



REI Six Ten Retail Limited



5th Annual Report 2011-2012



CORPORATE INFORMATION

Board of Directors

Shri Sandip Jhunjhunwala
Managing Director

Shri Asoke Chatterjee
Director

Shri Manoj Mishra
Director

Dr. ING Narpinder Kumar Gupta
Director

Shri Krishna Dayal 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

311, B, C & D, 2nd Floor
DLF South Court, Saket
New Delhi-110017

Registrar & Transfer Agent

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

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifth Board Report together with the audited statement of accounts of the Company for the financial year ended 31st March, 2012.

Financial Results:

The financial performance of the Company for the year under review is summarized below:

(₹ in Lakhs)

Particulars	2011-2012	2010-2011
Revenue From Operations / Sales (Net)	61,405.12	71,649.95
Other Income	6.90	4.79
Total Income	61,412.02	71,654.74
Profit before Depreciation, Interest, Amortisation & Tax (PBDIAT)	902.93	5,267.49
Less: Interest	12.87	7.38
Profit before Depreciation & Tax (PBDT)	890.06	5,260.11
Less: Depreciation	771.32	771.19
Profit before Tax (PBT)	118.74	4,488.92
Less:		
Current Taxation	76.63	1,560.00
Deferred Tax	(36.19)	(26.72)
Prior Period Tax Payment	46.42	51.65
Profit after Tax (PAT)	31.88	2,904.00

Allotment of Equity Shares on conversion of Fully Convertible Debentures:

During the year under review, 13,95,002 equity shares were allotted on 26th April, 2011 at a price of ₹193.55 per share having face value of ₹ 2/- each on conversion of 27,00,000 Fully Convertible Debentures which have been listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited. We have already informed you about detail of allotment in our earlier Board Report.

Financial Highlights:

During the year under review the company has entered the consolidation phase and is closely monitoring the performance of its Master Franchisee / Franchisee. The company achieved a sales/turnover of ₹ 61,405.13 Lakhs. Though there is a slight decline in the turnover from ₹ 71,649.95 lakhs the company is quite satisfied with the performance of its franchisees thereby providing the right platform for the future of the company.

Likewise the company has encouraged the franchisees by providing some attractive schemes that have resulted in a decline in the profits of the company. The company has a profit after tax of Rs. 31.88 Lacs down from ₹ 2904.00 lakhs in the previous year. The company has also commenced our value stores which has a relatively low margin.

Hence, though the profit after tax of the company has reduced during the year, your directors believe that the company has developed a strong enough platform that will stand the company in good stead in the future.

Dividend:

In View of the overall economic condition, there is a need for the consolidation for the Company, hence your directors are unable to recommend any dividend to the shareholders for the financial year 2011-2012.

Management Discussion and Analysis:

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



REI Six Ten Retail Limited

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 K. D. Ghosh and Dr. ING N.K. Gupta, Directors of the Company, 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.

Remuneration to Managing Director:

Company has taken approval of the Members of the Company in the last annual General meeting of the Company to pay remuneration of ₹ 1,20,00,000 per annum (CTC)(inclusive of all perquisite) to Shri Sandip Jhunjunwala, Managing Director of the Company. The Company has filled all the necessary forms with Ministry of Corporate affairs.

However during the year under review, Company is having inadequate profits, therefore the Company has paid ₹ 9,00,000 as remuneration to Shri Sandip Jhunjunwala, which is in compliance to the provisions of Schedule XIII of the Companies Act.

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. 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, 2012, the applicable accounting standards read with requirement set out under revised 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, 2012.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding 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, 2012 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 Companies (Particulars of Employees) Rules, 1975 as amended, 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. Statement of particulars of employees and other documents, if any, which are not annexed to this Report, will be open for inspection for the shareholders at registered office of the Company during working hours for a period of 21 days before the date of annual general meeting. Also any shareholder interested in obtaining a copy may write to the Company Secretary for the same.

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 being concentrating on the domestic consumption market and do not have any exports initiatives to report to the members.

Foreign Exchange Earnings and Outgo:

Total foreign exchange earned and outgo: Amount (₹ In Lakhs)

Foreign exchange earned	Nil
Foreign exchange outgo	4.52
Net foreign exchange Outgo	4.52

Acknowledgment:

The Board wishes to 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 Jhunjhunwala
Chairman

Place: Kolkata

Date: 30th May, 2012



MANAGEMENT DISCUSSION & ANALYSIS

Business Environment:

Retail Industry is one of sunrise sectors in India with huge growth potential. However, in spite of the recent developments in retailing and its immense contribution to the economy, retailing continues to be the least evolved industries and the growth of organised retailing in India has been much slower as compared to rest of the world.

It is one of the pillars of the economy of the Country and accounts for 14 to 15% of its GDP but highly fragmented. India is one of the fastest growing retail markets in the world having a population of 1.20 billion. Large Retailers in developed countries view it an opportunity to invest in Indian retail industry while government has prohibited Foreign Direct Investment (FDI) in multi brand retailing. FDI is only allowed on single brand retailing.

Cash and Carry wholesale trading in India by Foreign retailers is one of the ways to reach the retail consumers through local retailers. Metro AG is first among world retailers to enter into retail sector in India through Cash and Carry business.

India has been ranked fifth largest market as retail destination for foreign investment and second most attractive market 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.

Growth & Evolution of Retail Industry:

The retail industry in India is currently growing at a great pace and is expected to go up to US\$ 833 billion by the year 2013. It is further expected to reach US\$ 1.3 trillion by the year 2018 at a CAGR of 10%. As the country has got a high growth rate, the consumer spending has also gone up and is also expected to go up further in the future. In the last four years, the consumer spending in India climbed up to 75%. As a result, the Indian retail industry is expected to grow further in the years to come.

In recent years, preference of consumers particularly young people's preference has changed drastically and they have more attraction to branded goods. Big Corporate houses has entered into retail and making huge investment to make their presence in Indian retail sector. It lays down strong foundation for organised retail trade and also able to generate job opportunities in the sector to reduce unemployment in the Country.

Entry of foreign retail players will make the retail sector more vibrant as they have strong supply chain and will also generate huge job opportunities.

Among other things Internet revolution is making Indian Consumer more accessible to the growing influences of domestic and foreign retail chains.

Indian food & grocery sector:

The Indian food and grocery retail sector is in the transformation mode for various reasons like strong macro-economic fundamentals and the changing socio-economic scene. Very fast changing trends in food and eating habits of consumers have contributed immensely to the growth of 'Western' format typologies such as convenience stores, departmental stores, supermarkets, specialty stores and hypermarkets. The ever changing consumer's psychographic variables like activities, interests, opinions, values and lifestyles have also completely changed the formats namely convenience stores, supermarkets and hypermarkets etc. are the crystal clear reflections of tectonic shifts in demographic and psychographic changes of consumers.

Indian food and grocery Sector have ample opportunities to grow with a great pace due to high population of the Country. Food and Grocery sector constitutes about 14% of the organised retailing in India. Ironically, organised retail sector is meager 2% of total retail sector in India.

Indian food retail sector is main driving force for the retail industry growing at the rate of 30%. Food accounts for the largest share of consumer spending. Food and food products account for about 50% of the value of final private consumption. In the next few years, the food and grocery retail sector is expected to multiply five times.

Key Growth Drivers:

Retailing in India has witnessed tremendous growth in the last few years but it has not yet realized its potential.

With Changing needs and lifestyle of Indian Consumers, food consumption patterns are rapidly evolving. Higher disposable incomes have resulted in greater spending and consumption among consumers. Change in consumer demand, influenced

by increased awareness level about national and international brands led to growth of retail industry. There are various factors for growth of retail industry but some of the key growth drivers are as under:

Increasing Urbanisation:

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. Young generation of rural or sub-rural areas are more attracted towards Tier-I and Tier-II Cities and moving to these cities for employment which are changing demographic statistics of Country. After liberalisation of economy, income level of middle class of the country has increased which led to urbanisation of the country and paves the way to retail growth.

Brand Consciousness:

As income level of young generation of middle class has improved, they are conscious of branded goods and quality products. Advertising plays an important role to influence people particularly young generation which rises Consumerism towards branded and quality products.

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.

Young 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.

Aspiration of elegant Lifestyle:

During the last few years in India, nuclear family as a percentage of total household population has increased as per capita consumption increases. Now, men and women of nuclear families have less time to spare on cooking food at home which led to consume fast foods from organised retail outlets.

With rise in income level, consumers are willing to spend more for themselves.

Increased use of Plastic Money:

Internet revolution provided platform for use of plastic money i.e., credit cards. Frequent use of credit cards boosted the retail industry as young generation thinks that buy today and pay later.

REI Six Ten's Business Strategy:

Indian Retail sector has been segregated as organised and unorganized. Most of them are unorganized which creates enough space for larger market share to be grasped by retailers. Retailers who wish to tap the larger share in the market have to understand consumer preferences. Growing need of convenience of consumers has boosted India retail sector. Our Company is mainly engaged in grocery, fruits & Vegetables trade selling through its franchised stores. Worldwide, grocery retail is considered the most price-sensitive sector. Consumers, especially in developing markets, spend more on groceries than anything else.

REI Six Ten Retail Limited is putting more emphasis on consumer Convenience. Apart from consumer convenience, company is looking forward to strengthen effective supply chain management and use of innovative ideas to reduce cost and time. Fruits and vegetables are perishable in nature and require lot of attention to reduce wastages which can be eradicated by strengthening Supply Chain Management.

The Company has made their presence into Food & Grocery sector under its brand "6TEN" offering great value for money on daily need products. We are working towards revamping our business to obtain strategic advantages at various levels - market, cost, knowledge and customer.

REI Six Ten Retail Limited is striving to set with differentiating strategies - value for money, shopping experience, variety, quality, discounts and advanced systems and technology in the back-end, change in the equilibrium with manufacturers and a thorough understanding of the consumer behaviour.

The corner stones of Company's operations are availability, accessibility, affordability, quality, reliability and novelty.



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We have greater emphasis on new model designed in the financial year 2010-11 as value store to tap larger share of retail market. 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 franchises and value stores catering to the daily needs of the consumers.

Apart from consumer relationship management, company is also striving to strengthen supplier relationship management. Supplier relationship management is the part of the supply chain management, which deals with all aspects of the business relationship between companies and their suppliers. It is a comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services it uses. The goal of supplier relationship management is to streamline and make more effective the processes between an enterprise and its suppliers just as customer relationship management is intended to streamline and make more effective the processes between an enterprise and its customers.

Supplier Relationship Management includes both business practices and software and is part of the information flow component of supply chain management.

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

Good corporate governance aims at ensuring a higher degree of transparency in an organization by encouraging full disclosure of transactions in the company matters. Transparency involves disclosure of all forms of conflict of interest. Full disclosure includes compliance with regulations and disclosing any important information to the stakeholders.

Corporate governance structure encourages accountability of the management to the company's directors and the accountability of the directors to the shareholders and ensures equitable treatment of all the shareholders of the Company.

The main objective of corporate governance is to protect the long-term interests of the stakeholders.

Good Corporate Governance is perceived by the market as an incentive for shareholders / investors to invest in the Company.

REI Six Ten Retail Ltd. is committed for implementation of policies & procedures designed to eliminate bias and conflict of interest. The Company continues to adhere seven characteristics of good Corporate governance i.e., discipline, transparency, independence, accountability, responsibility, fairness and social responsibility.

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 has core mission to adhere fair, ethical and transparent governance practices in the interest of stakeholders which can be achieved by adopting professionalism, honesty and integrity. 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. Clause 49 of the Listing Agreement provides requirements to be complied under corporate governance by a company listed with Indian stock exchange(s). As our company is listed with Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and is in full compliance of requirements under clause 49 of the Listing Agreement.

[B] BOARD OF DIRECTORS

The Board of Directors of the Company is entrusted with responsibility of the management, ethical standards and best practices of Corporate Governance in formulating strategies, policies and business decision making and implementation of the same.

Composition:

The composition of Board of Directors of the Company as on March 31, 2012, is as under:

- | | |
|---------------------------|-----------|
| 1) Executive Director | 1 (One) |
| 2) Independent Directors | 3 (Three) |
| 3) Non-Executive Director | 1 (One) |

The composition of the Board of Directors during the year was 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 Asoke Chatterjee	Independent Director	6	3	Present
Shri Manoj Mishra	Non-Executive Director	4	Nil	Absent
Shri Krishna Dayal Ghosh	Independent Director	1	3	Present
Dr. ING Narpinder Kumar Gupta	Independent Director	3	1	Absent

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



REI Six Ten Retail Limited

During the Financial Year 2011-12, Five Board Meetings were held on 30/05/2011, 12/08/2011, 14/11/2011, 14/02/2012 and 13/03/2012 respectively. The details of Board Meeting attended by directors are as under:

Name of Director	Board Meeting	
	Held	Attended
Shri Sandip Jhunjunwala	5	5
Shri Asoke Chatterjee	5	4
Shri Manoj Mishra	5	3
Dr ING Narpinder Kumar Gupta	5	3
Shri Krishna Dayal Ghosh	5	1*

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

[C] AUDIT COMMITTEE

The Audit Committee of the company comprises of three members of the Board of the Directors who are Independent Directors. The Audit Committee met four times during the financial year 2011-12. These four meetings were held on 30th May 2011, 12th August 2011, 14th November 2011 and 14th February 2012 respectively. All these directors possess requisite qualification and knowledge to act as members of Audit Committee. The Company Secretary of the Company acts as a Secretary to the Committee.

Audit Committee is entrusted with the responsibility to monitor and supervise the company's financial reporting and internal control process with a view to ensure accurate, timely and proper disclosure. The audit 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 managements' 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 and other matters specified under section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement, 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, 2012 are given below:

S. 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 TO DIRECTORS:

Company has taken approval of the Members of the Company in the last annual General meeting of the Company to pay remuneration of ₹ 1,20,00,000 per annum (CTC)(inclusive of all perquisite) to Shri Sandip Jhunjunwala, Managing Director of the Company. The Company has filled all the necessary forms with Ministry of Corporate affairs.

Shri Sandip Jhunjunwala is also Managing Director of the REI Agro Limited and drawing remuneration for there also and according to provisions of sections 198, 269, 309 and 349 of the Companies Act, 1956, a person who is Managing Director of two Companies may get remuneration from both the Companies subject to an overall limit of 5% of Net Profit of any one of them whichever is higher. Further In case the companies having inadequate profit or no profit then remuneration will be payable according to provisions of Schedule XIII of the Companies Act, 1956.

Further during the Year under review, Company is having inadequate profit, therefore the Company has paid ₹ 9,00,000 as remuneration to Shri Sandip Jhunjunwala, which is in compliance to the provisions of Schedule XIII of the Companies Act.

No other directors have been paid any remuneration apart from sitting fees for attendance in Board / Audit Committee Meeting except remuneration paid to Shri Sandip Jhunjunwala, Managing Director of the Company.

The Details of Remuneration paid to Directors for the year ended 31st March, 2012 is as follows:

Name of the Director	Sitting Fees	Salary & Perquisites	Commission
Shri Sandip Jhunjunwala	NIL	9,00,000	NIL
Shri Asoke Chatterjee	12000	NIL	NIL
Shri Manoj Mishra	4500	NIL	NIL
Dr. ING Narpinder Kumar Gupta	9000	NIL	NIL
Shri Krishna Dayal Ghosh	3000	NIL	NIL

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

Name of the Director	No. of shares held	Nominal value of shares (Rs.)
Shri Sandip Jhunjunwala	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

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 17th June 2011, 12th September 2011, 29th November 2011 and 22nd March 2012 respectively.

Name and Designation of Compliance Officer (Contact Person):

Mr. Subhash Kumar Burnwal, Company Secretary

Address: Everest House, 46C, Chowringhee Road,
15th Floor, Room No.15B, Kolkata (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, 2nd Floor, Kolkata-700 001.

Phone no. : 033-22482248, 22435029/5809

Fax : 033-22484787

During the year, four meetings of Share Transfer Committee were held on 1st June, 2011, 18th August 2011, 5th October, 2011 and 10th March, 2012 respectively.



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[F] GENERAL BODY MEETINGS

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

Venue	Financial Year	Date & Time
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.
Mini Auditorium, Science City, J.B.S Haldane Avenue, Kolkata -700046	2010-11	29th September, 2011 1:00 P.M.

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

Date of Resolution	General Meeting	Subject matter of resolutions
23rd September, 2009	Annual General Meeting	Increase in authorised capital from Rs.35,69,00,000 divided into 3,56,90,000 (Three Crores Fifty Six Lacs and Ninety Thousand Only) equity shares of Rs.10/- each to Rs. 50,00,00,000 divided into 5,00,00,000 equity shares of Rs.10/- each
23rd September, 2009	Annual General Meeting	Sub-division of one equity share of Rs. 10/- each to five equity shares of Rs. 2/- each
23rd September, 2009	Annual General Meeting	Issue of Debentures upto Rs. 100 Crore on preferential basis
11th November, 2009	Extra Ordinary General Meeting	Issue of Debentures / Share Warrants up to Rs. 100 Crore on preferential basis
27th September, 2010	Annual General Meeting	Ratification of list of proposed 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 Rs. 20 Crore
September 29, 2011	Annual General Meeting	Payment of remuneration to Shri Sandip Jhunjunwala, Managing Director of the Company, Rs. 1,20,00,000 per annum (CTC) (inclusive of all perquisites) w.e.f. 1st October, 2011 for remaining period of his tenure i.e., till 30th July, 2013. In case, the company has no profit or inadequate profit salary, perquisites and allowances shall be paid according to schedule XIII of the Companies Act, 1956.

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

[G] DISCLOSURES

(i) Related Party Transactions

During the year under review, the Company has not entered into any transaction of material nature with the directors, their relatives or management or which is in conflict with the interests of the Company. The transactions with the related parties, namely its promoters, its subsidiary and associate companies etc., of routine nature have been reported elsewhere in the annual report, as per Accounting Standard 18 (AS 18) issued by The Institute of Chartered Accountants of India / The Companies (Accounting Standards) Rules, 2006. The Audit Committee also reviews, inter alia the following aspects:

- related party transactions undertaken by the Company in the ordinary course of business;
- material individual transactions, if any, which were not in the normal course of business; and

c. material individual transactions, if any, with related parties or others, which were not at arm's length basis.

(ii) Accounting Treatment

During the year under review, the Company has, while preparing the Financial Statements, followed the Accounting Standards issued by The Chartered Accountants of India or under The Companies (Accounting Standards) Rules, 2006 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 applicable mandatory provisions under clause 49 of the Listing Agreement. There was no instance of non-compliance by the company, penalties imposed on the company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to Capital Market.

(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 mitigation procedures to ensure the executive management controls risk through properly defined framework. Risk assessment and mitigation procedures are periodically reviewed by the Company.

[H] MEANS OF COMMUNICATION

Effective Communication of information is an essential part of Corporate Governance. The Company regularly interacts with shareholders such as results announcement, annual reports, price sensitive and critical information and also through stock exchanges. The unaudited quarterly / half yearly, annual results of the Company are published in English leading 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	Saturday, 29th September, 2012 Time : 12.30 p.m.
Venue	Rotary Children's Welfare Trust, Rotary Sadan, 94/2, Chowringee Road, Kolkata-700020
Book Closure Date	26th September, 2012 to 29th September, 2012 (both days inclusive)

(ii) Registrar & Share Transfer Agents (RTA)

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata-700 001.
Phone no. : 033-22482248, 22435029/5809
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 declaration, 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.



REI Six Ten Retail Limited

(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 ended March 31, 2012, Financial Results were announced on:

August 12, 2011	:	First Quarter
November 14, 2011	:	Second Quarter & Half Yearly
February 14, 2012	:	Third Quarter
May 30, 2012	:	Fourth Quarter and Annual Audited

For the year ending March 31, 2013, results will be announced on or before (Tentative)

August 14, 2012	:	First Quarter
November 14, 2012	:	Second Quarter and Half yearly
February 14, 2013	:	Third Quarter
May 30, 2013	:	Fourth Quarter and annual audited
Annual General Meeting	:	During the month of September, 2013

(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) w.e.f. April 27, 2009.

The Company has paid the listing fees to BSE & NSE and no other dues are payable by the company to any Stock Exchange.

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 2011-12 are as follows:

Month	BSE		NSE	
	High Price (Rs.)	Low Price (Rs.)	High Price (Rs.)	Low Price (Rs.)
April'11	49.50	44.00	50.00	43.80
May'11	47.80	40.95	47.95	40.40
June'11	47.75	28.00	47.45	28.05
July'11	37.70	29.80	37.45	29.50
August'11	38.45	26.30	38.95	26.25
September'11	30.00	23.65	29.60	23.30
October'11	27.30	18.35	24.95	18.50
November'11	21.15	15.85	21.45	15.70
December'11	19.85	13.05	18.10	13.35
January'12	17.00	13.10	18.40	13.10
February'12	17.15	13.40	17.50	13.00
March'12	17.00	11.25	15.60	11.00

(viii) Distribution of Shareholding

The Shareholding distribution of equity shares as on 31st March, 2012 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	502865	0.34	4140	85.85
2.	501 to 1000	256315	0.17	322	6.68
3.	1001 to 2000	204886	0.14	139	2.88
4.	2001 to 3000	132979	0.09	54	1.12
5.	3001 to 4000	71625	0.05	21	0.44
6.	4001 to 5000	104212	0.08	23	0.48
7.	5001 to 10000	225298	0.15	31	0.64
8.	10001 & above	145600182	98.98	92	1.91
	Total	147098362	100.00	4822	100.00

(ix) Secretarial Audit Report and Compliance:

As per Clause 47(c) of the Listing Agreement, certificate have been issued by a practicing Company Secretary pertaining to compliance of formalities for transfer / transmission of shares on half yearly basis.

A qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

(x) Shareholding pattern of the Company as on 31st March, 2012

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV) *100
(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	77853079	77853079	52.93	52.93	10348335	13.29
(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	77853079	77853079	52.93	52.93	10348335	13.29
(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	77853079	77853079	52.93	52.93	10348335	13.29



REI Six Ten Retail Limited

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV) *100
(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
(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	20	21426435	21426435	14.57	14.57	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)	20	21426435	21426435	14.57	14.57	0	0
(2)	Non-institutions						0	0
(a)	Bodies Corporate	241	29982274	29982049	20.38	20.38	0	0
(b)	Individuals -							
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh	4460	1731904	1468554	1.18	1.18	0	0
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	11	13061398	13061398	8.88	8.88	0	0
(c)	Any Other							
	Non Resident Individuals	51	2836731	183531	1.93	1.93	0	0
	Trusts	1	45	45	0.00	0.00	0	0
	Clearing Member	27	206496	206496	0.14	0.14	0	0
	Sub-Total (B)(2)	4791	47818848	44902073	32.51	32.51	0	0
	Total Public Shareholding (B) = (B)(1) + (B)(2)	4811	69245283	66328508	47.07	47.07	0	0
	TOTAL (A)+(B)	4822	147098362	147098362	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)	4822	147098362	144181587	100.00	100.00	10348335	7.04

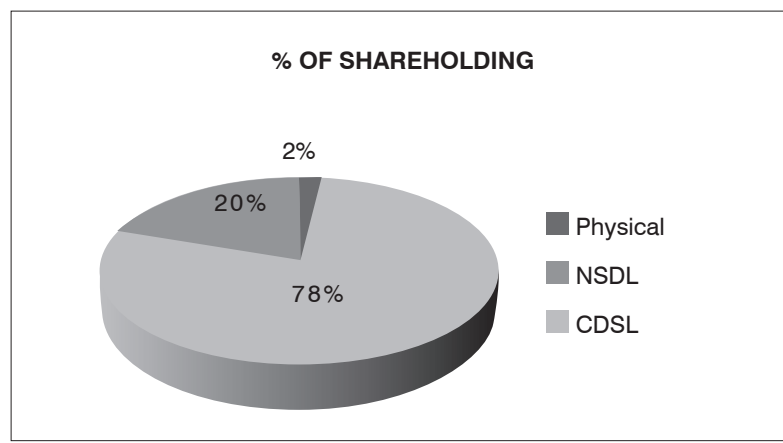
(xi) Dematerialization of Shares and Liquidity:

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, 2012:

Particulars	Holders	No. of Shares	% of shareholding
Physical	29	2916775	2%
NSDL	3253	115222605	78%
CDSL	1540	28958982	20%
Total	4822	147098362	100%

The pictorial presentation of above data is as follows:



(xii) 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:

311 B, C & D, DLF South Court, 2nd Floor,
Saket, New Delhi-110017

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 of Directors

sd/-

Sandip Jhunjunwala

Managing Director

sd/-

K.D. Ghosh

Director

Place: Kolkata

Date: 30th May, 2012



REI Six Ten Retail Limited

ANNEXURE 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 i.e., 27th April, 2009. 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 Jhunjhunwala
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, 2012 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, 2012 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

CA P. K. Lilha
Partner
M. No. 11092

Place: Kolkata

Date: 30th May, 2012

CEO CERTIFICATION

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

- a. I 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. I 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.

Sandip Jhunjhunwala
Managing Director

Place: Kolkata

Date: 30th May, 2012



REI Six Ten Retail Limited

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 2012 and Statement of Profit & Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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, 2012 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, 2012;
 - 2) in the case of Statement of Profit and Loss, of the Profit 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
Firm No. 307008E

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

Place : Camp at Delhi
Date: 30th May, 2012



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 with the books of accounts.
 - (c) The Company has not disposed off substantial part of its fixed assets during the year and therefore do not affect 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 Company 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, Investor Education and Protection Fund, 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 no undisputed amounts payable in respect of aforesaid duties were outstanding at the year end, for a period of more than six months from the date they became payable.
 - (b) The disputed Statutory dues aggregating to Rs.61,82,291/- that has not been deposited on account of disputed matters in respect of Income Tax for Assessment year 2009-2010 which is pending before C.I.T.(A)-II, Kolkata.
- 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 has raised new Term (Vehicle) Loan during the year. The term loan outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- 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 for 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
Firm No. 307008E

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

Place : Camp At Delhi

Date: 30th May, 2012



REI Six Ten Retail Limited

BALANCE SHEET AS AT MARCH 31, 2012

(Amount in ₹)

	Notes	As at March 31,2012	As at March 31,2011
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	294,196,724	291,406,720
Reserves and Surplus	4	1,192,784,206	922,710,856
		1,486,980,930	1,214,117,576
Non-Current Liabilities			
Long Term Borrowings	5	1,836,323	272,293,656
Deferred Tax Liabilities (Net)	6	31,623,718	35,242,367
Other Long Term Liabilities	7	13,838,549	29,213,266
Long Term Provisions	8	1,253,026	1,735,514
		48,551,615	338,484,803
Current Liabilities			
Short Term Borrowings	5	1,925,328	3,023,748
Trade Payables	9	1,550,520,138	3,283,867,659
Other Current Liabilities	10	23,261,014	4,952,753
Short Term Provisions	11	7,662,962	189,868,018
		1,583,369,442	3,481,712,178
TOTAL		3,118,901,988	5,034,314,557
II. ASSETS			
Non Current Assets			
Fixed Assets	12		
Tangible Assets		674,756,304	757,622,852
Intangible Assets		2,380,320	3,133,572
Long Term Loans and Advances	13	34,484,204	41,519,049
		711,620,828	802,275,473
Current Assets			
Inventories	14	1,200,893,413	1,380,011,039
Trade Receivables	15	768,331,484	2,130,653,972
Cash and Cash Equivalent	16	21,450,764	159,980,917
Short Term Loans and Advances	17	407,733,086	429,781,868
Other Current Assets	18	8,872,413	130,881,508
		2,407,281,160	4,231,309,304
Miscellaneous Expenditure To the extent not written off and/or adjusted	19	—	729,780
TOTAL		3,118,901,988	5,034,314,557
Significant Accounting Policies	2		
Notes on Accounts	3 to 32		

As per our Report of even date
For **P. K. Lilha & Co.**
Chartered Accountants
[Firm Registration No.: 307008E]

CA. P. K. Lilha
Partner
Membership No. 011092

Place: Camp at Delhi
Dated : 30th May, 2012

For and on behalf of the Board of Directors

Sandip Jhunjhunwala
Managing Director

Manoj Mishra
Director

Subhash Kr Burnwal
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

(Amount in ₹)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
Income			
Revenue From Operations	20	6,140,512,600	7,164,995,082
Other Income	21	689,548	479,104
Total Revenue (I)		6,141,202,148	7,165,474,186
Expenses			
Purchases of Stock in Trade	22	5,616,464,061	7,391,182,366
(Increase)/Decrease in Inventories of Stock in Trade	23	179,117,626	(983,222,550)
Employee Benefits Expenses	24	53,074,664	43,193,665
Finance Costs	25	1,287,198	737,748
Depreciation & Amortization Expenses	26	77,132,499	77,118,991
Other Expenses	27	202,252,563	187,571,494
Total Expenses (II)		6,129,328,611	6,716,581,714
Profit Before Tax		11,873,537	448,892,472
Tax Expenses			
Current Tax		7,662,962	156,000,000
Deferred Tax		(3,618,649)	(2,672,390)
Prior Period Tax Payment		4,641,610	5,164,922
Total Tax Expenses		8,685,923	158,492,532
Profit for the year		3,187,614	290,399,940
Earnings per equity share(EPS) (Face value ₹ 2/- each)	28		
(1) Basic		0.02	2.02
(2) Diluted		0.02	2.00
Significant Accounting Policies	2		
Notes on Accounts	3 to 32		

As per our Report of even date
For **P. K. Lilha & Co.**
Chartered Accountants
[Firm Registration No.: 307008E]

CA. P. K. Lilha
Partner
Membership No. 011092

Place: Camp at Delhi
Dated : 30th May, 2012

For and on behalf of the Board of Directors

Sandip Jhunjunwala
Managing Director

Manoj Mishra
Director

Subhash Kr Burnwal
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

(Amount in ₹)

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
A. Cash Flow from Operating Activities				
Net Profit / (Loss) before extraordinary items and tax		11,873,537		448,892,472
Adjustments for:				
Depreciation on Tangible Assets	75,739,506		76,475,847	
Amortization of Intangibles	1,392,992		643,144	
(Profit) / loss on sale / write off of Assets	6,776,207		12,631,605	
Finance Costs	1,287,198		737,748	
Interest received	(357,627)		(479,104)	
Preliminary Expenses	729,780	85,568,056	382,880	90,392,120
Operating profit / (loss) before working capital changes		97,441,593		539,284,592
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	179,117,626		(983,222,550)	
Trade receivables	1,362,322,488		(1,193,619,224)	
Loans and Advances	28,651,112		(229,457,551)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade & other payables	(1,730,896,465)		1,994,489,228	
		(160,805,239)		(411810097)
Cash generated from operations		(63,363,646)		127,474,495
Net Income Tax (paid) / refunds		(38,200,000)		(177,521,930)
Net Cash Flow from / (used in) Operating Activities (A)		(101,563,646)		(50,047,435)
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(3,029,504)		(3,929,036)	
Proceeds from sale of Fixed Assets	2,740,599		4,748,968	
Interest received	357,627	68,722	479,104	1,299,036
Net Cash Flow from / (used in) Investing Activities (B)		68,722		1,299,036

(Amount in ₹)

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
C. Cash Flow from Financing Activities				
Proceeds from issue of Equity Shares	—		149,892,297	
Repayment of Vehicle Loan	(1,555,753)		(2,296,969)	
Finance Cost	(1,287,198)		(737,748)	
Dividend & Dividend Tax Paid	(34,192,278)	(37,035,228)	(33,498,520)	113,359,060
Net Cash Flow from / (used in) Financing Activities (C)		(37,035,228)		113,359,060
Net increase / (decrease) in Cash and Cash Equivalent (A+B+C)		(138,530,152)		64,610,661
Cash and Cash Equivalent at the beginning of the year		159,980,917		95,370,256
Cash and Cash Equivalent at the end of the year		21,450,764		159,980,917

Notes:

- Cash and Cash Equivalent includes
 - ₹ 720604/- (PY ₹ 686610/-) represented by unpaid dividend.
 - Fixed Deposits with Bank ₹ 2890311/- (PY 3272581/-) are pledged with Banks against Bank Guarantee.
- 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.
- Figures in Bracket indicate cash outflows.
- Previous year's figures have been reclassified to conform with current year's presentation.

In terms of our report attached

As per our Report of even date

For **P. K. Lilha & Co.**

Chartered Accountants

[Firm Registration No.: 307008E]

CA. P. K. Lilha

Partner

Membership No. 011092

Place: Camp at Delhi

Dated : 30th May, 2012

For and on behalf of the Board of Directors

Sandip Jhunjunwala

Managing Director

Manoj Mishra

Director

Subhash Kr Burnwal

Company Secretary



REI Six Ten Retail Limited

1) CORPORATE INFORMATION

REI Six Ten Retail Limited (RSTRL) was incorporated in August 2007 as Retail chain and today it is a leading name in small store format in the neighborhood convenience stores space. The first 6Ten stores were set up as part of REI Agro Limited. The business of retail was demerged into RSTRL since August 2007. The company initially set up stores in the 'company owned company operated' (COCO) model. However, with a view to increase the efficiency, the company franchised all its stores. Similarly logistics are now being handled by Master Franchisees. With this the company could achieve remarkable presence in a short period.

2) SIGNIFICANT ACCOUNTING POLICIES

2.1) 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.

2.2) FIXED ASSETS :

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

2.3) INTANGIBLE ASSETS :

Acquired Intangible Assets represents Software and 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.

2.4) 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.

2.5) INVENTORIES :

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

2.6) 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.

2.7) 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.

2.8) 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, if any. Actuarial gains/losses are recognized in full during the year in which they occur.

2.9) 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.

2.10) 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.

2.11) 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.



REI Six Ten Retail Limited

Notes to Financial Statements as at March 31, 2012

(Amount in ₹)

	As At March 31, 2012	As At March 31, 2011
3 SHARE CAPITAL		
Authorised		
250,000,000 Equity shares of ₹ 2/- each (250,000,000)	500,000,000	500,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
Issued, Subscribed and paid-up Shares		
147,098,362 Equity shares of ₹ 2/- each fully paid up (145,703,360)	294,196,724	291,406,720
Total	<u>294,196,724</u>	<u>291,406,720</u>

a) Notes:-

- i) 1,395,002 Equity Share of ₹ 2/- each issued on conversion of 0% Convertible Debenture in 2011-12
(NIL)
- ii) 108,386,390 Equity Shares of ₹ 2/- each allotted to the shareholders of REI Agro Ltd. for consideration other than cash
(108,386,390)
- iii) 2,066,970 Equity shares of ₹ 2/- each issued on Preferential basis in cash
(2,066,970)

b) Reconciliation of No. of shares is set out below:-

	As At March 31, 2012 Equity Shares		As At March 31, 2011 Equity Shares	
	No of Shares	Amount in ₹	No of Shares	Amount in ₹
At the beginning of the year	145,703,360	291,406,720	143,636,390	287,272,780
Issues/(Bought back) during the year	1,395,002	2,790,004	2,066,970	4,133,940
Outstanding at the end of the year	<u>147,098,362</u>	<u>294,196,724</u>	<u>145,703,360</u>	<u>291,406,720</u>

c) Details of shareholders holding more than 5% shares

Shareholders	As at March 31, 2012		As at March 31, 2011	
	No. of shares	% holding	No. of shares	% holding
REI Agro Ltd.	35,000,000	23.79%	35,000,000	24.02%
Aspective Vanijya Pvt. Ltd.	10,854,434	7.38%	11,432,135	7.85%
Shree Krishna Gyanodaya Flour Mills Pvt. Ltd.	8,988,775	6.11%	8,986,475	6.17%
Snehapusph Barter Pvt. Ltd.	8,167,050	5.55%	8,167,050	5.61%

Note:

As per records of the company, including Register of members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(Amount in ₹)

	As at March 31, 2012	As at March 31, 2011
4) RESERVE AND SURPLUS		
A) Securities Premium		
Balance as per the last financial statements	145,758,357	—
Add: On issue of Shares on conversion of 0% Debentures	267,209,996	145,866,073
Less: Share Issue Expenses	—	(107,716)
	412,968,353	145,758,357
B) General Reserve		
Balance as per the last financial statements	644,119,180	424,119,180
Add: Amount of Reserve Created during the Year	—	220,000,000
	644,119,180	644,119,180
C) Surplus in the Statement of Profit and Loss		
Balance as per the last financial statements	132,833,319	96,190,438
Profit for the year	3,187,614	290,399,940
Less: Appropriations		
Transfer to General Reserve	—	220,000,000
Short Provision for Dividend and Dividend Tax	324,260	(110,959)
Proposed Dividend	—	29,140,672
Dividend Tax on Proposed Dividend	—	4,727,346
	135,696,673	132,833,319
TOTAL (A+B+C)	1,192,784,206	922,710,856

5) LONG TERM BORROWINGS

	Non Current		Current	
	As At 31.03.12	As At 31.03.11	As At 31.03.12	As At 31.03.11
SECURED				
Term Loans				
From Banks				
ICICI BANK	1,105,575	—	362,420	—
HDFC BANK	730,748	2,293,656	1,562,908	1,994,377
KOTAK MAHINDRA BANK	—	—	—	1,029,371
Total	1,836,323	2,293,656	1,925,328	3,023,748
Note: All Above Loans are secured against hypothecation of vehicles				
Unsecured				
0% Convertible Debentures	—	270,000,000	—	—
	—	270,000,000	—	—
Total	1,836,323	272,293,656	1,925,328	3,023,748

5.1 The company had issued 27,00,000 , Zero % fully Convertible Debentures of ₹ 100/- each on Preferential basis to other than Promoters. These Debentures have been converted into 13,95,002 Equity Share of ₹ 2/- each at a price of ₹ 193.55 (Including Security Premium of ₹ 191.55) on 26th April, 2011.



REI Six Ten Retail Limited

5.2 Maturity Profile of Secured Loans

Secured Loans

Term Loans	2012-13	2013-14	2014-15	2015-16
ICICI Bank	362,420	414,485	474,015	217,075
HDFC Bank	1,562,908	730,748	—	—
Total	1,925,328	1,145,233	474,015	217,075

(Amount in ₹)

	As at March 31, 2012	As at March 31, 2011
6) DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Timing difference in Depreciable Assets	32,030,262	35,805,455
Deferred Tax Assets		
Expenses allowable against taxable income in future years	406,544	563,088
DEFERRED TAX LIABILITY (NET)	31,623,718	35,242,367
7) OTHER LONG TERM LIABILITIES		
For Security Deposits	13,838,549	29,213,266
	13,838,549	29,213,266
8) LONG TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	1,110,581	1,629,223
Leave encashment	142,445	106,291
TOTAL	1,253,026	1,735,514
9) TRADE PAYABLE		
Micro, Small and Medium Enterprises *	—	—
Others	1,550,520,138	3,283,867,659
Total	1,550,520,138	3,283,867,659

Notes :-

*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 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.

(Amount in ₹)

	As at March 31, 2012	As at March 31, 2011
10) OTHER CURRENT LIABILITIES		
For Capital Expenditures	1,549,422	2,139,496
Unclaimed Dividend	720,804	686,610
HDFC Bank	13,678,749	—
~ Due To Reconciliation		
For Other Liability	7,312,039	2,126,647
	23,261,014	4,952,753
11) SHORT TERM PROVISIONS		
Provision for Taxation	7,662,962	156,000,000
Provision for Proposed Dividend	-	29,140,672
Provision for distribution Dividend Tax	-	4,727,346
TOTAL	7,662,962	189,868,018

Notes - 12

FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block		Depreciation		Net Block		
	As On 01.04.2011	Since Added 31.03.2012	Deductions 31.03.2012	As On 31.03.2012	Upto 01.04.2011	Upto 31.03.2012	As On 31.03.2011
A) Tangible Asset							
Computer & Accessories	116,067,673	—	11,502,444	68,069,841	56,706,785	68,069,841	59,360,887
Plant & Machinery	43,222,584	—	3,320,629	9,428,706	7,840,021	9,428,706	35,382,563
Office Equipments	33,836,582	224,824	1,211,000	213,030	4,795,677	6,181,927	29,040,905
Furnitures & Fixtures	818,624,231	10,780	1,759,745	417,698	198,140,071	249,513,871	620,484,160
Vehicles	17,354,339	2,154,160	—	—	4,000,002	5,750,706	13,354,337
Total Tangible Asset (A)	1,029,105,409	2,389,764	17,793,818	8,277,012	271,482,556	338,945,051	757,622,852
B) Intangible Asset							
Computer Software	3,777,570	639,740	—	—	643,998	2,036,990	3,133,572
Total Intangible Asset (B)	3,777,570	639,740	—	—	643,998	2,036,990	3,133,572
Total (A + B)	1,032,882,979	3,029,504	17,793,818	8,277,012	272,126,554	340,982,041	760,756,424
Previous Years Figures	1,055,348,869	3,929,036	26,394,927	9,014,353	204,021,916	272,126,554	760,756,424



REI Six Ten Retail Limited

(Amount in ₹)

	As at March 31, 2012	As at March 31, 2011
13) LONG TERM LOANS AND ADVANCES		
SECURITY DEPOSITS		
Deposits with Govt. Departments & Others	34,484,204	41,519,049
	34,484,204	41,519,049
14) INVENTORIES		
(As taken valued and certified by the Management)		
(Valued at lower of cost and net realizable value)		
Stock in Trade	1,200,893,413	1,380,011,039
	1,200,893,413	1,380,011,039
15) TRADE RECEIVABLES		
Unsecured		
Debt outstanding for a period exceeding six months		
~ Considered Good	64,210,880	55,505,023
~ Considered Doubtful	30,276,643	33,659,537
	94,487,523	89,164,560
Less: Provision for doubtful receivables	(17,000,000)	(17,000,000)
	77,487,523	72,164,560
Other Receivables		
~ Considered Good	690,843,961	2,058,489,412
Total	768,331,484	2,130,653,972

Note :

Further Provision for Doubtful debts to extent of ₹ 1,32,76,643/- has not been made in the accounts as the management is of opinion that the receivable is likely to be realised

(Amount in ₹)

	As at March 31, 2012	As at March 31, 2011
16) CASH AND BANK BALANCES		
Cash and Cash Equivalent		
Cash on hand (As Certified)	1,445,717	1,419,440
Balances with Schedule Banks:		
On Current Accounts	15,918,932	154,601,286
On Unpaid Dividend Account	720,804	686,610
	18,085,453	156,707,336
Fixed Deposit with Banks*	3,365,311	3,273,581
Total	21,450,764	159,980,917

Note: -

- Fixed Deposit with Bank includes deposits of ₹ 16,85,000/- with maturity of more than 12 months
- Fixed Deposit for ₹ 28,90,311/- are pledged with the banks against guarantee issued by them.

(Amount in ₹)

	As at March 31, 2012	As at March 31, 2011
17) SHORT TERM LOANS AND ADVANCES		
Advances to Suppliers & Others	392,937,910	427,613,194
VAT Receivable	14,795,176	2,168,674
	407,733,086	429,781,868

(Amount in ₹)

	As at March 31, 2012	As at March 31, 2011
18) OTHER CURRENT ASSETS		
Interest Receivable on Fixed Deposit	891,410	652,687
Income Tax Payments	7,513,431	130,031,979
Prepaid Insurance	180,361	—
Income Tax Refundable/TDS Receivable	287,211	196,842
Total	8,872,413	130,881,508
19) MISCELLANEOUS EXPENDITURE		
(To the extent not written off and/ or adjusted)		
Deferred Revenue Expenditure	693,800	1,040,700
Less: Written off	(693,800)	(346,900)
	—	693,800
Preliminary Expenses	35,980	71,960
Less: Written off	(35,980)	(35,980)
	—	35,980
	—	729,780

(Amount in ₹)

	Year Ended March 31, 2012	Year Ended March 31, 2011
20) REVENUE FROM OPERATIONS		
Revenue from operations		
Sale of Products	6,140,512,600	7,164,995,082
	6,140,512,600	7,164,995,082
21) OTHER INCOME		
Interest on Fixed Deposit with Banks	357,627	479,104
Misc. Receipts	331,921	-
	689,548	479,104
22) PURCHASES OF STOCK IN TRADE		
Rice, FMCG & other Products	5,616,464,061	7,391,182,366
	5,616,464,061	7,391,182,366
23) CHANGES IN INVENTORIES OF STOCK IN TRADE		
Closing Stock of Stock in Trade	1,200,893,413	1,380,011,039
Opening Stock of Stock in Trade	1,380,011,039	396,788,489
	179,117,626	(983,222,550)
24) EMPLOYEE BENEFITS EXPENSES		
Salary and Wages	51,695,673	41,604,461
Contribution to Provident and other funds	755,893	957,952
Gratuity Expenses/(Provision Reversed)	(518,642)	165,331
Leave Encashment/(Provision Reversed)	36,154	(436,026)
Staff Welfare Expenses	1,105,586	901,947
Total	53,074,664	43,193,665



REI Six Ten Retail Limited

24.1 Notes to Employee Benefits Expenses

- a) Gratuity expenses includes provision reversed for the year ended March 31, 2012 ₹ (-) 5,18,642 {P.Y ₹ 1,65,331}
- b) Leave Encashment includes provision made for the year ended March 31, 2012 ₹ 36,154 {P.Y ₹ (-) 4,36,026}
- c) Disclosures pursuant to Accounting Standard-15 (Revised) 'Employees Benefits':

i) Defined Contribution Plans

In accordance with the Accounting Standard 15 on Employee Benefits issued by The Institute of Chartered Accountants of India, the company makes payment of its contribution to Recognized Provident Fund Commissioner (RPFC).

ii) 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.

	2011-12		2010-11	
	Gratuity ₹ in lacs	Leave Encashment ₹ in lacs	Gratuity ₹ in lacs	Leave Encashment ₹ in lacs
Changes in Defined Benefit Obligations				
Present value of obligation at the beginning of the year	16.29	1.06	14.64	5.42
Service Cost	4.61	0.72	6.97	0.26
Interest Cost	1.10	0.10	1.23	0.26
Actuarial (Gain)/Loss	(10.90)	(0.46)	(6.55)	(4.88)
Benefit Paid	—	—	—	—
Present Value of obligation at the end of the year	11.10	1.42	16.29	1.06
Change in Plan Assets				
Plan Assets at the beginning of the year	—	—	—	—
Actual return on plan Assets	—	—	—	—
Contribution by the Company	—	—	—	—
Actual Benefits paid	—	—	—	—
Actuarial (Gain)/ Loss	—	—	—	—
Plan Asset at the end of year	—	—	—	—
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	11.10	1.42	16.29	1.06
Fair value of plan Assets at the end of the year	—	—	—	—
Liability / (Asset) recognized in the Balance Sheet	11.10	1.42	16.29	1.06
Expenses Charged to profit & Loss Account:				
Current Service Cost	4.61	0.72	6.97	0.26
Interest Cost	1.10	0.10	1.23	0.26
Expected return on Plan Assets	—	—	—	—
Actuarial (Gain) / Loss	(10.90)	(0.46)	(6.55)	(4.88)
Total Expenses charged/(to be charged) in Profit & Loss A/c on accrual	(5.19)	0.36	1.65	(4.36)
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	—	—	—	—

Note:

The principal assumption 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.

(Amount in ₹)

	Year Ended March 31,2012	Year Ended March 31,2011
25) FINANCE COSTS		
Interest On Vehicle Loan	470,078	737,748
Interest on Delayed payment of TDS & Dividend Tax	817,120	—
Total	1,287,198	737,748
26) DEPRECIATION AND AMORTIOSATION		
Depreciation of Tangible Assets	75,739,506	76,475,847
Amortization of Intangible assets	1,392,992	643,144
	77,132,499	77,118,991
27) OTHER EXPENSES		
Rent & Minimum Guarantee	42,827,432	76,873,065
Packing Materials Consumed	1,147,539	1,323,527
Security Charges	1,277,948	2,058,295
Electricity Expenses	2,251,395	2,508,293
Postage & Telephone	2,006,837	2,642,159
Printing & Stationery	2,988,874	689,648
Rates & taxes	258,076	1,712,360
Insurance	512,868	466,244
Auditors Remuneration (Refer Note No. 27.1)	854,273	716,950
Repairs & Maintenance-Plant & Machinery	15,460	354,062
Repairs & Maintenance-Others	528,513	958,456
Travelling & Conveyance	5,986,412	4,513,505
Motor Car Expenses	132,407	80,517
Bank Charges	111,505	296,776
Legal & Professional Expenses	2,901,853	3,892,105
Sales Promotion Expenses	66,817,720	31,255,611
General Expenses	2,645,589	3,473,019
Brokerage & Commission	—	229,345
House Keeping Charges	248,394	173,247
Directors Sitting Fees	28,500	45,000
Preliminary Expenses & Deferred revenue expenditure	729,780	382,880
Advertisement	2,317,166	23,294,825
(Profit)/Loss On sale Of Fixed Assets	6,776,207	12,631,605
Bad Debts Written off	58,887,815	—
Provision for Doubtful Debts	—	17,000,000
	202,252,563	187,571,494
Notes		
27.1) Auditors Remuneration Includes		
Audit fee	600,000	500,000
Tax Audit Fees	150,000	150,000
For Service Tax	86,005	66,950
For Re-imbusement of Expenses	18,268	—
	854,273	716,950



REI Six Ten Retail Limited

(Amount in ₹)

	Year Ended March 31,2012	Year Ended March 31,2011
28) Computation of EPS		
Profit after tax as per Profit & Loss A/C	3,187,614	290,399,940
Total No. Of Shares are calculated as under:		
1) No. of Equity Share as on opening date	145,703,360	143,636,390
2) Weighted No of Share issued	1,295,903	277,484
Total weighted No. of Equity Shares (Basic)	146,999,263	143,913,874
Shares to be issued on 0% Fully Convertible Debentures	—	1,395,002
Total weighted No. of Equity Shares (Diluted)	146,999,263	145,308,876
Basic Earnings Per Share	0.02	2.02
Diluted Earnings Per Share	0.02	2.00

29) SEGMENT REPORTING:

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.

30) 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):

(I) 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. Snehapusph Barter Pvt. Ltd.
 - vi. Shree Krishna Gyanodaya Flour Mills Pvt. Ltd.
 - vii. Subh Chintak 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: -
 - i. Mr. Kailash Chandra Jhunjunwala
 - ii. Mrs. Koushalya Devi Jhunjunwala
 - iii. Mr. Sanjay Jhunjunwala
 - iv. Mrs. Sangita Jhunjunwala
 - v. Mrs. Suruchi Jhunjunwala
 - vi. Mr. Shreyans Jhunjunwala

(II) Transactions with Related party:

(Amount in ₹)

Particulars	As at 31.03.2012	As at 31.03.2011
Purchase of Goods:	3,19,28,07,282	3,69,74,24,732
Amount payable:	1,52,59,77,994	3,24,62,48,594
Dividend paid during the year		
Control Exist	1,55,70,616	1,52,24,713
Key Management Personnel (KMP)	NIL	1,91,529
Relatives of KMP	NIL	2,45,101
Managerial Remuneration (w.e.f Oct 2011)	9,00,000	NIL

Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

(A) Expenditure in Foreign Currency

(Amount in ₹)

Particulars	As at 31.03.2012	As at 31.03.2011
Foreign Travelling	4,52,362	3,27,166

31) CONTINGENT LIABILITIES

No Liability has been recognised in the books against the suits filed by the creditor & others as the management does not foresee any material liability in such cases and such amount could not be ascertained with concrete evidences.

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

Significant Accounting Policies & Notes on Accounts

In terms of our attached report of even date

For **P. K. Lilha & Co.**

Chartered Accountants

[Firm Registration No.: 307008E]

CA. P. K. Lilha

Partner

Membership No. 011092

Place: Camp at Delhi

Dated : 30th May, 2012

For and on behalf of Board

Sandip Jhunjhunwala

Managing Director

Manoj Mishra

Director

Subhash Kr Burnwal

Company Secretary

