>	As at <b>31-Mar-13</b> 46,685 5,258,542  <b>5,305,228</b>

<b>19</b>	<b>Short Term Loans And Advances:</b>	As at	As at
	<i>Unsecured and considered good:</i>	<b>31-Mar-14</b>	<b>31-Mar-13</b>
	Advances to Associate Company (also refer note 31)	1,015,000	0
	Advances to supplier and others	72,536,126	78,891,111
	VAT receivables	0	3,597,169
	TDS Receivables	166,372	149,029
	Others	761,009	1,100,938
		<b>74,478,507</b>	<b>83,738,247</b>
<b>20</b>	<b>Other Current Assets :</b>	As at	As at
	<i>Unsecured and considered good:</i>	<b>31-Mar-14</b>	<b>31-Mar-13</b>
	Preliminary expenses to be written off within one year	618,204	618,204
	Prepaid expenses	11,464	25,601
		<b>629,668</b>	<b>643,805</b>
<b>21</b>	<b>Revenue From Operations</b>	Year ending	Year ending
		<b>31-Mar-14</b>	<b>31-Mar-13</b>
	Traded Products	98,082,182	49,543,627
	Others	-	61,219
		<b>98,082,182</b>	<b>49,604,846</b>
<b>22</b>	<b>Other Income</b>	Year ending	Year ending
		<b>31-Mar-14</b>	<b>31-Mar-13</b>
	Interest receipts	6,988,236	5,650,707
	Profit on sale of Securities	-	125,951
	Discount received	1,747	-
	Dividend receipts	127,285	16,576
	Sundry Balances Written (off) / back	(40,912)	5,284
		<b>7,076,355</b>	<b>5,798,518</b>
<b>23</b>	<b>Purchases of Traded Goods</b>	Year ending	Year ending
		<b>31-Mar-14</b>	<b>31-Mar-13</b>
	Purchases of traded goods	20,337,698	121,601,474
	Other direct expenses	152,830	122,000
		<b>20,490,528</b>	<b>121,723,474</b>
<b>24</b>	<b>Increase In Stocks :</b>	Year ending	Year ending
		<b>31-Mar-14</b>	<b>31-Mar-13</b>
	Opening Stock :		
	Traded Goods	75,309,039	216,029
		<b>75,309,039</b>	<b>216,029</b>
	Closing Stock :		
	Traded Goods	1,798,553	75,309,039
		<b>1,798,553</b>	<b>75,309,039</b>
	<b>(Increase)/decrease in Stocks</b>	<b>73,510,486</b>	<b>-75,093,010</b>
<b>25</b>	<b>Employees Remuneration &amp; Benefits:</b>	Year ending	Year ending
		<b>31-Mar-14</b>	<b>31-Mar-13</b>
	Salaries, Bonus & Other Allowances	1,535,500	920,831
	Staff welfare expenses	23,188	4,128
	Gratuity expenses	14,406	-4,252
		<b>1,573,094</b>	<b>920,707</b>

<b>26</b>	<b>Finance Cost:</b>	Year ending <b>31-Mar-14</b>	Year ending <b>31-Mar-13</b>
	Interest expenses	2,803,129	1,730,470
	Bank Charges	307,621	32,961
		<b>3,110,749</b>	<b>1,763,431</b>
<b>27</b>	<b>Other Expenses</b>	Year ending <b>31-Mar-14</b>	Year ending <b>31-Mar-13</b>
	Electricity Charges	87,971	40,136
	Travelling, Conveyance & Vehicle Maintenance	137,982	111,815
	Rent	1,326,500	1,175,741
	Postage, Telegram, Telephone & Telex charges	18,638	4,472
	Rates, Taxes, Fees & Insurance	822,001	98,877
	Repairs & Maintenance :		
	- Others	58,352	91,988
	Auditors Remuneration :		
	-Statutory Audit	84,270	84,270
	- Tax Audit	28,090	28,090
	Legal & Consultation fees	73,878	39,955
	Donation	8,500	-
	Discount	79,297	-
	Printing & Stationery	21,084	121,967
	Advertisement	41,834	335,282
	Sales Promotion/Conference Expenses	-	8,725
	Securities Transaction Tax	6,874	56,220
	Provision for diminution in value of Investments	3,431,243	90,506
	Preliminary Expenses written off	618,204	618,204
	Penalty	5,000	-
	Sundry Balance written off	187	-
	Short Term Capital Loss	2,831,389	-
	General Expenses	27,654	4,263
		<b>9,708,948</b>	<b>2,910,512</b>
<b>28</b>	<b>Contingent Liabilities And Commitments:</b>	As at	As at
	<i>i) Contingent Liabilities</i>	<b>31-Mar-14</b>	<b>31-Mar-13</b>
	Claims against the company not acknowledged as debts	-	-
	<i>ii) Commitments:</i>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	87,411	-

**29 Segment reporting**

The Company is engaged in only one business namely 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.

30 **Details of inventories of traded goods and packing material**

Particulars	Opening Stock		Closing stock	
	Qty. (Kgs)	Value	Qty. (Kgs)	Value
<i>Traded goods:</i>				
Cardomon	911	20,375,960	-	-
Poppy Seed	2,454	21,451,340	-	-
Ani Seed	74,441	9,725,950	-	-
Cassia	45,856	14,407,290	-	-
Badian	3,625	4,114,000	-	-
Cloves	9,145	3,765,910	-	-
Bakery	2,373	213,202	4,140	360,818
Cookies	1,351	88,066	6,484	262,853
Namkeen	6,905	253,276	8,618	301,929
Others	-*	903,695	-*	858,030
	<b>147,061</b>	<b>75,298,690</b>	<b>19,242</b>	<b>1,783,630</b>
<i>Packing materials:</i>				
Bags	-*	3,843	-*	14,923
Film	-*	6,521	-	-
	-	<b>10,364</b>	-	<b>14,923</b>

**Total inventory** **75,309,054** **1,798,553**

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

31 **Related party transactions**

31-Mar-14 31-Mar-13

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

Nature of relationship	Name of the related party
Associate company	RCL Foods Limited
	RCL Enterprise Private limited
Key management personnel (KMP)	Nitesh R Lodha

b) Details of related party transactions

Remuneration to Director including perks		
- Nitesh R Lodha	480,000	480,000
Disinvestment by RCL Foods Limited	-	3,000,000
Towards Purchases from RCL Foods Limited	5,232,507	4,090,403
Balance due to Directors:		
- Nitesh R Lodha	1,803,220	1,721,160
Balance due to RCL Foods Limited	305,827	1,514,584
Balance due from RCL Enterprise Private Limited	1,015,000	-

<b>32 Value of Imports (On C.I.F Basis)</b>	-	-
<b>33 Earnings in Foreign Currency :</b>	-	-
<b>34 Expenditure in Foreign Currency :</b>	-	-

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

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31 March, 2014 has been made in the financial statements based on information received and available with the Company, to the extent identified by the management and relied upon by the auditors. The details of overdue amount and interest payable are set out below.

<b>Sl No</b>	<b>Particulars</b>	<b>As at 31-Mar-14</b>	<b>As at 31-Mar-13</b>
(i)	a) Principal amount remaining unpaid to any supplier as at the end of the year.	-	-
	b) Interest due on the above amount	-	-
(ii)	Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Act,2006 and amounts of payment made to the suppliers beyond the appointed day during the year.	-	-
(iii)	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act.	-	-
(iv)	Amount of interest accrued and remaining unpaid at the end of the year.	-	-
(v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

**36 Retirement benefits  
Gratuity Plan**

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

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

<b>Change in projected benefit obligation</b>	<b>Year ended 31-Mar-14</b>	<b>Year ended 31-Mar-13</b>
Projected benefit obligations at the beginning of the year	15,636	19,888
Service cost	17,501	11,946
Interest cost	1,329	1,690
Benefits settled		
Actuarial (gain) / loss	(4,424)	(17,888)
<b>Projected benefit obligations at the end of the year</b>	<b>30,042</b>	<b>15,636</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 the year</b>	-	-
<b>Reconciliation of present value of obligation on the fair value of plan</b>		
Present value of projected benefits at the end of the year	30,042	15,636
Funded status of the plan	-	-
<b>Funded status amount of liability recognized in the balance sheet</b>	<b>30,042</b>	<b>15,636</b>

The components of net gratuity costs are reflected below:

Components of net gratuity costs	Year ended 31-Mar-14	Year ended 31-Mar-13
Service cost	17,501	11,946
Interest cost	1,329	1,690
Expected returns on plan assets	-	-
Recognized net actuarial (gain) / loss	(4,424)	(17,888)
<b>Net gratuity costs</b>	<b>14,406</b>	<b>(4,252)</b>
<b>Financial Assumptions at Balance sheet date:</b>		
Discount rate	8.50%	8.50%
Long term rate of compensation increase	10.00%	10.00%
Estimated rate of return on plan assets	Does not arise	Does not arise

37 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 Retail Limited**

Sd/-

Sd/-

Sd/-

**M JAYANTILAL JAIN**  
Partner  
Membership No.29712  
Chennai  
Place: Chennai  
Dated : 05-09-2014

**DIRECTOR**

**DIRECTOR**

**RCL Retail Limited**

Notes to financial statements for the year ended March 31, 2014

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

**11 Tangible assets**

Particulars	Land	Plant and machinery	Air conditioner	Furniture and fittings	Vehicles	Computer and accessories	Total
<b>Gross block</b>							
Balance as at April 1, 2012	14,310,854	224,970	191,752	1,606,073	1,157,412	193,500	17,684,561
Additions	-	-	69,500	115,537	-	-	185,037
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2013</b>	<b>14,310,854</b>	<b>224,970</b>	<b>261,252</b>	<b>1,721,610</b>	<b>1,157,412</b>	<b>193,500</b>	<b>17,869,598</b>
Balance as at April 1, 2013	14,310,854	224,970	261,252	1,721,610	1,157,412	193,500	17,869,598
Additions	-	-	170,000	250,000	-	-	420,000
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2014</b>	<b>14,310,854</b>	<b>224,970</b>	<b>431,252</b>	<b>1,971,610</b>	<b>1,157,412</b>	<b>193,500</b>	<b>18,289,598</b>
<b>Depreciation</b>							
Balance as at April 1, 2012	-	28,845	25,116	211,012	365,315	83,177	713,465
Depreciation for the year	-	27,280	26,715	258,036	205,073	44,129	561,233
Accumulated depreciation on disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2013</b>	<b>-</b>	<b>56,125</b>	<b>51,831</b>	<b>469,048</b>	<b>570,388</b>	<b>127,306</b>	<b>1,274,698</b>
Balance as at April 1, 2013	-	56,125	51,831	469,048	570,388	127,306	1,274,698
Depreciation for the year	-	23,486	29,788	227,846	151,981	26,478	459,579
Accumulated depreciation on disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2014</b>	<b>-</b>	<b>79,611</b>	<b>81,619</b>	<b>696,894</b>	<b>722,369</b>	<b>153,784</b>	<b>1,734,277</b>
<b>Net Block as at March 31, 2013</b>	<b>14,310,854</b>	<b>168,845</b>	<b>209,421</b>	<b>1,252,562</b>	<b>587,024</b>	<b>66,194</b>	<b>16,594,900</b>
<b>Net Block as at March 31, 2014</b>	<b>14,310,854</b>	<b>145,359</b>	<b>349,633</b>	<b>1,274,716</b>	<b>435,043</b>	<b>39,716</b>	<b>16,555,321</b>

**12 Intangible assets**

Particulars	Software	Total
<b>Gross block</b>		
Balance as at April 1, 2012	202,440	202,440
Additions	18,200	18,200
Disposals	-	-
<b>Balance as at March 31, 2013</b>	<b>220,640</b>	<b>220,640</b>
Balance as at April 1, 2013	220,640	220,640
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2014</b>	<b>220,640</b>	<b>220,640</b>
<b>Depreciation</b>		
Balance as at April 1, 2012	76,707	76,707
Depreciation for the year	51,948	51,948
Accumulated depreciation on disposals	-	-
<b>Balance as at March 31, 2013</b>	<b>128,655</b>	<b>128,655</b>
Balance as at April 1, 2013	128,655	128,655
Depreciation for the year	36,794	36,794
Accumulated depreciation on disposals	-	-
<b>Balance as at March 31, 2014</b>	<b>165,449</b>	<b>165,449</b>
<b>Net Block as at March 31, 2013</b>	<b>91,985</b>	<b>91,985</b>
<b>Net Block as at March 31, 2014</b>	<b>55,191</b>	<b>55,191</b>

M/S. RCL RETAIL LIMITED, CHENNAI

**10. FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2013 Rs.	ADDITION Rs.	(DELETIONS) Rs.	AS AT 31.03.2014 Rs.	AS ON 01.04.2013 Rs.	ADJUSTMENTS FOR THE YEAR Rs.	ADJUSTMENT Rs.	AS AT 31.03.2014 Rs.	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
LAND	14,310,854	-	-	14,310,854	-	-	-	-	14,310,854	14,310,854
PLANT & MACHINERY	224,970	-	-	224,970	56,125	-	23,486	79,611	145,359	168,845
AIR CONDITIONER	261,252	170,000	-	431,252	51,831	-	29,788	81,619	349,633	209,421
FURNITURE & FIXTURES	1,665,292	250,000	-	1,915,292	466,484	-	218,117	684,601	1,230,691	1,198,808
ELECTRICAL FITTINGS	56,318	-	-	56,318	2,564	-	9,729	12,293	44,025	53,754
MOTAR CAR	1,157,412	-	-	1,157,412	570,388	-	151,981	722,369	435,043	587,024
COMPUTER & PRINTER	193,500	-	-	193,500	127,306	-	26,478	153,784	39,716	66,194
	<b>17,869,598</b>	<b>420,000</b>	<b>-</b>	<b>18,289,598</b>	<b>1,274,698</b>	<b>-</b>	<b>459,579</b>	<b>1,734,277</b>	<b>16,555,321</b>	<b>16,594,900</b>
<b>PREVIOUS YEAR FIGURES</b>	<b>17,684,561</b>	<b>185,037</b>	<b>-</b>	<b>17,869,598</b>	<b>713,465</b>	<b>-</b>	<b>561,233</b>	<b>1,274,698</b>	<b>16,594,900</b>	<b>16,971,096</b>
<b>INTANGIBLE ASSETS</b>										
SOFTWARE	220,640	-	-	220,640	128,655	-	36,794	165,449	55,191	91,985
	<b>220,640</b>	<b>-</b>	<b>-</b>	<b>220,640</b>	<b>128,655</b>	<b>-</b>	<b>36,794</b>	<b>165,449</b>	<b>55,191</b>	<b>91,985</b>
<b>PREVIOUS YEAR FIGURES</b>	<b>202,440</b>	<b>18,200</b>	<b>-</b>	<b>220,640</b>	<b>76,707</b>	<b>-</b>	<b>51,948</b>	<b>128,655</b>	<b>91,985</b>	<b>125,733</b>
<b>TOTAL</b>	<b>18,090,238</b>	<b>420,000</b>	<b>-</b>	<b>18,510,238</b>	<b>1,403,353</b>	<b>-</b>	<b>496,373</b>	<b>1,899,726</b>	<b>16,610,512</b>	<b>16,686,885</b>

**RCL RETAIL LIMITED**  
**No.84/85, Walltax Road, I Floor, Chennai – 600 003**  
**Website: [www.rclretail.com](http://www.rclretail.com) ; e mail: [rclretail@gmail.com](mailto:rclretail@gmail.com)**  
**L52330TN2010PLC077507**

ATTENDANCE SLIP  
4<sup>TH</sup> ANNUAL GENERAL MEETING

DP Id		Name & Address of registered shareholder
Client ID/Folio no		
No of share(s) held		

I certify that I am a registered shareholder / proxy for the registered shareholder of the company.

I hereby record my presence at the 4<sup>th</sup> Annual General Meeting of the company convened at 03.00 P.M on Wednesday, December 31<sup>st</sup> at No.200-A, Madhavaram High Road, Madhavaram, Chennai – 600 060.

\_\_\_\_\_  
Member's / Proxy's signature

Note: Please complete this and hand it over at the entrance of the hall.

..... TEAR HERE .....

**RCL RETAIL LIMITED**  
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**L52330TN2010PLC077507**

**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: \_\_\_\_\_  
E mail id : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_ address: \_\_\_\_\_  
E mail id : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_ address: \_\_\_\_\_  
E mail id : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

as my / our proxy to attend and vote(on a poll) for me/ us and on my / our behalf at the 4<sup>th</sup> Annual General meeting of the company, to be held on Wednesday, December 31<sup>st</sup> 2014 at 03.00 P.M at No.200-A, Madhavaram High Road, Madhavaram, Chennai – 600060 and at any adjournment thereof in respect of such resolution as is indicated below:

Resolution No	Matter of Resolution	For	Against
1	Adoption of Annual Accounts		
2	Appointment / reappointment of statutory auditor		
3	Appointment of Independent director		
4	Appointment of Independent director		
5	Appointment Director (Confirmation)		
6	Appointment Director (Confirmation)		
7	Increase in borrowing power Sec 180		
8	To create charge, hypothecate assets of company Sec 180		
9	Increase in Investment Sec 186		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder(s) : \_\_\_\_\_

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 hrs before the commencement of the meeting and the proxy need not be a member.

## **BOOK POST**

If undelivered please return to;

**RCL Retail Limited**  
No.84/85, Walltax Road,  
1<sup>st</sup> Floor, Chennai – 600003,  
Tamil Nadu, India.