



REI Six Ten Retail Limited



6TENTM

Your Shop. Your Time

**4th
Annual Report
2010-2011**



CORPORATE INFORMATION

Board of Directors

Shri Sandip Jhunjhunwala
Managing Director

Shri A. Chatterjee
Director

Shri Manoj Mishra
Director

Dr. ING N.K. Gupta
Director

Shri K.D. Ghosh
Director

Company Secretary

Shri Subhash Kumar Burnwal

Statutory Auditor

P.K. Lilha & Co.
Chartered Accountants

Registered Office

“Everest House”
46 C, Chowringhee Road
15th Floor, Room No.-15B
Kolkata-700071

Corporate Office

58A/1, Sainik Farm
New Delhi-110062

Registrar & Transfer Agent

Maheshwari Datamatics Pvt. Ltd.
6, Mango Lane, 2nd Floor,
Kolkata-700001

DIRECTORS' REPORT

Dear Members

Your Directors have great pleasure in presenting the Fourth Board Report of the Company together with the audited statement of accounts for the financial year ended 31st March, 2011.

Summarised Financial Results:

(₹ in Lacs)

Particulars	2010-2011	2009-2010
Sales (Net)	71649.95	69089.84
Other Income	4.79	9.19
Total Income	71654.74	69099.03
Profit before Depreciation, Interest & Tax (PBDIT)	5267.49	4846.70
Less: Interest	7.38	6.56
Profit before Depreciation & Tax (PBDT)	5260.11	4840.14
Less: Depreciation	771.19	785.61
Profit before Tax (PBT)	4488.92	4054.53
Less:		
Provision for Current Taxation	1560.00	1430.00
Provision for Fringe Benefit Tax	-----	-----
Provision for Deferred Tax	(26.72)	(43.56)
Income Tax paid for earlier years	51.65	23.74
Profit after Tax (PAT)	2904.00	2644.35
Amount Available for Appropriation	3866.00	3498.00
Less: Proposed Dividend	291.40	287.27
Less: Corporate Dividend Tax	47.27	48.83
Add: Excess Provision for Dividend Tax	1.10	-----
Less: Transfer to General Reserves	2200.00	2200.00
Balance Carried to Balance Sheet	1328.33	961.90

Issue of Equity shares of the Company to Brand Equity Treaties Limited:

During the financial year under review, the Company has issued 20,66,970 equity shares of face value of ₹ 2/- each on 10th February, 2011, to Brand Equity Treaties Limited on preferential basis in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Business / Financial Performance:

We are pleased to inform you that your Company has recorded the sales and profit of ₹ 71649.95 Lakhs and ₹ 2904.00 Lakhs respectively during the financial year under review. However, sales for the year under review

were mere increase of ₹ 2560.12 Lakhs from preceding year sales of ₹ 69090 Lakhs but PAT for financial year 2010-11 was ₹ 2904 Lakhs which is higher by ₹ 259.64 Lakhs from preceding year profit of ₹ 2644 Lakhs. The increase in net profit in terms of percentage is 9.82%. It is the result of further reduction in personnel and administrative costs during the year under review. During the financial year under review, the Company has 169 franchised outlets across Delhi & NCR, Punjab, Jaipur, Kolkata, Nagpur, Ahmedabad and Baroda. The Company has also entered into tie up with small shopkeepers for sale of goods and articles of 6Ten by these shopkeepers and are called value stores. Small shopkeepers get certain percentage of commission on



sale of goods of the Company. The Company has already operating 297 value stores across Delhi, NCR and Punjab.

Overall, the Company has delivered a good performance in terms of financial, operations and strategy amidst competitive retail market.

Dividends:

The Board of Directors have recommended a final dividend @ ₹ 0.20/- per equity share (i.e., 10% of the face value of ₹ 2/-each) for the financial year ended 31st March, 2011. The total dividend outgo for the current year would amount to ₹ 338.69 lakhs inclusive of Dividend Distribution Tax of ₹ 47.28 lakhs.

Management Discussion and Analysis:

A report on management discussion and analysis is annexed hereto and forms part of this report.

Corporate Governance:

The Company has put in place the norms of Corporate Governance in compliance with the provisions of Clause 49 of the listing agreement. A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report. A certificate to that effect has been obtained from statutory auditors of the Company and is annexed to this report.

Environmental Aspects and Social Responsibility:

The Company is committed to improve all aspects of environment. We pay full attention to promote, improve and maintain our responsibility to the society for better socio economic condition.

Directors:

Shri A. Chatterjee and Shri Manoj Mishra, Directors of the Company shall retire by rotation and being eligible offer themselves for reappointment. A brief resume of the Director seeking re-appointment, their expertise etc. is given in the notice to the ensuing Annual General Meeting.

Auditors:

The statutory auditors of the Company M/s P.K. Lilha & Co., Chartered Accountants, Kolkata, retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment till the conclusion of the next Annual General Meeting. In terms of Section 224A of the Companies Act, 1956, their appointment needs to be approved by the members of the Company and their remuneration has to be fixed.

Auditors Report:

The Notes on Accounts referred to the Auditors' Report are self explanatory and do not call for any further comments.

Director's Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards read with requirement set out under Schedule VI to the Companies Act, 1956, have been followed along with the proper explanations relating to the material departures, if any.
- 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 financial results of the Company as at 31st March, 2011.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities.
- The Directors have prepared the annual accounts for the financial year ended 31st March, 2011 on a going concern basis.

Public Deposits:

The Company has neither invited nor accepted any Public Deposits during the year under review.

Particulars of Employees:

Particulars of employees as required to be furnished pursuant to Section 217(2A) of the Companies Act, 1956, read with the rules thereunder, form part of this report. However, as per the provision of Section 219(1)(b)(iv) of the Companies Act, 1956, the reports and accounts are being sent to all the shareholders of the Company excluding the statement of particulars of employees. Any Shareholder interested in obtaining a copy may write to the Company Secretary.

Conservation of Energy & Technology Absorption and Foreign Exchange Earnings and Outgo:

As the Company being in retail sector, the provisions



regarding giving details of conservation of energy is not applicable.

However there is no expenditure on Research & Development, Technology absorption, adoption & innovation during the current financial year.

Your Company does not have any exports initiatives to report to the members as the Company is fully concentrating on domestic market. There is no foreign exchange earnings and outgo.

Acknowledgment:

The Board would like to thank and also place on record

their sincere appreciation to all consumers, bankers, vendors and other stakeholders for their continued support during the year under review. Your Directors are quite optimistic for support to be extended by all in the years to come.

For and on behalf of the Board

Sd/-

Sandip Jhunjunwala

Chairman

Place: New Delhi

Date: May 30, 2011



MANAGEMENT DISCUSSION AND ANALYSIS

Business Environment and Growth of Retail Sector

The Indian Retail sector has emerged as most dynamic and fastest growing industries in India over the last couple of years but it is highly fragmented. The Retail sector in India has been segregated into unorganized and organized. The larger part of retail sector is unorganized which consists of small and medium grocery stores, medicine stores, subzi mandi, kirana stores etc. Unorganized retail sector is one of India's largest industries contributing to about 10% of the GDP and providing employment to 8% of country's work force. Organized retail is gradually becoming popular due to changing consumer preferences. Market liberalization and changing consumer behaviour have sown the seeds of a retail transformation in India.

Organised retail in India is expected to increase from 5 per cent of the total market in 2008 to 14-18 per cent and reach US\$ 450 billion by 2015, according to McKinsey & Company.

Driven by the growth of organised retail coupled with changing consumer habits, food retail sector in India is set to be more than double to US\$ 150 billion by 2025, according to a report by KPMG.

Mass grocery retail (MGR) sales in India are expected to undergo tremendous growth over the forecast period. Business Monitor International (BMI) predicts that sales through MGR outlets will increase by 218 per cent to reach US\$ 27.67 billion by 2015.

India has been ranked third most attractive nation for retail investment among 30 emerging markets for Foreign Direct Investment (FDI) destinations and second most favoured retail destination in the World. This has been backed by the wide acceptance of India as the second fastest growing economy and the fourth largest economy in PPP terms after USA, China & Japan.

Retail industry in India

In recent years, the Indian consumers have changed their preferences drastically and adapting modern formats overwhelmingly. Big corporates and private equity players are now making investment in the Indian retail sector. Foreign Investors are eagerly waiting for opening of Foreign Direct Investments (FDIs) in retail sector as FDIs are not allowed in multi brand retailing.

100 per cent FDIs is permitted under the automatic route for trading companies for cash & carry trading / wholesale trading. FDIs up to 51 per cent under the Government route is allowed in retail trade of Single Brand products, according to the Consolidated FDI Policy document.

The overall retail market is expected to grow from US\$262 billion to about US\$1065 billion by 2016, with organized retail at US\$165 billion (approximately 15.5% of total retail sales) as per outlook laid down by Investment Commission of India. It is expected that the retail sector will create 3.5 Mn job opportunities.

Indian food & grocery sector

Indian food industry has revolutionized shopping experience of Indian customers. Growing at the rate of 30%, the Indian food retail is going to be major driving force for the retail industry. Food accounts for the largest share of consumer spending. The Indian food industry has been hailed by many as a sunshine industry of India. Food and grocery is the second-largest segment of the retail industry and the potential for new entrants in this segment is enormous, particularly in untapped markets like rural and semi-rural areas.

The Indian retail industry is one of the most attractive in the world for various reasons though the Indian retail market is the fifth largest in the world, a major part of it is unorganized compared to the developed world. This is particularly true of the food and grocery segment, the sixth largest in the world and is likely to grow fourfold by 2025. The unorganized segment still constitutes 99 per cent of the total food and grocery market, and is characterized by the traditional mom-and-pop kirana stores.

Food and grocery retail comprises 70 per cent of the total retail sales. Notwithstanding its growth, India's share in the exports of processed food in global trade is meager 1.5%; while the size of the global processed-food market is

around US\$ 3.2 trillion. This indicates that both investors and exporters are yet to cash in from the Indian food and processing industry.

Road Ahead- Industry's Growth Drivers

The Retail industry in India has gone through several stages since the advent of modern retail six years ago. The Changes in country's social structure like young working population, nuclear families in urban areas, increasing working-women population, brand profusion, and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in the country. Other equally important growth drivers are Improving Demographics, Rising per capita income and rising consumerism.

Young Working Population: With the largest young generation population in the world - over 890 million people below 45 years of age, India is indeed a resplendent market. Its 300 million odd middle class, the "Real" consumers, catches the eye of the world. As the economy grows so does India's middle class.

Rise in Nuclear Families: The per capita consumption increases in case of a nuclear family. During the last few years in India, nuclear family as a percentage of total household population has increased. The average household size has reduced to 5.36 in 2001 from 5.57 in 1991 and is expected to decline further to 5.02 by 2011. This would further increase the consumption and in turn, the retail industry.

Brand Profusion: Consumerism and increased brand conscientiousness has led to increased number of brands today. Today every product is branded. There is presence of almost all kinds of global brands in the present market situation. The launches of more and more brands into the market increased the demand of shelf space and hence demand for retail outlets. The young population is conscious of branded and quality product.

Improving Demographics: India is currently the second largest country as well as the youngest with the population estimated at 1.20 billion, growing at 1.8% annually. Currently, the urban population comprises 28% of the aggregate Indian population, growing at 2.77% and is expected to rise to 40% by the year 2020 (Source: Vision 2020 document), with much of the growth concentrated in or around 60 to 70 large Indian cities with over one million population each. This results into a rising demand for cereals.

Rising per capita income: India is the fifth largest country in purchasing power parity and the tenth largest in sheer quantum terms. In the year 2008-09, India's per capita income is estimated to be more than USD 653.13 and is expected to rise to USD 2000 by the year 2016-17 and USD 4000 by the year 2025 (Source: CSO). The average household disposable income would reach Rs. 3,18,869 by year 2025 at a CAGR of 5.3%, resulting in an increased demand for basmati. The average Indian is earning higher than ever before. The estimated cumulative liquid wealth of the Indian affluent class is poised to grow at 50% over the next three years.

Higher Growth in Urban and Sub-Urban Population: Over the last 10 years (1990-2000), urbanization has increased at a rate of 2.7 percent. Around urban centres, huge sub-urban agglomerates are developing and expanding at a huge scale. This trend is expected to continue and urbanization is likely to grow at 2.4 percent between 2000 and 2015. Over the next 10 years, growth in organized retailing is likely to be concentrated in urban and semi-urban areas.

Rising Consumerism: India is expected to graduate from the 12th largest in the year 2007 to the World's fifth largest by the year 2025 among consumer markets. There is subtle shift occurring in the Indian spending habit. Expenditure in life style and premium goods, rather than spending on necessities, is projected to account for 70% of all consumers spending by the year 2025. By 2025, urban consumers are likely to represent 37% of the population and still account for 62% of consumption.

REI Six Ten's Business Strategy:

Indian Retail sector is fastest growing market and largely unorganized. It is necessary to understand consumer behaviour to tap the larger share in the market. REI Six Ten is mainly engaged in grocery and fruits & vegetables trade selling to its stores on franchise mode.

Wastage of fruits and vegetables generally occurs during supply and storage. REI Six Ten aspires to develop an efficient supply chain management to improve delay time in supply and distribution and reduce wastage of food including fruits and vegetables.



Consumer Relationship Management is one of the strategies involving consumer preferences, customer service, training employees to serve the customer. The Company is determined to improve employees performance by training and motivational program who can serve the customers without any hiccup as Competition in the market increases due to entry of various retail players.

The Company has already forayed into food & Grocery items under its brand “**6TEN**” offering great value for money on daily need products. “**6TEN**” products are aggressively delivering their promise of Comfort, competitive price and quality products.

The company has designed a new model as value store in the financial year 2010-11 to penetrate the market more efficiently that brought in a smart entrepreneurial approach for larger market share. Value Store signifies a tie up between the Company and Small Shopkeepers in the neighbourhood locality to buy food and grocery items from Master franchisee of the Company on cash basis and sells the same under the brand “**6TEN**”.

6TEN is a chain of small neighbourhood convenience stores on franchisee basis and value stores catering to the daily needs of the consumers. 6Ten is probably the only fully franchised and Value Store model in this space. The 6Ten model is unique and has evolved specifically for the Indian retail space and aims to address the needs of the Indian consumer.

6TEN stores are presently operating at various locations in Delhi & NCR, Punjab, Jaipur, Panchkula, Baddi, Ahemdabad, Baroda, Nagpur and Kolkata. The Company has now a stronger focus on its strengths i.e. procurement, branding, IT infrastructure requirements which is the key to success for the modern retail. The franchisee and small shopkeeper under value store as an entrepreneur has been able to connect with the customers in much better manner.

We are innovating new ideas to strengthen supply chain management to avoid delay time on supply and distribution along with cutting operational overheads to increase profitability without compromising with operational standards under this model. REI Six Ten is one of the few zero debt companies operating in its space and has developed a strong and scalable business model.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a barometer to measure functioning of the corporates. It involves the manner to apply core principles of integrity, fairness, equity, transparency, accountability and commitment with values. In order to ensure and achieve high ethics and standards within corporate structure, it is necessary to follow greater transparency and accountability.

REI Six Ten Retail Ltd. continues to focus on its policies & practices along with its resources, strengths and strategies to implement and achieve highest standards of Corporate Governance in true spirit and in the overall interest of all its stakeholders.

The Company's board follows ethical standards and best practices of Corporate Governance and adheres to norms specified in Clause 49 of the Listing Agreement. The report containing the details of governance system at REI Six Ten Retail Limited is as under:

[A] COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed for adhering transparent policies and practices in the overall interest of stakeholders. We always endeavour to implement our

governance philosophy which rests on five basic tenets, viz., Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders, employees and customers as well as timely disclosure.

[B] BOARD COMPOSITION

The Board of Directors formulates strategies, policies and reviews its performance periodically in order to ensure achievement of its goal keeping in view of interest of all its stakeholders.

The Board of Directors comprises of five Directors, chaired by an Executive Director. Three of the Board members are Independent Directors. The composition of the Board of Directors during the year is in conformity with the Clause 49 of the Listing Agreement.

The details of composition of Board, other Directorship and Committee Chairmanship / Membership of the Members of the Board and their attendance at the Board Meeting and Annual General Meeting of the Company are as under : -

Name of the Director	Category	**No. of other Directorship	No. of Membership /Chairmanship of other Board Committees	Attendance at last AGM of the Company
Shri Sandip Jhunjunwala	Managing Director	2	Nil	Present
Shri A. Chatterjee	Independent Director	6	3	Present
Shri Manoj Mishra	Non-Executive Director	4	Nil	Absent
Shri K.D. Ghosh	Independent Director	1	3	Present
Dr. ING N.K. Gupta	Independent Director	3	3	Absent

** Excluding Directorship in Private Companies and Companies defined under section 25 of the Companies Act, 1956.



During the Financial Year ended 31st March 2011, Board Meetings were held on 04/05/2010, 29/05/2010, 30/07/2010, 26/08/2010, 11/11/2010, 25/11/2010, 20/12/2010 and 14/02/2011 respectively. The details of Board Meeting attended by directors are as under:

Name of Director	Board Meeting	
	Held	Attended
Shri Sandip Jhunjunwala	8	4
Shri A. Chatterjee	8	7
Shri Manoj Mishra	8	7
Dr ING N.K. Gupta	8	3
Shri K. D. Ghosh	8	1*

*Leave of absence was granted for not attending the board meeting.

[C] AUDIT COMMITTEE

The Audit Committee of the company comprises of three Independent Directors. The Audit Committee met four times during the year under review on 29th May 2010, 30th July 2010, 11th November 2010 and 14th February 2011. The Company Secretary of the Company acts as a Secretary to the Committee.

The Audit Committee of the Company assists the board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirements. The committee oversees the company's accounting and financial reporting process; recommending the Board of Directors on the appointment, re-appointment and fixation of remuneration of the Statutory Auditors and internal auditors; reviewing the management's annual and quarterly financial statement before submission to the Board for approval; reviewing the management discussion and analysis of financial condition and result of operations, Statement of related party transactions, Internal audit report relating to internal control weaknesses and discussion with the statutory Auditors about the nature and scope of audit.

The constitution and particulars of meetings attended by

members of the Committees during the year ended 31st March, 2011 are given below:

Sl. No	Name of the Director	Status	No. of meetings attended
1.	Shri Asoke Chatterjee	Chairman	4
2.	Dr. ING Narpinder Kumar Gupta	Member	3
3.	Shri Krishna Dayal Ghosh	Member	1

[D] REMUNERATION OF DIRECTORS:

The Details of Remuneration paid to Directors for the year ended 31st March, 2011 is as follows:

Name of the Director	Sitting Fees	Salary & Perquisites	Commis-ssion
Shri Sandip Jhunjunwala	6000	NIL	NIL
Shri Asoke Chatterjee	16500	NIL	NIL
Shri Manoj Mishra	10500	NIL	NIL
Dr. ING Narpinder Kumar Gupta	9000	NIL	NIL
Shri Krishna Dayal Ghosh	3000	NIL	NIL

The details of Equity Shares held by the Directors are as follows:

Name of the Director	No. of shares held	Nominal value of shares (₹)
Shri Sandip Jhunjhunwala	NIL	NIL
Shri Asoke Chatterjee	NIL	NIL
Shri Manoj Mishra	35000	70000
Dr. ING Narpinder Kumar Gupta	NIL	NIL
Shri Krishna Dayal Ghosh	NIL	NIL

[E] SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

Shareholders / Investors Grievance Committee comprises of Shri Krishna Dayal Ghosh (Chairman, Independent Director), Shri Asoke Chatterjee (Member, Independent Director) and Dr. ING Narpinder Kumar Gupta (Member, Independent Director). The Committee has to look into and redressal of complaints from shareholders and investors such as transfer of shares, non-receipt of shares, non-receipt of dividends, non-receipt of Balance Sheets, issue of duplicate shares etc. During the year, four meetings were held on 12th June 2010, 15th September 2010, 5th November 2010 and 18th March 2011 respectively.

[F] GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are as under:

VENUE	FINANCIAL YEAR	DATE & TIME
46C, CHOWRINGHEE ROAD, EVEREST HOUSE, 15TH FLOOR, ROOM NO. 15B, KOLKATA-700071	2007-08	29th September, 2008 10:30 A.M.
INSTITUTION OF ENGINEERS (INDIA), SIR R. N. MUKHERJEE HALL, 8, GOKHALE ROAD, KOLKATA 700 020	2008-09	23rd September, 2009 11:30 A.M.
SANGIT KALA MANDIR TRUST, KALA KUNJ, 48, SHAKESPEARE SARANI, KOLKATA - 700 017	2009-10	27th September, 2010 3.30 P.M.

During the last three financial years the Company has passed the following special resolution in its AGM / EGM

Name and Designation of Compliance Officer (Contact Person):

Mr. Subhash Kumar Burnwal, Company Secretary
Address: Everest House, 46C, Chowringhee Road, 15th Floor, R. No.15B, Kolkata-700001 (West Bengal)
E mail id: cosec@reisixten.in
Investor Grievance Email id:
cosec@reisixten.in

Share Transfer Committee and Share Transfer System

The Board of Directors of the company has constituted a Share Transfer Committee. The committee comprises of Mr. Krishna Dayal Ghosh (Chairman, Independent Director), Mr. Asoke Chatterjee (Member, Independent Director) and Dr. ING Narpinder Kumar Gupta (Member, Independent Director). Shareholders can also address their request for share transfer and duplicate share certificate to Company's RTA at the below mentioned address.

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, Kolkata-700 001.
Phone no.: 033-22482248, 22435029/5089
Fax : 033-22484787

During the year, four meetings of Share Transfer Committee were held on 31st May 2010, 12th August 2010, 7th October 2010 and 23rd February 2011 respectively.



Date of Resolution	General Meeting	Subject matter of resolutions
6th September, 2008	Extra Ordinary General Meeting	Alteration in Articles of Association as per listing agreement
13th September, 2008	Extra Ordinary General Meeting	Increase in Authorised capital from ₹ 7,05,00,000/- divided into 70,50,000 equity shares of ₹ 10/- each to ₹ 35,69,00,000/- divided into 3,56,90,000 (Three Crore Fifty Six Lacs and Ninety Thousand Only) of ₹ 10/- each .
13th September, 2008	Extra Ordinary General Meeting	Appointment of Shri Sandip Jhunjunwala as Managing Director of the Company
23rd September, 2009	Annual General Meeting	Increase in authorised capital from ₹ 35,69,00,000 divided into 3,56,90,000 (Three Crores Fifty Six Lacs and Ninety Thousand Only) equity shares of ₹ 10/- each to ₹ 50,00,00,000 divided into 5,00,00,000 equity shares of ₹ 10/- each
23rd September, 2009	Annual General Meeting	Sub-division of one equity share of ₹ 10/- each to five equity shares of ₹ 2/- each
23rd September, 2009	Annual General Meeting	Issue of Debentures upto ₹ 100 Crore on preferential basis
11th November, 2009	Extra Ordinary General Meeting	Issue of Debentures / Share Warrants up to ₹ 100 Crore on preferential basis
27th September, 2010	Annual General Meeting	Ratification of list of allottees along with their pre-post shareholdings i.e., numbers and percentage and post issue shareholding pattern of the company
27th September, 2010	Annual General Meeting	Approval for raising funds by issue of rights shares, Convertible Securities, Depository Receipts, placement to Qualified Institutional Buyers (QIBs) or any other securities upto USD 200 Million.
13th January, 2011	Extra Ordinary General Meeting	Issue of equity shares on preferential basis up to ₹ 20 Crore

No Special Resolution has been passed through Postal Ballot during the previous years.

[G] DISCLOSURES

(i) Related Party Transactions

During the year under review, there were no transactions of a material nature with the directors or the management or with the Company's subsidiary or relatives of the directors that could have potential conflict with the interests of the Company.

(ii) Accounting Treatment

During the year under review, the Company has, while preparing the Financial Statements, followed the Accounting Standard so as to give true and fair view of the profits and / or losses of the company.

(iii) Compliance by the Company

The Company has complied with all the provisions of the

Listing Agreement including Clause 49, SEBI notification and other matters related to Capital Market and there is no instance of non-compliance by the Company. Further, no penalty, fine or strictures have been imposed on the Company by the SEBI, Stock Exchange (s) or any other statutory authorities.

(iv) Whistle Blower Policy:

The Company has not put in place the Whistle Blower Policy as yet. However, during the year under review, no employee has been denied access to the audit Committee or the Management to report any kind of irregularity in the Company's functioning.

(v) Code of Conduct

The Board of Directors has adopted a Model Code of

Conduct for its Directors and senior management / functional heads as required under Clause 49 of Listing Agreement. The Company has received affirmation from all the Board members and senior management personnel as to compliance with the Code of Conduct. A declaration to this effect signed by Managing Director is annexed and forms part of this Report.

(vi) Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed.

[H] MEANS OF COMMUNICATION

The Company timely informs its investors and statutory authorities of all the price sensitive and critical information. Quarterly Results are sent to the Stock Exchanges on regular and timely basis and are also published in leading English Newspapers as well as Regional language Newspapers of the State where the Company is registered. All the key information provided to the Stock Exchanges are regularly published in the newspapers.

The shareholders are provided with the necessary information with notices sent to them for the Annual General Meeting / Extra Ordinary General Meeting. Any other information sought by shareholders is being provided on request. As per the requirement of Clause 47(f) of the Listing Agreement, the Company has notified e-mail id (cosec@reisixten.in) for the purpose of investor grievance and other investors' queries.

[I] GENERAL SHAREHOLDER'S INFORMATION

(i) AGM Details

Date & Time	Thursday, 29th September, 2011 1:00 P.M.
Venue	Mini Auditorium, Science City, J.B.S Haldane Avenue, Kolkata - 700 046
Book Closure Date	26th September, 2011 to 29th September, 2011 (both days inclusive)

(ii) Registrar & Share Transfer Agents (RTA)

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata-700 001.
Phone no. : 033-22482248, 22435029/5089
Fax : 033-22484787

(iii) Dividend

Pursuant to provisions of section 205A read with section 205C of the Companies Act, 1956, a dividend remains unpaid / unclaimed for a period of seven years from the date of its transfer to unclaimed dividend account of the Company, the same shall be transferred to "Investor Education & Protection Fund" established by the Central Government. Unpaid / Unclaimed dividend lying in the special bank account once transferred to "Investor Education & Protection Fund" cannot be claimed by the shareholder as he loses his right over it. Therefore, members are requested to claim their dividend within due period, if any.

(iv) Financial Calendar

The financial year of the Company starts from 1st April of the year and ends on 31st March of the following year.

For the year ending March 31, 2012, results will be announced on or before (Tentative)

August 13, 2011 : First Quarter

November 14, 2011 : Second Quarter and Half yearly

February 14, 2012 : Third Quarter

May 30, 2012 : Fourth Quarter and
Annual audited

(v) Listing at Stock Exchanges

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The Company has paid the listing fees to BSE & NSE.

Scrip Code

BSE Code: 533065

NSE Code: REISIXTEN

**(vi) Market Price Data**

The Monthly High and Low prices of Equity Shares in Bombay Stock Exchange Limited and National Stock Exchange of India Limited during the financial year 2010-11 are as follows:

Month	BSE		NSE	
	High Price (Rs.)	Low Price (Rs.)	High Price (Rs.)	Low Price (Rs.)
April'10	94	75	91.9	76.2
May'10	83.9	53.5	82.45	52.7
June'10	65	53.5	64.3	52
July'10	67.8	54.1	67.65	53
August'10	100.65	58	101	58
September'10	91	76	90.55	75.1
October'10	82.5	68.6	82.35	68.1
November'10	104.5	64.5	104.6	63.95
December'10	78.8	56	78.6	57.5
January'11	72.95	51.1	72.9	56.3
February'11	60.4	44	61.5	42
March'11	57	43.25	56.5	43.5

(vii) Performance in Comparison to stock indices-

A chart showing the performance of equity shares of the Company in comparison to BSE (Sensex) and also with NSE (Nifty) during the year ended on March 31, 2011 is given as under.

Chart 1: Both BSE (Sensex) and REI Six Ten share prices are indexed to 100 based on closing prices of April, 2010

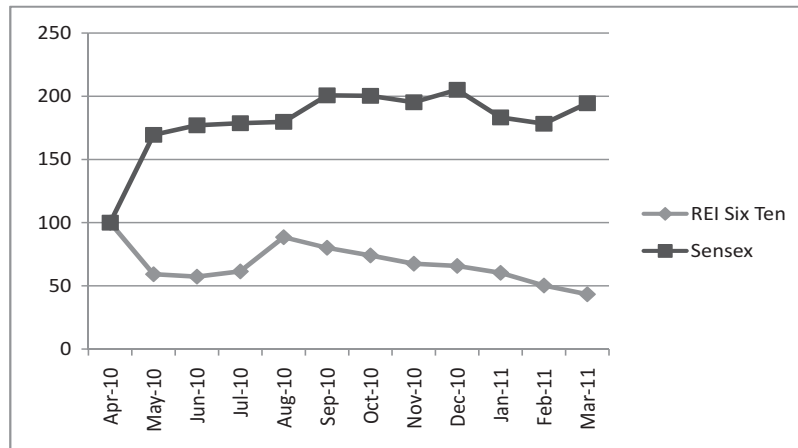
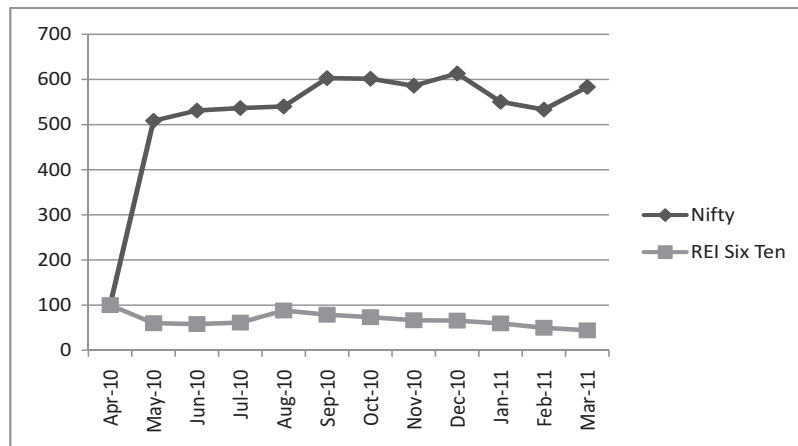


Chart 2: Both NSE (Nifty) and REI Six Ten share prices are indexed to 100 based on closing prices of April, 2010



viii) Distribution of Shareholding

The Shareholding distribution of equity shares as on 31st March, 2011 is given below:

Sl. No	No. of Equity Shares held	No. of Shares	Percentage of Shareholding	No. of share holders	% of Share holders
1.	1 to 500	427471	0.29	3917	89.06
2.	501 to 1000	151446	0.10	195	4.43
3.	1001 to 2000	140292	0.10	100	2.27
4.	2001 to 3000	156494	0.11	66	1.50
5.	3001 to 4000	69300	0.05	20	0.45
6.	4001 to 5000	42356	0.03	9	0.20
7.	5001 to 10000	97355	0.07	13	0.30
8.	10001 & above	144618646	99.25	78	1.77
	Total	145703360	100.00	4398	100.00



(ix) Shareholding pattern of the Company as on 31st March, 2011

Category	Category of shareholders	Number of shareholders	Total Number of Shares	Number of shares held in dematerialized from	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of Shares (VIII)	As a % (IX)=(VIII)\ (IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	11	78428480	43428480	53.83	53.83	22606671	28.82
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (A)(1)	11	78428480	43428480	53.83	53.83	22606671	28.82
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	11	78428480	43428480	53.83	53.83	22606671	28.82
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0

Category	Category of shareholders	Number of shareholders	Total Number of Shares	Number of shares held in dematerialized from	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of Shares (VIII)	As a % (IX)=(VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	21	22707480	22707480	15.58	15.58	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (B)(1)	21	22707480	22707480	15.58	15.58	0	0
(2)	Non-institutions							
(a)	Bodies Corporate	242	24961168	24960943	17.13	17.13	0	0
(b)	Individuals -							
i.	Individual shareholders holding nominal share capital up to ₹ 1 lakh.	4052	1231857	882107	0.85	0.85	0	0
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8	15560492	15560492	10.68	10.68	0	0
(c)	Any Other							
	Non Resident Individuals	41	2805062	151862	1.93	1.93	0	0
	Trusts	1	45	45	0	0	0	0
	Clearing Member	22	8776	8776	0.01	0.01	0	0
	Sub-Total (B)(2)	4366	44567400	41564225	30.59	30.59	0	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)	4387	67274880	64271705	46.17	46.17	0	0
	TOTAL (A)+(B)	4398	145703360	107700185	100.00	100.00	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	4398	145703360	107700185	100.00	100.00	22606671	15.52



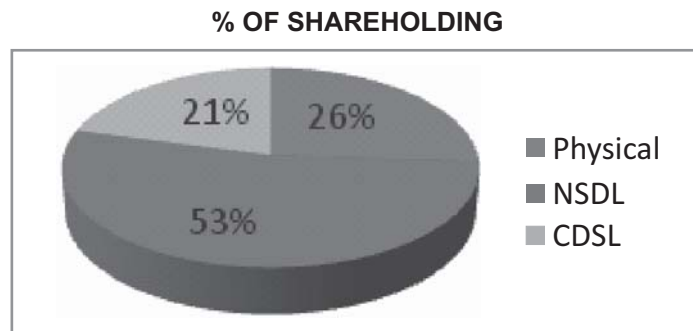
(x) Dematerialization of Shares and Liquidity:

The Shares of the company are compulsorily traded in dematerialized form and are available for trading under both the depository systems in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under depository system is INE849J01021.

NSDL / CDSL / Physical Summary Report as on March 31, 2011

Particulars	Holders	No. of Shares	% of shareholding
Physical	67	38003175	26.08
NSDL	2917	77318808	53.07
CDSL	1414	30381377	20.85
Total	4398	145703360	100.00

The pictorial presentation of above data is as follows:



(xi) Conversion of Fully Convertible Debentures into Equity Shares:

During the previous year, we have informed you that your Company has issued 27,00,000 Fully Convertible Debentures (FCDs) of face value ₹100/- each comprising of 7,00,000 and 20,00,000 FCDs to HT Media Limited and to Writers & Publisher Pvt. Ltd. respectively for amount aggregating to ₹ 27 Crore (Rupees Twenty Seven Crore Only) on preferential basis, convertible into equity shares at applicable price as computed according to the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 have now been converted into 13,95,002 equity shares by way of allotment on 26th April, 2011 at a price of ₹ 193.548 per share having face value of ₹ 2/- each. 13,95,002 equity shares allotted on conversion of 27,00,000 FCDs have been listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

(xii) Outlet Locations:

The Company has 169 franchised outlets and 297 value stores across India in various states, namely Delhi & NCR, Rajasthan, Punjab, Maharashtra, West Bengal and Gujarat.

(xiii) Address for correspondence

Shareholders may address all their correspondence at the below mentioned address.

Registered Office:

“Everest House”, 46C, Chowringhee Road, 15th Floor R. No.15B, Kolkata-700071

Corporate Office:

58A/1, Sainik Farm, New Delhi-110062

Shareholders are hereby requested to notify immediately any changes in their address, bank mandate and nomination to the company.

Members holding shares in electronic form are requested to notify any changes in address and bank details, nominations etc. to the depository participants (DPs) with whom they are having account for effecting necessary updations / changes. Any intimation made to the Company without effecting the necessary updations /changes with the depository participants will not be considered.

For and on behalf of the Board

Sd/-
Sandip Jhunjunwala
Managing Director

Sd/-
Manoj Mishra
Director

Place: Kolkata
Date: August 12, 2011

ANNEXTURE TO REPORT ON CORPORATE GOVERNANCE

CEO's Certification as to Compliance with Code of Conduct

The Company had adopted a model Code of Conduct that has been made effective from date of listing. The said Code of Conduct is applicable and binding on the Directors and Senior Management Personnel/ Functional Heads of the Company. During the year under review, all the Directors and Senior Management Personnel/ Functional Heads of the Company have affirmed as to compliance with the said Code.

For and on behalf of the Board of Directors

Sandip Jhunjunwala
Managing Director

CORPORATE GOVERNANCE CERTIFICATE

On Compliance of Clause 49 of the Listing Agreement

To,
The Members
REI SIX TEN RETAIL LIMITED

We have examined the compliance of conditions of Corporate Governance by M/s REI SIX TEN RETAIL LIMITED ("the Company") for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit for 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 the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month as at 31st March, 2011 against the Company.

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

For P. K. Lilha & Co.
Chartered Accountants
(Regn. No.307008E)

Place: Kolkata
Date: August 12, 2011

(P. K. Lilha)
Partner
M. No. 11092



CEO CERTIFICATION

We, the undersigned do hereby certify to the Board that:

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d. We have indicated to the Auditors and the Audit committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Note: During the year under review, there have not been any significant changes in the accounting policies and also there are no instances of significant fraud which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date: August 12, 2011

Sandip Jhunjhunwala
Managing Director



FINANCIAL SECTION



AUDITORS' REPORT

To the Members of

REI SIX TEN RETAIL LIMITED

1. We have audited the attached Balance Sheet of REI SIX TEN RETAIL LIMITED as at 31st March 2011 and Profit & Loss Account and also the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Amendment Order 2004, issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such check as we considered appropriate and according to the information and explanation given to us we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph (3) above, 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - 1) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - 2) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
 - 3) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For P.K.LILHA & Co.
Chartered Accountants
(Regn. No. 307008E)

(CA P.K. LILHA)
Partner
M. No. 11092

Place: Kolkata
Date: May 30, 2011



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i) In respect of its Fixed Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets are being physically verified in the phased manner by the management in accordance with a program of verification covering all the fixed assets, which in our opinion provides for physical verification of all the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt within the books of accounts.
 - (c) The Company has not disposed off any substantial part of its fixed assets during the year and therefore do not effect the going concern status of the Company.
- ii) In respect of its Inventories:
- (a) As explained to us the Inventories have been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of Inventories as compared to the book records.
- iii) The Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, accordingly the provisions of other sub – clauses are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit no major weakness has been noticed in the internal control system in respect of these areas.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lacs have been entered during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other provisions of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules 1975 framed there under.
- vii) In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
- viii) The provisions of Clause (viii) of Paragraph 4 of the order regarding maintenance of Cost Records prescribed U/s 209(1)(d) of the Act are not applicable to the company.
- ix) (a) According to the records of the Company, undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Wealth Tax, Service Tax, Sales tax, and any other material statutory dues have been generally regularly deposited with the appropriate authorities during the year. As explained to us the Company did not have any dues on account of Investors Education and Protection Fund.
- (b) No undisputed amounts payable were outstanding at the year end, for a period of more than six months from the date they became payable.
- x) The Company has no accumulated losses as at the end of the year and it has not incurred cash losses during the current financial year.
- xi) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the company has not defaulted in the repayment of dues to any financial institution, or Bank, or debenture holders.



- xii) According to the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a Chit Fund/Nidhi/Mutual Benefit Fund/Society, therefore the provisions of Clause (xiii) of Paragraph 4 of the order are not applicable to the company.
- xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us there is no guarantee given by the company for loans taken by others from banks or financial institutions.
- xvi) The Company did not obtain any term loan during the year that were outstanding at the end of the year.
- xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that, during the year, short term funds have not been used to finance Long term investments.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The company has not issued any secured debentures during the year; hence the question of charge does not arise.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the year.

For P.K.LILHA & Co.
Chartered Accountants
(Regn. No. 307008E)

(CA P.K. LILHA)
Partner
M. No. 11092

Place: Kolkata
Date: May 30, 2011

Balance Sheet as at 31st March, 2011

(Amount in ₹)

Particulars	Schedules	As at 31.03.2011	Ast at 31.03.2010
SOURCES OF FUNDS			
SHARE CAPITAL	1	291,406,720	287,272,780
RESERVES & SURPLUS	2	922,710,856	520,309,618
SECURED LOAN	3	5,317,404	7,614,373
UNSECURED LOAN	4	270,000,000	270,000,000
DEFERRED TAX LIABILITY		35,242,367	37,914,757
TOTAL		1,524,677,347	1,123,111,528
APPLICATIONS OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	5	1,032,882,978	1,055,348,869
LESS: ACCUMULATED DEPRECIATION		272,126,554	204,021,916
NET BLOCK		760,756,424	851,326,953
CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	6	1,380,011,039	396,788,489
SUNDRY DEBTORS	7	2,130,653,972	937,034,748
CASH & BANK BALANCE	8	159,980,917	95,370,256
LOANS & ADVANCES	9	602,182,425	343,367,865
		4,272,828,353	1,772,561,358
LESS : CURRENT LIABILITIES & PROVISIONS	10		
LIABILITIES		3,318,033,678	1,323,273,755
PROVISIONS		191,603,532	178,615,688
		3,509,637,210	1,501,889,443
NET CURRENT ASSETS		763,191,143	270,671,915
MISCELLANEOUS EXPENDITURE	11	729,780	1,112,660
TOTAL		1,524,677,347	1,123,111,528
		-	
SIGNIFICANT ACCOUNTING POLICIES	20		
NOTES ON ACCOUNTS	21		

SIGNED FOR IDENTIFICATION
FOR P.K. LILHA & CO.
 CHARTERED ACCOUNTANTS

For and on behalf of Board

CA P.K.LILHA
 PARTNER
 M. NO.: 11092

Sandip
Jhunhunwala
 Managing Director

Manoj Mishra
 Director

Dr. ING N.K.Gupta
 Director

Subhash Kr. Burnwal
 Company Secretary

PLACE : Kolkata

DATED : May 30, 2011

**Profit and Loss Account** for the year ended 31st March 2011

(Amount in ₹)

Particulars	Schedules	As at 31.03.2011	As at 31.03.2010
INCOME			
SALES	12	7,164,995,082	6,908,984,128
OTHER INCOME	13	479,104	918,893
TOTAL		7,165,474,186	6,909,903,021
EXPENDITURE			
PURCHASE OF GOODS	14	7,391,182,366	5,315,326,249
(INCREASE) / DECREASE IN INVENTORY	15	(983,222,550)	578,896,011
PERSONNEL COST	16	43,193,665	112,292,934
ADMINISTRATIVE, SELLING & OTHER EXPENSES	17	187,571,494	369,729,166
INTEREST	18	737,748	656,108
DEPRECIATION		77,118,991	78,561,026
IMPAIRMENT LOSS		-	48,988,000
TOTAL		6,716,581,714	6,504,449,494
PROFIT/ (LOSS) BEFORE TAXATION		448,892,472	405,453,527
PROVISION FOR INCOME TAX		156,000,000	143,000,000
PROVISION FOR DEFERRED TAX		(2,672,390)	(4,355,558)
INCOME TAX PAYMENT FOR EARLIER YEARS		5,164,922	2,373,862
PROFIT/ (LOSS) AFTER TAXATION		290,399,940	264,435,223
ADD- BALANCE BROUGHT FORWARD		96,190,438	85,364,694
AMOUNT AVAILABLE FOR APPROPRIATION		386,590,378	349,799,917
LESS: PROPOSED DIVIDEND		29,140,672	28,727,278
LESS: DIVIDEND TAX		4,727,346	4,882,201
ADD: EXCESS PROVISION FOR DIVIDEND TAX		110,959	-
LESS: TRANSFER TO GENERAL RESERVE		220,000,000	220,000,000
BALANCE CARRIED TO THE BALANCE SHEET		132,833,319	96,190,438
EARNING PER SHARE	19		
~ BASIC		2.02	1.84
~ DILUTED		2.00	1.84
SIGNIFICANT ACCOUNTING POLICIES	20		
NOTES ON ACCOUNTS	21		

SIGNED FOR IDENTIFICATION
FOR P.K. LILHA & CO.
 CHARTERED ACCOUNTANTS

For and on behalf of Board

CA P.K.LILHA
 PARTNER
 M. NO.: 11092

Sandip
Jhunjhunwala
 Managing Director

Manoj Mishra
 Director

Dr. ING N.K.Gupta
 Director

Subhash Kr. Burnwal
 Company Secretary

PLACE : Kolkata

DATED : May 30, 2011

Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

	2010-2011	2009-2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit for the year before Income Tax	448,892,472	405,453,527
Adjustments:		
Depreciation	77,118,991	78,561,026
Impairment Loss	-	48,988,000
Preliminary Expenses W/o	382,880	382,880
Interest expense	737,748	656,108
Interest Income	(479,104)	(99,054)
Loss on sale of Fixed Assets	12,631,605	2,934,324
Operating profit before changes in working capital	539,284,592	536,876,811
Changes in:		
Decrease/ (increase) in inventories	(983,222,550)	579,432,491
Decrease/ (increase) in trade & other receivables	(1,193,619,224)	(318,669,981)
Decrease/ (increase) in loan & advances	(229,457,551)	(148,396,659)
Increase/(Decrease) in trade and other payables	1,994,489,228	(707,544,208)
Cash generated from operations	127,474,495	(58,301,547)
Income Tax / FBT Paid	(177,521,930)	(151,261,000)
Net Cash from Operating Activities (A)	(50,047,435)	(209,562,547)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Transfer	(3,929,036)	(18,200,752)
Sale of Fixed Assets	4,748,968	2,016,536
Interest Income	479,104	99,054
Net Cash from investing activities (B)	1,299,036	(16,085,162)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	149,892,297	-
Proceeds from Vehicle Loans	(2,296,969)	2,596,523
Proceeds from Fully Convertible Debentures	-	270,000,000
Interest on Loan	(737,748)	(656,108)
Dividend & Dividend Tax Paid	(33,498,520)	(33,609,479)
Net Cash from financing activities (C)	113,359,060	238,330,936
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	64,610,661	12,683,227
CASH AND CASH EQUIVALENTS (Opening Balance)	95,370,256	82,687,029
CASH AND CASH EQUIVALENTS (Closing Balance)	159,980,917	95,370,256

Notes:

- 1) The above Cash Flow Statement has been prepared using the Indirect Methods set out in Accounting Standard (AS - 3) on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- 2) Figures in Bracket indicate Cash outflows
- 3) Previous Year's figures have been reclassified to conform with current year's presentation.

In terms of our attached report of even date
For and on behalf of Board
FOR P.K.LILHA & CO.

CHARTERED ACCOUNTANTS

Firm No. 307008E

CA P.K.LILHA

PARTNER

M. NO.: 11092

Sandip
Jhunhunwala

Managing Director

Manoj Mishra

Director

Dr. ING N.K.Gupta

Director

Subhash Kr. Burnwal

Company Secretary

PLACE : Kolkata

DATED : May 30, 2011

**Schedules Forming Part of Balance Sheet**

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
25,00,00,000(25,00,00,000) Equity Shares of Rs.2/- each fully paid up	500,000,000	500,000,000
	500,000,000	500,000,000
ISSUED, SUBSCRIBED AND PAID UP		
14,57,03,360 (14,36,36,390) Equity Shares of Rs.2/- each fully paid up	291,406,720	287,272,780
Of the above :-		
a) 10,83,86,390 Equity shares of Rs.2/-each were allotted to the shareholders of REI Agro Ltd for consideration other than cash		
b) 20,66,970 Equity Shares of Rs. 2/- each were issued on Preferential basis in cash		
	291,406,720	287,272,780
SCHEDULE - 2		
RESERVES & SURPLUS		
Securities Premium Account		
As per last account	-	-
Add: On Equity Shares Issued during the year at a premium of Rs 70.57 each	145,866,073	-
Less: Share Issue Expenses	(107,716)	-
	145,758,357	-
General Reserve		
As per last account	424,119,180	204,119,180
Add: Transfer from Profit and Loss Account	220,000,000	220,000,000
	644,119,180	424,119,180
Surplus		
As per Annexed Profit and Loss Account	132,833,319	96,190,438
	922,710,856	520,309,618
SCHEDULE - 3		
SECURED LOAN		
<u>Vehicles Loans</u>		
From Banks	5,317,404	7,614,373
(Secured against hypothecation of vehicles)		
Amount due within one year Rs. 29.82 Lacs		
(Previous Year Rs 34.46)		
	5,317,404	7,614,373
SCHEDULE - 4		
UNSECURED LOAN		
Zero % Fully Convertible Debentures	270,000,000	270,000,000
(Refer Note No.2 of Schedule 21)		
	270,000,000	270,000,000

Schedules Forming Part of Balance Sheet

SCHEDULE - 5

FIXED ASSETS

PARTICULARS	RATE	Gross Block				Depreciation				Net Block		
		AS ON 01.04.2010	SINCE ADDED	DEDUCTIONS	AS ON 31.03.2011	As On 01.04.2010	FOR THE YEAR	IMPAIRMENT LOSS	DEDUCTIONS	As On 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
TANGIBLE ASSET												
COMPUTER & ACCESSORIES	16.21%	129,334,677	175,500	13,442,505	116,067,672	44,364,367	19,004,209	-	6,661,791	56,706,785	59,360,887	86,893,986
PLANT & MACHINERY	5.28%	46,945,159	-	3,722,575	43,222,584	6,122,634	2,287,537	-	570,150	7,840,021	35,382,563	40,822,525
OFFICE EQUIPMENTS	4.75%	35,839,038	139,950	2,142,406	33,836,582	3,490,797	1,629,877	-	324,997	4,795,677	29,040,905	32,348,241
FURNITURES & FIXTURES	6.33%	825,711,672	-	7,087,441	818,624,231	147,666,722	51,930,764	-	1,457,415	198,140,071	620,484,160	678,044,950
VEHICLES	9.50%	15,593,793	1,760,546	-	17,354,339	2,376,542	1,623,460	-	-	4,000,002	13,354,337	13,217,251
INTANGIBLE ASSET												
COMPUTER SOFTWARE	33.33%	1,924,530	1,853,040	-	3,777,570	854	643,144	-	-	643,998	3,133,572	-
TOTAL		1,055,348,869	3,929,036	26,394,927	1,032,882,978	204,021,916	77,118,991	-	9,014,353	272,126,554	760,756,424	851,326,953
PREVIOUS YEAR FIGURES		1,042,762,999	18,200,752	5,614,882	1,055,348,869	77,136,913	78,561,026	48,988,000	664,023	204,021,915	851,326,953	

* Note : See Note 3 of Schedule 21

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 6		
INVENTORIES		
(As taken, valued & Certified by the Management)		
Traded Goods	1,380,011,039	396,788,489
	1,380,011,039	396,788,489
SCHEDULE - 7		
SUNDRY DEBTORS - UNSECURED		
1) Considered Good		
a) Debts outstanding for a period exceeding six months	55,505,023	2,879,158
b) Others debts	2,058,489,412	934,155,590
2) Considered Doubtful		
Debts outstanding for a period exceeding six months	33,659,537	-
Less: Provision for Doubtful Debts	(17,000,000)	-
	2,130,653,972	937,034,748
SCHEDULE - 8		
CASH & BANK BALANCES		
Cash in Hand (as certified)	1,419,440	1,344,611
BALANCE WITH SCHEDULED BANKS		
~ In Current Accounts	155,287,896	90,844,313
~ In Fixed Deposit Accounts	3,273,581	3,181,332
	159,980,917	95,370,256

**Schedules Forming Part of Balance Sheet**

(Amount in ₹)

Particulars	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 9		
LOANS & ADVANCES		
(Unsecured, Considered Good)		
Advances to suppliers & others	427,613,194	197,721,224
Vat receivable	2,168,674	-
Income Tax Payments	130,031,979	100,012,707
Income Tax Refundable	196,842	827,126
Deposits	41,519,049	44,561,102
Interest accrued but not due on Fixed Deposit	652,687	245,706
	602,182,425	343,367,865
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
Sundry Creditors		
For Goods supplied and Services	3,283,867,659	1,271,480,439
For Capital Expenditure	2,139,496	14,002,747
For Other Liability	2,813,257	3,435,903
For Security Deposits	29,213,266	34,354,666
	3,318,033,678	1,323,273,755
(B) PROVISIONS		
For Income Tax	156,000,000	143,000,000
For Gratuity & Leave Encashment	1,735,514	2,006,209
For Dividend	29,140,672	28,727,278
For Dividend Tax	4,727,346	4,882,201
	191,603,532	178,615,688
SCHEDULE - 11		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off and/or adjusted)		
Deferred Revenue Expenditure	1,040,700	1,387,600
Less: Written off	346,900	346,900
	693,800	1,040,700
Preliminary Expenses	71,960	107,940
Less: Written off	35,980	35,980
	35,980	71,960
Total	729,780	1,112,660

Schedules Forming Part of Balance Sheet

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE - 12		
SALES	7,164,995,082	6,908,984,128
	<u>7,164,995,082</u>	<u>6,908,984,128</u>
SCHEDULE - 13		
OTHER INCOME		
Interest on Fixed Deposits (TDS Rs 11286/-)	479,104	99,054
Miscellaneous Income	-	819,839
	<u>479,104</u>	<u>918,893</u>
SCHEDULE - 14		
PURCHASE OF GOODS (Indigeneous)		
~ Purchases	7,391,182,366	5,315,326,249
	<u>7,391,182,366</u>	<u>5,315,326,249</u>
SCHEDULE - 15		
(INCREASE) / DECREASE IN INVENTORY		
Opening Stock	396,788,489	975,684,500
Closing Stock	1,380,011,039	396,788,489
(Increase) / Decrease in Inventory	<u>(983,222,550)</u>	<u>578,896,011</u>
SCHEDULE - 16		
PERSONNEL COSTS		
~ Salary, Bonus, Allowances & Gratuity	41,333,766	103,356,921
~ Contribution to provident fund and other funds	957,952	6,743,264
~ Staff welfare	901,947	2,192,749
	<u>43,193,665</u>	<u>112,292,934</u>
SCHEDULE - 17		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
~ Rent & Minimum Guarantee	76,873,065	100,735,667
~ Packing Material Consumed	1,323,527	8,944,025
~ Security Charges	2,058,295	11,742,949
~ Electricity Expenses	2,508,293	26,751,051
~ Postage & Telephone	2,642,159	16,428,832
~ Printing & Stationery	689,648	2,477,540
~ Rates & Taxes	1,712,360	942,857
~ Insurance	466,244	180,910
~ Auditors' Remuneration	716,950	720,299
~ Repair & Maintenance		
a) Plant & Machinery (Generator etc)	354,062	458,307
b) Others	958,456	8,042,172
~ Travelling & Conveyance	4,594,022	10,432,942
~ Bank Charges	296,776	13,002,721
~ Legal & Professional Expenses	3,892,105	4,175,849
~ Sales Promotion	31,255,611	56,151,358
~ General Expenses	3,473,019	4,471,408
~ Brokerage & Commission	229,345	269,000
~ House Keeping Charges	173,247	661,747

**Schedules Forming Part of Balance Sheet**

(Amount in ₹)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
~ Director's Sitting Fees	45,000	51,000
~ Preliminary Expenses	382,880	382,880
~ Advertisement	23,294,825	98,953,081
~ Loss on sale of Fixed Assets	12,631,605	2,934,324
~ Debenture issue expenses	-	818,247
~ Provision for Doubtful Debt	17,000,000	
	187,571,494	369,729,166

SCHEDULE - 18**INTEREST**

~ Interest on Vehicles Loans	737,748	656,108
To Banks	737,748	656,108

SCHEDULE – 19**Earning Per Share:**

	As At 31.03.2011	As At 31.03.2010
Profit After Tax As Per Profit & Loss A/c	290,399,940	264,435,223

Total No. of Shares Are Calculated As Under:

	No. of Shares	Effective No. of Shares	Effective No. of Shares
1) No. of Equity Share As on Opening Date		143,636,390	143,636,390
2) No Of Share Allotted As on 10th February 2011 (2066970 Nos)		277,484	-
Total Weighted No. of Equity Shares (basic) (a)		143,913,874	143,636,390
Shares To Be Issued on 0% Fully Convertible Debentures (b)		1,395,002	355,439
Total Weighted No. of Equity Shares (diluted) (a+b)		145,308,876	143,991,829
Basic Earning Per Share		₹ 2.02	₹ 1.84
Diluted Earning Per Share		₹ 2.00	₹ 1.84

SCHEDULE - 20**SIGNIFICANT ACCOUNTING POLICIES:****1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting and comply with all mandatory accounting standards as specified in the Companies (Accounting Standard) Rules 2006 and the relevant provisions of Companies Act, 1956.

The preparation of financial statements is in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions, the Company may undertake in future, actual results ultimately may differ from the estimates.

2) FIXED ASSETS :

- Fixed Assets are recorded at cost of acquisition inclusive of freight, duty, taxes and incidental expenses related to acquisition.
- When assets are sold or discarded, their cost and accumulated depreciation are removed from fixed assets and any gain/loss resulting therefrom is reflected in profit & loss account.

3) INTANGIBLE ASSETS :

Acquired Intangible Assets represented Software is recorded at its acquisitions price and related expenses thereon is amortised over its estimated useful life on straight-line basis, commencing from the date, the asset is available for its use. The Management has estimated the useful life for such software as 3 {Three} Years. The useful life of the Assets shall be reviewed by the management at each Balance Sheet Date.

Schedules Forming Part of Balance Sheet

4) DEPRECIATION/AMORTISATION :

Depreciation on Fixed Assets has been provided as per Straight Line Method (SLM) at rates specified in Schedule XIV of the Companies Act, 1956.

5) INVENTORIES :

Inventories are valued at cost or net realizable value whichever is lower, less VAT where applicable .

6) REVENUE RECOGNITION:

- a) Sales are recognized when goods are supplied to customers and are recorded net of trade discounts, rebates, VAT etc.
- b) Other items of revenue are recognized in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/ realization of income, the same is accounted when it is measured with certainty.
- c) Interest on Fixed Deposits is booked on time proportion basis taking into account the amount invested and rate of interest.

7) IMPAIRMENT OF ASSETS:

The company tests on annual basis the carrying amount of the asset for impairment so as to determine -

- a) The provision for impairment loss if any, or
- b) The reversal, if any, required on account of impairment loss recognized in previous periods.

8) EMPLOYEE BENEFITS:

a) Short Term Employees Benefits:

The undiscounted amount of short term employee benefits, expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee remain under the service. This benefit includes salary, wages, short term compensatory absences and bonus.

b) Long Term Employee Benefits:

- i) Defined Contribution Scheme- This benefit includes contribution to Employee's State Insurance Corporation {ESI} and Provident Fund Contribution {PF} to the Regional Provident Fund Commissioner. These contributions are defined as an expense in the Profit & Loss account as and when such contributions are due.

- ii) Defined Benefit Scheme- For Gratuity and compensated leave-

The Company records its liability for Gratuity and compensated leave to its employees based on actuarial valuation as at the balance Sheet date, using the projected unit credit method. Effects of changes in actuarial valuations are immediately recognized in the Profit & Loss account. The retirement benefit obligation recognized in the balance sheet represents value of defined benefit obligation as reduced by the fair value of planned assets. Actuarial gains/losses are recognized in full during the year in which they occur.

9) TAXES ON INCOME:

- a) Current Tax is determined as the amount of tax payable as per Income Tax Act, 1961.
- b) Deferred Tax liability if any is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference in one year and are capable of reversal in one or more subsequent years.

10) PROPOSED DIVIDEND:

Dividend proposed by the Board of Directors is provided in the books of accounts pending approval at the Annual General Meeting.

11) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

- a) The Company creates a provision when there is present obligation as a result of past events that probably require an outflow of resources and a reliable estimate can be made of the amount of obligation.
- b) Contingent Liability is disclosed when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. But where the likelihood of the outflow of resources is remote, no disclosure is made.
- c) Contingent Assets are neither recognized nor disclosed in financial statements.

Schedules Forming Part of Balance Sheet

12) EARNING PER SHARE:

Basic earning per share is computed by dividing, the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earning per Share are computed after adjusting the effects of all dilutive potential equity shares.

SCHEDULE - 21

NOTES ON ACCOUNTS:

1) Fully Convertible Debentures :

The company has issued 27,00,000 , Zero % fully Convertible Debentures of Rs. 100/- each on Preferential basis to other than Promoters and is convertible into 13,95,002 Equity Share of ₹ 2/- each on conversion. The Equity Share of ₹ 2/-has been allotted as above at a price of ₹ 193.55 (Including Security Premium of ₹ 191.55) on 26th April 2011.

2) Disclosure under the Micro, Small & Medium Enterprises Development Act 2006:

Based on the information available with the company there are no dues payable to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act 2006.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

3) Disclosures pursuant to Accounting Standard-15 (Revised) 'Employees Benefits':

a) Defined Contribution Plans

In accordance with the Accounting Standard 15 on employee benefits issued by The Institute of Chartered Accountants of India, employer-established provident fund trust are treated as defined benefits plans.

b) Defined Benefit Plans

In keeping with the company Gratuity scheme (Defined Benefit Plan) eligible employees are entitled to gratuity benefits at one and half month's eligible salary for each completed year of service on Retirement / Death / Termination. Vesting occurs upon completion of 5 years of service subject to the payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the 'projected unit credit method'. Obligation for the leave encashment is recognized in the same manner as Gratuity. Following are the further particulars with respect to Gratuity & Leave Encashment.

Following are the further particulars with respect to Gratuity and Leave Encashment for the year:

		As at 31.03.2011 (₹ in Lacs)		As at 31.03.2010 (₹ in Lacs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
i)	Changes in Defined Benefit obligation				
	Present value of obligation at the beginning of the year	14.64	5.42	46.78	38.91
	Service Cost	6.97	0.26	8.35	0.19
	Interest Cost	1.23	0.26	2.46	1.77
	Actuarial (Gain)/Loss	(6.55)	(4.88)	(42.95)	(34.90)
	Benefit Paid	-	-	-	(0.55)
	Present Value of obligation at the end of the year	16.29	1.06	14.64	5.42
ii)	Change in Plan Assets				
	Plan Assets at the beginning of the year	-	-	-	-
	Actual return on plan Assets	-	-	-	-
	Contribution by the Company	-	-	-	0.55

Schedules Forming Part of Balance Sheet

		As at 31.03.2011 (₹ in Lacs)		As at 31.03.2010 (₹ in Lacs)	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Actual Benefits paid	-	-	-	(0.55)
	Actuarial (Gain)/ Loss	-	-	-	-
	Plan Asset at the end of year	-	-	-	-
iii)	Reconciliation of the present value of defined obligation and fair value of planned Assets				
	Present value of the obligation at the end of the year	16.29	1.06	14.64	5.42
	Fair value of plan Assets at the end of the year	-	-	-	-
	Liability / (Asset) recognized in the Balance Sheet	16.29	1.06	14.64	5.42
iv)	Expenses Charged to profit & Loss Account:				
	Current Service Cost	6.97	0.26	8.35	0.19
	Interest Cost	1.23	0.26	2.46	1.77
	Expected return on Plan Assets	-	-	-	-
	Actuarial (Gain) / Loss (See note below)	(6.55)	(4.88)	(42.95)	(34.90)
	Total Expenses charged / (to be charged) in Profit & Loss A/c on accrual (See note below)	1.65	(4.36)	(32.14)	(32.94)
v)	Actuarial Assumption				
	Discount rate Per Annum compound	8.00%	8.00%	8.00%	8.00%
	Rate of Increase in Salary	5.00%	5.00%	5.00%	5.00%
	Rate of Return on Plan Assets	0.00%	0.00%	0.00%	0.00%

The Principal assumptions used in the calculation are the (1) Discount Rate, (2) Salary increase. The Discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities and the salary increase take account of inflation, seniority, promotion and other relevant factors.

Note: - With the change in Company's policy gradually from own retail outlets to Franchise Outlets, number of employees has significantly varying resulting in change in Provision during the year for Gratuity and Leave Encashment ₹ 1.65 lacs and ₹ (-)4.36 lacs { Previous year ₹ (-)32.14 lacs and (-) ₹ 32.94 lacs respectively.

4) The company is engaged in Retail business which constitutes single business segment. The company's operation is only in India. In view of this Primary and Secondary reporting disclosures for business and geographical segment as envisaged in Accounting Standard - 17 issued by 'ICAI' are not applicable to the company.

**Schedules Forming Part of Balance Sheet****5) Auditors Remuneration includes:**

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
(a) For Statutory Audit Fees	6,50,000	6,50,000
(b) For Service Tax	66,950	68,071
(c) For Expenses	-	2,228
TOTAL	7,16,950	7,20,299

6) Deferred Taxation :

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
a) Deferred Tax Liabilities: - - On Depreciation	3,58,05,455	3,85,96,667
b) Deferred Tax Assets - On Gratuity & Leave Encashment	5,63,088	6,81,910
Net Liability	3,52,42,367	3,79,14,757

7) Related party disclosures:

In accordance with Accounting Standard 18 on Related Party Disclosure issued by the Institute of Chartered Accountants of India, are given below (where transaction exists):

(l) List of related parties:

a) Name of the Companies where control exists (either individually or with others)

- i. REI Agro Limited
- ii. Aspective Vanijya Pvt. Ltd.
- iii. Jagadhatri Tracon Pvt. Ltd.
- iv. REI Steel & Timber Pvt. Ltd.
- v. Snehpusph Barter Pvt. Ltd.
- vi. Shree Krishna Gyanodaya Flour Mills Pvt. Ltd.
- vii. Subhchintak Vancom Pvt Ltd.
- viii. Dr. ING N.K.Gupta Technical Consultants Pvt. Ltd.

b) Key Management Personnel: -

Mr. Sandip Jhunjunwala

Managing Director

c) Director's Relatives: -

- d) i. Mr. Kailash Chandra Jhunjunwala
- ii. Mrs. Koushalya Devi Jhunjunwala
- iii. Mr. Sanjay Jhunjunwala
- iv. Mrs. Sangita Jhunjunwala
- v. Mrs. Suruchi Jhunjunwala

Schedules Forming Part of Balance Sheet

(II) Transactions with Related party:

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
a) Purchase of Goods: - ~ REI Agro Ltd.	3,69,74,24,732	3,41,52,19,155
b) Amount payable ~ REI Agro Ltd.	3,24,62,48,594	1,22,85,10,192
c) Dividend paid during the year		
~ Control Exist	1,52,24,713	1,52,24,713
~ Key Management Personnel (KMP)	1,91,529	1,91,529
~ Relatives of KMP	2,45,101	2,45,101

b) Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.
A) Opening Stock / Purchase / Sales / Closing Stock

Particulars	As at 31.03.2011		As at 31.03.2010	
	Qty*	Amount (₹)	Qty*	Amount (₹)
Retail-Household Items				
i) Opening Stock		39,67,88,489		97,56,84,500
ii) Purchase		7,39,11,82,366		5,31,53,26,249
iii) Sales		7,16,49,95,082		6,90,89,84,128
iv) Closing Stock		1,38,00,11,039		39,67,88,489

* Since the Company is dealing in large number of household items, therefore quantitative information in respect of each item have not been possible.

(B) Expenditure in Foreign Currency

Amount (₹)

Particulars	As at 31.03.2011	As at 31.03.2010
Foreign Travelling	3,27,166	-

Previous year's figures have been regrouped/re-arranged wherever considered necessary.

Signature to Schedules 1 to 21
In terms of our attached report of even date
FOR P.K.LILHA & CO.
 CHARTERED ACCOUNTANTS
 Firm No. 307008E

For and on behalf of Board

CA P.K.LILHA
 PARTNER
 M. NO.: 11092

Sandip
Jhunhunwala
 Managing Director

Manoj Mishra
 Director

Dr. ING N.K.Gupta
 Director

Subhash Kr. Burnwal
 Company Secretary

PLACE : Kolkata

DATED : May 30, 2011



BALANCE SHEET ABSTRACT

Balance Sheet Abstract and Company's Business Profile

I. Registration Details

Registration No. State Code
 Balance Sheet Date

II. Capital Raised during the Year (₹ in Thousand)

Public Issue Right Issue
 Bonus Issue Private Placement

III Position of Mobilisation and Deployment of Funds (₹ in Thousand)

Total Liabilities	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="7"/>	Total Assets	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="7"/>
Sources of Funds		Application of Funds	
Paid-up Capital	<input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="7"/>	Net Fixed Assets	<input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="5"/>
Reserves & Surplus	<input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="1"/>	Net Current Assets	<input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/>
Secured Loans	<input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="7"/>	Investments	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Unsecured Loans	<input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Misc. Expenditure	<input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="0"/>
Deferred Tax	<input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="2"/>	Accumulated Losses	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

IV Performance of Company (₹ in Thousands)

Turnover	<input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="5"/>	Total Expenditure	<input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="2"/>
Profit/(Loss) Before Tax	<input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="2"/>	Profit/(Loss) After Tax	<input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/>
Earning per Share in (₹)	<input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="2"/>	Dividend Rate	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

V Generic Names of three principal Products/Services of Company (As per Monetary terms)

Item Code No.(ITC Code)
 Product Description

For and on behalf of Board

**Sandip
Jhunjunwala**
Managing Director

Manoj Mishra
Director

Dr. ING N.K.Gupta
Director

Subhash Kr. Burnwal
Company Secretary

PLACE : Kolkata

DATED : May 30, 2011

