



## NOTICE

Notice is hereby given that 19th Annual General Meeting of the Members of REI AGRO LIMITED will be held on Monday, 30<sup>th</sup> September, 2013 at 09:30 A.M. at Mini Auditorium, Science City, J.B.S Haldane Avenue Kolkata-700046 to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1- Adoption of accounts

To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit and Loss account for the year ended on that date and the Reports of the Board of Directors and Auditors' thereon.

#### Item No. 2- Declaration of Dividend on Preference Shares

To declare dividend on Preference Shares for the financial year ended on March 31, 2013.

#### Item No. 3- Declaration of Dividend on Equity Shares

To declare dividend on Equity Shares for the financial year ended on March 31, 2013.

#### Item No. 4- Re- appointment of Shri Krishna Dayal Ghosh

To appoint Director in place of Shri Krishna Dayal Ghosh, who retire by rotation and being eligible offers himself for re- appointment.

#### Item No. 5- Re- appointment of Dr. Narpinder Kumar Gupta

To appoint Director in place of Dr. Narpinder Kumar Gupta, who retire by rotation and being eligible offers himself for re- appointment

#### Item No. 6- Re-appointment of Auditor

To re-appoint M/s. P. K. Lilha & Co., Chartered Accountants, as Auditors of the Company who retire at the conclusion of the ensuing Annual General Meeting, to hold office till the conclusion of the next Annual General Meeting with the authority to the Board of Directors of the Company to fix their remuneration and to pass the following resolution thereof.

**"RESOLVED THAT** the retiring auditors M/s. P. K. Lilha & Co., Chartered Accountants, be and are hereby re-appointed as auditors of the Company to hold the office from the conclusion of this annual general meeting until the conclusion of the Next Annual General Meeting on such remuneration as may be determined by Board of Directors of the Company.

### SPECIAL BUSINESS:

#### Item No. 7- Re-Appointment of Vice Chairman and Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary

Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310, 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re- enactment thereof for time being in force) and subject to approval from central government or any other authority, if any, consent of the members be and is hereby accorded for re- appointment of Shri Sandip Jhunjunwala as the Vice Chairman and Managing Director of the Company for a further period of 5 years with effect from 30th June, 2013 on such terms and conditions including remuneration as set out below with discretion to the Board of Directors to vary, alter and modify such terms and condition including salary, allowances, perquisites and commission at any time during the tenure of his office as decided by the Board of Directors.

**RESOLVED FURTHER THAT** appointment of Shri Sandip Jhunjunwala, shall not be subject to retirement by rotation during his tenure as Managing Director.

Terms and Conditions of Appointment

- a) Period of appointment :- Appointment Shall be for a period of 5 (Five) years beginning from 30th June, 2013 to 29th June, 2018 and he shall carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors.
- b) Remuneration: Basic Salary of Rs. 12,00,000/- per month with Annual increment of such amount as may be decided by the Board within the overall ceiling as may be permitted under the Act.
- c) Perquisites and Allowances
  - I. Housing:
    - a) Free accommodation.  
If accommodation is hired, expenditure incurred will not exceed 50% of the basic salary.  
If accommodation is owned by the Company, perquisites value shall be valued as per the Income Tax Rules, 1962.
    - b) If no accommodation is provided by the Company, the Managing Director shall be entitled to a house rent allowance equal to 60% of the basic salary.
  - II. Furniture and fixture at residence and other amenities such as Gas, Electricity and Water etc.  
Explanation: The expenditure incurred by the company on Gas, Electricity, Water and furnishings etc. shall be valued as per the Income Tax Rules, 1962.
  - III. Medical Reimbursement: Expenses incurred for self and family, subject to a ceiling of Rs. 3 lakhs per annum.



## REI Agro Limited

Registered Office: "Everest House" 46 C, Chowringhee Road, 15th Floor, Room No.-15B, Kolkata-700071

- IV. Leave: One month leave with full pay and allowances in a year.
- V. Leave Travel Concessions: For self and family, once in a year incurred in accordance with rules of the company subject to maximum of two months basic salary.
- VI. Club Fees: Fees of clubs subject to maximum of two clubs. This will not include admission and life membership fees subject to maximum Rs. 2 lakh per annum.
- VII. Conveyance: Free use of company's car with driver for official work as well as for personal purposes.
- VIII. Company's contribution to Provident Fund/ Family Pension Fund as per Rules of the Company.
- IX. Gratuity: Amount equal to 15 days salary for each completed year of service, calculated as per the rules of the company.

d) Minimum Remuneration

Notwithstanding anything contained to the contrary herein before, where in any financial year during the currency of his tenure as the Managing Director of the company, the company has no profit or profits of the company are inadequate, the company will pay salary, perquisites and allowances according to schedule XIII of The Companies Act, 1956.

For the purpose of ceiling on remuneration as per Part-II of Schedule-XIII of the Companies Act, 1956, the following benefits shall not be included.

- i) Contribution to Provident Fund, Family Pension Fund, as per Rule of the Company.
- ii) Gratuity: Amount equal to 15 days salary for each completed year of service, calculated as per the rules of the company.
- iii) Encashment of leave at the end of the tenure.

e) Sitting Fee

No sitting fee shall be paid to him for attending the Meetings of Board of Directors or a committee thereof.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of the Vice Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will continue to pay to the Vice Chairman & Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above subject to the approval of Central Government as required under the applicable laws.

**RESOLVED FURTHER THAT** Mr. Sandip Jhunjhunwala, Managing Director and Mr. Mandan Mishra, Company Secretary of the Company be and are hereby jointly and severally authorized to sign, execute and submit various papers, applications, forms and documents etc with the concerned authorities (i.e., ROC, Stock Exchanges etc.) and to do all such acts

that may be necessary and incidental for the aforesaid purpose."

**Item No. 8- To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed there under and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under:

- i) The following Article be inserted after the existing Article 73:

**73A:** Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conferencing facility and/or other permissible electronic or communication facilities to enable the Shareholders of the Company to participate in General Meetings of the Company.

Such participation by the Shareholders at General Meetings of the Company through Video Conferencing facility and/or through other permissible electronic or communication facilities shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- ii) The following Articles be inserted after the existing Article 106:

**106A:** Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conferencing facility and/or through other permissible electronic or communication facilities. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conferencing facility and/or through other permissible electronic or communication facilities shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

**106B:** Provided further that a Director participating in a Meeting through use of Video Conferencing or through any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

- iii) The following Article be inserted after the existing Article 133:

**133A:** Notwithstanding anything contrary contained in the Articles of Association, any notice, memorandum or document may be served by the Company on any Member by any electronic mode of communication and in such manner as may be permitted by any law. Where any notice, memorandum or document is served by any such electronic mode, the service thereof shall



## REI Agro Limited

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be deemed to be effected in the manner as is/may be provided by any law.

Provided that the accidental omission to give such notice or non receipt of any such notice by any such member shall not invalidate the proceeding at any meeting.

**FURTHER RESOLVED THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee or any person which the Board may constitute/nominate to exercise its powers, including the powers by this Resolution) be authorized to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution.

**RESOLVED FURTHER THAT** Mr. Sandip Jhunjhunwala, Managing Director and Mr. Mandan Mishra, Company Secretary of the Company be and are hereby jointly and severally authorized to sign, execute and submit various papers, applications, forms and documents etc with the concerned authorities (i.e., ROC, Stock Exchanges etc.) and to do all such acts that may be necessary and incidental for the aforesaid purpose."

By Order of the Board  
For **REI Agro Ltd.**

Sd/-  
**Mandan Mishra**  
Company Secretary

Date: 14th August, 2013

Place: Kolkata

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.
- Duly complete instrument appointing Proxy as per the format included in the Annual report should reach at the Registered Office of the Company, not less than forty eight hours before the time of the Meeting.
- Register of Director's Shareholding, maintained under section 307 of the Companies Act, 1956, will be available for inspection by Members at the AGM.
- Members are requested to bring in the admission slip and those holding shares in electronic form are also requested to bring in the latest DP Statement with them. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote

- The details of the Directors seeking re-appointment, in terms of the clause 49 of the Listing Agreement, are annexed hereto and form part of the Notice.
- Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic share accounts and to the Share Transfer Registrar of the Company in respect of their physical shares folios, if any.
- As per the Circular No. MRD/Dop/Cir-05/2009 dated May 20, 2009 issued by Securities Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer/transmission of shares in physical form. Therefore, the transferee(s) / legal heirs(s) are required to furnish a copy of their PAN to the Registrar & Share Transfer Agent (RTA) of the Company.
- The register of members and share transfer books of the company will remain closed from 25<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive) for determining the eligibility of the Equity Shareholders for the payment of the final dividend, if declared at the meeting for the year ended 31st March, 2013.
- If dividend on Shares as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be credited/dispatched on and from 04th October, 2013 to those members, whose names are on the Company's Register of Members on the closing of business hours as on 24<sup>th</sup> September, 2013. In respect of Ordinary Shares held in electronic form, the dividend will be paid to the beneficial owners of shares as at the end of business hours on 24<sup>th</sup> September, 2013, as per details furnished by the Depositories for this purpose.
- The Ministry of Corporate Affairs, vide its Circular no. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 allows service of documents to shareholders through electric mode. Thus now companies can send various documents i.e. Notices convening General Meetings, Audited Financial Statements, Directors Report, Auditors reports etc. through electronic mode to the registered e mail addresses of shareholders.  
Members who wish to have Annual report and other notices, communications in electronic mode may register their e mail addresses with RTA of the Company.  
The Annual Report and other communication sent electronically will be displayed on the Company's website [www.reiagro.com](http://www.reiagro.com) and will be available at the registered office of the Company during office hours.
- Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting
- The relevant Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.



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### EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 07

Shri Sandip Jhunjhunwala was re-appointed as Managing Director of the Company on 30th June, 2008 for a period of five years and his Current tenure as Managing Director of the Company expires after 29th June, 2013. Under his leadership and directions company has grown rapidly and successfully explored the business opportunities across the globe and under his able guidance and directions company has successfully established itself as the leading basmati rice processor in the World.

Based on the recommendations of Remuneration Committee, Board of Directors at their meeting held on 30<sup>th</sup> May, 2013 had re- appointed Shri Sandip Jhunjhunwala, as Vice Chairman and Managing Director of the Company for another period of five (5) years with effect from 30th June, 2013 on such remuneration as stated in the resolution and subject to the approval of the members in the ensuing Annual General Meeting.

A brief resume of Shri Sandip Jhunjhunwala, nature of his expertise in specific functional areas, names of companies in which he holds directorship and membership/chairmanship of Board Committees and relationships between Directors inter-se, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are appended to this Notice As per the provisions of Companies Act, 1956, appointment of such Managerial personnel requires approval of the shareholders in the general meeting.

Hence the Board recommends the resolution as set out in item No. 07 of the Notice for your approval.

Except Shri Sandip Jhunjhunwala and Shri Sanjay Jhunjhunwala, None of the other Directors are interested in the said resolution.

#### ITEM NO. 08

The Ministry of Corporate Affairs ("MCA"), Government of India, New Delhi vide General Circulars No. 27/2011 and 28/2011 dated 20th May, 2011 and Circular No. 35/2011 dated 6th June, 2011 has permitted companies to hold Board Meetings and Shareholders Meetings through Video Conference facility, as part of the Green Initiatives under Corporate Governance. Further, MCA vide Circular No. 72/2011 dated 27th December, 2011 made the Video

Conference facility at the Shareholders Meetings optional to the listed companies.

Section 53 of the Companies Act, 1956 ("the Act") and Articles 133 provide for modes of service of documents on a Member of the Company. The MCA has vide Circular No. 17/2011 dated 21st April, 2011 stated that a Company would have complied with Section 53 of the Act, if the service of a document has been made through electronic mode, provided the Company has obtained e-mail addresses of its Members for sending Notices/Documents through e-mail by giving opportunity to every Shareholder to register their e-mail addresses with the Company. Clause 32 of the Listing Agreement of the Stock Exchanges also permits a Company to send soft copies of full Annual Reports to all Shareholders who have registered their e-mail addresses for the purpose.

It is proposed to carry out necessary amendments in the existing Articles of Association of the Company by inserting appropriate enabling provisions as set out in the Special Resolution under Item No. 8 to give effect to the aforesaid Circulars of MCA.

In terms of Section 31 of the Act, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company. A copy of the existing Memorandum and Articles of Association of the Company alongwith the proposed draft amendments to the Articles of Association is available for inspection by any Member at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days (except Saturdays, Sundays and Public Holidays).

#### **The Directors recommend the passing of the Resolution at Item No. 8 as a Special Resolution.**

None of the Directors of the Company is, in any way, concerned or interested in this item of business.

By Order of the Board  
For REI Agro Ltd.

Sd/-

**Mandan Mishra**

Company Secretary

Place: Kolkata

Date: 14th August, 2013



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### Details of Directors seeking appointment / re-appointment in 19<sup>th</sup> Annual General Meeting to be held on Monday, 30<sup>th</sup> September 2013.

Name of Director	Shri Sandip Jhunjunwala	Shri Krishna Dayal Ghosh	Dr. Narpinder Kumar Gupta
Date of Birth	25-09-1969	15-02-1938	01-03-1946
Expertise in Specific Functional area	Significant Experience in the marketing of rice , both domestic and international	Significant experience in financial planning, industrial relations, credit management, foreign exchange banking and merchant banking.	Having experience in the design, layout, and construction of food processing units
Qualification	B.Com.	M.Com, CAIIB	Phd. (Food Technology)
List of outside Directorships held*	1. REI Six Ten Retail Limited. 2. MyGrahak Shopping Online Limited	1. REI Six Ten Retail Limited	1. KRBL Limited 2. Grintec India Limited 3. REI Six Ten Retail Limited
Chairman/Member of the Committee of the Board of Directors of the Company		1. Audit Committee: Member 2. Shareholder/Investor Grievances Committee: Member 3. Share Transfer Committee: Chairman 4. Remuneration Committee: Member	1. Audit Committee: Member 2. Shareholder/Investor Grievances Committee: Member 3. Remuneration Committee: Member
Chairman/Member of the Committee of Directors of other Companies in which he/she is a Director		_____	1. REI Six Ten Retail Limited Audit Committee: Member 2. Grintec India Limited. Audit Committee: Member
No. of shares held	7661160	_____	

\*Excluding Directorship in Private/foreign Companies





# REI Agro Limited

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## ATTENDANCE SLIP

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall, Joint Shareholders may obtain additional Attendance Slip on request.

Ledger Folio No. /DP- CID No.	
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Name & Address of the Shareholder(s) \_\_\_\_\_

I hereby record my presence at the Annual General Meeting of the Company held on Monday, 30th September, 2013  
Signature of the Shareholder/Representative/Proxy.

\_\_\_\_\_  
Signature of the Shareholder /  
Representative / Proxy

Strike out whichever is not applicable



# REI Agro Limited

Registered Office: "Everest House" 46 C, Chowringhee Road, 15th Floor, Room No.-15B, Kolkata-700071

## PROXY FROM

Ledger Folio No/ DP- CID	
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Proxy No.	
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No. of Shares	
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I/We \_\_\_\_\_

resident of \_\_\_\_\_ Being a member/members of REI Agro Limited, hereby  
appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the Annual

General Meeting of the Company to be held on Monday, 30th September, 2013.

Signed on this, \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix a  
Re. 1/-  
Revenue  
Stamp

Note:

Signature of Proxy

The Proxy completed must be returned so as to reach so as to reach the Registered Office of the Company not less than 48 hours before the time for the aforesaid meeting. The Proxy need not be a member of the Company.



**REI AGRO LIMITED**

Annual Report 2012-2013





## Contents

Corporate Information .....	1
Directors' Report .....	2
Management Discussion and Analysis....	8
Corporate Governance.....	12
Auditors' Report.....	24
Financials.....	28
Consolidated Financial Statements.....	55

### **Disclaimer**

In this Annual Report we have disclosed forward-looking statements to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements- written and oral that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shri Sanjay Jhunjhunwala	Chairman
Shri Sandip Jhunjhunwala	Vice Chairman cum Managing Director
Dr. N. K. Gupta	} Independent Non-Executive Directors
Shri A. K. Chatterjee	
Shri K. D. Ghosh	

## CHIEF FINANCIAL OFFICER

Shri Ranjan Majumder

## COMPANY SECRETARY cum COMPLIANCE OFFICER

Shri Mandan Mishra

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## AUDITORS

P. K. Lilha & Co.  
Chartered Accountants

## INTERNAL AUDITORS

S. Jaykishan  
Chartered Accountants

## WHOLLY OWNED SUBSIDIARIES

Ammalay Commoditiess JLT, UAE  
Ammalay International PTE LTD, Singapore  
Holy Stars Limited, Mauritius  
Orient Agro (M) Limited, Mauritius  
Auckland Holdings Limited, Mauritius

## PRINCIPAL BANKERS

Andhra Bank  
Axis Bank  
Bank of Baroda  
Bank of Maharashtra  
Central Bank of India  
Corporation Bank  
Dena Bank  
Dhanlaxmi Bank Limited  
IDBI Bank Limited  
IFCI Limited  
Indian Overseas Bank  
Indian Renewable Energy Development Agency Ltd.  
IndusInd Bank  
Infrastructure Development Finance Company Ltd.  
ING Vysya Bank Limited  
Karur Vysya Bank  
Lakshmi Vilas Bank Limited  
State Bank of Bikaner & Jaipur  
State Bank of Patiala  
State Bank of Travancore  
The Jammu & Kashmir Bank Limited  
UCO Bank  
Union Bank of India  
United Bank of India

## REGISTRAR & SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd  
6th Mangoe lane, 2nd Floor,  
Kolkata - 700001  
Tel: + 91 33 22482248/22435029  
Fax: +91 33 2248 4787  
Email: mdpl@cal.vsnl.net.in



# DIRECTORS' REPORT

To the Members,

We are delighted to present the 19th Board Report along with the Audited Financial Results for the year ended 31st March 2013.

## 1. FINANCIAL AND PERFORMANCE REVIEW

Your Company has consistently followed an integrated model of operations right from procurement, maturing, processing, packaging, branding and distribution. With the help of strong distribution network, Company serves a wide range of quality products to its consumers. Further, Company continues to strengthen its relationship with major customers in organised retail sector. Company has launched several products under “Raindrops” brand to consolidate its position in the markets. “Raindrops” is one of the fastest emerging brands in FMCG Sector in India.

(₹ In Lacs)

Particulars	2012-2013	2011-2012
Sales	508,909	422,548
Other Income	1,187	2,946
<b>Total</b>	<b>510,096</b>	<b>425,494</b>
Profit Before Interest and Depreciation and Amortisation (PBIDTA)	93,306	86,164
Less: Interest	60,926	53,973
<b>Less: Depreciation</b>	<b>6,406</b>	<b>3,878</b>
Profit Before Taxation (PBT)	25,973	28,313
Provision for Current Taxation	7,095	5,650
<b>Prior Period Tax Payments</b>	<b>(2,223)</b>	<b>40</b>
<b>Profit after Taxation (PAT)</b>	<b>21,101</b>	<b>22,623</b>

During the year under review, your Company has achieved a turnover of ₹ 5089 Crores on a standalone basis as against ₹ 4225 Crores in the previous year, a 20% increase over the previous year. The company had a net profit of ₹ 211 Crores during the year compared to net profit of ₹ 226 Crores for the previous year. We have registered significant movement in top line, however, the bottom line was slightly pressed due to increased financing costs. The highlights of the performance of each of the segments of your company are highlighted later in this report.

## 2. DIVIDEND

Your company has been giving dividends to its shareholders over the last sixteen years. Your company believes in value creation for the shareholders and for the seventeenth year in succession, the Board of Directors of the Company have proposed and recommended final dividend @ of 50% i.e. ₹ 0.50 on the equity shares of face value of ₹ 1 each aggregating to ₹ 4789.92 lacs for the financial year 2012-13. In addition, Board of Directors have proposed and recommended a dividend @ 4%, i.e. ₹ 4/- each on the preference share having face value of ₹ 100/- each to the preference shareholders aggregating to ₹ 160 lacs for the financial year 2012-13.

The final dividend, if approved, will be paid within 30 days of its declaration.

## 3. UNCLAIMED / UNPAID DIVIDEND (TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND)

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, unclaimed dividend which remains unpaid for a period of seven years shall be transferred to Investor Education & Protection Fund. Accordingly, the Company has transferred all unclaimed dividend for the year 2004-2005 to the said fund. Unclaimed dividend for the year 2005-06 (₹ 57,990) shall be transferred to the said fund before the due date.

It may be noted that upon the transfer of dividend to Investor Education & Protection Fund, members lose their right to claim such dividend. Therefore, Members are requested to claim the amount of Unpaid/unclaimed dividend for the year 2005-2006 and onwards.

## 4. TRANSFER TO GENERAL RESERVE

Your Company transferred ₹ 14000 lacs to the General Reserves account out of the amount available for appropriation.

### Transfer to Debenture Redemption Reserve

During the year under review, your Company has also transferred ₹ 3580 lacs to Debenture Redemption Reserves account out of the amount available for appropriation.



## 5. CONSOLIDATED FINANCIAL STATEMENT

During the year 2012-13, Indian Economy experienced relatively muted growth and world economy also performed weakly. Despite the pressure at the macro levels, business matrix has helped the Company to strengthen its position across the regions.

During the year under review, your Company has reported a consolidated revenue of ₹ 9548 Crores for the financial year ended 31st March, 2013 against consolidated revenue of ₹ 5411 Crores for the previous year ended 31st March, 2012, an increase of 76 % (approx.) over the last year. Consolidated profit before tax for the year ended 31st March, 2013 stood at ₹ 763 Crores and consolidated Profit after tax at ₹ 701 Crores against Consolidated profit before tax for previous year of ₹ 446 Crores and consolidated Profit after tax of ₹ 398 Crores during the previous year, an increase of 71% and 76 % in profit before tax and profit after tax respectively over last year.

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statement read with Accounting Standard AS-23 on Accounting for investment in Associates, your Directors provide the Consolidated Audited Financial Statement in the Annual Report.

As per section 212 of the Companies Act, 1956, we are required to attach the, Balance sheet, statement of Profit and Loss and other documents of our subsidiaries. Ministry of Corporate affairs, vide its circular dated 8th February, 2011, has granted general exemption from attaching the Balance sheet, statement of Profit and Loss and other documents of the subsidiary companies with the balance sheet of the company.

Board of Directors of the Company in its meeting held on 30th May, 2013 consented for not attaching the balance sheet of the subsidiary companies. A statement containing brief financial details of the company's subsidiaries for the financial year ended March 31, 2013 is included in the Annual report. Company will make available the said annual accounts and other related information of the subsidiary companies upon request of any member of the Company or its subsidiary companies and same will also be kept open for inspection by any member at the registered office of the Company and its subsidiary Companies.

## 6. SUBSIDIARY COMPANIES

During the financial year ended March 31, 2013, Company has extended its global footprints. Your Company has incorporated a wholly owned foreign subsidiary in Singapore viz. Ammalay International PTE Ltd. At the end of financial year 31st March, 2013, your Company had 5 (Five) wholly owned foreign subsidiaries namely; Ammalay Commoditiess JLT, UAE, Ammalay International PTE Ltd, Singapore and Holy Stars Ltd, Auckland Holdings Ltd and Orient Agro (M) Ltd are based at Mauritius.

Total revenue from Subsidiary Companies stood at ₹ 4487 crores for the financial year ended 31st March, 2013 against total revenue of ₹ 1157 crores for the previous year ended 31st March, 2012, an increase of 288%(approx.) over the last year. Similarly, during the year under review, aggregate profit after tax of the subsidiary companies increased to ₹ 489 Crores against ₹ 162 Crores in the previous year, thereby registering an impressive growth of 200%.

The company is working towards expanding its subsidiaries global footprint by way of organic and inorganic growth and also exploring unlocking of their resultant potential value creation opportunity with the possibility of merger, acquisitions, raising of high yield bonds with or without credit enhancement, placement or listing on the London Stock Exchange, Singapore Stock Exchange or other international exchanges through an Initial Public Offering or Reverse Takeover, etc.

## 7. BUSINESS SEGMENTS

Your Company operates in two Business segments i.e. business of manufacturing, trading and marketing of agro products and Power Generation through Winds farms. However, the Company has discontinued the segment reporting for wind power generation as the total revenue, assets, profit or the capital employed in the wind power generation is less than 10 per cent threshold limits of revenue, result, and assets, which is required for reportable segment as provided in Accounting Standard 17 (AS 17) "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI) / Company (Accounting Standards) Rules, 2006.

### 7.1 RICE & OTHER PRODUCTS

During the financial year 2012-2013, revenue from sale of rice & other products was ₹ 5063 crores as compared to ₹ 4200 Crores in



the immediately preceding previous year, this reflects an increase of over 20%.

During the year under review, the Company has taken various measures and steps to increase the presence of its “Raindrops” brand. For instance, Company has proudly associated with the mega cricketing bonanza in India, as an associate sponsor of Delhi Daredevils and Kings XI Punjab. This platform gave us an opportunity to reach millions of Indian families.

As part of our continued efforts at modernizing and implementation of up-gradation of processes, we have substantially improved our overall operational efficiency.

The company has also launched “Raindrops” in the international markets. The brand has been well accepted in the markets and despite the general slowdown in exports out from India, export sales of the Company has increased to ₹ 493 crores against export of ₹ 233 Crores during the previous year. An increase of 112% over the last year. The consistent quality, commitment, innovation and consumer engagements have continued to add value to consumers and provide growth momentum.

Your company has taken various measures to increase the export sales post the launch of “Raindrops” brand in Gulf Co-operative Council (GCC) countries. Encouraged by the very good response from the market, the company is looking to increase its market share. We intend to focus more on these territories to expand and eventually extend out coverage to other international markets.

#### 7.2 WIND POWER PERFORMANCE

Your Company has its wind power generation farms in the States of Rajasthan, Maharashtra, Tamil Nadu and Gujarat with a total installed capacity of 46.1 MW. During the financial year 2012-2013, revenue from the wind power generation was ₹ 25.93 Crores. Wind power generation farms at Rajasthan, is registered with United Nations Framework Convention on Climate Change (UNFCC) and has earned revenue of ₹ 0.12 crores through sale of Certified Emission Reduction (CER/Carbon Credits) during the year. Further, Company’s wind power generation farms situated at Tamil Nadu, Maharashtra and Gujarat have also got registered with UNFCC and are expected to earn revenue from sale of Certified Emission Reduction (CER/Carbon Credits) from these projects in the future.

#### 8. CREDIT RATING

Credit and Analysis Research Ltd. (CARE) has revised/affirmed CARE “A” (Single A) to the long term Instruments/ facilities of the Company and CARE A1 (A ONE) rating to the short term instruments/ facilities of the Company.

#### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### 10. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance.

A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement entered with the Stock Exchanges forms part of the Annual Report. Requisite certificate from the auditors of the company confirming compliances with the conditions of corporate as stipulated under clause 49, is attached to this report.

#### 11. ENVIRONMENTAL ASPECT AND SOCIAL RESPONSIBILITY

Your Company continues to show its commitment for sustainable use of natural and non-renewal resources and for improvement in all aspects of the environment. Company pays special emphasis for plantation and preservation of trees. It ensures that state of art technology along with consistent efforts reduce waste and emissions. To Promote optimum utilisation of available resources, Company has set up a rice husk based power plant thereby reducing dependence on Coal, oil etc. as fuel. The husk based power generation facilities are registered for Renewable Energy Certificates (REC). As mentioned above, the company has set up Wind power generation farms situated at Rajasthan, Maharashtra, Tamil Nadu and Gujarat, with a capacity of 46.1 MW which are registered with United Nations Framework Convention on Climate Change (UNFCC) .

#### QUALITY SAFETY, HEALTH

Your Company accords high priority to Quality of its products, Health and Safety of consumers. Units of the Company are certified ISO 9001-2008 for the Quality Management Systems and



ISO 22000- 2005 for milling of paddy, processing and packing of rice under Food Safety Management Systems.

Manufacturing and processing facilities of the Company are registered with U.S. Food and Drug Administration pursuant to the Federal Food Drug and Cosmetic Act as amended by the Bioterrorism Act of 2002 and FDA food safety modernization Act, which indicates high standard in relation food quality and safety matters followed by the company.

## 12. DIRECTORS

In accordance to the section 255 of the Companies Act, 1956 and Article 95 of the Article of Association of Company, Shri K.D. Ghosh and Shri N. K. Gupta , Directors of the Company, will retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. Your Directors recommend their re-appointment.

Further, on the basis of recommendations of Remuneration Committee, Board of Directors of the Company, at its meeting held on 30.05.2013, gave their consent for the re-appointment of Shri Sandip Jhunjhunwala, as Vice Chairman cum Managing Director for another term of five years with effect from 30th June, 2013.

Board of Directors seeks your approval to the terms of his re appointment and remuneration.

Brief details of the Directors seeking re-appointment, their expertise etc. is given in the notice to the ensuing Annual General Meeting.

## 13. AUDITORS

M/s P.K.Lilha & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment, they have indicated their willingness to accept re-appointment. In terms of Section 224A of the Companies Act, 1956, their re-appointment needs to be approved by the members 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.

## COST AUDITORS

Complying with provisions of section 233B of the Companies Act, 1956 and pursuant to notification issued by Ministry of Corporate Affairs, M/s Dey Deshmukh Nevin & Associates LLP, Cost Accountants, had been appointed by the Board of Directors, as Cost Auditors of the Company for conducting the Cost Audit of

- (i) Power Generation [Under Cost Accounting Records (Electricity Industry) rule 2011] and
- (ii) Rice (Under Packaged Foods Products).

for the Financial Year 2012-13

Your Director's re-appointed, M/s Dey Deshmukh Nevin & Associates LLP, Cost Accountants, as Cost Auditors of the Company for the Financial Year 2013-14

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to 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, the applicable accounting standards had been followed along with the proper explanations relating to material departures, if any.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities.
- The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

## 15. PUBLIC DEPOSITS

The Company has neither invited nor accepted any public deposits during the year under review.



## 16. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and the other information's are set out in the annexure to the Directors report. However having regards to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information( annexure) is being sent to all the members of the Company and others entitled thereto. 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. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

## 17. SHARE CAPITAL AUDIT

- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

## 18. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your company strives hard to take all measures to conserve energy and use the latest technology. The particulars relating to energy conservation, technology absorption, foreign exchange as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors ) Rules, 1988 are annexed as Annexure 'A' and forms part of this Report.

## 19. CORPORATE SOCIAL RESPONSIBILITY

Your Company continues its legacy of working towards betterment of the weaker section and in its quest to serve the weaker section of the society pursued a unique initiative called 'Mummy ka exam' in association with various schools and Times of India. A specially designed programme to bridge the gap between different sections of society and a tool to foster the feeling of sharing and caring among children from various schools and underprivileged ones. The initiative was planned with an objective of creating a sense of togetherness, empathy and sharing amongst children. Under this program, Company gave the students of participating schools a pack of "Raindrops" Basmati Rice free of cost, which they took home and got a dish prepared. The dish was then shared with underprivileged children from lower sections of society in the school.

This initiative received a encouraging, heartwarming and overwhelming response from the participative schools, parents, NGO's and the children. Almost 50 prestigious Schools, 20 NGOs and 50,000 school children's participated in this program. More than 10,000 Underprivileged children benefitted and this initiative enabled school children in developing a close and compassionate interaction with the deprived section of the society and giving them an understanding attitude towards the needy section of society.

## 20. ACKNOWLEDGEMENT

The Board place on record their appreciation for the assistance and co-operation received from various government authorities, stakeholders, bankers, vendors and members during the year under review. Directors also wish to thank all the employees for their contribution commitment, support and co-operation.

For and on behalf of Board of Directors

**(Sandip Jhunjunwala) (A. K. Chatterjee)**

Vice Chairman & Managing Director

Director

Place: Kolkata

Date: 30th May, 2013



## ANNEXURE -A

### TO THE DIRECTORS' REPORT

Information As Required Under Section 217(1)(e) of The Companies Act,1956 Read With The Companies (Disclosure Of Particulars In The Report Of Board Of Directors ) Rules,1988 forming Part of The Directors' Report for the year ended 31st March, 2013.

#### Conservation of energy:

Energy conservation and optimum utilization of energy is a priority concern for the Company. Company always emphasized conservation of energy through better control and hi- tech monitoring, Company has installed energy saving features at the manufacturing facilities by which the user saves the power consumption to a considerable extent.

Regular testing and maintenance of boiler feed pumps, ID pumps, reduces the energy consumption.

Husk based power generation plant helped the Company to reduce power procured from the national grid.

The Company has been using latest technologies, which reduces energy consumption and water requirements for the paddy parboiling process.

#### **Form- A**

Particulars	FY: 2012-13	FY:2011-12
1. Electricity		
(A) Purchased		
Unit (in KWH)	18,508,545	17,743,734
Total Amount (in ₹)	124,870,563	97,803,202
Rate/Unit	6.75	5.51
(B) Own Generation		
(i) Through Diesel Generator		
Unit (in KWH)	604,389	962,653
Unit per Ltr of Diesel Oil	3.35	3.47
Cost/Unit	13.44	11.26
(ii) Through Steam Turbine (Husk Based Turbine)		
Unit (in KWH)	10,674,642	3,903,930
Husk/Unit/Unit (in KG)	1.00	1.54
Cost/Unit	3.01	4.63
2. Coal (specify quantity and where used)		
Quantity (tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average Rate	Nil	Nil
3. Furnance Oil	Nil	Nil
Quantity	Nil	Nil
Total Cost	Nil	Nil
Average Rate	Nil	Nil

4. Other/internal Generation	Nil	Nil
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/ Unit	Nil	Nil

#### **Form B.**

**Technology absorption,adaptation and innovation efforts in brief, made towards improvement of quality and quantity of the product:**

##### **i) Research And Development**

Company has given emphasis to research and development in order to deliver healthy and quality products. Quality Assurance Department (QA) always focused on providing products having superior aroma, enhancement of health and nutritional benefits to the consumers.

##### **ii) Benefits derived as a result of the above efforts:**

Collective efforts of the R& D team and QA has improved the quality of the rice. Use of latest technology and comprehensive maintenance programmes reduces the energy costs and decrease the percentage of broken rice during the process.

##### **iii) Future plan of action:**

Company has taken several measures to strengthen and develop and well equipped in-house R & D mechanism at the manufacturing units and testing laboratories.

#### **Expenditure on R & D (₹ InLacs)**

	2012-13	2011-12
a. Capital	Nil	Nil
b. Recurring	20	15
c. Total	20	15
d. Total R & D	20	15
Expenditure as % of total Turnover	0.004	0.003

#### **Foreign exchange earnings and outgo:**

A. Activities relating to exports: Company has taken several measures to increase exports with the development of new markets for our products. Details of the activities are explained in the point no. 7.1 of the Directors' Report. Company has subsidiaries in UAE, Singapore and Mauritius and company has made substantial inroads in the International markets.

#### **B. Total foreign exchange earned and used:**

	Amount. (₹ In Lacs)
Foreign exchange earned (Export of goods and interest earned)	38630
Foreign exchange outgo	13959
Net foreign exchange earned	24671





# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC OVERVIEW

The global economy continues to be sluggish with a moderation in growth in China adding to the continuation of the crisis in the European Union and the United States being unable to show clear signs of economic recovery. The global economy seems fragile with revival of economic activity not yet discernible.

The Indian economy is estimated to have registered a growth rate of 5.0 per cent in 2012-13 in terms of gross domestic product at factor cost at constant 2004-05 prices, following a growth of 6.2 percent in 2011-12. Growth in 2011-12 and 2012-13 is on the lower side, in the context of the decadal average of 7.9 per cent during 2003-04 to 2012-13. Agricultural growth at 1.8% year-on-year was lower compared to 3.6% of the previous fiscal because of the delayed onset of monsoon that resulted in food grain production contracting by about 3.5%.

On the domestic front managing growth and price stability has been a prime concern in policy formulation. Agriculture and services sector have provided support to overall growth, weakening industrial activity tightening of the monetary position is causing borrowing costs to rise and consequently investments have fallen thereby pulling down economic performance.

## THE AGRICULTURE INDUSTRY

There has been a decline in the overall area coverage of food grains during kharif 2012-13 as compared to kharif 2011-12 due to deficient south-west monsoon. The area coverage under food grains during kharif 2012-13 stood at 665.03 lakhs hectares compared to 720.86 lakhs hectares last year. The major decline in the area of kharif foodgrains has been due to shortfall in the area under rice in Andhra Pradesh, West Bengal, Jharkhand and Bihar, coarsecereals mainly due to lower coverage under bajra in Rajasthan; and also pulses. The area under oil seeds has also been lower as compared to the previous year. The area coverage under kharif rice during 2012-13 is around 391.62 lakh hectares which is lower by 9.06 lakhs hectares compared to last year. The area coverage under sugarcane during the current year has marginally improved to 51 lakhs hectares, which is higher by about 0.13 lakhs hectares as compared to the previous year and the area under cotton has decreased to 116.14 lakhs hectares as compared to 121.78 lakhs hectares during 2010-11 registering a decrease of 5.64 lakhs hectares.

As per the 1st Advance Estimates (covering only kharif crops), production of food grains during 2012-13 is estimated at 117.18 million tonnes. Oilseeds production stood at 18.78 million tonnes, sugarcane at 335.33 million tons and cotton at 33.4 million bales of 170 kg each. These production estimates are at lower levels compared to last year primarily due to deficient south west monsoon in 2012 and resultant acreage losses

## INDIAN AND EMERGING MARKET OPERATIONS

Indian branded business in particular, continues to grow ahead of the market growth rate. Manpower increases in strategically relevant therapy areas helped grow the power brands. Strategic initiatives were undertaken to strengthen our presence in Pain management to achieve leadership position in the coming years.

The emerging markets business outside India has registered growth and company has clearly outlined this as a strategic area for growth. The Company maintained its market share of ~20% in the Indian Basmati Rice Industry and ~17% in the global Basmati rice industry, same as the year before.

## THE YEAR UNDER REVIEW – BUSINESS OVERVIEW

2012-13 marks the year when REI Agro domestic operations saw the increasing presence of its brands. The company products are sold under umbrella brand of “Raindrops”. “Raindrops” has been rated as the No. 1 brand for basmati rice in India and is available in most retail verticals. The branding exercise for our flagship brand has resulted in increase in the branded rice.

During the year under review, the total revenue on consolidated basis increased to ₹ 9548 Crores from 5411 ₹ Crores an increase of 76%. The EBIDTA of the company has increased to ₹1490 crores from ₹ 1025 crores an increase in 45% during the year. The Net profit increased to ₹ 701 crores in the financial year ended March 2013 compared to a profit of ₹ 398 crores in the previous year.

During the year under review, the consolidated revenue of the company stood at ₹ 9548 crores with an increase of 76% as compared to that of the last year. 2012-13 marks the year when the subsidiaries became the revenue generator for REI Agro Limited.



During the year the PAT of the five wholly owned subsidiaries stood at ₹ 490 crores.

Capitalising on the ability to deliver consistent quantities of quality products, the company has successfully launched Raindrops in the Gulf markets this year. 2012-13 was a year of dramatic turnaround for REI Agro Limited as it accomplished the demanding goals it set for itself. The company achieved many a milestone viz., a sterling overall business performance driven by the subsidiaries. Profitability went up by a few notches to underlie the strong business foundation the Company has with its focus on branding and distribution, manufacturing and consistent product quality and availability.

## SUSTAINED GROWTH IN REVENUE

The revenue of the company grew by 76% on consolidated basis to ₹ 9,548 crores from ₹ 5411 crores achieved during the previous year.

Particulars	FY 13	FY 12	Change	% Change
Revenue	9,548	5,411	4,137	76%

The revenue growth in FY 2013 is higher by 76% over FY 2012 driven by growth in international revenue. The revenue split was lead by international operations at 52% (compared to 26% as in FY 2012) while domestic operations contributed 48% (compared to 74% in FY 2012). The company has entered into various distribution arrangements with the leading distributors in the gulf region to make Raindrops the first global basmati rice brand.

## ANALYSIS OF FINANCIAL STATEMENT

Keeping up with the spirit of More & More with Less & Less, the Company continued to focus on productivity and efficiencies. The strong sales growth and controlled expenditure ensured substantial increase in EBITDA – rising by 45.3% to ₹ 1,490 crores compared to ₹ 1025 crores in previous year. As a result, the Company recorded net profit of ₹ 701 crores on consolidated basis compared to ₹ 398 crores in the previous year.

## CONSOLIDATED FINANCIALS

The consolidated financial performance of the company for the FY 2012-13 is as under:

Particulars	2012-13	2011-12	Change
Total Revenue	9,548	5,411	76.4%
EBIDTA	1,490	1025	45.3%
PBT	763	446	71.2%
PAT	701	398	76.1%

## STANDALONE FINANCIALS

The standalone financial performance of the company for the FY 2012-13 is as under:

Particulars	2012-13	2011-12	Change
Total Revenue	5,101	4,255	19.9%
EBIDTA	933	862	8.2%
Borrowing Cost	609	540	12.9%
PAT	211	226	-6.7%

## RISK & CONCERN - DOMESTIC

- 1) A significant portion of our income is derived from our sales outside India, which may be dependent upon the economies and the governments of the key countries to which we sell and the policies passed by the Indian government, and any unfavourable change in such economies, governments or policies may harm our business. However, there is a huge latent demand for basmati rice as it can be grown only in certain parts of the Indian sub continent and is relished across the globe.
- 2) Our inability to meet the consistent quality requirements of our customers or a change in customer preferences or discretionary spending could lead to lower consumption of Basmati rice and affect our business. However, we have invested in procurement and maturing infrastructure besides the latest technology for processing of basmati to ensure quality of products,
- 3) We face significant competition from both Indian and international producers of Basmati and other rice and food products. Increased competition could increase our costs to purchase raw materials, lower selling prices for our products, and reduce our market share and earnings. However, we are one of the largest buyers of Basmati paddy in India and enjoy a preferred buyer status in the Mandis.
- 4) We have substantial working capital requirements and will require additional financing in the form of debt or equity to



meet our working capital requirements. We require to obtain and maintain adequate cash flow and credit facilities from time to time in order to finance the purchase, storing, processing and marketing of Basmati. However, the company has maintained excellent track record with lenders and investors and has enjoyed the support of the investor community.

5) Any drop in the price of Basmati rice during the time it is held for ageing may adversely affect our financial condition. This is a unique feature of the Basmati rice processing industry, where the quality of Basmati rice being processed improves with age. As such, the price of Basmati rice during the time it is held for ageing generally increases however, any unusual reduction could impact all basmati rice processing companies.

## RISK & CONCERN – INTERNATIONAL

1) Financial instability in other countries, particularly countries with emerging markets, could disrupt the business of our subsidiaries. Such instability could impact Indian markets also and the Company's business may be affected. Instability could negatively impact the movement of exchange rates and interest rates in India. Accordingly, any significant financial disruption could have an adverse effect on the Company's business, future financial performance and the prices of its shares.

2) Financial, political and general economic conditions in any of the markets that we operate in adversely impact the company business and operations and that of our subsidiaries.

## OPPORTUNITIES

In Generic rice domain, superior quality products are the ones where the value creation can be maximized. Technological superiority will truly differentiate the major generic firms from others as significant competition is expected at the bottom of the technology pyramid. The Company believed that there are significant opportunities in the market where product quality involves high degree of technology involvement. Furthermore continuous better quality product in the market is the key to driving business growth. The Company has made a significant investment in improving the product quality and making the brand more visible and is fully equipped to tap the potential of such brands and opportunities.

## CHALLENGES

The growth of the business and expansion of product portfolio with high revenue and margin products is the key challenge the company faces. As has been mentioned, the quality product introduction is the key to growth in rice sector and REI has designed its product development program to create a substantial pool of quality rice for the coming years. The organization has been very responsive towards the selection of raw material and has ensured that all development and manufacturing needs for quality are met to garner multifold returns.

The growth of operations will also depend on the success of the Business to Business(B2B) model in reaching the new markets.

The growth of Indian market is very robust. Even though urban market is growing fast, rural market is growing even faster. We have considerably extended our organised market coverage by significantly increasing our sales force operations.

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The company has set up internal control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well defined policies, guidelines and authorizations and approval procedures. The prime objective of such audits is to test the adequacy and effectiveness of the internal controls laid down by the management and to suggest improvements.

## TRADE MARKS

Company has a rich portfolio of famous Trademarks, which has gained substantial popularity in Domestic as well as in overseas market. Following are the major Brands i.e. Raindrops, Real Magic, Chefs Cchoice, kasauti, Hangamma, Mehrab, Nausheen, Mr. Miller, Hungama, Ikon, Hansraj, Bawal, Eureka etc.

In line with our branding initiative and presence in the international market, we have undertaken the exercise in right earnest. We have a vision to create a truly Global Brand for Basmati rice. Our strategy is focused on increasing the visibility of our brands and to increase the availability of the brand by developing motivated channels of distribution.



## HUMAN RESOURCES

The context in which companies operate today demands on new and dynamic leadership and management responses. Leadership development is therefore a strategic priority for REI. Alongside our other initiatives to build a learning organization and leverage people potential, we have embarked on a systematic process of developing global leadership capabilities. There is no greater joy for us at REI than to nurture our people at the threshold of the opportunities that lies ahead.

At REI, employee initiatives are constantly updated and modified to mark newer beginnings. Our professional development programs are designed to cover every spectrum of individual development. A competency-based model has been adopted which defines the

required competencies and employee development initiatives at various levels and functions.

## CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation and industrial relations.



# REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement entered by Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the best practices followed internationally on Corporate Governance, the report contains the details of governance systems and processes at REI Agro Ltd.

## [A] THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices stem from an inherent desire to improve and innovate and to reflect the culture of trusteeship that is deeply ingrained in our value system and form part of the strategic thought process.

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

We are committed to meeting the aspirations of all our stakeholders. This is demonstrated in our governance processes and performance focused work environment. Our employee satisfaction is reflected in the stability of senior management of the company and low attrition rate at various levels and higher productivity.

Our governance philosophy rests on five basic tenets, viz., Boards' 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 as well as transparency and timely disclosure.

Traditional views of governance as a regulatory and compliance requirement have given way to adoption of governance tailored to the specific needs of the Company. Clause 49 has set the benchmark compliance rules for a listed Company and our Company is in full compliance with the requirements of Corporate Governance under the same Clause of the Listing Agreement with the Indian Stock Exchanges.

## [B] BOARD OF DIRECTORS

The Company is managed by the Board of Directors, who formulates strategies, policies and reviews its performance periodically in order to ensure the effectiveness of business decisions and the implementation of the same.

Composition of Board of Directors: The Board of Directors comprises of five Directors, Chaired by Non Executive Director. Three of the Board members are Non-Executive Independent Directors. The Composition of the Board of Directors during the year was in conformity with the Clause 49 of the Listing Agreements. Shri Sanjay Jhunjhunwala, Chairman of the Company and Shri Sandip Jhunjhunwala, Managing Director of the Company are relatives.

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	No. of Board Meetings attended	Attendance at last AGM of the Company
Shri Sanjay Jhunjhunwala	Non-Executive Chairman	Nil	Nil	2	Absent
Shri Sandip Jhunjhunwala	Vice-Chairman & Managing Director	2	Nil	8	Present
Dr. N.K. Gupta	Independent Non-Executive Director	3	2	2	Absent
Shri A. K. Chatterjee	Independent Non-Executive Director	8	4	9	Present
Shri K.D. Ghosh	Independent Non-Executive Director	1	2	3	Present



\*\* Number of Directorships/Memberships held in other companies excludes Directorship/Membership in private limited companies, foreign companies, membership of various committees of various chambers/bodies and Companies under Section 25 of the Companies Act, 1956 and Alternate Directorship whereas the Membership or Chairmanship of any committee includes Audit Committee and Shareholders'/Investors' Grievance Committees only.

#### DETAILS OF BOARD MEETINGS HELD:

During the Financial Year ended 31st March 2013, Ten (10) Board Meetings were held, whose details are given as:-

Sl. No.	Date (FY:2012-13)	Board strength	No. of Directors present
1	30.05.2012	5	3
2	02.07.2012	5	2
3	06.08.2012	5	2
4	14.08.2012	5	2
5	03.10.2012	5	2
6	12.11.2012	5	4
7	21.12.2012	5	2
8	30.01.2013	5	2
9	14.02.2013	5	3
10	26.02.2013	5	2

#### [C] AUDIT COMMITTEE

The Audit Committee of the Company comprises of Three Non-Executive Independent Directors. All these directors possess knowledge of corporate finance, accounts and company law. The Chairman of the committee is an independent and non-executive director nominated by the Board. The Company Secretary of the Company acts as Secretary to the Committee.

Terms of reference : The Audit Committee of the Company is responsible for overseeing the Company's financial reporting process; recommending the Board of Directors on the appointment, re-appointment etc. and fixation of remuneration of the Statutory Auditors and Internal Auditors; reviewing with the management 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 review of the

financial statements of subsidiary companies and letter of internal control weaknesses.

During the year 2012-13, the Committee met on Four times i.e. on 30.05.12, 14.08.12, 12.11.2012 and 14.02.13.

The constitution and particulars of meetings attended by members of the Committee are given below:

S. No	Name of the Director	Status	No. of meetings attended
1	Shri A. K. Chatterjee	Chairman	4
2	Dr. N. K. Gupta	Member	2
3	Shri K.D. Ghosh	Member	2

#### [D] REMUNERATION OF DIRECTORS:

The Details of Remuneration, Commission and sitting fees paid to Directors for the year ended 31st March 2013 is as follows:

(Amount. in ₹)

Name of the Director	Sitting Fees	Salary & Perquisites	Commission
Shri Sanjay Jhunjhunwala	20,000	NIL	95,00,000
Shri Sandip Jhunjhunwala	NIL	2,33,40,000	NIL
Dr. N.K. Gupta	40,000	NIL	NIL
Shri A. K. Chatterjee	1,30,000	NIL	NIL
Shri K.D. Ghosh	50,000	NIL	NIL

The details of Equity Shares held by the Directors as on 31st March 2013 are as follows:

Name of Director	No. of shares held	Nominal value of shares (₹)
Shri Sanjay Jhunjhunwala	76,50,360	76,50,360
Shri Sandip Jhunjhunwala	76,61,160	76,61,160
Dr. N.K. Gupta	NIL	NIL
Shri A. K. Chatterjee	NIL	NIL
Shri K.D. Ghosh	NIL	NIL

#### [E] SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted Shareholders'/Investors' Grievance Committee to look into and redress shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of dividends, issue of duplicate shares etc. The committee comprises of Shri A. K. Chatterjee (Chairman, Independent Director), Shri K.D. Ghosh (Member, Independent Director) and



Shri N. K. Gupta (Member, Independent Director). During the year, several Investors' complaints were received by the Company and no complaints were pending at the end of the year. During the year, Five Meetings were held on 28.06.2012, 24.09.2012, 20.11.2012, 11.12.2012 and 14.02.2013 respectively. The Company Secretary of the Company acts as Secretary to the Committee.

Name and designation of Compliance Officer (Contact Person)

The Board of directors of the company has appointed Shri Mandan Mishra, Company Secretary as compliance officer of the Company, under the Securities and Exchange Board of India (SEBI) notifications.

Compliance Officer : Shri Mandan Mishra  
 Company Secretary  
 Address : Unit No. 311 B,C and D,  
 2nd Floor, DLF South Court ,  
 Saket, New Delhi- 110017  
 Phone No. : +91-11-49218000  
 Fax No. : +91-11-49218045  
 E-mail : mandan@reiagro.com  
 Website : www.reiagro.com

Pursuant to new Clause 47(f) of the Listing Agreement the Company's e-mail ID for grievance redressal purpose is investor@grievance@reiagro.com where complaints can be lodged by the investors.

Remuneration Committee

The Board of Directors of the Company has constituted remuneration Committee to look into and adhere to the transparent polices, procedures and practices while developing and fixing the remuneration policy for the Directors. The committee comprises of Shri A. K. Chatterjee (Chairman, Independent Director), Shri K.D. Ghosh (Member, Independent Director) and Shri N. K. Gupta (Member, Independent Director). During the year under review, there was no meeting of the remuneration committee was held.

The Company Secretary of the Company acts as Secretary to the Committee.

Share Transfer Committee and Share Transfer System

The Board of the Company has constituted a Share Transfer Committee. The Committee regularly meets to approve transfer of shares and issue of duplicate share certificates. The committee

comprises of Shri K.D. Ghosh (Chairman, Independent Director) and Shri A. K. Chatterjee (Member, Independent Director). The Company Secretary of the Company acts as Secretary to the Committee.

Shareholders can address their request for share transfer and duplicate share certificate etc. to Company's RTA at the below mentioned address.

Maheshwari Datamatics Pvt. Ltd.  
 6, Mangoe Lane, Kolkata-700 001.  
 Phone no. 033-2248-2248, 2243-5029/5089  
 Fax : 033-2248-4787

**[F] GENERAL BODY MEETINGS**

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

VENUE	FINANCIAL YEAR	DATE & TIME
The Sangit Kala Mandir Trust, Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017	2009-10	27th September, 2010 at 2:30 P.M.
Mini Auditorium, Science City, J.B.S Haldane Avenue, Kolkata – 700046	2010-11	29th September, 2011 at 11:30 AM.
Rotary Children's Welfare Trust, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700020	2011-2012	29th September, 2012 at 11:30 AM.

During the last three financial years the Company has passed the following Special Resolution in its Annual General Meeting and Extra ordinary General Meetings.

Date of resolution	Meeting	Subject matter of resolutions
11th February, 2010	Extra Ordinary General Meeting	Enhancement of FII Limit up to 75% of the Paid up Capital of the Company.
22nd May, 2010	Extra Ordinary General Meeting	Reservation of Equity Shares in the Rights issue for the FCCB Holders



27th September, 2010	Annual General Meeting	Extension of redemption period of 4% Non Convertible Redeemable Preference Shares
29th September, 2011	Annual General Meeting	Payment of Commission on the net profits to the Chairman of the Company

Company has not passed any special Resolution through Postal Ballot during last three 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 relatives of the directors that could have potential conflict with the interests of the Company. Company has entered into several transactions with Company's foreign subsidiary for sale of agro commodities. All the details of the transactions entered by the Company with related parties are given in the related party transaction section of the Balance Sheet. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly.

### (ii) Accounting treatment

During the year under review, the Company has, while preparing the Financial Statement 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

During the year, 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.

### (iv) Whistle blower policy

The Company has put in place an uncoded system, which welcome suggestions from the employees and employees at all levels have access to the audit Committee members, internal welfare committees and the Senior Management of the Company to report any kind of irregularity in the Company's functioning or any unethical behaviour or any kind of harassment or unequal treatment given to them. Company has always believe in conducting its affairs in a fair and transparent manner

by adopting the highest standards of professionalism, honesty, integrity and ethics.

### (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 of 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 investor and statutory authorities of all the price sensitive and critical information's. Quarterly Results are sent to the Stock Exchanges on regular and timely basis and also published in English leading Newspaper as well as Regional language Newspaper of the State where the Company is registered. All the key information provided to the Stock Exchanges are regularly published in the newspapers. Important information is also displayed on the web site of the Company at [www.reiagro.com](http://www.reiagro.com).

The shareholders are provided with the necessary information with notices sent for the Annual General Meeting / Extraordinary 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 an e-mail id ([investorgrievance@reiagro.com](mailto:investorgrievance@reiagro.com)) for the purpose of investor grievance and other queries of the investors.

## [I] GENERAL SHAREHOLDERS' INFORMATION

### (i) Details of the ensuing AGM

Date & Time	30th September, 2013 at 9.30A.M.
Venue	Mini Auditorium, Science City, J.B.S Haldane Avenue Kolkata- 700046
Book Closure Date	25th September to 30th September, 2013 (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

**[J] DIVIDEND AND FINANCIAL YEAR INFORMATION**

(i) Transfer of dividend to Investor Education & Protection Fund

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, unclaimed dividend which remains unpaid for a period of seven years shall be transferred to Investor Education & Protection Fund. Accordingly, the Company has transferred all the unclaimed dividend for the year 2004-2005 to the said fund. Unclaimed dividend for the year 2005-06 (₹ 57,990) shall be transferred to the said fund before the due date.

It may be noted that upon the transfer of dividend to Investor Education & Protection Fund, members lose their right to claim such dividend. Therefore Members are requested to claim the amount of Unpaid/unclaimed dividend for the year 2005-2006 and onwards.

(ii) Final Dividend for the Year 2012-13

For the year under review, the Board of Directors of the Company have proposed and recommended final dividend @ of 50% i.e. ₹ 0.50 on the equity shares of face value of ₹ 1 each aggregating to ₹ 4789.92 lacs for the financial year 2012-13. In addition, Board of Directors have proposed and recommended a dividend @ 4%, i.e. ₹ 4/- each on the preference share having face value of ₹ 100/- each to the preference shareholders aggregating to ₹160 lacs for the financial year 2012-13.

(iii) Financial year:

The financial year of the Company starts with 1st April 2012 and ended on 31st March 2013.

(iv) Financial Calendar (Tentative)

Sl. No.	Approval/Adoption of	On or before
1.	1st Qtr. Financial Result ending on 30th June, 2013	14th August 2013
2.	2nd Qtr. and half year Financial Result ending on 30th September, 2013	14th November, 2013

3.	3rd Qtr. Financial Result ending on 31st December, 2013	14th February, 2014
4.	Audited Financial Result for year ending 31st March, 2014	30th May, 2014
5.	Next Annual General Meeting	30th September, 2014

**[K] LISTING OF SECURITIES AND OTHER INFORMATION'S**

(i) Listing of Securities at Stock Exchanges:

Equity Shares :	ISIN :	INE385B01031
Bombay Stock Exchange Limited (BSE) PhirozJeejeebhoy Towers, Dalal Street, Mumbai-400001	National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai- 400051	
Scrip Code: 532106	Trading Symbol: REIAGROLTD	
FCCBs Singapore Stock Exchange (SGX) Code: 4BQB and 4BPB ISIN-US74948PAA21 and USY7253SAB61	GDRs London Stock Exchange (LSE) Code: REAA & REA	

**DEBT INSTRUMENTS**

Non-convertible Debentures issued by the Company on private placement basis are listed at Bombay Stock Exchange Limited at its Wholesale Debt Market (WDM) segment under various ISIN Nos.

**DEBENTURE TRUSTEES:**

IDBI Trusteeship Services Limited and IL&FS Trust Company Limited

(ii) Payment of Listing Fees:

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

(iii) Market Price Data

The Monthly high and low prices of the Equity Shares of the Company at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited during financial year 2012-2013 are as follows:



Month	BSE		NSE	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2012	13.60	9.61	13.60	9.60
May 2012	11.90	7.61	11.55	7.60
June 2012	9.49	7.60	10.25	7.60
July 2012	12.30	9.11	12.35	8.65
August 2012	12.40	9.20	12.40	9.15
September 2012	10.90	9.45	11.50	9.50
October 2012	10.94	9.81	11.00	9.25
November 2012	12.55	10.29	12.55	10.10
December 2012	12.32	10.53	12.40	10.55
January 2013	10.94	9.06	10.85	9.05
February 2013	10.30	8.98	10.35	8.90
March 2013	12.00	8.73	12.05	8.75

(iv) Performance in Comparison to Stock Indices.

A chart showing the performance of equity shares of the Company in comparison to BSE Sensex also with NSE Nifty during the year ended on March 31, 2013 is given as under.

Chart One: Both BSE (Sensex) and REI Agro Share prices are indexed to 100 based on closing prices of April, 2012.

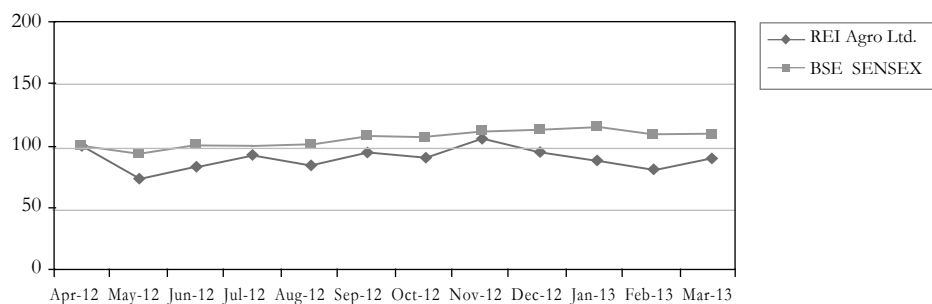
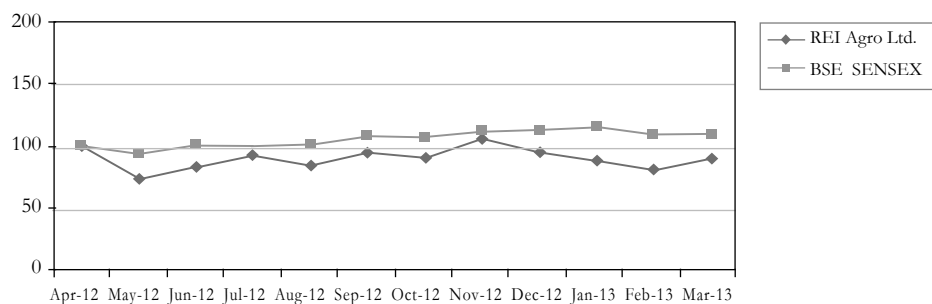


Chart Two: Both NSE (Nifty) and REI Agro Share prices are indexed to 100 based on closing prices of April, 2012.





(v) Distribution of Shareholding

The Shareholding distribution of equity shares as on 31st March, 2013 is given below: -

Sl. No	Shares Holding	No. of Share Holders	% of Share Holders	No. of Shares	% of Shareholding
1.	1 to 500	31158	67.0569	6046304	0.6311
2.	501 to 1000	6800	14.6347	5748630	0.6001
3.	1001 to 2000	3851	8.2880	6109071	0.6377
4.	2001 to 3000	1470	3.1637	3878098	0.4048
5.	3001 to 4000	660	1.4204	2406249	0.2512
6.	4001 to 5000	597	1.2848	2840297	0.2965
7.	5001 to 10000	1013	2.1801	7606558	0.7940
8.	10001 & above	916	1.9714	923349747	96.3846
	Total	46465	100	957984954	100

The Shareholding distribution of equity shares as on 31st March, 2013 is given below: -

Sl. No	Nominal value of Share (In ₹)	No. of Share Holders	% of Share Holders	Amount (₹)	% of Amount
1.	Up to 5000	44536	95.8485	27028649	2.8214
2.	5001 to 10000	1013	2.1801	7606558	0.7940
3.	10001 to 20000	425	0.9147	6122302	0.6391
4.	20001 to 30000	159	0.3422	4044740	0.4222
5.	30001 to 40000	65	0.1399	2277498	0.2377
6.	40001 to 50000	51	0.1098	2377908	0.2482
7.	50001 to 100000	76	0.1636	5194111	0.5422
8.	100001 & above	140	0.3013	903333188	94.2951
	Total	46465	100	957984954	100

(vi) Shareholding Pattern of the Company as on 31st March, 2013

S. No.	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	Shares	As a %
(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	7	17465220	17465220	1.8287	1.8231	N i l	N i l
(b)	Bodies corporate	12	487392013	487392013	51.0331	50.8768	250616885	51.4200
	Sub-total (A)(1)	19	504857233	504857233	52.8619	52.6999	250616885	49.6411
A (2)	Foreign	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)	19	504857233	504857233	52.8619	52.6999	250616885	49.6411



S. No.	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	Shares	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV)*100
(B)	Public shareholding							
(1)	Institutions							
(a)	Financial Institutions/ Banks	4	532379	532379	0.0557	0.0556	0	0
(b)	Insurance companies	1	1261305	1261305	0.1321	0.1317	0	0
(c)	Foreign institutional investors	68	333877949	333877949	34.9592	34.8521	0	0
	Sub-total (B)(1)	73	335671633	335671633	35.147	35.0393	0	0
(2)	Non-institutions							
(a)	Bodies corporate	687	51321670	51321070	5.3737	5.3573	0	0
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	44847	46741349	46408389	4.8941	4.8791	0	0
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	26	4929863	4929863	0.5162	0.5146	0	0
(c)	Any other- NRIs	735	10664924	3589724	1.1167	1.1133	0	0
(d)	Trust	2	1360	1360	0.0001	0.0001	0	0
(e)	Clearing Member	75	862162	862162	.0903	.0900	0	0
	Sub-total (B)(2)	46372	114521328	107112568	11.9911	11.9544	0	0
	Total public shareholding (B)= (B)(1)+(B)(2)	46445	450192961	442784201	47.1381	46.9937	0	0
	TOTAL (A)+(B)	46464	955050194	947641434	100.0000	99.6937	0	0
(C)	Shares held by custodians and against which depository receipts have been issued							
	i. Promoter and Promoter Group	0	0	0	0	0	0	0
	ii. Public	1	2934760	2934760		0.3063	0	0
	Grand total (A)+(B)+(C)	46465	957984954	950576194		100.0000	250616885	26.1608

**(vii) 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 - NSDL (National Securities Depository Ltd.) and CDSL (Central Depository Services (India) Ltd). The International

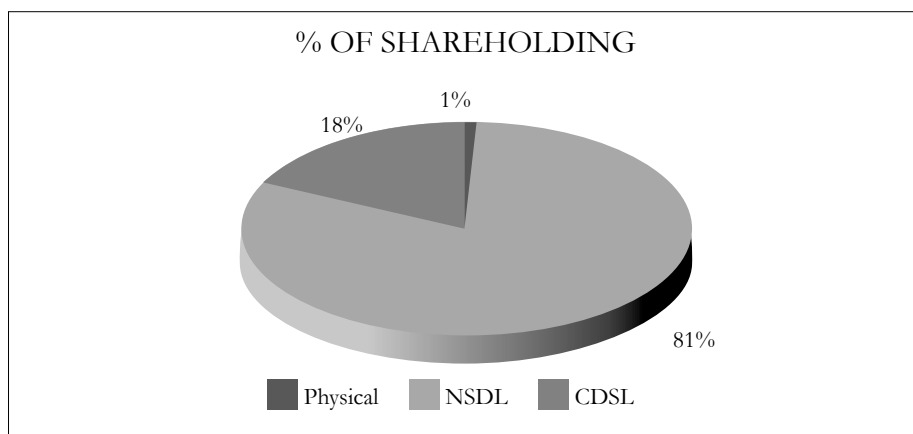


Securities Identification Number (ISIN) allotted to the Company's equity shares under depository system is INE385B01031.

NSDL / CDSL / Physical summary report as on March 31, 2013.

		No. of Share Holders	No. of shares	% of Shareholding
1.	Physical	92	7408760	0.773
2.	NSDL	29584	780112244	81.432
3.	CDSL	16789	170463950	17.795
	Total	46465	957984954	100.00

The following chart depicts the percentage of shareholdings of abovementioned summary report



## [L] AUTHORISED AND PAID UP CAPITAL OF THE COMPANY

### (i) Authorized Share capital

Authorized Share capital of the Company is ₹ 2,000,000,000 (Rupees Two Hundred Crores) divided into 1,600,000,000 (One Hundred Sixty Crores) Equity Shares of ₹ 1/- each and 40,00,000 (Forty Lacs) Preference Shares of ₹ 100/- each.

### (ii) Paid up Share capital

Paid up Share capital of the Company is ₹ 1,357,984,954 (Rupees One Hundred Thirty Five Crores Seventy Nine Lacs Eighty Four Thousand and Nine Hundred Fifty Four Only) divided into 957,984,954 (Ninety Five Crores Seventy Nine Lacs Eighty Four Thousand and Nine Hundred Fifty Four) Equity Shares of ₹ 1/- each and 40,00,000 (Forty Lacs) Preference Shares of ₹ 100/- each.

## [M] ISSUE / ALLOTMENT OF OTHER SECURITIES:

### (i) Global Depository Receipts:

The Company had also issued 37,70,000 Global Depository Receipts (GDRs) at a price of US \$ 8.00 each aggregating US \$ 30.16 Million. Each GDR represents two equity shares;

consequently the Company has issued 75,40,000 underlying equity shares to Depository Bank. The Company has reduced its paid up capital under the Scheme of Arrangement approved by High Court of Kolkata on 27th August, 2008, becoming effective from 8th September, 2009. After the scheme of arrangement become effective the paid value of underlying equity shares was reduced and 45,24,000 equity shares were issued in place of 75,40,000. The Company has sub divided the face value of its one equity shares of ₹ 10/- each into ten equity shares of ₹ 1/- each and consequently the company has issued 4,52,40,000 equity shares in place of existing 45,24,000 equity shares. However Board of Directors in their meeting held on 14th January, 2011, changed the GDR to Equity ratio, now each GDR represents 20 equity shares of the company. The Company has not been reported as to receipt of request for redemption of GDRs and releasing of underlying shares in favour of non-resident investor. As on 31st March 2013, 1,46,738 GDR were outstanding.

### (ii) Foreign Currency Convertible Bonds (FCCBs) issued during 2009-2010

During the financial year 2009-10, Company has issued 105000 number of 5.5% Foreign Currency Convertible Bonds (FCCBs)



of US \$ 1,000 each aggregating US \$ 105.00 Million to overseas investors. These outstanding bonds are due for redemption on November 13, 2014. As on 31st March 2013, out of 105000 Bonds, 350 bonds stand converted into equity shares as per following details.

Date of conversion	Number of Bonds converted	Number of equity shares allotted on conversion*
13.02.2010	100	1,00,685
11.03.2010	250	2,51,713

\* Conversion rate of Bonds was fixed at ₹ 46.70 per share as per the terms of Offer Circular.

#### (N) PLANT LOCATIONS (MANUFACTURING UNITS)

- Plot No. 691 to 696, Sector-2, 94, K.M. Mile Stone, Delhi-Jaipur Road, NH-8, Bawal Growth Centre, Distt. Rewari, Haryana.
- Plot No 180D,E, F, G, H, I, J, &181A, Sector -3, 94, KM Milestone, Delhi-Jaipur Road, Bawal Growth Centre, Distt. Rewari, Haryana.
- Plot No. 126, Sector-6, HSIIDC, Bawal Growth Centre, Distt. Rewari, Haryana

#### WIND MILLS

- Village: Soda – Mada, Dist- Jaisalmer, Rajasthan.
- Village: Dhulia, Titane&Brahmanwel, Dist. Dhule, Maharashtra.
- Village:Udyathur, Radhapuram, Muppandal, Dist. Tirunelveli, Tamilnadu
- Village :Surajbari, Dist. Kutch, Gujarat

#### (O) 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 and D, 2nd Floor, DLF South Court, Saket, New Delhi-110017.

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

#### Certificate

The Company has obtained the Certificate from M/s P. K. Lilha & Co., Chartered Accountants regarding compliance of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is annexed.

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

#### Share Capital Audit

- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

#### Cautionary Statement:

Details given in above relating to various activities and future plans may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual performance may differ from those expressed or implied.

For and on behalf of the Board of Directors

**A. K. Chatterjee**

Director

Place : Kolkata

Date : 30th May, 2013

**Sandip Jhunjunwala**

Vice-Chairman & Managing Director



# ANNEXURE TO REPORT ON CORPORATE GOVERNANCE

## CEO'S CERTIFICATION AS TO COMPLIANCE WITH CODE OF CONDUCT (IN PURSUANCE TO CLAUSE 49(1)(D) OF THE LISTING AGREEMENT)

The Company had adopted a model Code of Conduct that has been made effective from January 1, 2006. 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. Further, no instance of non-compliance with any part of the Code of Conduct has been reported by any of its Directors or Senior Management Personnel / Functional Heads.

For and on behalf of the Board of Directors

**Sandip Jhunjhunwala**  
Vice-Chairman & Managing Director

## CORPORATE GOVERNANCE CERTIFICATE ON COMPLIANCE OF CLAUSE 49 OF THE LISTING AGREEMENT

To,  
The Members  
REI AGRO LIMITED

We have examined the compliance of conditions of Corporate Governance by M/s REI AGRO LIMITED ("the Company") for the year ended on 31st March, 2013 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 grievance are pending for a period exceeding one month as at 31st March, 2013 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

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

Place: Kolkata  
Date : 30th May, 2013



# CEO AND CFO CERTIFICATION

To,  
The Board of Directors  
REI Agro Limited  
Kolkata

We, Sandip Jhunjhunwala, Vice Chairman and Managing Director and Ranjan Majumder, Chief Financial Officer of REI Agro Limited, to the best of our knowledge and belief, do hereby certify that:

1. We have reviewed the Balance Sheet and Profit and Loss account (Standalone and consolidated), including financial statements and all the schedules and notes on accounts, as well as the cash flow statements and the Directors report
2. Based on our knowledge and information, these statements do not contain any untrue statement or omit to state any material fact or contain statements that might be misleading.
3. Based on our knowledge and information, 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.
4. To the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct and ethics.
5. We accept the responsibility for establishing and maintaining internal controls and procedures for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
6. We have disclosed, based on our recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's board of directors and persons performing the equivalent functions;
  - a. There were no deficiencies in the design or operations of the internal control, that could adversely affect the company's ability to record, process, summarize and report financial data and there have been no material weakness in the internal control.
  - b. There were no significant changes in the internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
  - d. There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We further declare that all the Directors and Senior Management Personnel / Functional Heads of the Company have affirmed compliance with the Code of conduct and ethics.

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

**Ranjan Majumder**  
Chief Financial Officer

Place: Kolkata  
Date : 30th May, 2013





# INDEPENDENT AUDITORS' REPORT

To The Members of  
REI AGRO LIMITED

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of REI Agro Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

## OPINION

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and,
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, 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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed

as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P.K.LILHA & CO.  
Chartered Accountants  
Firm Reg. No.: 307008E

(CA. P.K. LILHA)

Partner

Place : Kolkata

Date : 30th May, 2013

M. No. 011092



## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the head "Report on Other Legal and Regulatory Requirements" 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. All Fixed Assets have not been physically verified by the management during the year but there is a regular programme of physical verification which, in our opinion, is reasonable having regards to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- c. No substantial part of fixed assets have been disposed off by the company during the year.

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.

- (a) The company has given loan to one of its subsidiary. In respect of which the maximum amount outstanding at any time during the year amounts to ₹ 1493 Lacs and the year end balance was ₹ 1482 Lacs .
- (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms & condition of the loans given by the company, are not prima facie prejudicial to the interest of the company.
- (c) The principal amounts including interest thereon are repayable on demand as such there are no overdue amounts.

- (d) The Company has not taken any loans secured or unsecured from companies covered in the register maintained under Section 301 of the Companies Act, 1956.

iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to the purchase of inventories, fixed assets and for the sale of goods. There is no sale of services. 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 contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party were made at prices which were reasonable having regard to the prevailing market prices at the relevant times.

vi. The company has not accepted any deposits from the public during the year. Hence the provisions of clause 4 (vi) of the order are not applicable.

vii. In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.

viii. We have broadly reviewed the Books of Accounts maintained by the Company in respect of manufacturing of packaged food products , basmati rice and generation of electricity from wind power where pursuant to the rules made by the Central Government of India, the maintenance of Cost Records have been prescribed U/s 209(1)(d) of the Act and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



- ix.
- (a) On the basis of examination of 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, Custom Duty, Excise, Cess and any other material statutory dues have been generally regularly deposited with the appropriate authorities during the year.
  - (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.
  - (c) According to information and explanation given to us and the records of the company examined by us, there are no undisputed amount of statutory dues which have not been deposited.
- x. The Company has no accumulated losses as at the end of the year and it has not incurred cash losses during the current and in the immediately preceding 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 any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4 (xii) of the Order is not applicable.
- xiii. The company is not a Chit Fund/Nidhi/Mutual Benefit Fund/Society. Therefore the provisions of Paragraph 4 (xiii) of the Order are not applicable to the company.
- xiv. The Company has in our opinion maintained proper records and contract notes with respect to its investments and timely entries have been made therein. All investments at the close of the year are held in the name of the Company.
- xv. The Company has given guarantees for loans taken by five subsidiary companies from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and condition thereof are not prima facie prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanation given to us, the term loans were applied for the purpose for which these were raised.
- xvii. According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii. The Company has not made any preferential allotment of shares during the year to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by way public issue during the year.
- xxi. In our opinion and according to our information and explanation given by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

For P.K.LILHA & CO.  
Chartered Accountants  
Firm Reg. No.: 307008E

(CA. P.K. LILHA)  
Partner  
M. No. 011092

Place : Kolkata  
Date : 30th May, 2013



BALANCE SHEET AS AT MARCH 31, 2013

(Amount in ₹)

	Notes	As at March 31, 2013	As at March 31, 2012
<b>I. EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	3	1,35,79,84,954	1,35,79,84,954
Reserves and Surplus	4	24,78,25,62,133	23,57,95,45,052
<b>Sub Total - Shareholders Fund</b>		<b>26,14,05,47,087</b>	<b>24,93,75,30,006</b>
<b>Non-current liabilities</b>			
Long Term Borrowings	5	13,35,04,48,821	13,91,90,96,395
Deferred Tax Liabilities (net)	6	1,45,94,71,997	1,12,81,66,697
Long Term Provisions	7	1,89,52,318	1,65,73,145
<b>Sub Total - Non-current Liabilities</b>		<b>14,82,88,73,136</b>	<b>15,06,38,36,237</b>
<b>Current liabilities</b>			
Short Term Borrowings	8	38,06,46,70,061	33,48,45,41,669
Trade Payables	9	7,18,98,40,361	5,60,00,55,448
Other Current Liabilities	10	6,92,26,29,952	1,88,09,33,257
Short Term Provisions	7	1,11,04,39,269	1,14,09,93,908
<b>Sub Total - Current Liabilities</b>		<b>53,28,75,79,643</b>	<b>42,10,65,24,282</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>94,25,69,99,866</b>	<b>82,10,78,90,525</b>
<b>II. ASSETS</b>			
<b>Non current assets</b>			
Fixed assets			
Tangible assets	11	13,38,13,12,919	12,60,55,73,584
Intangible assets		12,02,193	24,10,646
Capital work-in-progress		4,33,49,39,804	1,15,45,04,056
Non-current investments	12	2,22,88,90,260	1,33,53,72,705
Long term loans and advances	13	4,60,10,51,124	4,82,83,85,882
<b>Sub Total - Non Current Assets</b>		<b>24,54,73,96,299</b>	<b>19,92,62,46,873</b>
<b>Current assets</b>			
Inventories	14	46,72,26,75,387	37,34,07,32,432
Trade receivables	15	12,82,88,69,199	13,30,23,62,864
Cash and cash equivalents	16	1,90,95,24,560	2,74,75,64,543
Short term loans and advances	13	8,16,45,87,864	8,76,58,68,909
Other current assets	17	8,39,46,557	2,51,14,904
<b>Sub Total - Current Assets</b>		<b>69,70,96,03,567</b>	<b>62,18,16,43,652</b>
<b>TOTAL - ASSETS</b>		<b>94,25,69,99,866</b>	<b>82,10,78,90,525</b>
Significant accounting policies	2		
Notes on Financial Statements	3 to 33		

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: Kolkata

Dated : 30th May, 2013

For and on behalf of the Board of Directors

**Sandip Jhunjunwala**

Managing Director

**A. K. Chatterjee**

Director

**Ranjan Majumder**

Chief Financial Officer

**K. D. Ghosh**

Director

**Mandan Mishra**

Company Secretary

STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED MARCH 31, 2013

(Amount in ₹)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
<b>INCOME</b>			
Revenue from operations	18	50,89,09,30,161	42,25,48,44,351
Other Income	19	11,86,91,713	29,46,28,988
<b>Total Revenue (I)</b>		<b>51,00,96,21,874</b>	<b>42,54,94,73,339</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	20	28,06,43,61,917	37,05,22,19,934
Purchases of Stock In Trade	21	11,08,70,12,431	5,46,26,34,004
(Increase)/decrease in inventories of Finished Goods	22	1,03,60,69,051	(10,04,60,84,944)
Employee benefits expenses	23	30,78,29,366	22,10,61,469
Finance costs	24	6,09,26,32,480	5,39,72,91,802
Depreciation & Amortization expenses	25	64,06,33,834	38,78,76,917
Other expenses	26	1,18,37,28,112	1,24,31,47,235
<b>Total Expenses (II)</b>		<b>48,41,22,67,191</b>	<b>39,71,81,46,417</b>
<b>Profit Before Tax (I - II)</b>		<b>2,59,73,54,683</b>	<b>2,83,13,26,922</b>
<b>Tax expenses</b>			
Current Tax		70,95,97,236	56,50,07,231
Prior Period Tax		(22,23,73,436)	40,19,446
<b>Total Tax Expenses</b>		<b>48,72,23,801</b>	<b>56,90,26,677</b>
<b>Profit for the year after tax</b>		<b>2,11,01,30,882</b>	<b>2,26,23,00,245</b>
<b>Earnings per equity share (nominal value) ₹ 1/- each</b>			
Basic		2.18	2.34
Diluted		1.97	2.11
Significant accounting policies	2		
Notes on Financial Statements	3 to 33		

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: Kolkata  
Dated : 30th May, 2013

For and on behalf of the Board of Directors

**Sandip Jhunjunwala**      **A. K. Chatterjee**  
Managing Director      Director

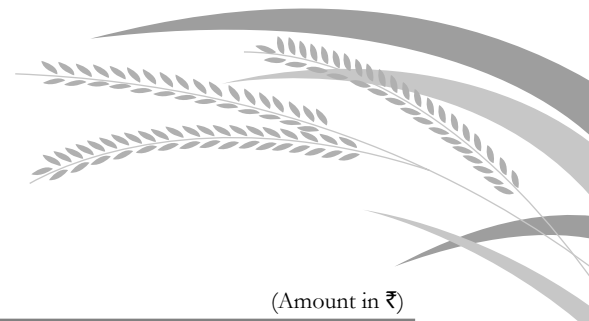
**Ranjan Majumder**      **K. D. Ghosh**  
Chief Financial Officer      Director

**Mandan Mishra**  
Company Secretary

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in ₹)

Particulars	2012-13		2011-12	
<b>A) CASHFLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax as per Profit and Loss account</b>		<b>2,59,73,54,683</b>		<b>2,83,13,26,923</b>
Adjusted for:				
Depreciation / Amortization	64,06,33,834		38,78,76,917	
Finance Costs	6,09,26,32,480		5,39,72,91,802	
Dividend Income	(3,65,488)		(73,85,044)	
Interest Received	(4,08,21,504)		(2,07,14,824)	
Profit on sales of Investments	(1,58,83,493)			
Loss on Sale/Discard of Fixed Assets (Net)	2,11,439	6,67,64,07,268	2,46,58,162	5,78,17,27,013
Operating Profit before in working capital changes		9,27,37,61,951		8,61,30,53,936
Adjusted for:				
Decrease/ (increase) in Inventories	(9,38,19,42,955)		(1,62,99,87,548)	
Decrease/ (increase) in Trade Receivables	47,34,93,665		(2,11,16,07,209)	
Decrease/ (increase) in Loan & Advances	2,90,35,064		(2,97,77,86,174)	
Decrease/ (increase) in Other Current Assets	(5,88,31,653)		(1,92,58,414)	
Increase/(Decrease) in Trade Payables	1,58,97,84,913		2,56,21,17,400	
Increase/(Decrease) in Other Liabilities and Provisions	3,65,68,40,381	(3,69,16,20,585)	92,48,57,617	(3,25,16,64,328)
Cash Generated from operations		5,58,21,41,365		5,36,13,89,608
Direct Taxes paid		(13,34,67,029)		(70,52,13,364)
<b>Net Cash from/(used in) Operating Activities ( A )</b>		<b>5,44,86,74,336</b>		<b>4,65,61,76,244</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Fixed Assets	(1,43,30,48,518)		(8,96,81,74,430)	
Capital Work in Progress	(3,18,04,35,748)		1,18,57,83,091	
Advances for Capital Expenditure	41,46,50,640		(1,47,24,87,244)	
Investments in Shares/Mutual Funds	(96,35,17,555)		(1,03,45,773)	
Subsidy / Govt Grant Received on Fixed Assets	1,75,61,250		1,10,00,000	
Proceeds from sale of Fixed Assets	1,11,111		26,01,434	
Proceeds from sale of Investment	8,58,83,493		-	
Dividend Received	3,65,488		73,85,044	
Interest Received	4,08,21,504		2,07,14,824	
<b>Net Cash from/(used in) Investing Activities ( B )</b>		<b>(5,01,76,08,335)</b>		<b>(9,22,35,23,054)</b>



(Amount in ₹)

Particulars	2012-13	2011-12
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from/(Repayment) of Long Term Borrowings :-		
~ Issue of Non Convertible Redemable Debenture (Net of Expenses)	(5,15,870)	3,40,20,03,892
~ Repayment of Term Loans	(28,27,39,401)	(22,38,49,399)
~ Proceeds from Corporate Loans	68,33,33,332	2,20,22,22,222
~ Forex Loss on FCCB Outstanding	33,83,12,520	68,09,05,225
Proceeds from/(Repayments) of Short Term Borrowings	4,58,01,28,392	3,36,85,76,903
Finance Costs	(6,09,26,32,480)	(5,39,72,91,802)
Dividend & Dividend Tax Paid	(49,49,92,477)	(24,12,74,413)
<b>Net Cash from/(used in) Financing Activities ( C )</b>	<b>(1,26,91,05,984)</b>	<b>3,79,12,92,628</b>
<b>NET INCREASE/(DECREASE) IN CASH (A+B+C)</b>	<b>(83,80,39,983)</b>	<b>(77,60,54,182)</b>
<b>CASH AND CASH EQUIVALENTS(OPENING BALANCE)</b>	<b>2,74,75,64,543</b>	<b>3,52,36,18,725</b>
<b>CASH AND CASH EQUIVALENTS(CLOSING BALANCE)</b>	<b>1,90,95,24,560</b>	<b>2,74,75,64,543</b>
1) The above Cash Flow Statement has been prepared using the Indirect Method set out in Accounting Standard (AS - 3) on Cash Flow Statements Issued by The Institute of Chartered Accountants of India		
2) Cash and Cash Equivalents includes :-		
	<b>31st Mar 2013</b>	<b>31st Mar 2012</b>
a) Unpaid dividend	47,79,089	42,33,100
b) Fixed Deposit with Bank pledged against Letter of Guarantee etc	75,50,000	1,55,50,000
c) Margin Money Pledged with Banks against Guarantee issued by them	2,12,300	2,12,300
d) Balances with other Banks, ICICI Bank, London and PICTET & CIE, London are lying there for uses as defined under ECB guidelines issued by RBI	1,50,17,57,923	2,52,34,96,943
	<b>1,51,42,99,312</b>	<b>2,54,34,92,343</b>
3) Figures in Bracket indicate Cash Outflows.		
4) Previous Year's figures have been reclassified and re stated, wherever required to confirm with current period's presentation.		

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: Kolkata

Dated : 30th May, 2013

For and on behalf of the Board of Directors

**Sandip Jhunjunwala**

Managing Director

**A. K. Chatterjee**

Director

**Ranjan Majumder**

Chief Financial Officer

**K. D. Ghosh**

Director

**Mandan Mishra**

Company Secretary





NOTES FORMING PART OF FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED MARCH 31, 2013

**{1} COMPANY INFORMATION:**

REI Agro Limited is the global leader in the processing of Basmati rice. The company follows an integrated model of operations right from procurement, maturing, processing, packaging, branding and distribution. The company matures its products to ensure a high quality for all its products. The company sells its products both in the domestic and the international markets. The company launched its "Raindrops" brand in the domestic market and is today a leading brand in India.

**{2} SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES:**

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Financial Statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India {Indian GAAP} to comply with accounting standards notified under the Companies (Accounting Standard) Rules 2006 (as amended) and the relevant provision of the Companies Act 1956 .The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

**B. USE OF ESTIMATES:**

The preparation of the Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affects the reported amounts of assets & Liabilities and Disclosure of Contingent Liabilities in the financial statements and the results of operation during the reporting period .Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates .

**C. TANGIBLE ASSETS:**

- a) Freehold Land and Leasehold Land is stated at cost of acquisition inclusive of incidental expenses thereto.
- b) Fixed Assets are recorded at cost of acquisition or construction inclusive of inward freight, duties, taxes and other directly attributable incidental expenses relating thereto less accumulated depreciation/ amortization and impairment loss, if any.
- c) Tangible Assets not ready for the intended use as on the date of Balance Sheet are disclosed as "Capital Work in Progress"
- d) When assets are sold or discarded, their cost and accumulated depreciation are removed from fixed asset and any gain/loss resulting there from is reflected in Profit & Loss account.

**D. INTANGIBLE ASSETS**

Intangible Assets is recorded at its cost and related expenses thereon and amortized on straight line basis over its estimated useful life which is reviewed by the management at each Balance Sheet date.

**E. DEPRECIATION / AMORTISATION**

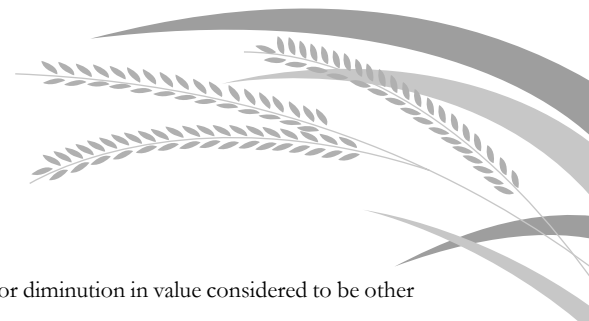
- a) Cost of Lease Hold land is amortized over the period of the lease on Straight-Line Basis.
- b) Depreciation is provided on the Straight Line Method (SLM) as per rates specified in Schedule XIV of the Companies Act, 1956 (as amended).

**F. BORROWING COST**

Borrowing Costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur. Borrowing Costs consist of Interest and other costs incurred in connection with borrowing of funds.

**G. INVESTMENTS:**

- a) Investments are either classified as current or long term based on Management's intention at the time of purchase. Current Investments are carried at the lower of cost or fair value of each investment individually.



- b) Long Term Investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- c) Cost of Overseas investments comprises the Indian Rupees value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

#### **H. INVENTORIES:**

Inventories are valued as under:

- a) Raw Materials are valued at lower of cost computed on FIFO basis and net realisable value.
- b) Finished goods are valued at cost (less realizable value of by-products) or net realizable value whichever is lower. Cost includes cost of raw materials, direct and indirect expenses which are incurred to bring the inventories to their present location and condition.
- c) Stores & Spares, Packing Material etc, are valued at lower of cost and net realizable value.
- d) By-Products are valued at estimated realizable value.

#### **I. CASH AND CASH EQUIVALENTS:**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash in hand, demand deposits with Banks and other short-term highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **J. REVENUE RECOGNITION:**

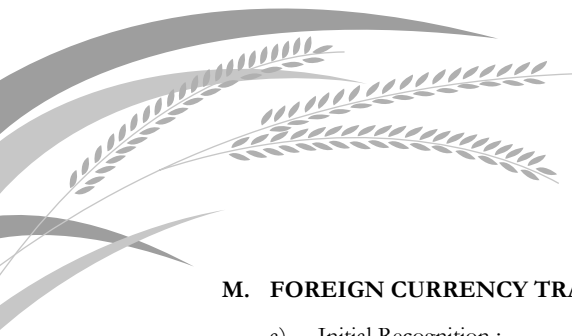
- a) Domestic sale is recognized on despatch to customers and are recorded net of trade discounts, rebates, etc. Export sale is recognized on the date, company ships the goods as evidenced by their bill of lading. Sale of energy is accounted on electricity generation plus claims for short generation wherever applicable and includes income from Lease Rent of WTG's.
- b) Export incentives are recognized when the right to receive credit as per the terms of incentive is established in respect of Export made and when there is no significant uncertainty regarding the ultimate collection of the relevant Export Proceeds.
- c) Sale of Certified Emission Reduction (CER) is recognized as income on the delivery of the CER to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.
- d) Interest income is recognized on time proportion base taking into account the amount outstanding and the rates applicable.
- e) Profit / Loss on sale of investments is booked on the basis of contract notes/delivery of shares.
- f) Dividend income is recognized when the right to receive Dividend is established.
- g) Income from Operating Lease is recognized on accrual basis.
- h) 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.

#### **K. GOVERNMENT GRANTS AND SUBSIDIES:**

- a) Government Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.
- b) Capital Grant/subsidy against specific fixed assets is set off against the cost of relevant fixed assets.

#### **L. OPERATING LEASE:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Lease payments are recognized as an expense in the Statement of Profit and Loss over the lease term.



**M. FOREIGN CURRENCY TRANSACTIONS:**

a) Initial Recognition :

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction .

b) Conversion :

Foreign currency monetary items are reported using the closing rate. Non Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences:

Exchange difference arising on the settlement /conversion of monetary items, are recognized as income or expenses in the year in which they arises

d) Translation of Non-Integral foreign Currency Operations:

The translation of the financial statements of a non integral foreign operation results in the recognition of exchange differences arising from translating income and expenses items at the average exchange rates assets and liabilities at the closing rate. All resulting exchange difference are accumulated in a foreign currency translation reserve until the disposal of the net investment

**N. ACCOUNTING OF CLAIMS:**

a) Claims receivable are accounted at the time when certainty of receivable is established.

b) Claims raised by the Government Authorities regarding taxes & duties, which are disputed by the company are accounted based on the merits of each claim.

**O. SECURITY ISSUE EXPENSE:**

Debenture issue expenses incurred are adjusted against the Securities Premium Account in the year in which they are incurred in terms of Section 78 (2) of the Companies Act, 1956.

**P. EMPLOYEE BENEFITS:**

a) Short Term Employee Benefits:

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the year 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.



**Q. PROPOSED DIVIDEND:**

Dividend proposed by the Board of Directors is adjusted in Statement of Profit & loss under the head Reserve & Surplus, pending approval at the Annual General Meeting.

**R. CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby Profit Before Tax (PBT) is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

**S. TAXATION:**

- a) Current Tax is determined on the profit of the year in accordance with the provisions of Income Tax Act, 1961.
- b) Deferred tax is calculated at the tax rates and laws that have been enacted or substantively enacted at the Balance sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

**T. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:**

- a) Provision is created when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- b) Contingent Liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.
- c) Contingent Assets are neither recognized nor disclosed in Financial Statements.

**U. EARNINGS PER SHARE:**

Basic Earnings per Share (EPS) is computed by dividing, the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per Share are computed after adjusting the effects of all dilutive potential equity shares, if any.

**V. CURRENT / NON CURRENT:**

All Assets and Liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the company has ascertained its operating cycle as 12 months for the purpose of Current/ Non-current classification of Assets and Liabilities.

**W. IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(Amount in ₹)

		As At March 31, 2013	As At March 31, 2012
<b>3) SHARE CAPITAL</b>			
<b>Authorised Share Capital</b>			
1,60,00,00,000 (1,600,000,000) Equity shares of ₹ 1/- each		1,60,00,00,000	1,60,00,00,000
40,00,00,000 (4,000,000) Preference shares of ₹ 100/- each		40,00,00,000	40,00,00,000
		<b>2,00,00,00,000</b>	<b>2,00,00,00,000</b>
<b>Issued, Subscribed and paid-up</b>			
95,79,84,954 (957,984,954) Equity shares of ₹ 1/- each fully paid up		95,79,84,954	95,79,84,954
40,00,00,000 (4,000,000) 4% Non Convertible Redeemable Preference shares of ₹ 100/- each fully paid up		40,00,00,000	40,00,00,000
Total		<b>1,35,79,84,954</b>	<b>1,35,79,84,954</b>

**A) Equity Share Capital includes**

- 3.1 2,99,45,550 (29,945,550) Equity Shares of ₹ 1/- each issued through QIP in FY 2009-10
- 3.2 3,52,398 (352,398) Equity shares of ₹ 1/- each issued against conversion of 350 FCCB of USD (\$) 1,000/- each in FY 2009-10
- 3.3 63,86,56,636 (638,656,636) Equity shares issued as right shares of ₹ 1/- each during the FY 2010-11
- 3.4 29,34,760 (16004900) Equity Shares of ₹ 1/- each representing 1,46,738 (8,00,245) Global Depository Receipts in the ratio of 20 Equity Shares for each GDR
- 3.5 8,88,01,800 (88,801,800) Equity shares of ₹ 1/- each issued as fully paid up Bonus Shares by capitalisation of General reserve

**B) Reconciliation of No of Shares is setout below****1 Equity Share capital**

	Year Ended 2012-13		Year Ended 2011-12	
	No of Shares	(₹)	No of Shares	(₹)
At the beginning of the Reporting Date	95,79,84,954	95,79,84,954	95,79,84,954	95,79,84,954
Outstanding at the end of the Reporting Date	95,79,84,954	95,79,84,954	95,79,84,954	95,79,84,954

**2 Preference Share capital**

	Year Ended 2012-13		Year Ended 2011-12	
	No of Shares	(₹)	No of Shares	(₹)
At the beginning of the Reporting Date	40,00,000	40,00,00,000	40,00,000	40,00,00,000
Outstanding at the end of the Reporting Date	40,00,000	40,00,00,000	40,00,000	40,00,00,000

**3 Rights, preferences and restrictions attached to the Equity Shares****3. i) Equity Shares of ₹ 1/- each**

- a) In respect of every equity share , voting right shall be in same proportion as the capital paid upon such equity share bears to the total paid up equity capital of the company.
- b) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- c) In the event of liquidation, the holders of Equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings."

**3. ii) Preference Shares of ₹ 100/- each**

- a) In respect of every preference share, dividend entitles @ 4% fixed rate in every year subject to approval at Annual general meeting.
- b) In the event of liquidation ,preference shareholders have preferential right over Equity shareholders to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings, before distribution to equity shareholders.



### C) Details of shareholders holding more than 5% Equity Shares Capital

Name of Shareholders	As at		As at	
	March 31, 2013		March 31, 2012	
	No. of shares	% holding	No. of shares	% holding
Aspective Vanijya Private Limited	15,81,13,769	16.50%	12,85,95,663	13.42%
Shree Krishna Gyanodaya Flour Mills Pvt. Ltd	14,10,30,896	14.72%	12,68,58,763	13.24%
Wellington Management Co LLP	10,82,77,986	11.30%	10,80,72,237	11.28%
Snehapushp Barter Pvt. Ltd	6,53,36,400	6.82%	6,53,36,400	6.82%
REI Steel & Timber Pvt. Ltd	5,61,03,048	5.86%	5,19,34,680	5.42%
Subhchintak Vancom Pvt. Ltd	5,47,74,000	5.72%	5,47,74,000	5.72%
BNY Mellon Investment Funds Newton Asian Income Fund	4,90,00,000	5.11%	3,00,00,000	3.13%

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

### D) Notes to Preference Share Capital

4% Non Convertible Redeemable Preference shares allotted on 30.06.2003 were redeemable at par at any time after a period of 12 years from the date of their allotment. Since then the redemption period has been extended to 30.06.2022 in the Annual General Meeting held on 27.09.2010.

(Amount in ₹)

	As at	
	March 31, 2013	March 31, 2012
<b>4) RESERVES AND SURPLUS</b>		
A) Securities Premium Account		
Balance as per the last financial statement	14,80,12,36,528	15,16,25,46,807
Less: Debenture Issue Expenses	(5,15,870)	(3,29,96,108)
Less: Deferred Tax Assets/(Liabilities) (Net)	(33,13,05,299)	(32,83,14,171)
<b>TOTAL (A)</b>	<b>14,46,94,15,359</b>	<b>14,80,12,36,528</b>
B) Debenture Redemption Reserve		
Balance as per the last financial statement	32,80,00,000	15,30,00,000
Add: Created during the year	35,80,00,000	17,50,00,000
<b>TOTAL (B)</b>	<b>68,60,00,000</b>	<b>32,80,00,000</b>
C) General Reserve		
Balance as per the last financial statement	7,50,00,00,000	6,10,00,00,000
Add: Created during the year	1,40,00,00,000	1,40,00,00,000
<b>TOTAL (C)</b>	<b>8,90,00,00,000</b>	<b>7,50,00,00,000</b>
D) Surplus in the statement of profit and loss		
Balance as per last financial statement	95,03,08,524	83,83,00,910
Add: Net Profit for the current year	2,11,01,30,882	2,26,23,00,246
Less: Appropriations		
Transfer to General Reserve	(1,40,00,00,000)	(1,40,00,00,000)
Transfer to Debenture Redemption Reserve	(35,80,00,000)	(17,50,00,000)
Proposed Dividend	(49,49,92,477)	(49,49,92,477)
Dividend Tax on Proposed Dividend	(8,03,00,155)	(8,03,00,155)
<b>TOTAL (D)</b>	<b>72,71,46,774</b>	<b>95,03,08,524</b>
<b>Total (A + B + C + D)</b>	<b>24,78,25,62,133</b>	<b>23,57,95,45,052</b>

#### Notes

- 4.1) The Hon'ble Kolkata High Court vide its order has allowed the company to utilize the Securities Premium Account towards meeting Deferred Tax Liability computed as per the Accounting Standard (AS-22) "Accounting of Taxes on Income" prescribed by The Institute of Chartered Accountants of India. Accordingly the Securities Premium Account has decreased by adjustment of Net Deferred Tax Liabilities of ₹ 331,305,299/- for the period (Previous Year ₹ 328,314,171/-).

(Amount in ₹)

	NON CURRENT		CURRENT (Refer Note 10)	
	As at	As at	As at	As at
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>5) LONG TERM BORROWINGS</b>				
<b>Secured</b>				
<b>A) Non Convertible Debentures</b>	<b>5,06,70,00,000</b>	<b>5,82,50,00,000</b>	<b>75,80,00,000</b>	<b>-</b>
<b>B) Term Loans</b>				
<b>B.1) From Banks</b>				
External Commercial Borrowing (ICICI Bank, London)	-	-	-	8,86,72,270
ICICI Bank (Vehicle Loan)	21,36,190	25,74,616	4,38,426	3,92,131
<b>B.2) From Others</b>				
Infrastructure Development Finance Company Limited	14,44,62,500	28,72,77,500	13,29,30,000	11,97,50,000
Indian Renewal Energy Developments Agency [IREDA]	8,11,21,000	14,51,61,000	6,40,40,000	6,40,40,000
<b>Total Term Loans</b>	<b>22,77,19,690</b>	<b>43,50,13,116</b>	<b>19,74,08,426</b>	<b>27,28,54,401</b>
<b>C) Corporate Loans</b>				
<b>From Banks</b>				
a) State Bank of India (Formerly State Bank of Indore )	-	-	-	15,00,00,000
b) IFCI Ltd	60,00,00,000	-	40,00,00,000	-
c) Jammu & Kashmir Bank Limited	1,37,50,00,000	1,50,00,00,000	12,50,00,000	-
d) Dhanlaxmi Bank Limited	13,88,88,886	30,55,55,554	16,66,66,668	16,66,66,668
e) Lakshmi Vilas Bank Limited	25,00,00,000	50,00,00,000	25,00,00,000	-
<b>Total Corporate Loans</b>	<b>2,36,38,88,886</b>	<b>2,30,55,55,554</b>	<b>94,16,66,668</b>	<b>31,66,66,668</b>
<b>Total Secured Loans</b>	<b>7,65,86,08,576</b>	<b>8,56,55,68,670</b>	<b>1,89,70,75,094</b>	<b>58,95,21,069</b>
<b>Unsecured</b>				
<b>A) Foreign Currency Convertible Bonds</b>	<b>5,69,18,40,245</b>	<b>5,35,35,27,725</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13,35,04,48,821</b>	<b>13,91,90,96,395</b>	<b>1,89,70,75,094</b>	<b>58,95,21,069</b>

### 5.1 Notes to Non Convertible Debentures

#### A) Security Coverage :-

- 11.75% Non-Convertible Debenture:-** ₹ 140 Crores Secured by way of mortgage / charge on the immovable property situated at Maharajpura , Dist. Mehsana, Gujarat and secured by way of pari passu first charge on fixed assets of the rice mill division and Subservient charge on the total assets of the company to maintain assets coverage 1.25 times.
- 11.75% Non-Convertible Debenture:-** ₹ 99 Crores Secured by way of mortgage / charge on the immovable property situated at Maharajpura , Dist. Mehsana, Gujarat and secured by way of pari passu first charge on fixed assets of the rice mill division and Subservient charge on the total assets of the company to maintain assets coverage 1.25 times.



- c) **13.00% Non-Convertible Debenture:-** ₹ 93.50 Crores Secured by way of mortgage / charge on the immovable property situated at Maharajpura, Dist. Mehsana, Gujarat and secured by way of pari passu first charge on fixed assets of the rice mill division and Subservient charge on the total assets of the company to maintain assets coverage 1.25 times.
- d) **12.00% Non-Convertible Debenture:-** ₹ 250 Crores Secured by way of mortgage / charge on the immovable property situated at Maharajpura, Dist. Mehsana, Gujarat and secured by way of pari passu first charge on fixed assets of the rice mill division and Subservient charge on the total assets of the company to maintain assets coverage 1.25 times.

**B) Maturity Profile and rate of interest are set out as follows :-**

(Amount in ₹)

Rate of Interest	2014-15	2015-16	2016-17	Total
11.75%	84,00,00,000	-	-	84,00,00,000
11.75%	49,50,00,000	29,70,00,000	-	79,20,00,000
13.00%	18,70,00,000	46,75,00,000	28,05,00,000	93,50,00,000
12.00%	82,00,00,000	84,00,00,000	84,00,00,000	2,50,00,00,000
	<b>2,34,20,00,000</b>	<b>1,60,45,00,000</b>	<b>1,12,05,00,000</b>	<b>5,06,70,00,000</b>

**5.2 Notes on Term Loans**

**Security Coverage:**

- a) External Commercial Borrowing (ICICI bank, London): Secured by creation of first charge on 17 WTGs (RRB Make) at Surajbari, Gujarat and with Sundry Debtors thereon and pledge of 902857 equity shares of the company by two promoter group companies. Since then the loan has been repaid in full and securities are in the process of release.
- b) ICICI Bank (Vehicle Loan): Secured by hypothecation of Vehicle.
- c) Infrastructure Development Finance Company Ltd: Secured by creation of first charge on 6 WTG's (VESTAS Make) at Dhule, Maharashtra and 12 WTGs (RRB Make) at Tirunelveli, Tamilnadu and Sundry Debtors thereon
- d) Indian Renewal Energy Development Agency : Secured by first charge on 5 WTGs (Suzlon Make) at Jaislamer, Rajasthan and 10 WTGs (Suzlon Make) at Dhule, Maharashtra and Sundry Debtors thereon together with personal guarantee of Mr. Sanjay Jhunjunwala and Mr. Sandip Jhunjunwala, promoters of the company.

**5.3 Notes on Corporate Loans**

**Security Coverage:**

- a) State Bank of India ( Formerly State Bank of Indore ): Secured by first Pari-Passu charge on the fixed assets of the Rice Division of the Company and second Pari-Passu charge on the Current Assets of the Rice Division of The Company. Since then the loan has been repaid in full and securities have been released.
- b) IFCI Ltd: Secured by first Pari-Passu charge on entire fixed assets of Rice division of the Company with minimum assets coverage of 1.25 . And pledge of 15,27,28,455 shares of the company held by four promoter group companies, repayable in five equal quarterly installments w e f October 2013.
- c) Jammu and Kashmir Bank: Secured by residual charge on the companies total assets present and future with minimum coverage 1.25 times and corporate guarantee of the company, repayable in twelve quarterly installments w.e.f February 2014
- d) Dhanlaxmi Bank: Secured by first Pari-Passu charge on entire fixed assets of the Rice Division of the Company and Subservient charge over the entire assets of the Rice Division of the company with minimum assets coverage of 1.25 to be repayable in 36 equal monthly installments.
- e) Lakshmi Vilas Bank: secured by first Pari-Passu charge on the fixed assets of the Rice Division of the Company and Subservient charge over the current assets of the Rice Division of the company both present and future with minimum assets coverage 1.25 times to be repayable in 8 equal Quarterly installments.



#### 5.4 Maturity Profile of Secured and Unsecured Loans

(Amount in ₹)

	Repayment Terms	2014-15	2015-16	2016-17
<b>Secured Loans</b>				
<b>Term Loans</b>				
~ Infrastructure Development Finance Company Limited	Quarterly	13,29,30,000	1,15,32,500	-
~ Indian Renewal Energy Development Agency	Quarterly	5,37,58,000	2,73,63,000	-
~ ICICI Bank ( vehicle Loan )	Monthly	4,90,182	5,48,054	10,97,954
<b>Corporate Loans</b>				
~ IFCI Limited	Quarterly	60,00,00,000	-	-
~ Jammu & Kashmir Bank Limited	Quarterly	50,00,00,000	50,00,00,000	37,50,00,000
~ Dhanlaxmi Bank Limited	Monthly	13,88,88,886	-	-
~ Lakshmi Vilas Bank Limited	Quarterly	25,00,00,000	-	-
<b>Unsecured Loans</b>				
Foreign Currency Convertible Bonds	On Maturity	5,69,18,40,245	-	-

#### 6. 5.5% Unsecured Foreign Currency Convertible Bonds

The Company issued on 13.11.2009, 5.5% 105000 Foreign Currency Convertible Bonds (FCCB) of US \$ 1000 each aggregating US \$105 million [ ₹ 493.71 Crores] at par. The bonds are redeemable on 13th November, 2014 unless previously converted; these bonds are convertible into equity shares at an initial conversion price of ₹ 46.70 per equity share with existing fixed rate of exchange on conversion @ ₹ 47.02 = US \$ 1.00 at the option of the bond holder at any time on or after 22nd December, 2009 and prior to the close of business on 13th November, 2014. The outstanding 104,650 bonds when fully converted would result in issue of additional 105,367,088 equity shares of ₹ 1/-each. Apart from this, FCCB holders retain the right to subscribe in Equity Shares to the extent of 210,734,176 Equity Shares of the Company as per Letter of Offer issued by the Company for Issue of Right Equity Shares in the ratio of 2:1 at a price of ₹ 19.50 (Including Share Premium of ₹ 18.50 per share) at the time of conversion into Equity Shares on or before 13th November, 2014.

#### 6) DEFERRED TAX LIABILITY (NET)

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
<b>Deferred Tax Liability</b>		
Timing difference in Depreciable assets	1,46,75,77,639	1,35,81,95,616
<b>Deferred Tax Assets</b>		
Expenses allowable against taxable income in future years		
~ MAT credit	-	22,28,95,934
~ On Gratuity & Leave encashment	65,74,997	56,02,340
~ On Provision for doubtful debts	15,30,645	15,30,645
	81,05,642	23,00,28,919
Deferred Tax Liability (Net)	1,45,94,71,997	1,12,81,66,697

#### 7) PROVISIONS

	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for Employee Benefits				
~ Gratuity	1,52,12,029	1,40,03,624	10,96,848	6,70,022
~ Leave encashment	37,40,289	25,69,521	2,15,890	24,023
	1,89,52,318	1,65,73,145	13,12,738	6,94,045
Provision for Taxation	-	-	53,38,33,899	56,50,07,231
Provision for Proposed Dividend	-	-	49,49,92,477	49,49,92,477
Provision for Dividend Tax on Proposed Dividend	-	-	8,03,00,155	8,03,00,155
<b>TOTAL</b>	<b>1,89,52,318</b>	<b>1,65,73,145</b>	<b>1,11,04,39,269</b>	<b>1,14,09,93,908</b>



## 8) SHORT TERM BORROWINGS

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
<b>Secured</b>		
<b>Working Capital Loans from Banks</b>		
a) Rupee Denominated Loans		
Cash Credit/ WCDL/Short Term Loans	37,78,62,30,356	25,41,57,71,886
b) Foreign Currency Loans		
PCFC	24,14,39,705	3,41,87,69,783
<b>Unsecured</b>		
Commercial Papers	3,70,00,000	4,65,00,00,000
<b>Total</b>	<b>38,06,46,70,061</b>	<b>33,48,45,41,669</b>

### 8.1 Notes to Working Capital Loans

#### A) Security Coverage :-

- Working Capital Loans from Banks are secured by creation of first charge on pari passu basis on hypothecation of stocks of Rice, Paddy, Book Debts & Stores, etc, both Present and Future of the Rice Division and by second charge on all Fixed Assets both Present and future of the Rice Division.
- In case of Commercial Papers maximum balance outstanding during the year was ₹ 490 crores (previous year ₹ 735 crores)

## 9) TRADE PAYABLE

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
Acceptances	3,08,96,44,662	99,99,78,104
Trade Payable for Goods and Services	4,10,01,95,699	4,60,00,77,344
	<b>7,18,98,40,361</b>	<b>5,60,00,55,448</b>

#### Notes

- Creditors for Others are due in respect of goods purchases or services received in the normal course of business
- 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 which has been relied upon by the Auditors.

## 10) OTHER CURRENT LIABILITIES

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
A) Current Maturities of Long Term Borrowings (Refer Note 5)	1,89,70,75,094	58,95,21,069
B) Interest accrued and due on Borrowings	9,39,25,221	16,23,36,342
C) Interest accrued but not due on Borrowings	20,44,72,994	19,44,38,203
D) Advance from		
i) a Subsidiary Company	4,30,44,93,354	-
ii) Other Customers	21,40,31,512	5,16,92,040
E) Payable for Capital expenditures	6,32,22,598	82,75,65,312
F) For Other Expenses	2,28,48,972	2,30,66,412
G) Statutory Dues	11,77,81,118	2,80,80,779
H) Investor Education and Protection fund:		
Unpaid dividends	47,79,089	42,33,100
	<b>6,92,26,29,952</b>	<b>1,88,09,33,257</b>

14) FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block			
	As on 01.04.2012	Addition/ Adjustments	Sale / Adjustment	As on 31.03.2013	Upto 01.04.2012	For the year	Sale / Adjustment	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
<b>Tangible Assets</b>										
Land										
~ Free Hold Land	80,89,71,232	1,36,94,67,839	-	2,17,84,39,071	-	-	-	-	2,17,84,39,071	80,89,71,232
~ Lease Hold Land	2,71,20,000	-	-	2,71,20,000	77,35,913	11,60,589	-	88,96,502	1,82,23,498	1,93,84,087
Building	3,56,03,16,323	-	-	3,56,03,16,323	15,94,97,396	11,89,14,565	-	27,84,11,961	3,28,19,04,362	3,40,08,18,927
Plant & Machinery	7,37,22,95,725	-	-	7,37,22,95,725	59,92,97,505	38,92,57,214	-	98,85,54,719	6,38,37,41,006	6,77,29,98,221
Windfarm Generators	2,37,30,69,544	-	1,75,61,250	2,35,55,08,294	78,40,83,247	12,43,70,838	-	90,84,54,085	1,44,70,54,209	1,58,89,86,297
Office Equipment	25,09,478	12,05,000	-	37,14,478	9,11,548	1,58,668	-	10,70,216	26,44,262	15,97,930
Tubewell	4,68,850	-	-	4,68,850	2,47,768	22,270	-	2,70,039	1,98,811	2,21,082
Computer	59,12,002	12,25,354	-	71,37,356	45,28,322	11,23,557	-	56,51,879	14,85,477	13,83,680
Vehicles	1,37,04,346	22,69,430	11,85,094	1,47,88,682	52,37,720	13,75,689	8,62,544	57,50,865	90,37,817	84,66,626
Furniture & Fixtures	47,47,035	5,88,80,895	-	6,36,27,930	20,01,533	30,41,991	-	50,43,525	5,85,84,405	27,45,502
<b>Total</b>	<b>14,16,91,14,535</b>	<b>1,43,30,48,518</b>	<b>1,87,46,344</b>	<b>15,58,34,16,709</b>	<b>1,56,35,40,952</b>	<b>63,94,25,382</b>	<b>8,62,544</b>	<b>2,20,21,03,790</b>	<b>13,38,13,12,919</b>	<b>12,60,55,73,584</b>
<b>Intangible Assets</b>										
Computer Software	36,25,720	-	-	36,25,720	12,15,074	12,08,452	-	24,23,527	12,02,193	24,10,646
<b>Total</b>	<b>36,25,720</b>	<b>-</b>	<b>-</b>	<b>36,25,720</b>	<b>12,15,074</b>	<b>12,08,452</b>	<b>-</b>	<b>24,23,527</b>	<b>12,02,193</b>	<b>24,10,646</b>
<b>Total</b>	<b>14,17,27,40,255</b>	<b>1,43,30,48,518</b>	<b>1,87,46,344</b>	<b>15,58,70,42,429</b>	<b>1,56,47,56,026</b>	<b>64,06,33,834</b>	<b>8,62,544</b>	<b>2,20,45,27,317</b>	<b>13,38,25,15,112</b>	<b>12,60,79,84,230</b>
Previous Year	5,26,13,34,501	8,96,81,74,430	5,67,68,675	14,17,27,40,256	1,19,53,88,188	38,78,76,917	1,85,09,079	1,56,47,56,026	12,60,79,84,230	-

Note :

1) Refund of MEIDA charges for Installation of Wind Turbine Generation treated as State Govt Grant & Deduction from Operation & Maintenance (O & M) charges Payable to suzlon.



## 12) NON-CURRENT INVESTMENTS

(Long Term Investments) (At Cost)

### I) Non-Trade Investments

#### A) In Equity Shares -Quoted, Fully paid up

Number of Shares	Company	Face value Per Share	As at	As at	
			March 31, 2013	March 31, 2012	
		(₹)	(₹)	(₹)	
35,000	(35,000)	Allahabad Bank	10	28,70,000	28,70,000
10,000	(10,000)	Jyoti Structure Ltd	2	5,46,155	5,46,155
398	(398)	Punjab National Bank	10	1,55,220	1,55,220
5,500	(5,500)	Reliance Capital Ltd	10	22,55,907	22,55,907
		<b>Total (A)</b>		<b>58,27,282</b>	<b>58,27,282</b>
<b>B) In Mutual Funds-Fully paid up</b>					
10,00,000	(10,00,000)	Reliance Alternative Investments	10	1,00,00,000	1,00,00,000
		Funds, Private Equity Scheme-I			
		<b>Total (B)</b>		<b>1,00,00,000</b>	<b>1,00,00,000</b>
<b>II) Trade Investments</b>					
<b>C) In Equity Shares , Fully paid up ( In Associate Companies )</b>					
Un-Quoted					
52,56,277	(52,56,277)	Varrsana Ispat Limited	10	1,24,56,99,650	1,24,56,99,650
Quoted					
NIL	(3,50,00,000)	REI Six Ten Retail Ltd	2	-	7,00,00,000
		<b>Total (C)</b>		<b>1,24,56,99,650</b>	<b>1,31,56,99,650</b>
<b>D) In Equity Shares of Wholly Owned Overseas Subsidiary Companies ( Unquoted )</b>					
14973777	(NIL)	Ammalay International Pte Ltd, Singapore	SGD 1	67,17,78,139	-
300	(300)	Ammalay Commoditiess JLT, UAE	AED 1,000	36,79,669	36,79,669
9610	(10)	Auckland Holdings Ltd, Mauritius	USD 100	5,21,06,796	55,267
35270	(10)	Holy Stars Ltd, Mauritius	USD 100	17,68,77,488	55,267
12280	(10)	Orient Agro (M) Ltd, Mauritius	USD 100	6,29,21,236	55,570
		<b>Total (D)</b>		<b>96,73,63,328</b>	<b>38,45,773</b>
<b>Total Non-Current Investments (A+B+C+D)</b>				<b>2,22,88,90,260</b>	<b>1,33,53,72,705</b>
Aggregate Value of Quoted Investments				58,27,282	7,58,27,282
Market Value of Quoted Investments				67,01,574	42,73,26,100

## 13) LOANS AND ADVANCES

(Unsecured, considered good)

	Long Term		Short Term		
	As at	As at	As at	As at	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	
		(₹)	(₹)	(₹)	(₹)
Advance against Capital Expenditure	4,37,00,55,789	4,78,47,06,429	-	-	
Loan to Subsidiary Company	-	-	14,81,99,728	13,93,91,000	
Share Application Money to Subsidiary Companies	-	-	-	24,31,49,473	
Security Deposits	5,06,86,178	4,36,79,453	-	-	
Other Advances	-	-	7,97,54,21,648	7,56,51,10,596	
Advance Income Tax	13,31,76,561	-	-	56,20,46,926	
Balance With Govt Departments:					
- Income Tax Refundable	-	-	450	16,224	
- MAT Credit (FY 2011-12)	4,71,32,596	-	-	-	
- Service Tax Input Credit	-	-	-	3,95,776	
Prepaid expenses	-	-	4,09,66,038	25,57,58,914	
<b>Total</b>	<b>4,60,10,51,124</b>	<b>4,82,83,85,882</b>	<b>8,16,45,87,864</b>	<b>8,76,58,68,909</b>	

### 13.1 Notes to Loans and Advances to Related parties

Disclosure as per clause 32 of the listing agreement

a) Loans to 100% subsidiary company - Ammalay Commodities JLT, UAE	14,81,99,728	13,93,91,000
~ Loans given to subsidiary is re-payable on demand including interest.		
b) Share Application Money Paid to Wholly owned Subsidiary companies at Mauritius:-		
i) Auckland Holdings Ltd for Nil (1880) shares @ \$ 100 each fully paid, allotted on 18-04-12	-	94,35,199
ii) Holy Stars Ltd for Nil (34610) shares @ \$ 100 each fully paid, allotted on 18-04-12 & 02-05-12	-	17,34,29,533
iii) Orient Agro (M) Ltd for Nil (11770) shares @ \$ 100 each fully paid, allotted on 02-05-12	-	6,02,84,741
	-	<b>24,31,49,473</b>

### 14) INVENTORIES

(Valued at lower of cost and net realizable value)

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
Raw Materials	34,93,65,65,438	24,57,15,81,724
Finished Goods	11,71,55,51,052	12,75,16,20,103
Stores, Spares and Packing Materials	7,05,58,897	1,75,30,605
<b>Total</b>	<b>46,72,26,75,387</b>	<b>37,34,07,32,432</b>

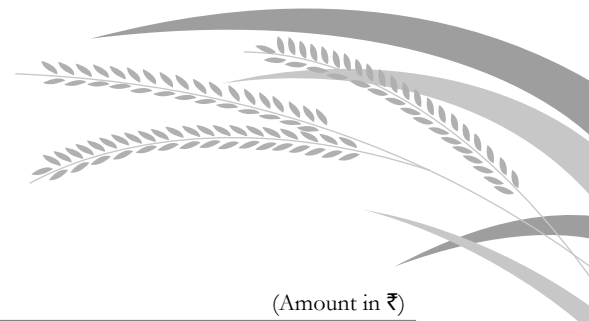
### 15) TRADE RECEIVABLES

Unsecured	Non Current		Current	
	As at	As at	As at	As at
	March 31, 2013 (₹)	March 31, 2012 (₹)	March 31, 2013 (₹)	March 31, 2012 (₹)
Debt outstanding for a period exceeding six months				
~ Considered Good	-	-	69,40,74,083	5,46,49,339
~ Considered Doubtful	47,17,660	47,17,660	-	-
	47,17,660	47,17,660	69,40,74,083	5,46,49,339
Less: Provision for doubtful Trade Receivables	(47,17,660)	(47,17,660)	-	-
	-	-	69,40,74,083	5,46,49,339
Other Receivables				
~ Considered Good	-	-	12,13,47,95,116	13,24,77,13,525
	-	-		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12,82,88,69,199</b>	<b>13,30,23,62,864</b>

### 16) CASH AND BANK BALANCES

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
<b>Cash and cash equivalents</b>		
Balances with Banks		
In Current Account	5,41,20,725	4,24,43,787
Cash in hand ( as certified )	89,51,744	3,61,86,456
Other Bank Balances		
Margin Money ( Against Guarantee )	2,12,300	2,12,300
Fixed Deposit with Banks	33,97,02,779	14,09,91,957
Other Bank deposits	1,50,17,57,923	2,52,34,96,943
On Unclaimed Dividend Account	47,79,089	42,33,100
<b>Total</b>	<b>1,90,95,24,560</b>	<b>2,74,75,64,543</b>



(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
Note : Details of Fixed Deposit		
~ Maturity less than 3 months	12,79,56,000	8,40,63,000
~ Maturity more than 3 months but less than 12 months	16,50,05,150	4,81,87,328
~ Maturity more than 12 months	4,67,41,629	87,41,629
<b>Total</b>	<b>33,97,02,779</b>	<b>14,09,91,957</b>

#### 17) OTHER CURRENT ASSETS

(Unsecured, considered good)

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
Interest Accrued on Fixed Deposits	1,55,16,485	1,08,19,997
Interest Accrued on Loan to Subsidiary *	2,51,21,069	82,94,907
Commission against Corporate Guarantee	4,33,09,003	-
Subsidy Receivable from HAREDA	-	60,00,000
<b>Total</b>	<b>8,39,46,557</b>	<b>2,51,14,904</b>

\* Represents interest receivable from wholly owned Subsidiary, Ammalay Commoditiess JLT

#### 18) REVENUE FROM OPERATIONS

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>Revenue from operations</b>		
Sale of Products	50,627,562,880	42,003,025,402
Sale of Energy (Including lease rent)	259,319,187	236,445,015
Sales of Carbon Credit	1,239,751	13,433,942
<b>Revenue from other operations</b>		
Sales of Scrap	2,808,343	1,939,992
	<b>50,890,930,161</b>	<b>42,254,844,351</b>
<b>18.1) A) Particulars of Sale of Products</b>		
i) Manufactured Goods		
Rice ( Incl. Paddy )	39,284,461,363	37,307,993,316
ii) Traded Goods		
Rice/Paddy	3,367,142,009	-
Other Food Grain Items	6,958,956,383	4,695,032,085
Iron & Steel ,Coal & Other Products	1,017,003,125	-
	<b>11,343,101,517</b>	<b>4,695,032,085</b>
<b>Total ( i + ii )</b>	<b>50,627,562,880</b>	<b>42,003,025,402</b>
<b>B) Particulars of Sale of Energy</b>		
Sales of Electricity	221,939,338	198,367,035
Lease Rental (WTG)	37,379,849	38,077,980
	<b>259,319,187</b>	<b>236,445,015</b>

18.2) Carbon Credit generated through WTGs was 72,477 units of which 41,450 units was sold during the year ended 31.03.2013 and balance 31,027 units are in hand which will be accounted for on the basis of actual sales.

18.3) Based On The Guiding Principles In The Accounting Standards On Segment Reporting (AS – 17) issued by the ICAI, the Company is primarily in the business of manufacturing and trading Food Grains (mainly rice) which is single reportable segment. However trading in various commodities of Agri and Non Agri have been done by the company as such primary reportable segment is Geographical Segment.

#### 18.4) Geographical Segments

(Amount in ₹)

Revenue from Operation	Year Ended	Year Ended
	March 31, 2013	March 31, 2012
Within India	45,960,143,806	39,925,850,641
Outside India	4,930,786,355	2,328,993,710
<b>Total</b>	<b>50,890,930,161</b>	<b>42,254,844,351</b>

#### 19) OTHER INCOME

(Amount in ₹)

	Year Ended	Year Ended
	March 31, 2013	March 31, 2012
Interest on Fixed Deposit	23,214,817	12,419,917
Interest on Loans from a Subsidiary Company	16,304,485	8,294,907
Interest on Trade Receivables	1,302,202	-
Commission on Corporate Guarantee from Subsidiaries	43,309,003	-
Dividend Income from Long Term Investments	365,488	7,385,044
Insurance Claim	788,464	937,001
Profit on Sales of Non Current Investment	15,883,493	-
Net Gain on Foreign currency transaction and translation other than considered as Finance Cost	7,742,631	262,675,555
Other Non Operating Income	9,781,130	2,916,564
	<b>118,691,713</b>	<b>294,628,988</b>

#### 20) COST OF RAW MATERIALS CONSUMED (Indigenous )

(Amount in ₹)

	Year Ended	Year Ended
	March 31, 2013	March 31, 2012
Inventory at the beginning of the year	24,571,581,724	32,984,884,572
Add: Purchases	38,429,345,631	28,638,917,086
	<b>63,000,927,355</b>	<b>61,623,801,658</b>
Less: Inventory at the end of the year	34,936,565,438	24,571,581,724
<b>Cost of Raw Material Consumed</b>	<b>28,064,361,917</b>	<b>37,052,219,934</b>

Notes:

- Purchases of Raw Materials consist of Paddy and Rice.
- Cost of raw materials consumed is computed on value after adjusting excess and shortages, discount received if any, etc. plus all expenses directly related with the purchase of raw materials.

#### 21) PURCHASES OF STOCK IN TRADE

(Amount in ₹)

	Year Ended	Year Ended
	March 31, 2013	March 31, 2012
Rice / Paddy	2,975,183,623	960,682,323
Other Food Grain Items	7,085,826,175	4,501,951,681
Iron & Steel and coal (Imported)	1,026,002,633	-
<b>Total</b>	<b>11,087,012,431</b>	<b>5,462,634,004</b>



## 22) CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Closing Stock of Finished Goods	11,715,551,052	12,751,620,103
Opening Stock of Finished Goods	12,751,620,103	2,705,535,159
Total	<b>1,036,069,051</b>	<b>(10,046,084,944)</b>

## 23) EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Salary and wages	285,051,315	201,009,690
Contribution to provident & other funds	6,286,226	6,346,963
Gratuity	3,545,827	2,892,703
Leave Encashment	6,068,629	4,766,390
Staff Welfare Expenses	6,877,369	6,045,723
Total	<b>307,829,366</b>	<b>221,061,469</b>

### 23.1) Notes to Employee Benefits Expenses

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

#### i) Defined Contribution Plans

Defined contribution plans are benefit plans under which the company pays fixed contribution to state managed benefit schemes. The company contributions to defined contribution plans are recognised in the profit and loss account in the financial year to which they relate.

#### ii) Defined Benefit Plans

In keeping with the company Gratuity scheme (Defined Benefit Plan) eligible employees are entitled to gratuity benefits at 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.

(Amount in ₹)

	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Changes in Defined Benefit Obligations</b>				
Present value of obligation at the beginning of the year	14,673,646	2,593,544	12,199,417	2,396,118
Service Cost	2,458,668	803,583	1,621,898	434,388
Interest Cost	1,394,214	261,989	1,074,923	199,586
Actuarial (Gain)/Loss	(307,055)	5,003,057	195,882	4,132,416
Benefit Paid	(1,910,596)	(4,705,994)	(418,474)	(4,568,964)
Present Value of obligation at the end of the year	16,308,877	3,956,179	14,673,646	2,593,544





(Amount in ₹)

	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	<b>Change in Plan Assets</b>			
Plan Assets at the beginning of the year	-	-	-	-
Actual return on plan Assets	-	-	-	-
Contribution by the Company	(1,910,596)	(4,705,994)	418,474	4,568,964
Actual Benefits paid	1,910,596	4,705,994	(418,474)	(4,568,964)
Actuarial (Gain)/ Loss	-	-	-	-
Plan Asset at the end of year	-	-	-	-
<b>Reconciliation of the present value of defined obligation and fair value of planned Assets</b>				
Present value of the obligation at the end of the year	16,308,877	3,956,179	14,673,646	2,593,544
Fair value of plan Assets at the end of the year	-	-	-	-
Liability / (Asset) recognized in the Balance Sheet	16,308,877	3,956,179	14,673,646	2,593,544
<b>Expenses Charged to profit &amp; Loss Account:</b>				
Current Service Cost	2,458,668	803,583	1,621,898	434,388
Interest Cost	1,394,214	261,989	1,074,923	199,586
Expected return on Plan Assets	-	-	-	-
Actuarial (Gain) / Loss	(307,055)	5,003,057	195,882	4,132,416
Total Expenses charged/(to be charged) in Profit & Loss A/c on accrual	3,545,827	6,068,629	2,892,703	4,766,390
<b>Actuarial Assumption</b>				
Discount rate Per Annum compounded	8.25%	8.25%	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%	9.00%	0.00%	8.00%

#### 24) FINANCE COSTS

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Interest expense	5,698,212,673	4,883,093,203
Other Borrowing Costs	92,330,630	60,364,186
Net Loss on Foreign Exchange Fluctuation	298,704,893	437,358,015
Interest on Delay payment of Income Tax/Dividend Tax/TDS	3,384,284	16,476,398
<b>Total</b>	<b>6,092,632,480</b>	<b>5,397,291,802</b>

#### 25) DEPRECIATION AND AMORTIOSATION EXPENSES

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Depreciation of Tangible Assets	639,425,382	386,668,465
Amortization of Intangible assets	1,208,452	1,208,452
	<b>640,633,834</b>	<b>387,876,917</b>



## 26) OTHER EXPENSES

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Stores, Spares & Packing Material Consumed (100% indigenous)	293,553,706	240,329,173
Power & Fuel	134,944,439	113,774,334
Security Charges	14,867,571	16,900,361
Hire Charges	5,062,696	3,235,211
Repairs & Maintenance		
~ Buildings	5,690,288	4,429,327
~ Plant & Machinery	15,583,026	12,957,062
~ Windfarms	53,944,546	49,974,641
~ others	10,807,841	1,771,389
Rent	169,234,019	122,610,089
Rates & Taxes	2,204,110	20,599,053
Key Man Insurance	1,211,306	1,211,306
Insurance	13,176,919	15,389,526
ECCG Premium	14,414,657	7,712,705
Postage & Telephone	5,023,675	4,053,623
Auditors' Remuneration	3,200,604	2,466,667
Commission to a Director	9,500,000	25,000,000
Directors' Sitting Fees	264,719	220,000
Filing Fees	22,285	15,000
Travelling & Conveyance	25,791,047	19,120,401
Bank Charges	7,178,685	3,423,968
Miscellaneous Expenses	118,054,820	107,971,871
Bad Debts Written off	-	106,534,737
Carriage Outward and Clearing Charges, etc	242,985,020	293,191,145
Brokerage & Selling Expenses	27,227,042	42,020,011
VAT/Central Sales Tax	9,573,652	3,577,473
Loss on sale of Fixed Assets	211,439	24,658,162
	<b>1,183,728,112</b>	<b>1,243,147,235</b>

Note : Keyman Insurance Policies at the end of the year have been assigned in favour of insured at proper consideration.

### 26.1) Auditors Remuneration Includes

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Audit fee	1,500,000	1,300,000
Tax Audit Fees	500,000	200,000
For Certification	500,000	500,000
For Service tax	309,000	206,000
For Re-imbusement of Expenses	391,604	260,667
	<b>3,200,604</b>	<b>2,466,667</b>

27) A) EARNING PER SHARE ( EPS )

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Profit After Tax ( ₹ )	2,110,130,882	2,262,300,245
Less: Preference Dividend Holders Right		
Preference Dividend	(16,000,000)	(16,000,000)
Tax on Preference Dividend	(2,595,600)	(2,595,600)
Profit for Equity Shareholders ( ₹ )	2,091,535,282	2,243,704,645
Weighted No of Equity Shares	957,984,954	957,984,954
Effective No of Equity shares on Conversion of \$ 104650000 FCCB's [ 104650000 x 47.02 / 46.7 ]	105,367,088	105,367,088
Grand Total Weighted No of Equity Shares	1,063,352,042	1,063,352,042
Basic EPS	2.18	2.34
Diluted EPS	1.97	2.11

B) Contingent Liabilities and Commitments ( to the extend not provided for )

(Amount in ₹)

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>Contingent Liabilities</b>		
i) Outstanding Guarantees and counter guarantees to a Bank in favour of Govt. Authorities and Others [ Deposit held NIL ( PY ₹ 75 Lacs ) ]	-	56,954,759
ii) Guarantee provided to Banks and Financial Institutions for loans provided to Subsidiaries	12,192,800,754	593,186,116
iii) Claim not acknowledged as debts relating to cases being contested by the company		
~ Under PDIF Act	11,900,000	-
~ Under Sales Tax	11,400,000	-
<b>Commitments</b>		
i) Estimated amounts of unexecuted capital contracts ( Net of Advances and Deposit )	486,000,000	802,200,000
ii) In respect of Operating lease for minimum rental for lock in period	314,566,622	362,090,333

28) (A) Disclosure in respect of Assets taken on Operating lease

- I) The Company's significant leasing arrangements are primarily in respect of non cancellable operating leases for office premises and Warehouses.

(Amount in ₹)

	2012-13	2011-12
II) Lease payment recognised in the statement of Profit & Loss for the year :	94,165,061	35,579,284
III) Future Minimum Lease Rentals Payable		
a) Not later than one year	76,378,629	71,354,040
b) Later than one year and not later than five year	168,468,093	193,216,293
c) Later than five year	69,719,900	97,520,000



**(B) Disclosure in respect of Assets Given on Operating lease**

The Company has given on Operating Lease 17 Wind Turbine Generator (WTG) having capacity of 10.2 MW situated at Kutch, Gujarat. Disclosures required as per Accounting Standards-19 issued by the ICAI are given below:

i) Gross Block of Fixed Assets			
a) Free hold Land	10,200,000		
b) Cost of 17 WTG's	522,433,161	532,633,161	532,633,161
ii) Accumulated Depreciation		159,319,309	131,734,838
iii) Future Lease Rent Receivables			
a) Not later than one year		42,000,000	42,000,000
b) Later than one year and not later than five year		126,000,000	168,000,000
c) Later than five year		-	-

**29) Related Party Disclosure**

In accordance with Accounting Standard 18 on Related Party Disclosure issued by the Institute of Chartered Accountants of India, the company has complied with the required information as per details given below:

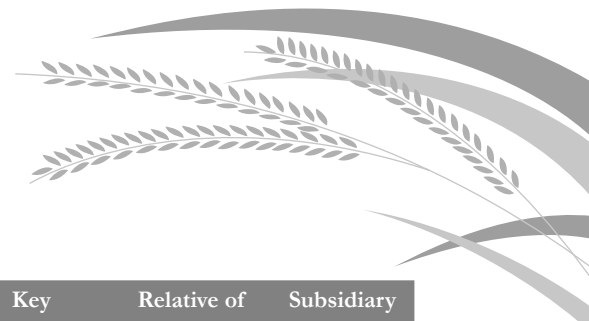
**A) List of Related Parties**

- i) Key Management Personnel
  - a) Mr. Sanjay Jhunjhunwala ( Chairman )
  - b) Mr. Sandip Jhunjhunwala ( Managing Director )
- ii) Name of Companies, where control exist ( either individually or with others) and with whom the company had transactions during the year
  - a) Dr. ING N.K. Gupta Technical Consultants (P) Ltd.
  - b) REI Six Ten Retail Ltd
  - c) My Grahak Shopping Online Ltd
- iii) Director's Relatives
  - a) Mr. Kailash Chandra Jhunjhunwala
  - b) Mrs. Koushalya Devi Jhunjhunwala
  - c) Mrs. Sangita Jhunjhunwala
  - d) Mrs. Suruchi Jhunjhunwala
  - e) Mr. Akshay Jhunjhunwala
  - f) Mr. Ambuj Jhunjhunwala
  - g) Mr. Arnav Jhunjhunwala
  - h) Mr. Shreyans Jhunjhunwala
- iv) Wholly owned Subsidiary Companies
  - a) Ammalay Commoditiess JLT, Dubai and its subsidiaries
    - 1) Ammalay General Trading LLC, Dubai
    - 2) Ammalay FZE, Sharjah, UAE
    - 3) Surimp International Pte Ltd, Singapore
    - 4) Ammalay Mines Et Mineriaux SARI, Morocco
    - 5) Surimp Shipping Ltd, British Virgin Islands
    - 6) Alia North Ltd, Hong Kong
  - b) Auckland Holdings Ltd, Mauritius
  - c) Holy Stars Ltd, Mauritius
  - d) Orient Agro (M) Ltd, Mauritius
  - e) Ammalay International PTE, Ltd, Singapore
- v) Associate Company : Varrsana Ispat Limited

**B) Material Transactions with Related Parties**

(Amount in ₹)

Sl No	Transactions	Control Exists	Key Management Personnel (KMP)	Relative of KMP	Subsidiary
1	Dividend Paid	-	7,655,760	1,076,850	-
	~ on Equity Shares	-	(3,062,304)	(430,740)	-
2	Interest credited				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	16,304,485
		-	-	-	(8,294,907)
3	Interest Receivables				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	25,121,069
					(8,294,907)
4	Commission on Corporate Guarantees credited and Receivables				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	15,052,674
		-	-	-	(NIL)
	~ Auckland Holdings Ltd, Mauritius	-	-	-	2,458,668
		-	-	-	(NIL)
	~ Holy Stars Ltd, Mauritius	-	-	-	4,738,559
		-	-	-	(NIL)
	~ Orient Agro (M) Ltd, Mauritius	-	-	-	1,609,325
		-	-	-	(NIL)
	~ Ammalay International PTE Ltd	-	-	-	19,449,777
					(NIL)
5	Managerial Remuneration	-	34,935,630	-	-
		-	(50,377,340)	-	-
6	Sale of Rice				
	~ REI Six Ten Retail Ltd	1,642,960,342	-	-	-
		(3,192,807,282)	-	-	-
	to a Subsidiary				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	341,611,314
		-	-	-	(NIL)
7	Receivables				
	~ REI Six Ten Retail Ltd	460,152,169	-	-	-
		(1,525,977,994)	-	-	-
	~ My Grahak Shopping Online Ltd	1,900,962	-	-	-
		(NIL)	-	-	-
8	Acquisition of Investments				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	(NIL)
		-	-	-	(3,679,669)
	~ Auckland Holdings Ltd, Mauritius	-	-	-	52,051,529
		-	-	-	(55,267)
	~ Holy Stars Ltd, Mauritius	-	-	-	176,822,221
		-	-	-	(55,267)
	~ Orient Agro (M) Ltd, Mauritius	-	-	-	62,865,666
		-	-	-	(55,570)
	~ Ammalay International PTE Ltd	-	-	-	671,778,139
		-	-	-	(NIL)



Sl No	Transactions	Control Exists	Key Management Personnel (KMP)	Relative of KMP	Subsidiary
9	Share Application Money Paid				
	~ Auckland Holdings Ltd, Mauritius	-	-	-	(NIL)
		-	-	-	(9,435,199)
	~ Holy Stars Ltd, Mauritius	-	-	-	(NIL)
		-	-	-	(173,429,533)
	~ Orient Agro (M) Ltd, Mauritius	-	-	-	(NIL)
		-	-	-	(60,284,741)
10	Loans Given				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	148,199,728
		-	-	-	(139,391,000)
11	Trade Advances Received				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	4,304,493,354
		-	-	-	(NIL)
12	Professional Fee Paid				
	~ Dr. ING N.K. Gupta Technical Consultants (P) Ltd.	(NIL)	-	-	-
		(3,309,000)	-	-	-

### 30) DETAILS OF FOREIGN CURRENCY TRANSACTIONS

		As at March 31, 2013	As at March 31, 2012
30.1)	FOB value of Exports	3,863,014,339	2,243,144,208
30.2)	CIF Value for		
	Capital Goods Import	754,917	13,731,241
	Traded Goods Import	1,026,002,633	-
	Expenditure in Foreign Currency		
	Foreign Traveling	8,257,758	8,646,411
	Registration Fees	123,456	234,787
	Interest Payment		
	On FCCB	352,994,122	324,018,002
	On ECB	1,631,043	3,083,726
	Rating Charges	3,911,478	6,966,261
	Listing Fees	1,511,621	696,768
	Sale Promotion Expenses	-	618,129
	Professional Charges	88,953	-
	Administrative fee	635,587	-
30.3)	Amounts remitted on a/c of Dividend to FII/Non-Resident Shareholders		
	On Equity Shares	3,537,600	2,122,560
	On Preference Shares	16,000,000	16,000,000
30.4)	No of Non-Resident Share holders		
	On Equity Shares	4	4
	On Preference Shares	4	4
30.5)	No of shares held by Non-Resident Share holders		
	On Equity Shares	7,075,200	7,075,200
	On Preference Shares	4,000,000	4,000,000



31) The year end foreign currency exposures that have not been hedged by a derivative instruments or otherwise is given below:

	As on March 31, 2013		As on March 31, 2012	
<b>Payable</b>				
On PCFC Facilities	INR 241,439,705	USD 4,439,103	INR 3,418,769,783	USD 66,829,626
FCCB ( Net of Deposit abroad )	INR 4,190,082,270	USD 77,038,725	INR 2,830,030,782	USD 55,321,040
External Commercial Borrowings	-	-	INR 88,672,271	USD 1,733,353
Trade Advances (USD)	INR 4,468,199,586	USD 82,152,180	-	-
Trade Advance (JPY)	INR 47,825,280	JPY 82,800,000	INR 51,692,040	JPY 82,800,000
<b>Receivables</b>				
Trade Receivable	INR 34,037,642	USD 625,815	INR 1,094,256,146	USD 21,390,362
Loans to a Subsidiary and Interest thereon	INR 173,320,797	AED 11,695,082	INR 147,685,907	AED 10,595,082
Corporate Guarantee Commission Receivable	INR 43,309,003	USD 796,278	-	-

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

33) Figures in brackets in Notes to financial statement denote previous year's figure

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: Kolkata  
Dated : 30th May, 2013

For and on behalf of the Board of Directors

**Sandip Jhunjunwala**      **A. K. Chatterjee**  
Managing Director      Director

**Ranjan Majumder**      **K. D. Ghosh**  
Chief Financial Officer      Director

**Mandan Mishra**  
Company Secretary



# CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **REI Agro Limited**

## Report on the Consolidation Financial Statements

We have audited the accompanying consolidated financial statements of REI Agro Limited ("the Company") its subsidiaries and an associate collectively referred to as "The Group", which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of an associate whose Financial statement reflect net profit after tax of ₹ 16.13 Lacs (Previous Year ₹ 271.32 Lacs) for the year ended March 31, 2013 being consolidated under the equity method. The figure has been compiled from the unaudited financial statements as approved by the Board of Directors of the Associate company as furnished to us by the management and our report as so far as it relates to the amounts included in respect of associate is based solely on the unaudited Financial Statements.

We did not audit the financial statements of all the subsidiaries, whose financial statements reflect total assets of ₹ 196,856.04 Lacs as at March 31, 2013 (Previous Year ₹ 25,379.69 Lacs ), total revenue for the year ended March 31, 2013 of ₹ 448,655.31 Lacs (Previous Year ₹ 103,812.14 Lacs).

The above financial statement of subsidiaries are being audited by other auditors whose report have been furnished to us by the management , and our opinion is based solely on the reports of the other auditors.

## Opinion

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

- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the consolidated statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For P.K.LILHA & CO.  
Chartered Accountants  
Firm Reg. No.: 307008E

(CA. P.K. LILHA)  
Partner  
M. No. 011092

Place : KOLKATA  
Date : 30th May, 2013



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(Amount in ₹)

	Notes	As at March 31, 2013	As at March 31, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,35,79,84,954	1,35,79,84,954
Reserves and Surplus	3	31,98,65,96,303	26,01,46,14,421
<b>Sub Total - Shareholders Fund</b>		<b>33,34,45,81,257</b>	<b>27,37,25,99,375</b>
<b>Non-current liabilities</b>			
Long Term Borrowings	4	16,47,78,33,571	13,91,90,96,395
Deferred Tax Liabilities (net)	5	1,45,94,71,997	1,12,81,66,697
Long Term Provisions	6	1,89,52,318	1,65,73,145
<b>Sub Total - Non-current Liabilities</b>		<b>17,95,62,57,886</b>	<b>15,06,38,36,237</b>
<b>Current liabilities</b>			
Short Term Borrowings	7	38,19,39,19,434	34,07,77,27,785
Trade Payables	8	14,21,26,06,744	7,13,22,78,820
Other Current Liabilities	9	4,01,46,80,112	1,88,34,83,155
Short Term Provisions	6	1,25,10,69,942	1,14,09,93,908
<b>Sub Total - Current Liabilities</b>		<b>57,67,22,76,232</b>	<b>44,23,44,83,668</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>1,08,97,31,15,375</b>	<b>86,67,09,19,280</b>
<b>II. ASSETS</b>			
<b>Non current assets</b>			
Fixed assets	10		
Tangible assets		13,38,52,18,561	12,60,57,58,537
Intangible assets		12,02,193	24,10,646
Capital work-in-progress		4,33,49,39,804	1,15,45,04,056
Non-current investments	11	1,78,05,24,963	2,09,13,90,473
Long term loans and advances	12	4,60,10,51,124	4,82,83,85,882
<b>Sub Total - Non Current Assets</b>		<b>24,10,29,36,645</b>	<b>20,68,24,49,594</b>
<b>Current assets</b>			
Inventories	13	46,90,73,11,578	37,34,07,32,432
Trade receivables	14	23,44,81,37,221	16,81,88,69,805
Cash and cash equivalents	15	4,14,21,68,048	3,39,61,80,658
Short term loans and advances	12	10,35,65,44,718	8,41,56,92,359
Other current assets	16	1,60,17,165	1,69,94,432
<b>Sub Total - Current Assets</b>		<b>84,87,01,78,730</b>	<b>65,98,84,69,686</b>
<b>TOTAL - ASSETS</b>		<b>1,08,97,31,15,375</b>	<b>86,67,09,19,280</b>
Significant accounting policies	1		
Notes on Financial Statements	2 to 31		

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: Kolkata

Dated : 30th May, 2013

For and on behalf of the Board of Directors

**Sandip Jhunjunwala**

Managing Director

**A. K. Chatterjee**

Director

**Ranjan Majumder**

Chief Financial Officer

**K. D. Ghosh**

Director

**Mandan Mishra**

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31 ' 2013

(Amount in ₹)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
<b>INCOME</b>			
Revenue from operations	17	95,41,48,49,355	53,82,40,11,164
Other Income	18	6,26,19,402	28,65,03,482
<b>Total Revenue (I)</b>		<b>95,47,74,68,757</b>	<b>54,11,05,14,646</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	19	28,06,43,61,917	37,05,22,19,935
Purchases of Stock In Trade	20	49,78,33,03,905	15,31,86,85,181
(Increase)/decrease in inventories of Finished Goods	21	85,14,32,860	(10,04,60,84,944)
Employee benefits expenses	22	31,99,28,212	22,11,01,472
Finance costs	23	6,62,20,83,804	5,40,64,55,633
Depreciation & Amortization expenses	24	64,12,56,695	38,78,92,896
Other expenses	25	1,56,15,69,145	1,31,19,17,156
<b>Total Expenses (II)</b>		<b>87,84,39,36,538</b>	<b>49,65,21,87,329</b>
<b>Profit Before Tax (I - II)</b>		<b>7,63,35,32,219</b>	<b>4,45,83,27,317</b>
<b>Tax expenses</b>			
Current tax (Net of MAT Credit)		85,02,27,909	56,50,07,231
Prior Period Tax Payment		(22,23,73,436)	40,19,446
<b>Total Tax Expenses</b>		<b>62,78,54,474</b>	<b>56,90,26,677</b>
<b>Profit for the year after tax</b>		<b>7,00,56,77,745</b>	<b>3,88,93,00,640</b>
<b>Share of Profit /(Loss) of Associate Companies</b>		<b>16,13,238</b>	<b>9,00,04,384</b>
<b>Profit Transfer to Reserves &amp; Surplus</b>		<b>7,00,72,90,983</b>	<b>3,97,93,05,024</b>
<b>Earnings per equity share (nominal value) ₹ 1/- each</b>			
Basic		7.30	4.13
Diluted		6.57	3.72
Significant accounting policies	1		
Notes on Financial Statements	2 to 31		

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: Kolkata

Dated : 30th May, 2013

For and on behalf of the Board of Directors

**Sandip Jhunjunwala**

Managing Director

**A. K. Chatterjee**

Director

**Ranjan Majumder**

Chief Financial Officer

**K. D. Ghosh**

Director

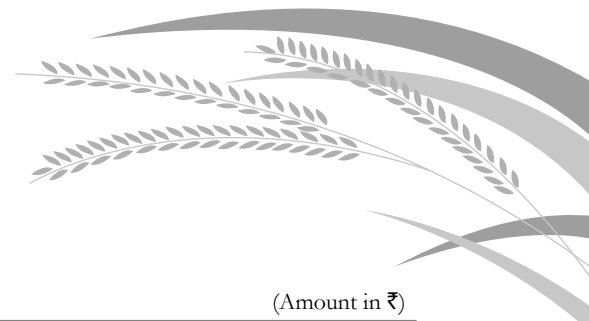
**Mandan Mishra**

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in ₹)

Particulars	2012-13		2011-12	
<b>A) CASHFLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax as per Profit and Loss account		7,63,35,32,219		4,45,83,27,318
Adjusted for:				
Depreciation / Amortization	64,12,56,695		38,78,92,896	
Finance Costs	6,62,20,83,804		5,40,64,55,633	
Dividend Income	(3,65,488)		(73,85,044)	
Interest Received	(2,78,07,912)		(1,25,89,318)	
Profit on Sales of Investments	(1,58,83,493)			
Loss on Sale/Discard of Fixed Assets (Net)	2,11,439	7,21,94,95,045	2,46,58,162	5,79,90,32,329
<b>Effect of Foreign Currency Translation</b>		11,42,83,448		4,82,05,433
Operating Profit before in working capital changes		14,96,73,10,712		10,30,55,65,080
Adjusted for:				
Decrease/ (increase) in Inventories	(9,56,65,79,146)		(1,62,99,87,548)	
Decrease/ (increase) in Trade Receivables	(6,62,92,67,416)		(5,62,81,14,150)	
Decrease/ (increase) in Loan & Advances	(2,51,30,98,341)		(2,62,76,09,624)	
Decrease/ (increase) in Other Current Assets	9,77,267		(1,11,37,942)	
Increase/(Decrease) in Trade Payables	7,08,03,27,924		4,09,43,40,772	
Increase/(Decrease) in Other Liabilities and Provisions	(50,46,13,257)	(12,13,22,52,969)	92,74,07,515	(4,87,51,00,977)
Cash Generated from operations		2,83,50,57,743		5,43,04,64,103
Direct Taxes paid		(13,34,67,029)		(70,52,13,364)
Share of Profit/(Loss) of Associate Company		16,13,238		9,00,04,384
<b>Net Cash from/(used in) Operating Activities ( A )</b>		<b>2,70,32,03,952</b>		<b>4,81,52,55,123</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Fixed Assets	(1,43,73,92,070)		(8,96,83,75,362)	
Capital Work in Progress	(3,18,04,35,748)		1,18,57,83,091	
Advances for Capital Expenditure	41,46,50,640		(1,47,24,87,244)	
Investments in Shares/Mutual Funds	-		(65,00,000)	
Changes in Value of Investment of Associates on Consolidation	(16,13,238)		(75,98,63,541)	
Capital Reserve on stake in Associate Companies	-		66,98,59,157	
Subsidy / Govt Grant Received on Fixed Assets	1,75,61,250		1,10,00,000	
Proceeds from sale of Fixed Assets	1,11,111		26,01,434	
Proceeds from sale of Investment	8,58,83,493		-	
Dividend Received	3,65,488		73,85,044	
Interest Received	2,78,07,912		1,25,89,318	
<b>Net Cash from/(used in) Investing Activities ( B )</b>		<b>(4,07,30,61,162)</b>		<b>(9,31,80,08,103)</b>



(Amount in ₹)

Particulars	2012-13	2011-12
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from/(Repayment) of Long Term Borrowings :-		
~ Issue of Non Convertible Redemable Debenture (Net of Expenses)	(5,15,870)	3,40,20,03,892
~ Repayment of Term Loans	(28,27,39,401)	(22,38,49,399)
~ Proceeds from Corporate Loans	68,33,33,332	2,20,22,22,222
~ Proceeds from Long Term Working Capital Loans	4,37,83,38,650	68,09,05,225
~ Forex Loss on FCCB Outstanding	33,83,12,520	-
Proceeds from/(Repayments) of Short Term Borrowings	4,11,61,91,649	3,96,17,63,019
Finance Costs	(6,62,20,83,804)	(5,40,64,55,633)
Dividend & Dividend Tax Paid	(49,49,92,477)	(24,12,74,413)
<b>Net Cash from/(used in) Financing Activities ( C )</b>	<b>2,11,58,44,599</b>	<b>4,37,53,14,913</b>
<b>NET INCREASE/(DECREASE) IN CASH (A+B+C)</b>	<b>74,59,87,390</b>	<b>(12,74,38,067)</b>
CASH AND CASH EQUIVALENTS(OPENING BALANCE)	3,39,61,80,658	3,52,36,18,725
CASH AND CASH EQUIVALENTS(CLOSING BALANCE)	4,14,21,68,048	3,39,61,80,658

- The above Cash Flow Statement has been prepared using the Indirect Method set out in Accounting Standard (AS - 3) on Cash Flow Statements Issued by The Institute of Chartered Accountants of India
- Cash and Cash Equivalents includes :-

(Amount in ₹)

	31st Mar 2013	31st Mar 2012
a) Unpaid dividend	47,79,089	42,33,100
b) Fixed Deposit with Bank pledged against Letter of Guarantee etc	75,50,000	1,55,50,000
c) Margin Money Pledged with Banks against Guarantee issued by them	2,12,300	2,12,300
d) Balances with other Banks, ICICI Bank, London and PICTET & CIE, London are lying abroad for purposes as defined under ECB guidelines issued by RBI	1,50,17,57,923	2,52,34,96,943
	<b>1,51,42,99,312</b>	<b>2,54,34,92,343</b>

- Figures in Bracket indicate Cash outflows.
- Previous Year's figures have been reclassified and re stated, wherever required to confirm with current period's presentation.

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: Kolkata

Dated : 30th May, 2013

For and on behalf of the Board of Directors

**Sandip Jhunjhunwala**

Managing Director

**A. K. Chatterjee**

Director

**Ranjan Majumder**

Chief Financial Officer

**K. D. Ghosh**

Director

**Mandan Mishra**

Company Secretary

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1.1. PRINCIPLES OF CONSOLIDATION

A.

- i. The consolidated financial statements comprising the financial statements of REI Agro Ltd (hereinafter referred as the Holding Co.), and 5 (Five) Wholly Owned Subsidiaries, 6 (Six) step down subsidiaries and 1 (One) Associate Company. It's Subsidiaries and Associate are hereinafter referred to as The Group.

The list of Subsidiaries, Step down Subsidiaries and Associates Company considered for consolidation together with the proportion of shareholding held by the group is as follows :-

Sr No	Name of the Company	Ownership in % by Share Holding either directly or through subsidiaries		Country of Incorporation
		2012-13	2011-12	
	<b>i) Subsidiaries:</b>			
1	Ammalay International PTE Ltd.	100	-	Singapore
2	Ammalay Commoditiess JLT	100	100	UAE
	- It's Subsidiaries: -			
	(i) Ammalay General Trading LLC,	100	-	UAE
	(ii) Ammalay FZE	100	-	UAE
	(iii) Surimp International PTE Ltd.	100	-	Singapore
	(iv) Ammalay Mines Et Mineriaux SARL	100	-	Morocco
	(v) Surimp Shipping Limited	100	-	British Virgin Islands
	(vi) Alia North Limited	100	-	Hong Kong
3	Auckland Holdings Ltd	100	100	Mauritius
4	Holy Stars Ltd	100	100	Mauritius
5	Orient Agro (M) Ltd	100	100	Mauritius
	<b>ii) Associates:</b>			
1	Varrsana Ispat Ltd	23.99	23.99	India
2	REI Six Ten Retail Limited	Nil	23.79	India

- ii. The financial Statements have been prepared to comply in all material respect, with the mandatory notified Accounting Standards by the Companies Accounting Standard Rules 2006 (as Amended) and the relevant provision of the Companies Act 1956. The financial statements have been prepared under the historical cost convention on accrual basis.
- iii. The consolidated financial statement of the group have been prepared on line by line basis by adding together the book values of subsidiary companies' like items of Assets, Liabilities, Income & Expenses, after eliminating Intra Group Balances & the unrealized Profit /Losses in intra Group transactions if any.
- iv. The financial statements of each of the Subsidiaries and Associates drawn upto the same reporting date i.e. for the year ended 31st March'2013 have been used for the purpose of consolidation.
- v. Translation of financial statements of foreign subsidiaries for incorporation in consolidated financial statements has been done by using the following exchange rates:
- Assets & Liabilities have been translated using the rates prevailing on the date of balance sheet.
  - Income & Expenditure items have been translated by using the average rate of exchange.
  - Exchange difference arising on translation of financial statements has specified above is recognized in the Foreign Currency Translation Reserve
- vi. Investment in associate Companies have been accounted under the Equity Method as per AS 23: – “Accounting For Investment In Associates in Consolidated Financial Statements”
- vii. The Company accounts for its share of post acquisition changes in net assets of the associates after eliminating unrealized profit and



losses resulting from transactions between the Co. and its Associates to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the associate's profit or loss through its reserves for the balance, based on available information.

- viii. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified as Goodwill or Capital Reserve as the case may be.
  - ix. As far as possible the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.
- B. Investment other than in subsidiaries and Associates have been accounted as per accounting standards (AS 13 on "Accounting For Investments")

### 1.2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Consolidated Financial Statements of REI Agro Limited {the "Parent"}, its subsidiary companies and the associate have been prepared in accordance with the Generally Accepted Accounting Principles in India {Indian GAAP} to comply with accounting standards notified under the Companies (Accounting Standard) Rules 2006 (as amended) and the relevant provision of the Companies Act 1956. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

### 1.3. USE OF ESTIMATES:

The preparation of the Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affects the reported amounts of assets & Liabilities and Disclosure of Contingent Liabilities in the financial statements and the results of operation during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### 1.4. TANGIBLE ASSETS:

- a) Freehold Land / Leasehold Land is stated at cost of acquisition inclusive of incidental expenses thereto.
- b) Fixed Assets are recorded at cost of acquisition or construction inclusive of inward freight, duties, taxes and other directly attributable incidental expenses relating thereto less accumulated depreciation/ amortization and impairment loss, if any.
- c) Tangible Assets not ready for the intended use as on the date of Balance Sheet are disclosed as "Capital Work in Progress"
- d) When assets are sold or discarded, their cost and accumulated depreciation are removed from fixed asset and any gain/loss resulting there from is reflected in Profit & Loss account.

### 1.5. INTANGIBLE ASSETS

Intangible Assets is recorded at its cost and related expenses thereon and amortized on straight line basis over its estimated useful life which is reviewed by the management at each Balance Sheet date.

### 1.6. DEPRECIATION / AMORTISATION

- a) Cost of Lease Hold land is amortized over the period of the lease on Straight-Line Method.
- b) Depreciation is provided on the Straight Line Method (SLM) as per rates specified in Schedule XIV of the Companies Act, 1956 (as amended) in the Parent Company. But in one of the subsidiaries company the management has estimated the useful life of the assets and accordingly depreciation on Fixed Assets has been charged on pro rata basis (Straight Line Method) over the estimated useful life of the asset which is higher than the rates specified in the Schedule XIV of the Indian Companies Act, 1956.

### 1.7. BORROWING COST

Borrowing Costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its



intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur. Borrowing Costs consist of Interest and other costs incurred in connection with borrowing of funds.

#### **1.8. INVESTMENTS:**

Investments are either classified as current or long term based on Management's intention at the time of purchase. Current Investments are carried at the lower of cost or fair value of each investment individually. Cost of Overseas investments comprises the Indian Rupees value of the consideration paid for the investment translated at the exchange rate prevalent on the date of investment. Long Term Investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

#### **1.9. INVENTORIES:**

Inventories are valued as under:

- a) Raw Materials are valued at lower of cost computed on FIFO basis and net realisable value.
- b) Finished goods are valued at cost (less realizable value of by-products) or net realizable value whichever is lower. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads.
- c) Stores & Spares, Packing Material etc, are valued at lower of cost and net realizable value.
- d) By-Products are valued at estimated realizable value.

#### **1.10. CASH AND CASH EQUIVALENTS:**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash in hand, demand deposits with Banks and other short-term highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **1.11. REVENUE RECOGNITION:**

- a) Domestic sale is recognized on despatch to customers and are recorded net of trade discounts, rebates, etc. Export sale is recognized on the date, company ships the goods as evidenced by their bill of lading. Sale of energy is accounted on actual net billing plus claims for short generation wherever applicable and includes income from Lease Rent of WTG.
- b) Export incentives are recognized when the right to receive credit as per the terms of incentive is established in respect of Export made and when there is no significant uncertainty regarding the ultimate collection of the relevant Export Proceeds.
- c) Sale of Certified Emission Reduction (CER) is recognized as income on the delivery of the CER to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.
- d) Interest income is recognized on time proportion base taking into account the amount outstanding and the rates applicable.
- e) Profit / Loss on sale of investments is booked on the basis of contract notes/delivery of shares.
- f) Dividend income is recognized when the right to receive Dividend is established.
- g) Income from Operating Lease is recognized as lease rentals on accrual basis.
- h) 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.

#### **1.12. GOVERNMENT GRANTS AND SUBSIDIES:**

- a) Government Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.
- b) Capital Grant/subsidy against specific fixed assets is set off against the cost of relevant fixed assets.

#### **1.13. OPERATING LEASE:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Lease payments are recognized as an expense in the Statement of Profit and Loss over the lease term.



#### 1.14. FOREIGN CURRENCY TRANSACTIONS:

a) Initial Recognition :

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

b) Conversion :

Foreign currency monetary items are reported using the closing rate. Non Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences:

Exchange difference arising on the settlement /conversion of monetary items, are recognized as income or expenses in the year in which they arises

d) Translation of Non-Integral foreign Currency Operations:

The translation of the financial statements of a non integral foreign operation results in the recognition of exchange differences arising from translating income and expenses items at the average exchange rates and assets and liabilities at the closing rate. All resulting exchange difference are accumulated in a foreign currency translation reserve until the disposal of the net investment

#### 1.15. ACCOUNTING OF CLAIMS:

a) Claims receivable are accounted at the time when certainty of receivable is established.

b) Claims raised by the Government Authorities regarding taxes & duties, which are disputed by the company are accounted based on the merits of each claim.

#### 1.16. SECURITY ISSUE EXPENSE:

Debenture issue expenses incurred are adjusted against the Securities Premium Account in the year in which they are incurred in terms of Section 78 (2) of the Companies Act, 1956.

#### 1.17. EMPLOYEE BENEFITS:

a) Short Term Employee Benefits:

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

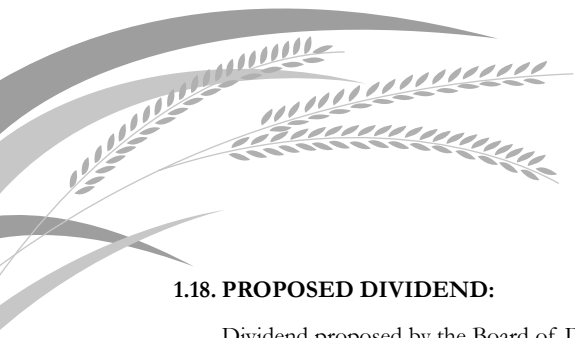
b) Long Term Employee Benefits:

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.





#### **1.18. PROPOSED DIVIDEND:**

Dividend proposed by the Board of Directors is adjusted in Statement of Profit & loss under the head Reserve & Surplus, pending approval at the Annual General Meeting.

#### **1.19. CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby Profit Before Tax (PBT) is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

#### **1.20. TAXATION:**

- a) Current Tax is determined on the profit of the year in accordance with the provisions of Income Tax Act, 1961.
- b) Deferred tax is calculated at the tax rates and laws that have been enacted or substantively enacted at the Balance sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.
- c) Foreign Subsidiary companies recognize tax liabilities and assets in accordance with applicable local laws

#### **1.21. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:**

- a) Provision is created when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- b) Contingent Liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.
- c) Contingent Assets are neither recognized nor disclosed in Financial Statements.

#### **1.22. EARNINGS PER SHARE:**

Basic Earnings Per Share (EPS) is computed by dividing, the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per Share are computed after adjusting the effects of all dilutive potential equity shares, if any.

#### **1.23. CURRENT / NON CURRENT:**

All Assets and Liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the company has ascertained its operating cycle as 12 months for the purpose of Current/ Non-current classification of Assets and Liabilities.

#### **1.24. IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.



## 2) SHARE CAPITAL

(Amount in ₹)

	As At March 31, 2013	As At March 31, 2012
<b>Authorised Share Capital</b>		
1,600,000,000 (1,600,000,000) Equity shares of ₹ 1/- each	1,600,000,000	1,600,000,000
4,000,000 (4,000,000) Preference shares of ₹ 100/- each	400,000,000	400,000,000
	2,000,000,000	2,000,000,000
<b>Issued, Subscribed and paid-up</b>		
957,984,954 (957,984,954) Equity shares of ₹ 1/- each fully paid up	957,984,954	957,984,954
4,000,000 (4,000,000) 4% Non Convertible Redeemable Preference shares of ₹ 100/- each fully paid up	400,000,000	400,000,000
<b>Total</b>	<b>1,357,984,954</b>	<b>1,357,984,954</b>

### 2.1) Notes to Equity Share Capital

- 29,945,550 (29,945,550) Equity Shares of ₹ 1/- each issued through QIP in FY 2009-10
- 352,398 (352,398) Equity shares of ₹ 1/- each issued against conversion of 350 FCCB of USD (\$) 1,000/- each in FY 2009-10
- 638,656,636 (638,656,636) Equity shares issued as right shares of ₹ 1/- each during the FY 2010-11
- 2,934,760 (20,234,180) Equity Shares of ₹ 1/- each representing 146,738 ( 10,117,090) Global Depository Receipt in the ratio of 20 Equity Shares for each GDR ( Previous year 2:1 )
- 88,801,800 (88,801,800) Equity shares of ₹ 1/- each issued as fully paid up Bonus Shares in earlier Years

### 2.2) Reconciliation of no of shares is setout below

#### 1 Equity Share Capital

	Year Ended (2012-13)		Year Ended (2011-12)	
	No of Shares	( ₹ )	No of Shares	( ₹ )
At the beginning of the Reporting Date	957,984,954	957,984,954	957,984,954	957,984,954
Outstanding at the end of the Reporting Date	957,984,954	957,984,954	957,984,954	957,984,954
<b>2 Preference Share Capital</b>				
At the beginning of the Reporting Date	4,000,000	400,000,000	4,000,000	400,000,000
Outstanding at the end of the Reporting Date	4,000,000	400,000,000	4,000,000	400,000,000

### 3 Rights, preferences and restrictions attached to the Equity Shares

#### 3.i) Equity Shares of ₹ 1/- each

- In respect of every equity share , voting right shall be in same proportion as the capital paid upon such equity share bears to the total paid up equity capital of the company.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- In the event of liquidation, the holders of Equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

#### 3.ii) Preference Shares of ₹ 100/- each

- In respect of every preference share, dividend entitles @ 4% fixed rate in every year subject to approval at Annual General Meeting.
- In the event of liquidation ,preference shareholders have preferential right over Equity shareholders to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings, before distribution to equity shareholders

### 2.3) Details of Equity shareholders holding more than 5%

(Amount in ₹)

Name of Shareholders	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% holding	March 31,2012	% holding
Aspective Vanijya Private Limited	158,113,769	16.50%	128,595,663	13.42%
Shree Krishna Gyanodaya Flour Mills Pvt Ltd	141,030,896	14.72%	126,858,763	13.24%
Wellington Management Co LLP	108,277,986	11.30%	108,072,237	11.28%
Snehapushp Barter Pvt Ltd	65,336,400	6.82%	65,336,400	6.82%
REI Steel & Timber Pvt Ltd	56,103,048	5.86%	51,934,680	5.42%
Subhchintak Vancom Pvt Lld	54,774,000	5.72%	54,774,000	5.72%
BNY Mellon Investment Funds Newton Asian Income Fund	49,000,000	5.11%	30,000,000	3.13%

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

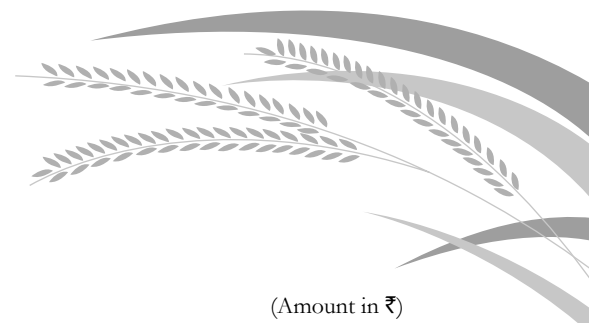
### 2.4) Notes to Preference Share Capital

4% Non Convertible Redemmmable Preference shares allotted on 30.06.2003 were redeemable at par at any time after a period of 12 years from the date of their allotment. Since then the redemption period has been extended to 30.06.2022 in the Annual General Meeting held on 27.09.2010.

### 3) RESERVES AND SURPLUS

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
3.1) Capital Reserve on Consolidation		
Balance as per the last financial statement	669,859,157	-
Add: Subscription in Associates	-	669,859,157
Less : Transfer to Investment on sale of an associates holding	(179,606,431)	-
<b>T O T A L ( A )</b>	<b>490,252,726</b>	<b>669,859,157</b>
3.2) Securities Premium Account		
Balance as per the last financial statement	14,801,236,528	15,162,546,807
Less: Debenture Issue Expenses	(515,870)	(32,996,108)
Less: Deferred Tax Assets/(Liabilities) (Net)	(331,305,299)	(328,314,171)
<b>T O T A L ( B )</b>	<b>14,469,415,359</b>	<b>14,801,236,528</b>
3.3) Debenture Redemption Reserve		
Balance as per the last financial statement	328,000,000	153,000,000
Add: Created during the year	358,000,000	175,000,000
<b>T O T A L ( C )</b>	<b>686,000,000</b>	<b>328,000,000</b>
3.4) General Reserve		
Balance as per the last financial statement	7,500,000,000	6,100,000,000
Add: Created during the year	1,400,000,000	1,400,000,000
<b>T O T A L ( D )</b>	<b>8,900,000,000</b>	<b>7,500,000,000</b>
3.5) Foreign Currency Translation Reserve		
Balance as per the last financial statement	48,205,433	
Add: Amount of Additions during the year	114,283,448	48,205,433
<b>T O T A L ( E )</b>	<b>162,488,881</b>	<b>48,205,433</b>



(Amount in ₹)

		As at March 31, 2013	As at March 31, 2012
3.6)	Surplus in the statement of profit and loss		
	Balance as per last financial statement	2,667,313,303	838,300,910
	Net Profit for the Reporting Period	7,007,290,983	
	Less : Transfer to Investment on sale of an associates holding	(62,872,317)	3,979,305,025
	Less: Appropriations		
	Transfer to General Reserve	(1,400,000,000)	(1,400,000,000)
	Transfer to Debenture Redemption Reserve	(358,000,000)	(175,000,000)
	Proposed Dividend	(494,992,477)	(494,992,477)
	Dividend Tax on Proposed Dividend	(80,300,155)	(80,300,155)
	<b>T O T A L ( F )</b>	<b>7,278,439,337</b>	<b>2,667,313,303</b>
	<b>Total (A + B + C + D + E + F)</b>	<b>31,986,596,303</b>	<b>26,014,614,421</b>

#### Notes

3.7) The Hon'ble Kolkata High Court vide its order has allowed the company to utilize the Securities Premium Account towards meeting Deferred Tax Liability computed as per the Accounting Standard (AS-22) "Accounting of Taxes on Income" prescribed by The Institute of Chartered Accountants of India. Accordingly the Securities Premium Account has decreased by adjustment of Net Deferred Tax Liabilities of ₹ 331,305,299/- for the period (Previous Year ₹ 328,314,171/-).

#### 4) LONG TERM BORROWINGS

(Amount in ₹)

	NON CURRENT		CURRENT ( Refer Note 9)	
	As at	As at	As at	As at
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>Secured</b>				
<b>A) Non Convertible Debentures</b>	<b>5,067,000,000</b>	<b>5,825,000,000</b>	<b>758,000,000</b>	<b>-</b>
<b>B) Term Loans</b>				
<b>B.1) From Banks</b>				
External Commercial Borrowing (ICICI Bank, London)	-	-	-	88,672,270
ICICI Bank (Vehicle Loan)	2,136,190	2,574,616	438,426	392,131
<b>B.2) From Others</b>				
Infrastructure Development Finance Company Limited	144,462,500	287,277,500	132,930,000	119,750,000
Indian Renewal Energy Developments Agency [ IREDA]	81,121,000	145,161,000	64,040,000	64,040,000
<b>Total Term Loans</b>	<b>227,719,690</b>	<b>435,013,116</b>	<b>197,408,426</b>	<b>272,854,401</b>
<b>C) Corporate Loans</b>				
<b>From Banks</b>				
a) State Bank of India (Formerly State Bank of Indore )	-	-	-	150,000,000
b) IFCI Ltd	600,000,000		400,000,000	
c) Jammu & Kashmir Bank Limited	1,375,000,000	1,500,000,000	125,000,000	-
d) Dhanlaxmi Bank Limited	138,888,886	305,555,554	166,666,668	166,666,668
e) Lakshmi Vilas Bank Limited	250,000,000	500,000,000	250,000,000	-
<b>Total Corporate Loans</b>	<b>2,363,888,886</b>	<b>2,305,555,554</b>	<b>941,666,668</b>	<b>316,666,668</b>

(Amount in ₹)

	NON CURRENT		CURRENT ( Refer Note 9)	
	As at	As at	As at	As at
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>D) Long Term Working Capital Loans</b>				
From Banks and Others (in foreign currency)	3,127,384,750	-	1,250,953,900	-
<b>Total Secured Loans</b>	<b>10,785,993,326</b>	<b>8,565,568,670</b>	<b>3,148,028,994</b>	<b>589,521,069</b>
<b>Unsecured</b>				
<b>A) Foreign Currency Convertible Bonds</b>	<b>5,691,840,245</b>	<b>5,353,527,725</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>16,477,833,571</b>	<b>13,919,096,395</b>	<b>3,148,028,994</b>	<b>589,521,069</b>

**4.1) Notes to Non Convertible Debentures****A) Security Coverage :-**

- 11.75% Non-Convertible Debenture:- ₹ 140 Crores Secured by way of mortgage / charge on the immovable property situated at Maharajpura , Dist. Mehsana, Gujarat and secured by way of pari passu first charge on fixed assets of the rice mill division and Subservient charge on the total assets of the company to maintain assets coverage 1.25 times.
- 11.75% Non-Convertible Debenture:- ₹ 99 Crores Secured by way of mortgage / charge on the immovable property situated at Maharajpura, Dist. Mehsana, Gujarat and secured by way of pari passu first charge on fixed assets of the rice mill division and Subservient charge on the total assets of the company to maintain assets coverage 1.25 times.
- 13.00% Non-Convertible Debenture:- ₹ 93.50 Crores Secured by way of mortgage / charge on the immovable property situated at Maharajpura, Dist. Mehsana, Gujarat and secured by way of pari passu first charge on fixed assets of the rice mill division and Subservient charge on the total assets of the company to maintain assets coverage 1.25 times.
- 12.00% Non-Convertible Debenture:- ₹ 250 Crores Secured by way of mortgage / charge on the immovable property situated at Maharajpura, Dist. Mehsana, Gujarat and secured by way of pari passu first charge on fixed assets of the rice mill division and Subservient charge on the total assets of the company to maintain assets coverage 1.25 times.

**B) Maturity Profile and rate of interest are set out as follows :-**

(Amount in ₹)

Rate of Interest	2014-15	2015-16	2016-17	Total
11.75%	840,000,000	-	-	840,000,000
11.75%	495,000,000	297,000,000	-	792,000,000
13.00%	187,000,000	467,500,000	280,500,000	935,000,000
12.00%	820,000,000	840,000,000	840,000,000	2,500,000,000
	<b>2,342,000,000</b>	<b>1,604,500,000</b>	<b>1,120,500,000</b>	<b>5,067,000,000</b>

**4.2) Notes on Term Loans****Security Coverage:**

- External Commercial Borrowing (ICICI bank, London) : Secured by creation of first charge on 17 WTGs (RRB Make) at Surajbari, Gujarat and with Sundry Debtors thereon and pledge of 902857 equity shares of the company by two promoter group companies. Since then the loan has been repaid in full and securities are in the process of release.
- ICICI Bank (Vehicle Loan): Secured by hypothecation of Vehicle.
- Infrastructure Development Finance Company Ltd: Secured by creation of first charge on 6 WTG's (VESTAS Make) at Dhule, Maharashtra and 12 WTGs (RRB Make) at Tirunelveli, Tamilnadu and Sundry Debtors thereon
- Indian Renewal Energy Development Agency : Secured by first charge on 5 WTGs (Suzlon Make) at Jaisalmer, Rajasthan and 10 WTGs (Suzlon Make) at Dhule, Maharashtra and Sundry Debtors thereon together with personal guarantee of Mr. Sanjay Jhunjhunwala and Mr. Sandip Jhunjhunwala, promoters of the company.



#### 4.3) Notes on Corporate Loans

##### Security Coverage:

- State Bank of India ( Formerly State Bank of Indore ): Secured by first Pari-Passu charge on the fixed assets of the Rice Division of the Company and second Pari-Passu charge on the Current Assets of the Rice Division of The Company. Since then the loan has been repaid in full and securities have been released.
- IFCI Ltd: Secured by first Pari-Passu charge on entire fixed assets of rice division of the Company with minimum assets coverage of 1.25 . And pledge of 15,27,28,455 shares of the company held by four promoter group companies, repayable in five equal quarterly instalment w e f October 2013.
- Jammu and Kashmir Bank: Secured by residual charge on the companies total assets present and future with minimum coverage 1.25 times and corporate guarantee of the company, repayable in twelve quarterly instalment w.e.f February 2014
- Dhanlaxmi Bank: Secured by first Pari-Passu charge on entire fixed assets of the Rice Division of the Company and Subservient charge over the entire assets of the Rice Division of the company with minimum assets coverage of 1.25 to be repayable in 36 equal monthly instalment.
- Lakshmi Vilas Bank: secured by first Pari-Passu charge on the fixed assets of the Rice Division of the Company and Subservient charge over the current assets of the Rice Division of the company both present and future with minimum assets coverage 1.25 times to be repayable in 8 equal Quarterly instalment.

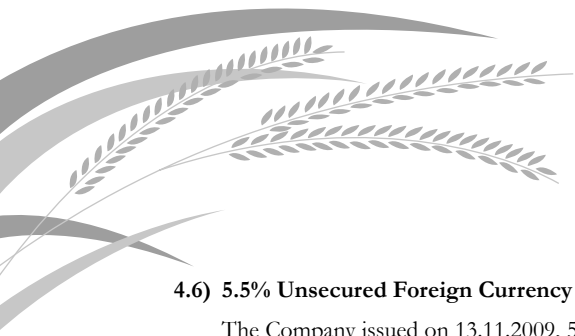
#### 4.4) Notes on Long Term Working Capital Loans

- Type of Facility  
Long Term Working Capital Loans have been aranged by Syndicate led by Credit Suisse AG, Singapore
- Security Coverage  
Long Term Working Capital Loans syndicated by Credit Suisse AG, Singapore (USD 80,500,000/ ₹ 4,37,83,38,650) is secured by all the assets of Ammalay Comoditiess JLT Ltd., UAE, shares of the Company held by The Holding Company REI Agro Ltd and Corporate Guarantee of the outstanding Loan amount given by REI Agro Ltd to the Lenders.

#### 4.5) Maturity Profile of Secured and Unsecured Loans

(Amount in ₹)

	Repayment Terms	2014-15	2015-16	2016-17
<b>Secured Loans</b>				
<b>Term Loans</b>				
~ Infrastructure Development Finance Company Limited	Quarterly	132,930,000	11,532,500	-
~ Indian Renewal Energy Development Agency	Quarterly	53,758,000	27,363,000	-
~ ICICI Bank ( vehicle Loan )	Monthly	490,182	548,054	1,097,954
<b>Corporate Loans</b>				
~ IFCI Limited	Quarterly	600,000,000	-	-
~ Jammu & Kashmir Bank Limited	Quarterly	500,000,000	500,000,000	375,000,000
~ Dhanlaxmi Bank Limited	Monthly	138,888,886	-	-
~ Lakshmi Vilas Bank Limited	Quarterly	250,000,000	-	-
<b>Long Term Working Capital Loans</b>				
~ Credit Suisse AG - Syndicate	Half Yearly	1,250,953,900	1,250,953,900	625,476,950
<b>Unsecured Loans</b>				
Foreign Currency Convertible Bonds	On Maturity	5,691,840,245	-	-



#### 4.6) 5.5% Unsecured Foreign Currency Convertible Bonds

The Company issued on 13.11.2009, 5.5% 105000 Foreign Currency Convertible Bonds (FCCB) of US \$ 1000 each aggregating US \$105 million [ ₹ 493.71 Crores] at par. The bonds are redeemable on 13th November, 2014 unless previously converted; these bonds are convertible into equity shares at an initial conversion price of ₹ 46.70 per equity share with existing fixed rate of exchange on conversion @ ₹ 47.02 = US \$ 1.00 at the option of the bond holder at any time on or after 22nd December, 2009 and prior to the close of business on 13th November, 2014. The outstanding 104,650 bonds when fully converted would result in issue of additional 105,367,088 equity shares of ₹ 1/-each. Apart from this, FCCB holders retain the right to subscribe in Equity Shares to the extent of 210,734,176 Equity Shares of the Company as per Letter of Offer issued by the Company for Issue of Right Equity Shares in the ratio of 2:1 at a price of ₹ 19.50 (Including Share Premium of ₹ 18.50 per share) at the time of conversion into Equity Shares on or before 13th November, 2014.

#### 5) DEFERRED TAX LIABILITY (NET)

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
<b>Deferred Tax Liability</b>		
Timing difference in Depreciable assets	<b>1,467,577,639</b>	<b>1,358,195,616</b>
<b>Deferred Tax Assets</b>		
Expenses allowable against taxable income in future years		
~ On MAT carried forward	-	222,895,934
~ On Gratuity & Leave encashment	6,574,997	5,602,340
~ On Provision for doubtful debts	1,530,645	1,530,645
	<b>8,105,642</b>	<b>230,028,919</b>
<b>Deferred Tax Liability (Net)</b>	<b>1,459,471,997</b>	<b>1,128,166,697</b>

#### 6) PROVISIONS

(Amount in ₹)

	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>Provision for Employee Benefits</b>				
~ Gratuity	15,212,029	14,003,624	1,096,848	670,022
~ Leave encashment	3,740,289	2,569,521	215,890	24,023
	<b>18,952,318</b>	<b>16,573,145</b>	<b>1,312,738</b>	<b>694,045</b>
Provision for Taxation	-	-	674,464,572	565,007,231
Provision for Proposed Dividend	-	-	494,992,477	494,992,477
Provision for Dividend Tax on Proposed Dividend	-	-	80,300,155	80,300,155
<b>TOTAL</b>	<b>18,952,318</b>	<b>16,573,145</b>	<b>1,251,069,942</b>	<b>1,140,993,908</b>

#### 7) SHORT TERM BORROWINGS

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
<b>Secured</b>		
<b>Working Capital Loans from Banks</b>		
a) Rupee Denominated Loans		
Cash Credit/ WCDL/Short Term Loans	37,78,62,30,356	25,41,57,71,886
b) Foreign Currency Loans		
PCFC/Short Term Loans	37,06,89,078	4,01,19,55,899
<b>Unsecured</b>		
Commercial Papers	3,70,00,000	4,65,00,00,000
<b>Total</b>	<b>38,19,39,19,434</b>	<b>34,07,77,27,785</b>



## 7.1) Notes to Working Capital Loans

### Security Coverage :-

- Working Capital Loans from Banks are secured by creation of first charge on pari passu basis on hypothecation of stocks of Rice, Paddy, Book Debts & Stores, etc, both Present and Future of the Rice Division and by second charge on all Fixed Assets both Present and future of the Rice Division.
- Foreign currency working capital loan taken by overseas subsidiaries from banks and financial institutions are secured against all assets of the said Subsidiaries, Credit insurance taken by the subsidiaries & are further secured by Corporate Guarantee given by the Holding Company

In case of Commercial Papers maximum balance outstanding during the year was ₹ 490 crores (previous year ₹ 735 crores)

## 8) TRADE PAYABLE

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
Acceptances	3,77,38,31,816	99,99,78,104
Others	10,43,87,74,928	6,13,23,00,716
<b>Total</b>	<b>14,21,26,06,744</b>	<b>7,13,22,78,820</b>

### Notes

- Creditors for Others are due in respect of goods purchases or services received in the normal course of business
- 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 which has been relied upon by the Auditors.

## 9) OTHER CURRENT LIABILITIES

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
A) Current Maturities of Long Term Borrowings ( refer Note 4 )	3,14,80,28,994	58,95,21,069
B) Interest accrued and due on Borrowings	9,71,95,963	16,23,36,342
C) Interest accrued but not due on borrowings	25,07,31,874	19,51,75,473
D) Advance from customers	26,58,57,490	5,35,04,668
E) Payable for Capital expenditures	6,32,22,598	82,75,65,312
F) Payable for expenses & others	6,70,82,986	2,30,66,412
G) Statutory Dues	11,77,81,118	2,80,80,779
H) Investor Education and Protection fund:		
Unpaid dividends	47,79,089	42,33,100
<b>Total</b>	<b>4,01,46,80,112</b>	<b>1,88,34,83,155</b>



10 CONSOLIDATED FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2012	ADDITION/ ADJUSTMENTS	SALE/ ADJUSTMENT	AS ON 31.03.2013	UPTO 01.04.2012	FOR THE YEAR	SALE/ ADJUSTMENT	UPTO 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
<b>TANGIBLE ASSETS</b>										
LAND										
~ FREE HOLD LAND	80,89,71,232	1,36,94,67,839	-	2,17,84,39,071	-	-	-	-	2,17,84,39,071	80,89,71,232
~ LEASE HOLD LAND	2,71,20,000	-	-	2,71,20,000	77,35,913	11,60,589	-	88,96,502	1,82,23,498	1,93,84,087
BUILDING	3,56,03,16,323	-	-	3,56,03,16,323	15,94,97,396	11,89,14,565	-	27,84,11,961	3,28,19,04,362	3,40,08,18,927
PLANT & MACHINERY	7,37,22,95,725	-	-	7,37,22,95,725	59,92,97,505	38,92,57,214	-	98,85,54,719	6,38,37,41,006	6,77,29,98,221
WINDEARM	2,37,30,69,544	-	1,75,61,250	2,35,55,08,294	78,40,83,247	12,43,70,838	-	90,84,54,085	1,44,70,54,209	1,58,89,86,297
GENERATORS										
OFFICE EQUIPMENT	25,56,871	12,84,642	22,198	38,19,314	9,15,734	1,83,857	(264)	10,99,855	27,19,459	16,41,136
TUBEWELL	4,68,850	-	-	4,68,850	2,47,768	22,270	-	2,70,039	1,98,811	2,21,082
COMPUTER	60,39,755	18,65,740	36,387	78,69,107	45,36,686	13,63,124	(528)	59,00,338	19,68,769	15,03,068
VEHICLES	1,37,04,346	22,69,430	11,85,094	1,47,88,682	52,37,720	13,75,689	8,62,327	57,50,865	90,37,817	84,66,626
FURNITURE & FIXTURES	47,72,822	6,25,62,383	(1,630)	6,73,36,835	20,04,962	34,90,096	(217)	54,05,275	6,19,31,560	27,67,861
<b>Total</b>	<b>14,16,93,15,468</b>	<b>1,43,74,50,034</b>	<b>1,88,03,299</b>	<b>15,58,79,62,201</b>	<b>1,56,35,56,931</b>	<b>64,00,48,243</b>	<b>8,61,535</b>	<b>2,20,27,43,638</b>	<b>13,38,52,18,562</b>	<b>12,60,57,58,537</b>
<b>INTANGIBLE ASSETS</b>										
COMPUTER SOFTWARE	36,25,720	-	-	36,25,720	12,15,074	12,08,452	-	24,23,527	12,02,193	24,10,646
<b>Total</b>	<b>36,25,720</b>	<b>-</b>	<b>-</b>	<b>36,25,720</b>	<b>12,15,074</b>	<b>12,08,452</b>	<b>-</b>	<b>24,23,527</b>	<b>12,02,193</b>	<b>24,10,646</b>
<b>Total</b>	<b>14,17,29,41,188</b>	<b>1,43,74,50,034</b>	<b>1,88,03,299</b>	<b>15,59,15,87,921</b>	<b>1,56,47,72,005</b>	<b>64,12,56,695</b>	<b>8,61,535</b>	<b>2,20,51,67,165</b>	<b>13,38,64,20,755</b>	<b>12,60,81,69,183</b>
<b>Previous Year</b>	<b>5,26,13,34,501</b>	<b>8,96,83,75,362</b>	<b>5,67,68,675</b>	<b>14,17,29,41,188</b>	<b>1,19,53,88,188</b>	<b>38,78,92,896</b>	<b>1,85,09,079</b>	<b>1,56,47,72,005</b>	<b>12,60,81,69,183</b>	

Notes

- 1) Refund of MEDA charges for Installation of Wind Turbine Generation treated as State Govt Grant & Deduction from Operation & Maintenance (O & M) charges Payable to suzlon.
- 2) Additions / Adjustments & Deductions / Adjustments includes adjustments for exchange fluctuations on account of currency translations of Foreign Subsidiaries



## 11) NON-CURRENT INVESTMENTS

(Long Term Investments) (At Cost)

### I) Non-Trade Investments

#### A) In Equity Shares -Quoted, Fully paid up

Number of Shares		Company	Face value Per Share (₹)	As at Mar 31, 2013 (₹)	As at Mar 31, 2012 (₹)
35,000	(35,000)	Allahabad Bank	10	28,70,000	28,70,000
10,000	(10,000)	Jyoti Structure Ltd	2	5,46,155	5,46,155
398	(398)	Punjab National Bank	10	1,55,220	1,55,220
5,500	(5,500)	Reliance Capital Ltd	10	22,55,907	22,55,907
		<b>Total (A)</b>		<b>58,27,282</b>	<b>58,27,282</b>
<b>B) In Mutual Funds-Fully paid up</b>					
10,00,000	(10,00,000)	Reliance Alternative Investments Funds, Private Equity Scheme-I	10	1,00,00,000	1,00,00,000
		<b>Total (B)</b>		<b>1,00,00,000</b>	<b>1,00,00,000</b>
<b>II) Trade Investments</b>					
<b>C) In Equity Shares, Fully paid up ( In Associate Companies )</b>					
<b>Un-Quoted</b>					
52,56,277	(52,56,277)	Varrsana Ispat Limited	10	1,76,46,97,681	1,76,30,84,443
<b>Quoted</b>					
NIL	(3,50,00,000)	REI Six Ten Retail Ltd	2	-	31,24,78,748
		<b>Total (C)</b>		<b>1,76,46,97,681</b>	<b>2,07,55,63,191</b>
<b>Total Non-Current Investments (A+B+C)</b>				<b>1,78,05,24,963</b>	<b>2,09,13,90,473</b>
Aggregate Value of Quoted Investments				58,27,282	31,83,06,030
Market Value of Quoted Investments				67,01,574	42,73,26,100

## 12) LOANS AND ADVANCES

(Unsecured, considered good)

	Long Term		Short Term	
	March 31, 2013 (₹)	March 31, 2012 (₹)	March 31, 2013 (₹)	March 31, 2012 (₹)
Advance against Capital Expenditure	4,37,00,55,789	4,78,47,06,429	-	-
Security Deposits	5,06,86,178	4,36,79,453	11,56,328	1,67,269
Other Advances	-	-	9,63,19,49,247	7,56,68,73,893
Advance Income Tax	13,31,76,561	-	-	56,20,46,926
Balance With Govt. Departments				
- Income Tax Refundable	-	-	450	16,224
- MAT Credit (FY 2011-12)	4,71,32,596	-	-	-
- Service Tax Input Credit	-	-	-	3,95,776
Prepaid expenses	-	-	72,34,38,693	28,61,92,271
<b>Total</b>	<b>4,60,10,51,124</b>	<b>4,82,83,85,882</b>	<b>10,35,65,44,718</b>	<b>8,41,56,92,359</b>

## 13) INVENTORIES

(Valued at lower of cost and net realizable value)

	As at March 31, 2013 (₹)	As at March 31, 2012 (₹)
	Raw Materials	34,93,65,65,438
Finished Goods	11,90,01,87,243	12,75,16,20,103
Stores, Spares and Packing Materials	7,05,58,897	1,75,30,605
<b>Total</b>	<b>46,90,73,11,578</b>	<b>37,34,07,32,432</b>



#### 14) TRADE RECEIVABLES

Unsecured	Non Current		Current	
	As at	As at	As at	As at
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(₹)	(₹)	(₹)	(₹)
Debt outstanding for a period exceeding six months				
~ Considered Good	-	-	-	5,46,49,339
~ Considered Doubtful	47,17,660	47,17,660	69,40,74,083	-
	47,17,660	47,17,660	69,40,74,083	5,46,49,339
Less: Provision for doubtful Trade Receivables	(47,17,660)	(47,17,660)	-	-
	-	-	69,40,74,083	5,46,49,339
Other Receivables				
~ Considered Good	-	-	22,75,40,63,138	16,76,42,20,466
<b>Total</b>	<b>-</b>	<b>-</b>	<b>23,44,81,37,221</b>	<b>16,81,88,69,805</b>

#### 15) CASH AND BANK BALANCES

	As at	As at
	March 31, 2013	March 31, 2012
	(₹)	(₹)
<b>Cash and cash equivalents</b>		
Balance with Banks		
In Current Account	48,87,28,931	58,83,47,234
Cash on hand ( as certified )	92,96,489	3,65,86,124
Other Bank Balances		
Margin Money *	26,71,61,975	4,03,929
Fixed Deposit with Banks	1,87,04,43,641	24,31,13,328
Other Bank deposits	1,50,17,57,923	2,52,34,96,943
On Unclaimed Dividend Account	47,79,089	42,33,100
<b>Total</b>	<b>4,14,21,68,048</b>	<b>3,39,61,80,658</b>
* Margin Money includes ₹ 2,12,300/- against Guarantee issued by banks		
Note : a) Fixed Deposit represents:		
~ Maturity less than 3 months	1,65,86,96,862	18,61,84,371
~ Maturity more than 3 months but less than 12 months	16,50,05,150	4,81,87,328
~ Maturity more than 12 months	4,67,41,629	87,41,629
	<b>1,87,04,43,641</b>	<b>24,31,13,328</b>

#### 16) OTHER CURRENT ASSETS

(Unsecured, considered good )

	As at	As at
	March 31, 2013	March 31, 2012
	(₹)	(₹)
Interest Accrued on Fixed Deposits	1,60,17,165	1,09,94,432
Subsidy Receivable from HAREDA	-	60,00,000
<b>Total</b>	<b>1,60,17,165</b>	<b>1,69,94,432</b>



## 17) REVENUE FROM OPERATIONS

	Year Ended March 31, 2013 (₹)	Year Ended March 31, 2012 (₹)
<b>Revenue from operations</b>		
Sale of Products	95,15,14,82,074	53,57,21,92,215
Sale of Energy (Including lease rent)	25,93,19,187	23,64,45,015
Sales of Carbon Credit	12,39,751	1,34,33,942.00
<b>Revenue from other operations</b>		
Sales of Scrap	28,08,343	19,39,992
	<b>95,41,48,49,355</b>	<b>53,82,40,11,164</b>
<b>17.1) A) Particulars of Sale of Products</b>		
<b>i) Manufactured Goods</b>		
Rice ( including paddy )	38,94,28,50,049	37,30,79,93,317
<b>ii) Traded Goods</b>		
Rice/Paddy	33,15,99,80,837	3,15,43,95,423
Other Food Grain Items	7,01,02,63,901	4,69,50,32,085
Iron & Steel ,Coal & Other Products	16,03,83,87,288	8,41,47,71,390
<b>Total ( i + ii )</b>	<b>95,15,14,82,074</b>	<b>53,57,21,92,215</b>
<b>B) Particulars of Sale of Energy</b>		
Sales of Electricity	22,19,39,338	19,83,67,035
Lease Rental (WTG's)	3,73,79,849	3,80,77,980
	<b>25,93,19,187</b>	<b>23,64,45,015</b>

17.2) Carbon Credit generated through WTGs was 72,477 units of which 41,450 units was sold during the year ended 31.03.2013 and balance 31,027 units are in hand which will be accounted for on the basis of actual sales.

17.3) Based On The Guiding Principles In The Accounting Standards On Segment Reporting (AS – 17) issued by the ICAI, the Company is primarily in the business of manufacturing and trading Food Grains (mainly rice) which is single reportable segment. However trading in various commodities of Agri and Non Agri have been done by the company and/or its foreign subsidiaries as such primary reportable segment is Geographical Segment.

### 17.4) Geographical Segments

Revenue from Operation	Year Ended March 31, 2013 (₹)	Year Ended March 31, 2012 (₹)
Within India	45,96,01,43,806	39,92,58,50,641
Outside India	49,45,47,05,549	13,89,81,60,523
<b>Total</b>	<b>95,41,48,49,355</b>	<b>53,82,40,11,164</b>

## 18) OTHER INCOME

Interest on Fixed Deposit	2,65,05,711	1,25,89,318
Interest on Trade Receivables	13,02,202	-
Dividend Income from Long Term Investments	3,65,488	73,85,044
Insurance Claim	7,88,464	9,37,001
Profit on Sales of Non Current Investment	1,58,83,493	-
Net Gain on Foreign currency transaction and translation other than considered as Finance Cost	77,42,631	26,26,75,555
Other Non Operating Income	1,00,31,413	29,16,564
<b>Total</b>	<b>6,26,19,402</b>	<b>28,65,03,482</b>

19) **COST OF RAW MATERIALS CONSUMED (Indigenous )**

	Year Ended March 31, 2013 ( ₹ )	Year Ended March 31, 2012 ( ₹ )
Inventory at the beginning of the year	24,57,15,81,724	32,98,48,84,572
Add: Purchases	38,42,93,45,631	28,63,89,17,087
	<b>63,00,09,27,355</b>	<b>61,62,38,01,659</b>
Less: Inventory at the end of the year	34,93,65,65,438	24,57,15,81,724
Cost of Raw Material Consumed	28,06,43,61,917	37,05,22,19,935

**Notes:**

- Purchases of Raw Materials consist of Paddy and Rice.
- Cost of raw materials consumed is computed on value after adjusting excess and shortages, discount received if any, etc. plus all expenses directly related with the purchase of raw materials.

20) **PURCHASES OF STOCK IN TRADE**

Revenue from Operation	Year Ended March 31, 2013 ( ₹ )	Year Ended March 31, 2012 ( ₹ )
Rice / Paddy	27,74,59,84,794	4,50,19,51,681
Other Food Grain Items	7,13,14,79,395	3,61,30,72,670
Iron & Steel and coal (Imported)	14,90,58,39,715	7,20,36,60,830
<b>Total</b>	<b>49,78,33,03,905</b>	<b>15,31,86,85,181</b>

21) **CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE**

	Year Ended March 31, 2013 ( ₹ )	Year Ended March 31, 2012 ( ₹ )
Closing Stock of Finished Goods	11,90,01,87,243	12,75,16,20,103
Opening Stock of Finished Goods ( 1st April)	12,75,16,20,103	2,70,55,35,159
	<b>85,14,32,860</b>	<b>(10,04,60,84,944)</b>

22) **EMPLOYEE BENEFIT EXPENSES**

	Year Ended March 31, 2013 ( ₹ )	Year Ended March 31, 2012 ( ₹ )
Salary and wages	29,61,74,926	20,10,49,693
Contribution to provident & other funds	62,86,226	63,46,963
Gratuity	35,45,827	28,92,703
Leave Encashment	60,68,629	47,66,390
Staff Welfare Expenses	78,52,605	60,45,723
	<b>31,99,28,212</b>	<b>22,11,01,472</b>

22.1) **Notes to Employee Benefits Expenses**

- Disclosures pursuant to Accounting Standard-15 (Revised) 'Employees Benefits':
  - Defined Contribution Plans  
Defined contribution plans are benefit plans under which the company pays fixed contribution to state managed benefit schemes. The company contributions to defined contribution plans are recognised in the profit and loss account in the financial year to which they relate.
  - Defined Benefit Plans  
In keeping with the company Gratuity scheme (Defined Benefit Plan) eligible employees are entitled to gratuity benefits at half month's eligible salary for each completed year of service on Retirement / Death / Termination. Vesting occurs

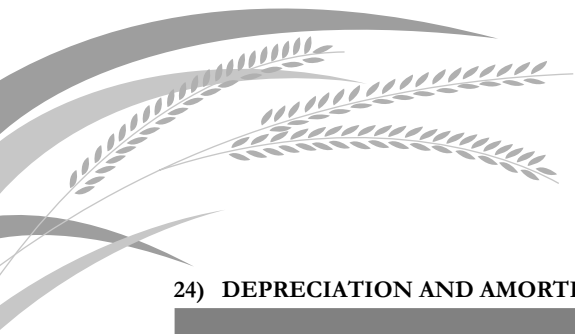


upon completion of 5 years of service subject to the payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the 'projected unit credit method'. Obligation for the leave encashment is recognized in the same manner as Gratuity. Following are the further particulars with respect to Gratuity & Leave Encashment.

	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Changes in Defined Benefit Obligations</b>				
Present value of obligation at the beginning of the year	1,46,73,646	25,93,544	1,21,99,417	23,96,118
Service Cost	24,58,668	8,03,583	16,21,898	4,34,388
Interest Cost	13,94,214	2,61,989	10,74,923	1,99,586
Actuarial (Gain)/Loss	(3,07,055)	50,03,057	1,95,882	41,32,416
Benefit Paid	(19,10,596)	(47,05,994)	(4,18,474)	(45,68,964)
Present Value of obligation at the end of the year	1,63,08,877	39,56,179	1,46,73,646	25,93,544
Change in Plan Assets				
Plan Assets at the beginning of the year	-	-	-	-
Actual return on plan Assets	-	-	-	-
Contribution by the Company	(19,10,596)	(47,05,994)	4,18,474	45,68,964
Actual Benefits paid	19,10,596	47,05,994	(4,18,474)	(45,68,964)
Actuarial (Gain)/ Loss	-	-	-	-
Plan Asset at the end of year	-	-	-	-
<b>Reconciliation of the present value of defined obligation and fair value of planned Assets</b>				
Present value of the obligation at the end of the year	1,63,08,877	39,56,179	1,46,73,646	25,93,544
Fair value of plan Assets at the end of the year	-	-	-	-
Liability / (Asset) recognized in the Balance Sheet	1,63,08,877	39,56,179	1,46,73,646	25,93,544
Expenses Charged to profit & Loss Account:				
Current Service Cost	24,58,668	8,03,583	16,21,898	4,34,388
Interest Cost	13,94,214	2,61,989	10,74,923	1,99,586
Expected return on Plan Assets	-	-	-	-
Actuarial (Gain) / Loss	(3,07,055)	50,03,057	1,95,882	41,32,416
Total Expenses charged/(to be charged) in Profit & Loss A/c on accrual	35,45,827	60,68,629	28,92,703	47,66,390
<b>Actuarial Assumption</b>				
Discount rate Per Annum compounded	8.25%	8.25%	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%	9.00%	0.00%	8.00%

### 23) FINANCE COSTS

	Year Ended March 31, 2013 (₹)	Year Ended March 31, 2012 (₹)
Interest expense	6,06,19,50,347	4,88,55,81,589
Other Borrowing Costs	25,80,44,280	6,70,39,631
Net Loss on Foreign Exchange Fluctuation	29,87,04,893	43,73,58,015
Interest on Delay payment of Income Tax/Dividend Tax/TDS	33,84,284	1,64,76,398
<b>Total</b>	<b>6,62,20,83,804</b>	<b>5,40,64,55,633</b>



#### 24) DEPRECIATION AND AMORTIOSATION EXPENSES

	Year Ended March 31, 2013 (₹)	Year Ended March 31, 2012 (₹)
Depreciation of Tangible Assets	64,00,48,243	38,66,84,444
Amortization of Intangible assets	12,08,452	12,08,452
	<b>64,12,56,695</b>	<b>38,78,92,896</b>

#### 25) OTHER EXPENSES

	Year Ended March 31, 2013 (₹)	Year Ended March 31, 2012 (₹)
Stores, Spares & Packing Material Consumed (100% indigenous)	29,35,53,706	24,03,29,173
Power & Fuel	13,49,44,439	11,37,74,334
Security Charges	1,48,67,571	1,69,00,361
Hire Charges	50,62,696	32,35,211
Repairs & Maintenance		
~ Buildings	56,90,288	44,29,327
~ Plant & Machinery	1,55,83,026	1,29,57,062
~ Windfarms	5,39,44,546	4,99,74,641
~ others	1,08,07,841	17,71,389
Rent	17,28,90,390	12,27,86,120
Rates & Taxes	35,08,308	2,05,99,053
Key Man Insurance	12,11,306	12,11,306
Insurance	9,29,89,946	1,73,22,737
ECGC Premium	1,44,14,657	77,12,705
Postage & Telephone	62,60,337	41,01,572
Auditors' Remuneration	64,63,094	26,72,164
Commission to a Director	95,00,000	2,50,00,000
Directors' Sitting Fees	2,64,719	2,20,000
Filing Fees	22,285	15,000
Travelling & Conveyance	2,75,03,431	1,95,07,013
Bank Charges	2,75,92,896	40,15,515
Miscellaneous Expenses	21,60,28,292	15,30,00,663
Bad Debts Written off	-	10,65,34,737
Carriage Outward and Clearing Charges, etc	24,29,85,020	29,31,91,145
Brokerage & Selling Expenses	19,56,95,259	6,24,20,293
VAT/Central Sales Tax	95,73,652	35,77,473
Loss on sale of Fixed Assets	2,11,439	2,46,58,162
	<b>1,56,15,69,145</b>	<b>1,31,19,17,156</b>



26)

**A) EARNING PER SHARE ( EPS )**

	March 31, 2013	March 31,2012
Profit After Tax ( ₹ )	7,00,72,90,983	3,97,93,05,025
Less: Preference Dividend Holders Right		
Preference Dividend @ 4% on 40 cr	(1,60,00,000)	(1,60,00,000)
Tax on Preference Dividend @ 16.2225%	(25,95,600)	(25,95,600)
Profit for Equity Shareholders ( ₹ )	6,98,86,95,383	3,96,07,09,425
Weighted No of Equity Shares	95,79,84,954	95,79,84,954
Effective No of Equity shares on Conversion of \$ 104650000 FCCB's [ 104650000 x 47.02 / 46.7 ]	10,53,67,088	10,53,67,088
Grand Total Weighted No of Equity Shares	1,06,33,52,042	1,06,33,52,042
Basic EPS	7.30	4.13
Diluted EPS	6.57	3.72
<b>B) Contingent Liabilities and Commitments ( to the extent not provided for )</b>	( ₹ )	( ₹ )
<b>Contingent Liabilities</b>		
i) Outstanding Guarantees and counter guarantees to a Bank in favour of Govt Authorities and Others [ Deposit held NIL ( PY ₹ 75 Lacs )]	-	5,69,54,759
ii) Guarantee provided to Banks and Financial Institutions for loans provided to Subsidiaries	5,26,65,88,020	59,31,86,116
iii) Claim not acknowledged as debts relating to cases being contested by the company		
~ Under PDIF Act	1,19,00,000	-
~ Under Sales Tax	1,14,00,000	-
<b>Commitments</b>		
i) Estimated amounts of unexecuted capital contracts (Net of Advances and Deposit)	49,22,91,700	80,22,00,000
ii) In respect of Operating lease for minimum rental for lock in period	31,45,66,622	36,20,90,333

**27) (A) Disclosure in respect of Assets taken on Operating lease**

I) The Company's significant leasing arrangements are primarily in respect of operating leases for office premises and Warehouses.

( ₹ )

	2012-13	2011-12
II) Lease payment recognised in the statement of Profit & Loss for the year :	9,41,65,061	3,55,79,284
III) Future Minimum Lease Rentals Payable		
a) Not later than one year	7,63,78,629	7,13,54,040
b) Later than one year and not later than five year	16,84,68,093	19,32,16,293
c) Later than five year	6,97,19,900	9,75,20,000
<b>(B) Disclosure in respect of Assets Given on Operating lease</b>		
The Company has given on Operating Lease 17 Wind Turbine Generator (WTG) having capacity of 10.2 MW situated at Kutch, Gujarat.		
i) Gross Block of Fixed Assets		
a) Free hold Land	1,02,00,000	
b) Cost of 17 WTG's	52,24,33,161	53,26,33,161
ii) Accumulated Depreciation	15,93,19,309	13,17,34,838
iii) Future Lease Rent Receivables		
a) Not later than one year	4,20,00,000	4,20,00,000
b) Later than one year and not later than five year	12,60,00,000	16,80,00,000
c) Later than five year	-	-



## 28) Related Party Disclosure

In accordance with Accounting Standard 18 on Related Party Disclosure issued by the Institute of Chartered Accountants of India, the company has complied with the required information as per details given below:

### A) List of Related Parties

#### i) Key Management Personnel

- Mr. Sanjay Jhunjhunwala ( Chairman )
- Mr. Sandip Jhunjhunwala ( Vice Chairman cum Managing Director )

#### ii) Name of Companies, where control exist ( either individually or with others) and with whom the company had transactions during the year

- REI Six Ten Retail Ltd
- MyGrahak Shopping Online Ltd
- Dr. ING N.K. Gupta Technical Consultants (P) Ltd.

#### iii) Director's Relatives

- Mr. Kailash Chandra Jhunjhunwala
- Mrs. Koushalya Devi Jhunjhunwala
- Mrs. Sangita Jhunjhunwala
- Mrs. Suruchi Jhunjhunwala
- Mr. Akshay Jhunjhunwala
- Mr. Ambuj Jhunjhunwala
- Mr. Arnav Jhunjhunwala
- Mr. Shreyans Jhunjhunwala

#### iv) Wholly owned Subsidiary Companies

- Ammalay Commoditiess JLT, Dubai and its subsidiaries
  - Ammalay General Trading LLC, Dubai
  - Ammalay FZE, Sharjah, UAE
  - Surimp International Pte Ltd, Singapore
  - Ammalay Mines Et Mineriaux SARL, Morocco
  - Surimp Shipping Ltd, British Virgin Islands
  - Alia North Ltd, Hong Kong
- Auckland Holdings Ltd, Mauritius
- Holy Stars Ltd, Mauritius
- Orient Agro (M) Ltd, Mauritius
- Ammalay International PTE Ltd, Singapore

#### v) Associate Company Varrsana Ispat Limited

### B) Material Transactions with Related Parties

( ₹ )

Sl No	Transactions	Control Exists	Key Management Personnel (KMP)	Relative of KMP	Subsidiary
1	Dividend Paid	-	76,55,760	10,76,850	-
	~ on Equity Shares	-	(30,62,304)	(4,30,740)	-
2	Managerial Remuneration	-	3,49,35,630	-	-
		-	(5,03,77,340)	-	-
3	Sale of Rice				
	~ REI Six Ten Retail Ltd	1,64,29,60,342	-	-	-
		(3,19,28,07,282)	-	-	-
4	Receivables				
	~ REI Six Ten Retail Ltd	46,01,52,169	-	-	-
		(1,52,59,77,994)	-	-	-
	~ My Grahak Shopping Online Ltd	19,00,962	-	-	-
		(NIL)	-	-	-
5	Professional Fee Paid				
	~ Dr. ING N.K. Gupta Technical Consultants (P) Ltd.	(NIL)	-	-	-
		(33,09,000)	-	-	-



29) The year end foreign currency exposures that have not been hedged by a derivative instruments or otherwise is given below:

Payable	As on March 31, 2013		As on March 31, 2012	
On PCFC Facilities	INR 24,14,39,705	USD 44,39,103	INR 3,41,87,69,783	USD 6,68,29,626
FCCB ( Net of Deposit abroad )	INR 4,19,00,82,270	USD 7,70,38,725	INR 2,83,00,30,782	USD 5,53,21,040
External Commercial Borrowings	-	-	INR 8,86,72,271	USD 17,33,353
Trade Advances (USD)	INR 16,37,06,232	USD 30,09,897	-	-
Trade Advance (JPY)	INR 4,78,25,280	JPY 82,800,000	INR 5,16,92,040	JPY 82,800,000
<b>Receivables</b>				
Trade Receivable	INR 3,40,37,642	USD 6,25,815	INR 1,09,42,56,146	USD 2,13,90,362

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

31) Figures in brackets in Notes to financial statement denote previous year's figure

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: Kolkata

Dated : 30th May, 2013

For and on behalf of the Board of Directors

**Sandip Jhunjhunwala**

Managing Director

**A. K. Chatterjee**

Director

**Ranjan Majumder**

Chief Financial Officer

**K. D. Ghosh**

Director

**Mandan Mishra**

Company Secretary

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES  
AS AT AND FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in INR)

Sl No.	Particulars	Ammalay International PTE Ltd	Ammalay Commoditiess JLT	Auckland Holding Limited	Holy Stars Limited	Orient Agro (M) Ltd.
1	Base Currency	SGD	AED	MUR	MUR	MUR
2	Reporting Currency	USD	USD	USD	USD	USD
3	Country	Singapore	UAE (Dubai)	Mauritius	Mauritius	Mauritius
4	Share Capital	67,17,78,139	36,79,669	5,21,06,796	17,68,77,488	6,29,21,236
5	Reserves & Surplus	68,01,45,129	5,26,09,90,431	30,58,73,630	25,89,28,662	17,90,98,287
6	Total Assets	2,46,33,38,678	15,80,55,90,543	46,38,00,904	44,15,18,389	51,13,55,445
7	Total Liabilities	2,46,33,38,678	15,80,55,90,543	46,38,00,904	44,15,18,389	51,13,55,445
8	Details of Investment (Other than Subsidiaries)	-	-	-	-	-
9	Turnover	10,53,69,60,395	28,77,62,41,424	2,02,21,66,486	2,18,21,00,600	1,34,80,61,603
10	Profit Before Taxation	82,72,39,254	3,52,73,78,426	26,62,88,146	24,10,38,478	17,42,33,233
11	Provision For taxation	14,06,30,673	-	-	-	-
12	Profit After Taxation	68,66,08,581	3,52,73,78,426	26,62,88,146	24,10,38,478	17,42,33,233
13	Proposed Dividend	-	-	-	-	-

Exchange Rate as on 31.3.2013 : 1 USD = INR 54.3893

**Note :**

- Figures in respect of the entities are extracted from Financial Statements of respective subsidiaries which were audited by other auditors for the purpose of being included in the consolidated financial statements of the Company.
- Figures in respect of one of its subsidiary, Ammalay Commoditiess JLT are on Consolidated basis including 6 (Six) of its subsidiaries.

# NOTES



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# NOTES

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**REI AGRO LIMITED**

Registered Office: "Everest House" 46 C, Chowringhee Road, 15th Floor, Room No.-15B, Kolkata-700071



# REI AGRO LIMITED

## FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	REI Agro Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the company</li><li>• Audit Committee Chairman</li></ul>	Signed

For REIAGRO LIMITED

  
Company Secretary

**New Delhi Office** : 311, B, C & D, IInd Floor, DLF South Court, Saket, New Delhi - 110017  
Tel. : +91 11 49218000, Fax : +91 11 49218045, E-mail : info@reiagro.com  
**Registered Office** : "Everest House" 46-C, Chowringee Road, 15<sup>th</sup> Floor, R.N. 15B, Kolkata-700 071  
Tel. : 033-32925061, 32925062 Fax : 033-22882241  
**Factory** : Plot No. 691, Sector - 2, Delhi - Jaipur Road, NH-8,  
Bawal Growth Centre, Village Jaliavas, Dist-Rewari, Haryana  
Tel. : 01284-264459, 264457 Fax : 01284-264463