

ANNUAL REPORT 2010-11



R M C L



expansion & innovation

Our future mantra

HIGH END CUSTOMISED PACKAGING

- > Pharmaceuticals
- > Food
- > Healthcare

SERVICES

- > Clinical Trials
- > Packaging Audits
- > Contract Packaging
- > Packaging Machinery

STANDARD PACKAGING MATERIAL

- > Chain of Retail Stores
- > Online
- > Over the Counter

BOARD & OTHER PARTICULARS

BOARD OF DIRECTORS

Mr. Anil J. Agrawal	Chairman
Mr. Mitesh A. Agrawal	Managing Director & CEO
Mr. Abhishek Agrawal	Jt. Managing Director
Mr. Kanubhai Patel	Director
Mr. Binod Kumar Paliwal *	Director
Mr. Serge A Lapointe *	Director
Mr. Radhey Krishna Mishra*	Director
Mr. Rajiv Prasankumar Nanavati*	Director

* Independent & Non-Executive Directors

AUDITORS H.P.SHAH ASSOCIATES

COMPANY SECRETARY & COMPLIANCE OFFICER CS MANGESH SHETYE

COMPANY SECRETARIES IN PRACTICE JAGDISH PATEL & CO.

BANKERS **State Bank of India**
Vapi I.T. Branch, Vapi

Bank of Baroda
Mangaldas Market Branch, Mumbai
SSI Daman Branch, Daman

REGISTERED OFFICE Survey No. 50/9/A,
Daman Industrial Estate,
Village Kadaiya,
Nani Daman –396 210,
UT of Daman & Diu
Tel No.: 0260 – 6619000, 2220176
Fax No: 0260- 2220177
rmcl@relinpro.com

REGISTRAR & SHARE TRANSFER AGENT Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup West,
Mumbai – 400078
Tel No.: 022 – 25963838 25946970
Fax No.: 022 – 25946969
rnt.helpdesk@linkintime.co.in

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Radha Madhav Corporation Limited

NOTICE is hereby given that the **Seventh** Annual General Meeting of the Members of **Radha Madhav Corporation Limited** Will be held at the Registered Office of the Company at Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman -396 210, UT of Daman & Diu on 26th September, 2011 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Abhishek Agrawal, who retires by rotation, and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Mr. Kanubhai Patel, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Binod Kumar Paliwal, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board

sd/-

(CS. Mangesh Shetye)

Place : Daman

Dated : 27th May, 2011

Company Secretary

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NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
3. The register of members and the share transfer books of the Company will remain closed from 23.9.2011 to 26.9.2011 (both days inclusive).
4. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Your Company has implemented the Green Initiative as per the Ministry of Corporate Affairs ("MCA") Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, which allows the Company to serve all notices/ documents and annual reports to its shareholders through an electronic mode. Henceforth, the email addresses registered by the shareholders : (a) in respect of shareholding in demat mode - with the respective Depository Participant which will be periodically downloaded

from NSDL / CDSL, and (b) in respect of physical holding - through a written request letter to the Registrar and Transfer Agent of the Company M/s. Link Intime India Private Limited; will be deemed to be the registered email address for serving all notices / documents including those covered under Section 219 read with Section 53 of the Companies Act. Members are therefore requested to keep their email addresses updated in case of electronic holding with their respective Depository Participant and in case of physical holding with the Registrar and Transfer Agent of the Company. The Annual Report of your Company for the Financial Year 2010-11 will also be displayed on the website of the Company i.e. www.rmclindia.co.in

7. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting.

Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.

8. At the ensuing Annual General Meeting Mr. Abhishek Agrawal, Mr. Kanubhai Patel and Mr. Binod Kumar Paliwal retire by rotation and are being proposed for re appointment, the detail as required under Clause 49 (IV)(E)(v) of the Listing Agreement is given below:

Name	Age	Educational Qualification	Experience	No. of share hold.
Mr. Abhishek Agrawal	28	Bachelor of Computer	6 Years	2474275
Mr. Kanubhai Patel	54	Engineer	31 years in business.	138692
Mr. Binod Kumar Paliwal	57	B.Sc.	32 years	2500

By Order of the Board

sd/-

Place : Daman

(CS. Mangesh Shetye)

Dated : 27th May, 2011

Company Secretary



Radha Madhav Corporation Limited

DIRECTORS' REPORT

To,

The Members,

Radha Madhav Corporation Limited,

Dear Sir/Madam

The Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts for the year ended on 31st March, 2011.

FINANCIAL RESULTS

	31.3.2011 Rs. In Lacs	31.3.2010 Rs. In Lacs
Sales and other Operational Income	11463.73	16410.54
Profit (Loss) before Interest & Depreciation	(1823.57)	(1412.87)
Less: Interest	2173.76	2036.37
Less: Depreciation	1369.68	1317.01
Profit After Depreciation & before Tax	(5367.01)	(4766.25)
Provision of Tax of earlier year and wealth Tax	10.97	28.28
Profit /(Loss) after tax	(5377.98)	(4794.53)

OPERATIONS

The losses stated above is due to low capacity utilization due to liquidity crunch and trying to establish new products with new cliental. The management is trying their best to coming out current situation.

FINANCE

The Company has availed additional credit facilities from State Bank of India and Bank of Baroda. The performance of the last two years has led to significance liquidity pressure in the long term sources.

DEPOSITS:

The Company has not accepted Deposits within the meaning of section 58A of the Companies Act 1956.

DIRECTORS

In accordance with the requirements of the Companies Act 1956, Mr. Abhishek Agrawal, Mr. Kanubhai Patel and Mr. Binod Kumar Paliwal will retire by rotation and , being eligible, has offered themselves f for re-appointment and Mr. S.P. Aggarwal has resigned from Directorship during the year.

AUDITORS:

The present Auditors of the Company M/s. H. P. Shah Associates, Chartered Accountants, Vapi, will retire at the conclusion of ensuing Annual General Meeting

and being eligible; offer, themselves for re-appointment to hold the office till the conclusion of next Annual General Meeting.

They have submitted certificate for their eligibility for reappointment under section 224(1B) of the Companies Act, 1956.

The Auditors have confirmed that they have subjected themselves to the peer review process of the institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI."

AUDIT COMMITTEE:

The Board of Directors constituted an Audit Committee as per the existing clause 49 of the Listing Agreements entered into with Stock Exchanges and in terms of Section 292(A) of the Companies Act, 1956.

CORPORATE GOVERNANCE:

A Separate section on Corporate Governance, Management discussion and Analysis and a Certificate from Company's Auditors regarding compliance of the conditions of the corporate governance as stipulated under clause 49 of the Listing Agreements with the Stock Exchanges forms part of this Annual Report.

Certificate of CEO and CFO, inter alia, confirming the correctness of the financial statements, adequacy of the internal measures and reporting of matters to the audit committee in terms of the clause 49 of the listing

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agreements with Stock Exchanges, is also attached as a part of this Annual Report.

INSURANCE

All the properties of your Company including Factory, Building, Plant & Machinery, stock etc., are adequately insured.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was paid remuneration of Rs. 60,00,000/- p.a. or more for the year or Rs. 5,00,000/- p.m. or more and hence the information required under section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 is not required to be given.

CONSERVATION OF ENERGY Power and fuel Consumption:

		31.3.2011	31.3.2010
(1) Electricity			
Purchased units	76,57,298	1,03,47,104	
Total Amount (Rs.)	3,09,49,214	4,34,31,984	
Rate per Unit (Rs.)	4.04	4.20	
(2) Own Generator			
Fuel (Diesel) (Ltr)	1,38,043	82,084	
Total Amount (Rs.)	50,22,726	29,19,710	
Rate Per Litter (Rs.)	36.39	35.57	
Furnace Oil	2,44,665	3,45,035	
Total Amount (Rs.)	70,00,525	79,83,443	
Rate Per Litter (Rs.)	28.61	23.14	
LPG Cylinder {Kg.}	0.00	0.00	
Total Amount {Rs.}	0.00	0.00	
Rate Per {Kg.}	0.00	0.00	

TECHNOLOGY ABSORPTION:

The technology required for the industry is available indigenously.

FOREIGN EXCHANGE EARNING & OUTGO:

	31.3.2011 Rs. in Lac	31.3.2010 Rs. in Lac
Earning	599.11	618.70
Outgo	1599.23	1657.34

Most of the Foreign Exchange Outgo is for Purchase of Capital Goods, Spares parts and Raw Materials for the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed and that no material departures have been made from the same.
- That they 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 financial year ended 31st March, 2011 and of the profit or loss of the company for that period.
- That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for presenting and detecting fraud and other irregularities.
- That they had prepared the annual accounts on a going concern basis.

APPRECIATION

The Directors take this opportunity to express their appreciation for continued co-operation and assistance extended by Investors, Government Authorities, Bankers, Suppliers and Customers. Your Directors look forward to their continued support. Last but not the least, your Directors also sincerely acknowledge the significant contributions made by the devoted workers, staff and executives for their dedicated services to the Company.

For and on Behalf of the Board

sd/-

Anil Agrawal
Chairman

Place : Daman

Dated : 27th May, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development, Outlook:

Technology based products and control over distribution channel is dream that companies worldwide cherish. Brands and its recognition take years to build. Hi-end Barrier Packaging and allied Hi-technology industry like adhesives/sealants and barrier yielding chemicals have tremendous scope in diverse climatic condition like ours. Pharmaceutical/ Food and other high end barrier packaging industry grew at substantial rate in the previous year. Opportunities in adopting to new challenges have been very high and is expected to grow further.

Outlook of the company:

Almost 150 products were developed on extremely robust technology platform of PVDC/PVOH coatings, PA/EVOH extrusion, Mono and Tentre Frame Orientation and metal deposition. Technology platform of the company stands sturdy and unparallel in the Indian Context. This technology platform is highly Capital intensive and integrated. Our industry does not face technology obsolescence and general life-span of our technology is 100 years. Our internal estimate of this production platform is 230 Crore which is very modest when compared to our competitors. Most of our competitors world-wide have spent first 10 years of its life in establishing its technology, creating its product portfolio and introducing its brands.

For our Shareholders, we understand that such situation is not normal and they expect the process to be expedited. We are deeply concerned for such delays/ losses in the company and have tried our best to cope up with the situation. Company, unfortunately booked a loss of 53.8 Crores in this year and approximately 100 crores in last 8 quarters. Losses had been mainly because of lack of working capital and interest burden. However as the going was getting tough, the tough was also getting past. We are firm believer of the fact that however such situation is common in our global industry but is unacceptable in India. Average life-span of our global competitor is between 100-150 years whereas this is not the situation in developing economies like ours. We still want to reaffirm that your company is at nascent and childhood stage and long tenure of such stage projects the long life span of the company.

Your company has been sanctioned various credit limits from its existing banks and the infusion of money has been started from May 2011. We are sure that with infusion of working capital your company will do exceedingly well in the current year.

Strengths:

- The Company has a large installed capacity to meet the demand at any point of time.

- The company is among the few companies in India offering different types of flexible packaging solutions to suit the requirements of the customers. This enables customers to reduce the number of vendors which is in line with the present trend.
- Technically qualified and well experienced promoters.
- Well equipped manufacturing facilities.
- Past track record of successful operation.
- The company has a well planned marketing network and a good clientele base of about 2000 clients, with continuous and repeat orders.

Weaknesses:

- The Company caters to a very large customer base. This increases the selling costs. Since each order value is small, the production costs and inventory levels are higher.
- The Company has to face competition from the existing large companies and also from imports.

Opportunities:

- The products of the company find major application in FMCG, Pharmaceuticals and Dairy industry, which have attractive growth prospects.
- Opening up of retail sector has increased the packaging requirement.
- Manufacturers all over the world are trying to increase the shelf life of their products. This has resulted in the demand for the speciality packaging material.

Threats:

- Political decisions: The raw materials used are all plastics which are not bio degradable. In case of policies to restrict the use and manufacture of plastics, the company would be adversely affected.
- Technological developments: Any future developments of new packaging materials like bio plastics etc may replace the use of plastics and affect the performance of the company.

Mitigating factors:

The Company is in the process of analyzing its product/market matrix and intends to concentrate on big ticket orders in order to reduce costs and increase profitability. The multi product multi technology situation enables the company to win over the competition. The tax concessions are also expected to aid the company in pricing its products competitively.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

1. Company's philosophy on code of Governance

Corporate Governance is concerned with creation of long-term value for shareholders while at the same time balancing interests of other stakeholders, viz. Employees, Creditors, Government and the Society, at large. Corporate Governance is crucial to the very existence of a company as it builds confidence and trust.

The Company is committed for good Corporate Governance i.e., to achieve business excellence and add shareholders value following desired disclosure practices and sound decision-making achieved through harmonious interactions amongst the Board of Directors, its Committees and Senior Managements. Transparency is the key guiding principle for all decisions, transactions and policy matters.

2. Board of Directors

• Composition of the Board:

The Board of Directors consists of 8 Directors out of which Two (2) are Executive Directors, Six (6) are Non Executive Directors including Four (4) Independent Directors. The Chairman of the Company is Non Executive Promoter Director.

All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies. The composition of the Board and changes therein since the last Annual report, category of the Directors and their attendance at the Board Meetings and the last Annual General Meeting, number of their Directorships in other companies incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies) are given below:

Name of Director	Category of Directorship #	No. of Board Mtgs. Attended	Attendance at the last AGM	Directorship in other Companies Incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies)	No. of specified Committees (Other than RMCL) in which Chairman / Member \$		No. of Equity Shares held
					Chairman	Member	
Mr. Anil J. Agrawal	Chairman-N.E.D.	10	No	Radha Madhav Research and Trade Ltd	Nil	Nil	2107471
Mr. Mitesh A. Agrawal	M.D.	10	Yes	Radha Madhav Research and Trade Ltd	Nil	Nil	2555535
Mr. Abhishek A. Agrawal	Jt. M.D.	10	Yes	Radha Madhav Research and Trade Ltd	Nil	Nil	2474275
Mr. Kanubhai Patel	N.E.D.	10	Yes	—	Nil	Nil	138692
Mr. Binod Kumar Paliwal	I & N.E.D.	4	No	Sachin Infra – Environmental Ltd.	Nil	Nil	2500
Mr. S.P. Aggrawal @	I & N.E.D.	0	No	Nil	Nil	Nil	Nil
Mr. Serge A Lapointe	I & N.E.D.	0	No	Nil	Nil	Nil	Nil
Mr. Radhey Krishna Mishra	I & N.E.D.	10	Yes	Nil	Nil	Nil	Nil
Mr. Rajiv Prasankumar Nanavati	I & N.E.D.	10	No	Nil	Nil	Nil	Nil

I – Independent Director, N.E.D. – Non-Executive Director, M.D. – Managing Director, E.D. – Executive Director.

\$ As required by the existing Clause 49 of the Listing Agreements entered into with the Stock Exchanges, only Membership/Chairmanship of the Audit Committee and Investors Grievance Committee of public companies have been considered.

@ Resigned as a Director w.e.f 7.2.2011

• **Number of Board Meetings held during the year along with the dates:**

During the year 2010-2011, 10 Board Meetings were held as follows:-

April 2010 to June 2010	July 2010 to Sept. 2011	Oct. 2010 to Dec. 2011	Jan. 2011 to March 2011
01.05.2010	12.08.2010	28.10.2010	07.02.2011
28.05.2010	13.09.2010	02.11.2010	24.02.2011
19.06.2010	—	—	21.03.2011

• **Information placed before the Board of Directors**

To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board as per the Agenda Papers in advance of the Board Meetings.

In addition to matters statutorily required to be placed before the Board of Directors for its approval, all major decisions regarding resource mobilisation, capital expenditure, etc., are considered by the Board. Following informations are regularly put up before the Board for its consideration and approval:

- Strategic plan and direction of the Company;
- Annual Business Plan, Sales Budget;
- Quarterly financial Results of the Company;
- Minutes of the meetings of Audit Committee, Shareholders and Investors Grievance Committee of the Board;
- Matters related to significant environmental issues, accidents, if any, etc.;
- Material information from Government bodies, which may have implications on the business of the Company, if any;
- Information on material transactions, which are not in the ordinary course of business;
- Disclosure of material transactions with potential conflict of interest, if any; and
- Compliance with various listing and statutory requirements.

Code of Conduct:

The Company has laid down the code of conduct for all Board members and senior Management personnel of the Company. Requisite annual

affirmations of compliance with the respective codes have been made by the Directors and Senior Management personnel of the Company. The copy of code of conduct is available on the web site of the Company. The Declaration signed by the Managing Director and CEO is given below.

3. Audit Committee

The Board of Directors constituted an Audit Committee as per the existing clause 49 of the Listing Agreements entered into with the Stock Exchanges. Five (5) meetings of the Audit Committee were held during the year. The Present composition of the Audit Committee and their attendance at meetings are as follows:

Name	Designation	Category	Number of Meeting attended
Mr. Radhey Krishna Ram Payare Mishra	Chairman	I & N.E.D.	5
Mr. Binod Kumar Paliwal	Member	I & N.E.D.	4
Mr. Kanubhai Patel	Member	I & N.E.D.	5
Mr. Rajiv Prasankumar Nanavaty	Member	I & N.E.D.	5

The Managing Director & CEO and Head of Accounts CFO are permanent invitees to the Audit Committee Meetings. The Statutory Auditor is also invited to attend the Audit Committee Meetings, as and when required.

The Company Secretary was present at all the meetings of the Audit Committee.

The Minutes of the Audit Committee Meetings were noted by the Board of Directors at the Board Meetings.

The Chairman of the Audit Committee was present at the 6th Annual General Meeting held on 25th September, 2010.

The powers and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchanges and the Section 292A of the Companies Act, 1956. The salient features of powers and role of the Audit Committee are:

Terms of reference:

The Terms of reference of the Audit committee, broadly are as under: