



REI AGRO LIMITED

03rd October, 2016

The Manager Listing Department, Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	The Manager (Listing) National Stock Exchange of India Ltd. Exchange Plaza Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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Sub: Annual Report for the financial year ended 31st March, 2016-REI Agro Limited

Dear Sir/Madam,

Pursuant to the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pls. find enclosed herewith copy of the Annual Report of the Company for the financial year ended 31st March, 2016.

This is for your kind information and records.

Thanking You,
Yours faithfully,
For REI Agro Limited


Mandan Mishra
Company Secretary

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Registered Office : "Everest House" 46-C, Chowringee Road, 15th 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
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REI AGRO LIMITED

Annual Report 2015-2016



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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 Sandip Jhunjhunwala	Chairman cum Managing Director
Shri Asoke Chatterjee*	Independent Non Executive Director
Dr. ING Narpinder Kumar Gupta***	Independent Non Executive Director
Shri Krishna Dayal Ghosh	Independent Non Executive Director
Ms. Anishrava Agrawal**	Independent Non Executive Director

*expire on 04.08.2015

**resigned w.e.f 25.04.2015

***resigned w.e.f 23.11.2015

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

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

AUDITORS

P. K. Lilha & Co.
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: mdpldc@yahoo.com

DIRECTORS' REPORT

To the Members,

We are presenting the 22nd Board report along with the Audited Financial Results for the year ended 31st March 2016.

1. FINANCIAL AND PERFORMANCE REVIEW

Your Company's integrated models of operations right from procurement, maturing, processing, packaging, branding and distribution, had help the Company to offer a wide range of quality products to its consumers at the very competitive Prices. Your Company is a trusted name in the organised retail and unorganised retail markets. "Raindrops" flag ship brand of the Company is one of popular and trusted brand in FMCG Sector in India. However during last few years Company has faced financial liquidity crunch and due to shortage of working capital funds , processing units of the company were running with marginal capacity and the production was suspended in majority of the plants during the year under review due to which company has incurred substantial losses.

(₹ in Lacs)

Particulars	2015-16	2014-15
Sales	52,179.67	1,85,576.61
Other Income	85.71	44.15
Total	52,265.38	1,85,620.76
Profit Before Interest and Depreciation and Amortisation (PBIDTA)	(74,616.66)	(4,79,989.44)
Less: Interest	18,539.46	31,498.87
Less: Depreciation	10,496.70	10,501.39
Profit Before Tax and Exceptional items (PBT)	(1,03,652.82)	(5,21,989.70)
Less: Exceptional items	10,020.81	2,74,40.15
Profit Before Tax (PBT)	(1,13,673.63)	(5,49,429.85)
Less: Provision for Current Tax	-	-
Less: Prior Period Tax Payments	(6,060.12)	(-)
Profit after Tax (PAT)	(1,07,613.51)	(5,49,429.85)

During the financial year under review, turnover on standalone basis of the Company was of ₹ 52,179 lacs against turnover of ₹ 185,576 lacs in the immediate previous year. During the year under review, the Company has incurred loss of ₹ 107,613 lacs in comparison to the loss of ₹ 549,429 lacs in previous year.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY AND SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

During the year under review, The Company has faced acute shortage of working capital funds, shortage of raw material at the manufacturing units and shutdown of the production units are some of the major challenges faced by the Company due to which the Company failed to utilized its capacity of its processing units even upto a breakeven level. Several banks started actions against the company under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI ACT"). Beside these, below are the major happenings during the year under review.

CORPORATE DEBT RESTRUCTURING (CDR) SCHEME OF THE COMPANY

Various events had led the Company to face the financial difficulties and liquidity crunch in past years, which have been primarily the result of steep rise in the price of raw material coupled with reduction in sales volume, higher competition in the industry, overdue in debtor's realisation, and economic slowdown etc.

Due to financial distress, Company has defaulted in payment of its obligations in respect of Banks/Financial Institutions/NCD holders, and almost all the bank accounts of your Company were declared NPAs. A Joint lender forum comprising all lenders of the Company was formed, led by UCO Bank. Thereafter a draft Corrective Action Plan (CAP) was submitted for consideration by the lenders and as required, the same was also sent to CDR Cell. Initially it was decided by a majority of lenders that restructuring of debts of your Company be undertaken to support your Company to come out of the present financial distress in accordance with the Reserve Bank of India` (RBI's) Special Mention Accounts (SMA) guidelines dated 26th February, 2014.

Your Company submitted a proposal for restructuring of its debts and it adhered to all parameters laid down by the lenders to test the need and efficacy of any proposal for restructuring of debts and the Company was hopeful and confident of support of the lender Banks but it came as a surprise to the Company when the lenders unilaterally decided that the debts of the Company could not be restructured and rejected the proposal submitted by the Company



PETITION BEFORE DEBT RECOVERY TRIBUNAL BY BANKS

Your Company had availed various working capital and term loan facilities from various banks. However, due to financial liquidity crunch being faced by the company from past few years, Company has defaulted in payment of its obligations in respect of Banks/Financial Institutions/NCD holders. Therefore, to recover the loans advanced by them to the Company, UCO Bank, J and K Bank Limited and IFCI Limited has filed petition to Debt recovery Tribunal (DRT) against the Company, which are being contested by your Company.

NOTICES FROM BANKS AND FINANCIAL INSTITUTIONS UNDER PROVISIONS OF THE SECURITIZATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 ("SARFAESI ACT")

Your Company has also received several demand and recall notices under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI ACT") from several lending Banks calling upon your Company to forthwith pay the entire alleged principal and all accrued interest in respect of the various facilities aggregating to ₹ 5579.93 crores, failing which they would initiate steps for recovery.

Your Company also received Notices from Lenders under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI ACT"), calling upon your Company to discharge the alleged outstanding liability, failing which they would exercise their rights under Section 13(4) of the SARFAESI Act with respect to the secured assets. Your Company has challenged the legality and validity of these notices and is in consultation with its legal advisers to take other steps as may be advised by the legal advisors to protect your Company's interests. However, State Bank of Bikaner and Jaipur, Karur Vysya Bank Limited and Andhra Bank has declared your company as wilful defaulter.

WINDING UP PETITION AGAINST THE COMPANY:

United Bank of India (UBI) and Jammu and Kashmir Bank Limited has filed winding up petition against the Company upon the failure of the Company to repay their advances on due dates. Your Company is contesting the winding up petition and the matter is pending in the honourable High Court.

UBI is also a part of Joint Lender Forum and have also signed the

JLF Agreement on 24.06.2014. We believe that filing of winding up petition by UBI and the Jammu and Kashmir Bank Limited are against the spirit of restructuring.

REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR):

Upon erosion of entire net worth of your Company, your Company had become a Sick Industrial Company as per the provisions of Sick Industrial Companies (Special Provision) Act 1985 (SICA). Accordingly, Company has filed a Reference with the Board for Industrial and Financial Reconstruction (BIFR) which has since been registered as Case No. 85/2015 by the Hon'ble BIFR for adopting measures for the rehabilitation and revival of the Company. Reference of the Company is still pending with BIFR for preparation of a viable Scheme of the revival of the Company. Board for Industrial and Financial Reconstruction has special powers to deal with the sick units, therefore your company has also filed various Misc. Applications with Hon'ble BIFR

2. DIVIDEND

Your company has the legacy of paying dividends to its shareholders continuously for 14 years. However, during last few years, company has incurred losses and facing liquidity crunch, therefore Board of Directors has not recommended any dividend for the financial year 2015-16.

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

Pursuant to Section 124 read with Sub Section (1) of section 125 of the Companies Act, 2013, unclaimed dividend which remains unpaid for a period of seven years shall be transferred to Investor Education & Protection Fund. Accordingly, your Company has transferred all unclaimed dividend upto the year 2007-2008 to the said fund. Unclaimed dividend for the year 2008-2009 (Rs. 453,460.50) shall be transferred to the said fund before the due date.

It may be noted that upon the transfer of the unpaid/unclaimed dividend to the 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 2008-2009 and onwards.

4. TRANSFER TO RESERVE

During the year, your Company has not transferred any sum to any Reserves of the company



5. SUBSIDIARY/ ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT

During the year under review, there were no companies, which have become or ceased to be the subsidiaries, associates or joint ventures of your company.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY COMPANIES

As on 31st March 2016, 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., based in Mauritius,

Further, the Companies Act 2013 under the provisions of section 129(3) provides that where a Company has one or more subsidiaries, it shall, in addition to its financial statement, prepare a Consolidated Financial Statement of the Company and of all the subsidiaries in the same form and manner that of its own which shall also be laid before the Annual General Meeting of the Company.

However, the above said subsidiary companies have not submitted their financial statements for the year ended 31st March, 2016 which are required for the finalization of Consolidated Financial Statements of REI Agro Limited for the year ended 31st March, 2016. Due to this, REI Agro Limited has not been able to finalize/prepare its Consolidated Financial Statements for the year ended 31st March, 2016. The delay in preparation of Consolidated Financial Statements is beyond the control of the Management.

Company will make available the said annual accounts and other related information of the subsidiary companies as and when available from these subsidiaries.

ASSOCIATE COMPANY AND JOINT VENTURES

As on 31st March 2016, your Company do not have any joint venture with any company, however it had only 2 (Two) Associate Companies, namely M/s Varrsana Ispat Limited and M/s Anagi Constructions Private Limited. A separate sheet containing the salient features of the financial statements of the subsidiaries and associate companies as required under section 129 of the Companies Act, 2013 in prescribed form is attached herewith as an Annexure "A" which forms part of this report

6. BUSINESS SEGMENTS

Your Company operates in two Business segments i.e. business of processing, trading and marketing of agro products and Generation

of power through Wind farm generators. However, your Company is not providing segment reporting for wind power generations 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.

6.1 AGRO PRODUCTS

During the financial year 2015-16, revenue from sale of agro products was of ₹ 502.99 Crores as compared to revenue of ₹ 1832.25 Crores in the immediately preceding previous year from the sale of agro products.

During the stressful last year under review, in which the Company has faced severe liquidity crunch, shortage of raw material and lack of working capital funds, the Company was not able to utilize the installed capacity of its plants, export sales of the Company were reduced to ₹ 89 lacs against export sales of ₹ 9902 lacs during the immediately previous year. Though the export during the year are lower than the immediately preceding years, we believe that the consistent quality, better consumer engagements in past has earned a reputation to the Company and as and when our plants start running, we will regain our customers and provide momentum to the growth of the Company through quality exports.

6.2 WIND POWER PERFORMANCE

Your Company has its wind farms for power generation in the States of Rajasthan, Maharashtra, Tamil Nadu and Gujarat with a total installed capacity of 46.1 MW. During the financial year 2015-16, revenue from the wind power generation was of ₹ 18.52 Crores.

All the Wind power generation farms are registered with United Nations Framework Convention on Climate Change (UNFCCC) and expected to generate revenue through sale of Certified Emission Reduction (CER/Carbon Credits) in the future.

7. CREDIT RATING

In view of your company's default in meeting its financial obligations, Credit and Analysis Research Ltd. (CARE) has revised the ratings, at present it has assigned "CARE D" rating to the long term and short term Instruments/ facilities of the Company.



8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on the management discussion and analysis as required under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of this report

9. CORPORATE GOVERNANCE

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

A report on Corporate Governance as stipulated under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. Requisite certificate from Practising Company Secretary, confirming compliances with the conditions of corporate governance as stipulated under the Listing Regulations, is attached to this report.

10. 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. We use state of art technology in our plants to reduce waste and emissions of environment pollutants. To Promote optimum utilisation of available resources, Company has a rice husk based power plant for captive use thereby reducing dependence on Coal, oil etc. as fuel. The husk based power generation facilities are registered for Renewable Energy Certificates (REC). It is also to mention here again that the company has set up Wind Farms for power generation 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) and are capable of generating revenue through sale of Certified Emission Reduction (CER/ Carbon Credits).

QUALITY SAFETY, HEALTH

Your Company gives top most priority to the Quality of its products and Health and Safety of Consumers. Processing 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.

11. BOARD OF DIRECTORS

At the beginning of the financial year under review, your Company has 5 (Five) Directors on its board, having a combination of Independent Non executive and Executive Directors which constitute a competent Board in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act,2013. However, during the year under review, due to sudden demise of one of Independent Non-Executive Director i.e. Sh. A. Chatterjee (DIN.- 00266151) on 04th August,2015 and resignations of Ms. Anishrava Agrawal (DIN: 00976083), Independent Non-Executive Woman Director of the Company w.e.f. 25th April,2015 and Dr. ING N.K Gupta (DIN no. 00032956), Independent Non-Executive Director w.e.f. 23rd November,2015, your Company had left with only two Directors on the Board of Directors of the Company, consisting of one independent non-executive Director and one Executive Chairman cum Managing Director at the end of the financial year ended on 31st March,2016

Further, after the registration of the reference of the Company with Hon'ble BIFR, the company has filed a "Misc. Application" with Hon'ble BIFR to allow the Company to carry on its business and operations , including taking all decision in the matters of dealings and affairs of the Company with the existing Directors only

KEY MANAGERIAL PERSONNEL

During the year under review, there is no change (appointment or cessation) in the office of KMP.

DECLARATION BY INDEPENDENT DIRECTORS

The company has received declarations from all the Independent directors confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

DIRECTOR RETIRE BY ROTATION

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM.



The Company is not retiring any Executive Director on retirement on rotation basis in the ensuing Annual General Meeting and the Company has filed a application with Hon`able BIFR seeking their approval for maintaining the status quo on the position of Directors and to exempt the directors of the company, liable to retire by rotation till the Company is under BIFR.

a) BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations , the Board of Directors required to carry out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. However at present situation company has not carried out any evaluation of Board of Directors, but directors at several meeting discussed and frame polices for the working of the Board of Directors of the Company.

b) REMUNERATION POLICY

The Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment including criteria for determining qualifications, of Independent Directors, Senior Management and their remuneration. Details of the remuneration and sitting fees paid to the directors are provided in Corporate Governance Report. Further, pursuance to Section 134(3)(e), the Nomination & Remuneration policy framed and recommended by the committee is attached herewith as an “Annexure-B” which forms part of this report

c) MEETINGS

During the year under review, 9 (Nine) Meetings of Board of Directors and 1(One) Meeting of Independent Directors’ were held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 were adhered to while considering the time gap between two meetings.

12. COMMITTEES OF THE BOARD

Your Company has constituted various committees in accordance with the requirements under provision of Companies Act, 2013 and Listing Regulations of the Stock Exchanges where shares are listed, However during the year under review, due to the resignations of the few Independent Directors from the Board of the Company, Company is left with only two Directors on the

Board of Directors of the Company, as a result no. of Directors on the Board of the Company falls below the minimum numbers required to constitute a competent Board of Directors and formation of Audit, and Nomination and Remuneration and Corporate Social Responsibility Committees as required under Companies Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. In this regard, the Company has filed a Miscellaneous Application with the Hon`ble BIFR for exempting and allowing the Company to continue its working with two Directors only till the time Company is under BIFR or as may be directed by the Hon`ble BIFR.

Below are the Committees constituted by the Company:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Share Transfer Committee
- d. Shareholders’/Investors’ Grievance Committee (Stakeholders’ Relationship Committee)
- e. Corporate Social Responsibility Committee
- f. Risk Management Committee

The details with respect to the compositions, powers, duties etc of the above mentioned committees are mentioned in the Corporate Governance Report which forms part of this Annual Report.

13. RISK MANAGEMENT POLICY

Your Company has laid down procedures to inform members about the risk assessment and minimization procedures, which are periodically, review.

14. VIGIL MECHANISM

The Company has put in place a codified system, which welcomes suggestions from employees at all levels who have access to the audit Committee members, and the Senior Management of the Company to report any kind of irregularity in the Company’s functioning or any unethical behavior or any kind of harassment or unequal treatment given to them. Company has always believed in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethics. Further, the whistle blower policy as framed by the company is disseminated on the company’s website: [www. reiagro.com](http://www.reiagro.com)



15. LOAN, GUARANTEE AND INVESTMENTS IN SECURITIES

During the financial year under review, the Company has not entered into any transaction in relation to Loans, Guarantees and Investments under the provision of Section 186 of the Companies Act, 2013.

16. CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTY

During the year under review, Your Company has not entered into any contracts and arrangements with related parties as mentioned under Section 188(1) of the Companies Act, 2013,

Further, During the year, the company had not entered into any contract or arrangement with related parties which could be considered 'material' (i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the Company on materiality of Related Party Transactions.

Accordingly, there are no transactions that are required to be reported in form AOC-2.

However, you may refer to Related Party transactions, as per the Accounting Standards, in the Notes to the Financial Statements attached herewith.

17. AUDITORS

A. STATUTORY AUDITORS

Pursuant to the provisions of section 139, 141 and other applicable provisions of Companies Act, 2013, M/s P.K. Lilha & Co, Chartered Accountants, Kolkata were appointed as Statutory Auditors of the Company for a period of three years in the Annual General Meeting held on 30/09/2014. However, as per the provision of section 139 of the Companies Act, 2013, the appointment of auditors is required to be ratified by the members of the Company at every Annual General Meeting.

Therefore, the Board of Directors of the Company seeks consent of the members of the Company in the ensuing Annual General Meeting of the Company for the same.

AUDITORS' REPORT

The Statutory Auditors of the Company for the financial statements of the Company for year ended on 31st March,2016

has issued a Audit report with qualified opinion for some transactions of the Company , below mentioned are the clarification issued by the Board of Directors to the Auditors in regard to their qualified opinion

1. During the year under review, Mr. Asoke Kumar Chatterjee one of the Independent Director of the Company expired on 04.08.2015 and subsequently another Independent Director Dr Ing Narpinder Kumar Gupta resigned on 23.11.2015. Thus the number of Directors on the Board of the Company reduced to Two {2} Directors only, which is not a Competent Board. Therefore, In this regard the Company has filed "Misc. Application" with Hon`ble BIFR seeking their approval to allow the Company to act with only two existing Directors till the Company is in BIFR or per the order of Hon`able BIFR. Further Company has also submitted that it will get review all the results as placed before two Directors will be placed before the competent Board as and When Constituted.
2. Company has been facing financial crunch due to various reasons for the last two years and due to financial problems faced by the Company, it has failed to pay principal and interest due thereon to Banks / Financial Institutions on due dates, some of the Bankers thereafter have issued notices under provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Further due to severe liquidity crunch faced by the Company, company has failed to get insurance to its assets.
3. Majority of the Loan accounts of the Company has turned NPA, As per banking regulations, banks are not charging any interest on NPA accounts hence the Company has not accounted the interest on said accounts, but qualified the same by way of Notes to reflect the present status.
4. Board of Directors submit that total strength of the employees of the Company has been reduced by more than 90% from the peak number of employees; therefore company used the estimation method for calculation for gratuity and leave encashment.
5. The company had provided Corporate Guarantee to the lenders for the borrowings by its wholly owned foreign Subsidiary Company, i.e. Ammalay Commodities JLT and has shown in the contingent liabilities in the financial statements of the Company and in case the lenders fail to recover the amount from subsidiary by realizing their assets, the Company will make suitable provision for the liabilities towards the corporate guarantees.



6. As majority of the loan accounts of the Company has turned NPA, no such balance confirmation and /or Bank Statement were provided by the banks to the Company, in absence of which, the Company has not been in position to provide such statements to the Auditors.
7. The net worth of the company has been fully eroded and the Company filed a reference in terms of the provisions of section 15(1) of SICA with the Board for Industrial and Financial Reconstruction (BIFR) on 28th April, 2015 to study the reasons of Sickness and determination of measures to be adopted for revival of the Company, which as accepted by Hon'ble BIFR vide its letter dated 3rd July, 2015 and same has been registered a case no. 85/2015 under the provisions of SICA. The revival and rehabilitation scheme for the Company is under process which outlines the measures for the revival and rehabilitation for continue the business of the Company as going concern.

B. SECRETARIAL AUDITORS

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Your Company has appointed Mr. Astik Mani Tripathi, Practicing Company Secretary, Proprietor of M/s Astik Tripathi and Associates to undertake the Secretarial Audit of the Company.

SECRETARIAL AUDIT REPORT

Secretarial Auditors of the Company, in their Audit report has mentioned the following observations. In this regard, Board of Directors of the Company gave the following clarifications:

1. The Woman Director of the company has resigned from the Company during the Audit Period, however company has not appointed the Women Director after that during the audit period as per the provisions of section 149(1) of the Companies Act, 2013.

In this regard, Board clarified that during the year under review, Company has appointed Ms. Anishrava Agrawal (DIN no. 00976083) as an Independent Non-Executive Woman Director on the Board. However, due to some personal and unavoidable reasons, she was unable to continue and tendered her resignation during the year under review. Since then, Company is looking for the suitable candidates to fill the respective vacancy.

2. The company has not appointed Chief financial officer (CFO) during the audit period as per the provisions of section 203(1) of the Companies Act, 2013 and rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In this regard, Board clarified that the Company is in search of suitable candidate for the post of Chief Financial Officer of the Company

3. The Company has still not filed DIR-12 of Mr. NK Gupta as DIR-11 has been filed earlier for the purpose of resignation.

In this regard, Board clarified that due to resignation of Dr. ING N.K Gupta, Independent Non-Executive Director of the Company, number of Directors on the Board falls below the minimum statutory limit as prescribed under Companies Act, 2013 and therefore the Company is unable to file E-form DIR-12 with ROC

The Secretarial Audit Report for the FY 2015-16 is annexed herewith as "Annexure C".

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 134(5) of the Companies Act, 2013, 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.
- 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 and 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 provisions 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.



- The Directors had laid down the internal financial control that is followed by the company and these internal financial controls are adequate and were operating effectively. Internal Financial controls means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Companies policies, the safeguarding of its assets, the prevention and detections of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of financial information.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

20. LISTING AGREEMENT

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was notified on September 2, 2015, with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company has entered into Listing Agreement with Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd.

21. PARTICULARS OF EMPLOYEES

The information showing names and particulars of employees of the Company pursuant to rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, In terms of Section 136 of the Act, the Annual Report of the company are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as an "Annexure D."

22. SHARE CAPITAL AUDIT

- Pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, 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, on a quarterly basis, 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).

23. 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 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014 are annexed as an Annexure 'E' and forms part of this Report.

24. 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 several initiatives for different sections of society to foster the feeling of sharing and caring.

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Your Company has already constituted Corporate Social Responsibility Committee and also



has framed a CSR policy in accordance to the Companies Act, 2013. Details of composition and working are provided in the relevant section on the Corporate Governance Report..However Your Company has suffered huge losses during last two years and as per the provisions of the Companies Act, 2013, Your Company is not require to spent any amount towards corporate social responsibility during the year under review.

25. EXTRACTS OF THE ANNUAL RETURN

Extract of Annual Return Pursuant to the Section 92(3) of the Companies Act, 2013 is annexed to this report as “Annexure F”

26. ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. Rule 8(5) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board’s report.

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the company’s policies, safeguarding of its assets, the prevention and detection of the frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of the reliable financial information

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory and secretarial auditors and external consultants, financial reporting by the statutory auditors,

and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company’s internal financial controls were adequate and effective during FY 2015-16.

27. AWARDS AND RECOGNITION

During last Few years your Company have won many awards including the Global CSR Excellence& Leadership Award endorsed by World CSR Congress and Asian Confederations of Business for the best use of CSR practices in FMCG sector and was also been awarded the Asia Best CSR Activity award endorsed by Asian Confederations of Business in 2012-13 and during the year 2013-14 Raindrops, was awarded as No. 1 brands in Basmati rice category in Asia by Ibrands 360.

28. ACKNOWLEDGMENT

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

Sd/-
(Sandip Jhunjunwala)
Chairman & Managing Director

Sd/-
(K. D. Ghosh)
Director

Place: Kolkata
Date: 29th August, 2016

ANNEXURE - A TO THE DIRECTOR'S REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART A: SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl.No.	Particulars	Details				
1.	Name of the subsidiary	Ammalay Commoditiess JLT	Ammalay International PTE Ltd	Holy Stars Ltd	Auckland Holdings Ltd	Orient Agro (M) Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding companys reporting period	NA	NA	NA	NA	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency- USD Exchange Rate- 66.2491	Reporting Currency-USD Exchange Rate- 66.2491	Reporting Currency-USD Exchange Rate- 66.2491	Reporting Currency-USD Exchange Rate- 66.2491	Reporting Currency-USD Exchange Rate- 66.2491
4.	Share capital	3679669	671778139	176877488	52106796	62921236
5.	Reserves & surplus	-	-	-	-	-
6.	Total assets	-	-	-	-	-
7.	Total Liabilities	-	-	-	-	-
8.	Investments	-	-	-	-	-
9.	Turnover	-	-	-	-	-
10.	Profit before taxation	--	-	-	-	-
11.	Provision for taxation	-	-	-	-	-
12.	Profit after taxation	-	-	-	-	-
13.	Proposed Dividend	--	-	-	-	-
14.	% of shareholding	100%	100%	100%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations- NIL
- Names of subsidiaries which have been liquidated or sold during the year- NIL



PART B: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Name of Associate	Anagi Constructions Private Limited	Varrsana Ispat Limited
1. Latest audited Balance Sheet Date	25.08.2015	29.07.2016
2. Shares of Associate held by the Company on the year end		
No.	1569336	12110242
Amount of Investment in Associates	173,599,948	2,712,448,160
Extend of Holding%	47.41%	48.74%
3. Description of how there is significant influence	Holding of shares more than 20% of the total share capital of the associate company	Holding of shares more than 20% of the total share capital of the associate company
4. Reason why the associate is not consolidated	-	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	314,255,328	1,32,11,57,442
6. Profit/Loss for the year	(180,840)	(1,725,276,155)
i. Considered in Consolidation	-	-
ii. Not Considered in Consolidation	-	-

- 1. Names of associates or joint ventures which are yet to commence operations.-NIL
- 2. Names of associates or joint ventures which have been liquidated or sold during the year.- NIL

For and on behalf of Board of Directors

Sd/-
(Sandip Jhunjhunwala)
 Chairman & Managing Director

Sd/-
(K. D. Ghosh)
 Director

Place: Kolkata
 Date: 29th August, 2016



ANNEXURE - B TO THE DIRECTOR'S REPORT

Nomination and Remuneration Policy
(Disclosure Pursuant to the provisions of section 134(2) and section 178 of the Companies Act, 2013)

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of "REI AGRO LIMITED" has constituted the Nomination and Remuneration Committee

Objective

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Scope

This policy is applicable to Directors, senior management including key managerial personnel (KMP)

Role of the Committee

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of performance of Independent Directors and the Board.
- c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To recommend to the Board the appointment and removal of Directors and Senior Management.
- e) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- f) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Policy for appointment of Director, KMP and Senior Management

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding these positions may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) A whole time KMP of the company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole time KMP can be appointed as a director of any company, with the permission of the board of the company.
- e) Person proposes to be appointed as the independent director shall qualify the criteria specified under the provisions of the Companies Act, 2013 and the Listing Agreement.



Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

Policy relating to the Remuneration for the Directors, KMP and Senior Management Personnel

- a) The remuneration / compensation / commission etc. to the Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director/ Whole time director shall be in accordance with the provisions of the Companies Act 2013, and the rules framed thereunder from time to time.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of managing and whole time directors.
- d) Remuneration payable to the independent and non-executing directors of the company shall be in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement

Miscellaneous

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder, Listing Agreement or any other applicable enactment for the time being in force.

For and on behalf of Board of Directors

Sd/-
(**Sandip Jhunjhunwala**)
Chairman & Managing Director

Sd/-
(**K. D. Ghosh**)
Director

Place: Kolkata

Date: 29th August, 2016



ANNEXURE - C TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
REI Agro Limited
Everest House -46C,
Chowringhee Road,
Kolkata-700071

Date of Incorporation: 14/09/1994

Authorized Share Capital: 2,000,000,000.00

Paid up Share Capital: 1,357,984,954.00

We have conducted the secretarial audit of the compliance of applicable statutory provisions REI Agro Limited hereinafter referred to as ("the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification (documents furnished before us) of the REI Agro Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st Day of March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes except appointment of CFO , women Director and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

As important documents of the company has been taken by the authorities We have examined the available books, papers, minute books, forms and returns filed and other records maintained by REI Agro Limited ("The Company") for the financial year ended on 31st Day of March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Applicable to the company during the audit period and company complied with the same)
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company during the audit period)The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -(Not applicable to the company during the audit period)
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
(Applicable to the company during the audit period) as per the confirmation given by the management as minutes of company is taken over by the authorities.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; (Applicable to the company during the audit period)
- iii. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
 - 1. The Woman Director of the company has resigned from the Company during the Audit Period, however company has not appointed the Women Director after that during the audit period as per the provisions of section 149(1) of the Companies Act, 2013.
 - 2. The company has not appointed Chief financial officer (CFO) during the audit period as per the provisions of section 203(1) of the Companies Act, 2013 and rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
 - 3. The Company has still not filed DIR-12 of Mr. NK Gupta as DIR-11 has been filed earlier for the purpose of resignation.

We further report that

As per the information furnished before us, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors, Including appointment of Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

As per the information furnished before us, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that subject to the availability of the documents there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

AstikTripathi and Associates
Astik Mani Tripathi

sd/-

Proprietor

FCS No. 8670

C P No.: 10384

Place: New Delhi

Date: 20.08.2016

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.



ANNEXURE- A

To,
The Members,
REI Agro Limited
Everest House -46C,
Chowringhee Road,
Kolkata-700071

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representations about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability nor of the efficacy of the effectiveness with which the management has conducted the affairs of the Company.

AstikTripathi and Associates

Astik Mani Tripathi

sd/-

Proprietor

FCS No. 8670

C P No.: 10384

Place: New Delhi

Date: 20.08.2016



ANNEXURE - D TO THE DIRECTOR'S REPORT

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of each director to the median remuneration of the employees for the Financial Year
32:1
2. The percentage increase in the remuneration of each director or KMP in the FY
During the year under review, no increment in the remuneration of Directors or KMP has been made by the Company
3. The percentage increase in the median remuneration of employees in the FY
During the year under review, no increment in the remuneration of employees has been made by the Company.
4. The number of permanent employees on the rolls of the Company
There were 104 permanent employees on the rolls as on 31st March, 2016
5. The explanation on the relationship between average increase in the remuneration and the Company performance.
Not Applicable, as there is no increment in the remuneration.
6. Comparison of the remuneration of the KMP against the performance of the Company
During the year under review, no increment in the remuneration of KMP has been made by the Company as the Company is facing losses during last few Quarters.
7. Variation in the Market Capitalisation of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies.
During the year under review, total of the net worth of the Company was eroded due to losses, share prices of the Company were all-time at low level.
8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
Your Company is suffering from losses from last few quarters, therefore there was no increment in the remuneration of any of the employee including the Directors or KMP of the Company.
9. Justification of increase in managerial remuneration with that of increase in remuneration of other employees
Not Applicable, as there is no increment in the remuneration.
10. Key parameters for any variable component of remuneration availed by the directors
The Remuneration & Perquisites of the Managing Director were approved by the members. Further the Non Executive and Independent Directors are getting only sitting fees for attending Board & Committee Meetings.
11. Ratio of remuneration of highest paid director to other employees who gets remuneration more than highest paid directors.
During the year under review, there were no employees in the Company who are getting remuneration more than that of the Directors.
12. Affirmation that the remuneration is as per the policy of the Company
The remuneration paid to the employees is as per the remuneration policy of the Company.

For and on behalf of Board of Directors

Place: Kolkata
Date: 29th August, 2016

Sd/-
(Sandip Jhunjhunwala)
Chairman & Managing Director

Sd/-
(K. D. Ghosh)
Director



ANNEXURE - E TO THE DIRECTOR'S REPORT

Information As Required Under Section 134(3)(m) of The Companies Act,2013 Read With Rule 8 of the Companies(Accounts)Rules, 2014 for the year ended 31st March, 2016 .

A. CONSERVATION OF ENERGY

I. The Steps Taken or Impact on Conservation of Energy

Energy conservation and optimum utilization of energy is a priority concern for the Company. Company has always emphasized on 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.

II. The Steps Taken by the Company for utilizing alternate sources of Energy

During the year, Your Company has not taken any steps for utilizing alternate sources of energy. However the Company has been regularly using the husk based captive power plant established in the processing unit of the Company and the wind farms for power generation in the states of Rajasthan, Maharashtra, Tamil Nadu and Gujarat with a total installed capacity of 46.1 mw continue to generate power which is sold to state electricity Boards.

III. The Capital Investment on Energy Conservation Equipments

During the year, Your Company has not made any Capital Investment on Energy Conservation Equipments.

B. TECHNOLOGY ABSORPTION

- i. The Efforts made towards technology absorption. - During the year under review no new technology is absorbed/used by the Company.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution. -Product improvement leads to product innovation and increase in market share.
- iii. In case of Imported Technology (imported during the last three years reckoned from the beginning of the financial year). -During the last three financial years , Your Company has not imported any technology.
- iv. Expenditure incurred on Research and Development. No further expenses were incurred on Research and Development.
 - a. 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.

Company is using Bio- pesticides for insect killings, use of these bio-pesticides, in rice aging process reduces the health hazards which were earlier linked to use of toxic pesticides.
 - b. Benefits derived as a result of the above efforts:

Collective efforts of the R& D team and QA has increased to quality of the rice and grain size which leads to higher yields. Use of latest technology and comprehensive maintenance programmes reduces the energy costs and decrease the percentage of broken rice during the process.
 - c. Future plan of action:

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



Expenditure on R & D

(Rs. in Lacs)

Sl.No.	Particulars	2015-16	2014-15
a.	Capital	NIL	NIL
b.	Recurring	NIL	NIL
c.	Total	NIL	NIL
d.	Total R & D	NIL	NIL
Expenditure as %of total Turnover			

Foreign exchange earnings and outgo:

- A. Details regarding the exports are explained in relevant section of the Financial Statements of the Company.
- B. Total foreign exchange earned and used:

(Rs. in Lacs)

S.no	Particulars	Amount
1	Foreign exchange earned (Export of goods and interest earned)	NIL
2	Foreign exchange outgo	NIL
3	Net foreign exchange earned	NIL

For and on behalf of Board of Directors

Place: Kolkata
Date: 29th August, 2016

Sd/-
(**Sandip Jhunjhunwala**)
Chairman & Managing Director

Sd/-
(**K. D. Ghosh**)
Director

ANNEXURE - F TO THE DIRECTOR'S REPORT

FORM NO. MGT-9

Extract of Annual Return As On The Financial Year Ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	L14200WB1994PLC104573
ii. Registration Date	14/09/1994
iii. Name of the Company	REI Agro Limited
iv. Category/Sub-Category of the Company	Company Limited By Shares
v. Address of the Registered office and contact details	Everest House, 46C, Chowringhee Road, 15th Floor, Room No.15B, Kolkata -700071, West Bengal, Tel-011-66768000 / Fax: 011-66768026 Email id: investorgrievance@reiagro.com Website:-www.reiagro.com
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent , if any	Maheshwari Datamatics Pvt. Ltd 6th Mangoe lane, 2nd Floor, Kolkata - 700001 Tel: + 91 33 22482248/22435809 / Fax: +91 33 2248 4787 Email: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Rice Milling	10612	96.40%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name Of The Company	Address	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Ammalay Commoditiess JLT	Al Mas Towers, Jumeirah Lake Towers, Dubai, United Arab Emirates.	Foreign Company	Subsidiary	100%	2(87)
2.	Ammalay International PTE LTD	80, Raffles Place, # 16-20, UOB Plaza, Singapore(048624)	Foreign Company	Subsidiary	100%	2(87)
3.	Holy Stars Limited	Suite G 12, St James Court, St. Denis Street, Port Louis , Mauritius	Foreign Company	Subsidiary	100%	2(87)
4.	Orient Agro (M) Limited	Suite G 12, St James Court, St. Denis Street, Port Louis , Mauritius	Foreign Company	Subsidiary	100%	2(87)
5.	Auckland Holdings Limited	Suite G 12, St James Court, St. Denis Street, Port Louis , Mauritius	Foreign Company	Subsidiary	100%	2(87)
6.	Varrsana Ispat Limited	Everest House, 46-C, Chowringhee Road, 15th Floor, R. N. 15B, Kolkata-700071, West Bengal	U99999WB 2000PLC12 4804	Associate	48.74%	2(6)
7.	Anagi Constructions Private Limited	58A/1, Sainik Farm, New Delhi-110062	U45200DL 2006PTC 156071	Associate	47.41%	2(6)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2015)				No. of Shares held at the end of the year (as on 31st March, 2016)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	16465220	-	16465220	1.72	16465220	-	16465220	1.72	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	258181969	-	258181969	26.95	252181969	-	252181969	26.32	-0.63
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	274647189	-	274647189	28.67	268647189	-	268647189	28.04	
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Subtotal (A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	316000	-	316000	0.03	6300000	-	6300000	0.66	0.63
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1261305	-	1261305	0.13	1261305	-	1261305	0.13	-
g) FIIs	140640045	-	140640045	14.69	110448827	-	110448827	11.53	-3.16
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign portfolio investors	-	-	-	-	8052726	-	8052726	0.84	0.84
Subtotal(B)(1)	142217350	-	142217350	14.85	126062858	-	126062858	13.16	



Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2015)				No. of Shares held at the end of the year (as on 31st March, 2016)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp.	70762117	600	70762717	7.39	31952276	600	31952876	3.34	-4.05
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	295136145	319532	295455677	30.84	315711015	321632	316032647	32.99	2.15
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	141121988	-	141121988	14.73	174347283	-	174347283	18.20	
c) Others (Specify)									
1. Trusts	1360	-	1360	-	1360	-	1360	-	-
2. Clearing Member	4095095	-	4095095	0.43	11738656	-	11738656	1.23	0.8
3. Non- resident individuals	29591578	48000	29639578	3.09	29130825	48000	29178825	3.04	-0.05
4. NBFC's registered with RBI	-	-	-	-	23260	-	23260	0	0
Sub-total(B)(2)	540708283	368132	541076415	56.48	562904675	370232	563274907	58.8	
Total Public Shareholding (B)=(B)(1)+(B)(2)	682925633	368132	683293765	71.33	688967533	370232	689337765	71.96	
C. Shares held by Custodian for GDRs & ADRs:									
Public	44000	-	44000	0	-	-	-	-	-
Grand Total (A+B+C)	957616822	368132	957984954	100	957614722	370232	957984954	100	



ii. Shareholding of Promoters (including Promoter group)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April, 2015)			Shareholding at the end of the year (as on 31st March, 2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sandip Jhunjhunwala	7661160	0.8	0	7661160	0.8	0	0
2.	Sanjay Jhunjhunwala	6650360	0.69	0	6650360	0.69	0	0
3.	Kaushalya Devi Jhunjhunwala	900900	0.09	0	900900	0.09	0	0
4.	Sangita Jhunjhunwala	802800	0.08	0	802800	0.08	0	0
5.	Suruchi Jhunjhunwala	450000	0.05	0	450000	0.05	0	0
6.	Shree KGFM Pvt Ltd	92186623	9.63	0	92186623	9.63	0	
7.	Aspective Vanijya Pvt Ltd	80006114	8.35	2.98	74006114	7.72	2.36	-0.63
8.	REI Steel and Timber Pvt Ltd	34073387	3.56		34073387	3.56	0	
9.	Subhchintak Vancom Pvt Ltd	26324345	2.75		26324345	2.75	0	
10.	Snehapushp barter Pvt Ltd	23557600	2.46		23557600	2.46	0	
11.	Jagdhatri Tracon Pvt Ltd	2033900	0.21	0	2033900	0.21	0	0
	Total	274647189	28.67	2.98	268647189	28.04	2.36	

(iii) Change in Promoters' and Promoter Group's Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	274647189	28.67	274647189	28.67
Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (eg allotment/ transfer/ bonus/ sweat equity)			(6000000)	(0.63)
At the end of the year			268647189	28.04

* Reduction in shareholding of the Promoters and Promoter group is due to sale of shares of One of the promoters entity by Axis Bank Ltd



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. no	Name of the Member	Shareholding		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BONANZA PORTFOLIO LTD				
	At the beginning of the year	2227074	0.2325	2227074	0.2325
	30/06/2015 - Transfer	-270675	0.0283	1956399	0.2042
	28/08/2015 - Transfer	-11441	0.0012	1944958	0.203
	30/09/2015 - Transfer	51628	0.0054	1996586	0.2084
	31/12/2015 - Transfer	300822	0.0314	2297408	0.2398
	31/03/2016 - Transfer	-239616	0.025	2057792	0.2148
	At the end of the year			2057792	0.2148
2	ANGEL BROKING PRIVATE LIMITED				
	At the beginning of the year	2649805	0.2766	2649805	0.2766
	30/06/2015 - Transfer	-561788	0.0586	2088017	0.218
	28/08/2015 - Transfer	395114	0.0412	2483131	0.2592
	30/09/2015 - Transfer	111947	0.0117	2595078	0.2709
	31/12/2015 - Transfer	-1440556	0.1504	1154522	0.1205
	31/03/2016 - Transfer	-56876	0.0059	1097646	0.1146
	At the end of the year			1097646	0.1146
3	AXIS BANK LIMITED				
	At the beginning of the year	0	0		
	31/03/2016 - Transfer	6000000	0.6263	6000000	0.6263
	At the end of the year			6000000	0.6263
4	BAY POND MB				
	At the beginning of the year	78881617	8.2341	78881617	8.2341
	30/06/2015 - Transfer	-5081668	0.5305	73799949	7.7037
	28/08/2015 - Transfer	-9883672	1.0317	63916277	6.6719
	At the end of the year	-	-	63916277	6.6719
5	BAY POND BMD MB				
	At the beginning of the year	29396369	3.0686	29396369	3.0686
	30/06/2015 - Transfer	-246849	0.0258	29149520	3.0428
	28/08/2015 - Transfer	-5335576	0.557	23813944	2.4858
	At the end of the year	-	-	23813944	2.4858
6	THE EMERGING MARKET'S SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY				
	At the beginning of the year	2301465	0.2402	2301465	0.2402
	At the end of the year	-	-	2301465	0.2402



Sr. no	Name of the Member	Shareholding		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	ELARA INDIA OPPORTUNITIES FUND LIMITED				
	At the beginning of the year	20553574	2.1455	20553574	2.1455
	At the end of the year	-	-	20553574	2.1455
8	KARVY STOCK BROKING LIMITED				
	At the beginning of the year	6414962	0.6696	6414962	0.6696
	30/06/2015 - Transfer	-33275	0.0035	6381687	0.6662
	28/08/2015 - Transfer	42400	0.0044	6424087	0.6706
	30/09/2015 - Transfer	-53459	0.0056	6370628	0.665
	31/12/2015 - Transfer	-233805	0.0244	6136823	0.6406
	31/03/2016 - Transfer	-331252	0.0346	5805571	0.606
	At the end of the year			5805571	0.606
9	DIMENSIONAL EMERGING MARKETS VALUE FUND				
	At the beginning of the year	4019258	0.4196	4019258	0.4196
	30/06/2015 - Transfer	-548412	0.0572	3470846	0.3623
	31/12/2015 - Transfer	-1634372	0.1706	1836474	0.1917
	At the end of the year	-	-	1836474	0.1917
10	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSI				
	At the beginning of the year	2471251	0.258	2471251	0.258
	At the end of the year	2471251	0.258	2471251	0.258
11	NAGARAJU YARLAGADDA				
	At the beginning of the year	334000	0.0349	334000	0.0349
	30/06/2015 - Transfer	378000	0.0395	712000	0.0743
	28/08/2015 - Transfer	73000	0.0076	785000	0.0819
	30/09/2015 - Transfer	282482	0.0295	1067482	0.1114
	31/12/2015 - Transfer	1224518	0.1278	2292000	0.2393
	31/03/2016 - Transfer	706000	0.0737	2998000	0.3129
	At the end of the year			2998000	0.3129
12	NARENDRA S				
	At the beginning of the year	4529185	0.4728	4529185	0.4728
	At the end of the year	-	-	4529185	0.4728



Sr. Name of the Member no	Shareholding		Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13 RITESH BHARTIYA				
At the beginning of the year	4393229	0.4586	4393229	0.4586
28/08/2015 - Transfer	-22500	0.0023	4370729	0.4562
30/09/2015 - Transfer	-10000	0.001	4360729	0.4552
31/12/2015 - Transfer	-4360729	0.4552	0	0
At the end of the year	0	0	0	0
14 PRAVINCHANDRA RATILAL SHAH				
At the beginning of the year	4331935	0.4522	4331935	0.4522
At the end of the year	-	-	4331935	0.4522
15 HANUMAN PRASAD				
At the beginning of the year	2750000	0.2871	2750000	0.2871
At the end of the year	-	-	2750000	0.2871

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. no		Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sandip Jhunjhunwala				
	At the beginning of the year	7661160	0.80	7661160	0.80
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year			7661160	0.80

Note:

- As on 31st March, 2016, no other Directors held any shares in the Company.



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount (in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5104.3	708.1	-	5812.4
ii) Interest due but not paid	117.3	12.6	-	129.9
iii) Interest accrued but not due	7.7	13.5	-	21.2
Total (i+ ii+ iii)	5229.3	734.2	-	5963.5
Change in Indebtedness during the financial year				
- Addition	40.2	39.2	-	-
- Reduction	-10.8	-38.5	-	-
Net Change	29.4	0.7	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	5133.7	708.7	-	5842.4
ii) Interest due but not paid	157.14	76.25	-	233.39
iii) Interest accrued but not due	7.8	14.5	-	22.3
Total (i+ ii+ iii)	5298.64	799.45	-	6098.09

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

Sl. No.	Particulars of Remuneration	Mr. Sandip Jhunjhunwala (Managing Director)	Amount (in ₹)
1.	Gross salary		
	(a) Salary as per provisions		
	Contained in section17(1) of the Income-tax Act,1961	5,133,340	5,133,340
	(b) Value of perquisites u/s 17(2)Income-tax Act,1961		
	(c) Profits in lieu of salary undersection17(3) Income- tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
5.	Others, please specify	-	-
	Total (A)	5,133,340	5,133,340



B. Remuneration to other directors:

Sl. No.	Name of Directors	Particulars of Remuneration		Total Amount
		Commission	Sitting Fee	
Independent Directors				
1	Mr. A.K Chatterjee	-	70,000	70,000
2	Mr. N. K Gupta	-	60,000	60,000
3	Mr. K. D Ghosh	-	1,10,000	1,10,000
4	Ms. Anishrava Agrawal	-	-	-
Total		-	2,40,000	2,40,000
Overall Ceiling as per the Act				“As per Note 1 below”

Note:

- The sitting fee paid to the directors is well within the limits provided in the provisions of the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Mandan Mishra Company Secretary	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,195,569	2,195,569
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
5.	Others, please specify		
6.	Total	2,195,569	2,195,569

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties / punishments/ compounding of offences for the year ended 31st March, 2016

For and on behalf of Board of Directors

Place: Kolkata
Date: 29th August, 2016

Sd/-
(Sandip Jhunjhunwala)
Chairman & Managing Director

Sd/-
(K. D. Ghosh)
Director



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO

Global economy: Despite tangible signs of recovery in 2015, the global economy remained on a subdued growth path, growing 3.1% in 2016 against 3.4% in 2015. With a 6.8% growth (against 6.6% in the previous year), the emerging and developing Asian countries were the key contributors of the global growth, led by India and China.

Indian economy: Buoyed by positive policy initiatives, India has evolved as one of the fastest-growing emerging market economies in the world. Increased private consumption, led by rising incomes and declining oil prices, steered the Indian economic growth story during 2015-16 to 7.6% real GDP growth from 7.2% in 2014-15.

BASMATI INDUSTRY SCENARIO

Rice is the staple diet for almost half the global population. Over 90% of the global rice output and consumption is centered in Asia, with China and India both the world's largest producers and biggest consumers. India accounts for over 70% of the world's basmati rice output, which is a small portion of the total rice produced in India. Rice production in India was expected at 103.36 million tonnes in 2015-16.

Among the varieties mentioned, basmati would be the most superior in terms of product characteristics, which makes it the most premium variety of rice. In volume terms, basmati rice accounts for less than 2% of the global rice industry, the size of which is pegged at around 475 million metric tonnes (MMT) (milled basis). There are only two producers of basmati rice in the world: India, which accounts for more than 70% of world's basmati rice production, and Pakistan, which accounts for the rest. For India, even though basmati rice represents a small part of the total agro commodity basket, it offers high product visibility in the global market. The Indian rice industry consists of both basmati rice and non-basmati rice; however this note covers only the basmati rice industry in India.

BASMATI RICE INDUSTRY CONSOLIDATED FINANCIAL ANALYSIS

The industry has reported steady growth in its revenues till 2013-14 given the rising demand in the market leading to high volume of sales and high realizations. However as mentioned earlier 2014-15 reported decline in demand following the ban imposed by Iran on import of rice which affected the exports from India. Consequently industry reported decline in value of sales in 2014-15 and the trend is continuing in 2015-16. Decline in demand impacted the realizations and hence the inventory positions of the players who were not able to liquidate their stocks. This resulted in decline in profitability levels.

The industry remains vulnerable to inventory price risk given sizeable stock levels of the players. As witnessed in 2014-15

weakness in demand led to correction in prices which impacted the inventory positions of the players and hence their profitability. The decline in profitability and industry's inability to liquidate its sizeable stocks resulted in increased working capital borrowings. Thus the industry reported increase in leverage and weakness in coverage metrics in 2014-15.

The revenue and the profitability have been under pressure for last five quarters. The significant impact was witnessed in quarter ending March 2015 when the sales did not grow (unlike same quarters in previous years) and profitability & hence interest coverage declined significantly. This was largely driven by decline in realizations in the aftermath of ban imposed by Iran on import of rice.

FREE FALLING CURRENCY

Indian Rupee has seen its all time low in comparison with US Dollar. The Indian Rupee has suffered more because of its greater dependence on volatile capital flows (FIIs and short term debt) which makes Indian rupee more vulnerable. The falling currency has not been successful in boosting demand for Indian Products in the International Market even as the import Bills mount thereby affecting the balance of trade. The steady slide in the Rupee has shaken the confidence thereby impacting economic activity.

OVERVIEW OF YOUR COMPANY PERFORMANCE

The overall gloomy scenario has had an impact on the Industry and REI Agro limited is also not isolated from the effects of the high cost of financing with rising interest costs and slow recovery in the economy has resulted in pressure on the bottom line of most corporate especially in working capital intensive industries.

A steep fall in the price of basmati rice coupled with reduction in sales volume, higher competition in the industry, and economic slowdown, this all has lead company into a liquidity crunch. The Company has faced acute shortage of working capital funds, shortage of raw material at the manufacturing units and shutdown of the production units are some of the major challenges faced by the Company due to which the Company failed to utilized its capacity of its processing units even up to a breakeven level. Several banks started actions against the company under the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI ACT").

Our Company operates in a highly working capital intensive industry and due to liquidity crunch; it failed to meet its financial obligations towards lenders. The entire net worth of the Company was eroded during the period ended on 31st December, 2014 and the Company had become Sick Industrial Company as per the provisions of Sick Industrial Companies (Special Provision) Act 1985 (SICA). The Company make a required reference with the Board for Industrial and Financial Reconstruction (BIFR)



for registration of reference of the company with Hon'ble BIFR on 28th April, 2015 to study the reasons of Sickness and determination of measures to be adopted for revival of the Company. The reference of the company is registered with Hon'ble BIFR as Case No. 85/2015 under the provisions of SICA for adopting measures for the revival and rehabilitation.

During the year under review, your Company has achieved a turnover of ₹ 52,179 lacs on a standalone basis as against Rs. 185,576 lacs in the previous year. Further, due to decrease in revenue from operations, heavy finance cost, slow recovery of dues etc. the Company losses stood at ₹ 1,07,614 lacs during the year.

RISK & CONCERN

- 1) As in the case of other agricultural commodities, basmati paddy is also vulnerable to cyclical price fluctuations. Higher prices in the market encourage higher basmati paddy cultivation, which increases supply in the next season. This depresses the price, thereby erasing gains and shifting farmers away from basmati paddy cultivation. Consequently, supply declines and prices go up, restarting the cycle.
- 2) Basmati paddy prices are driven also by the anticipated international demand.
- 3) 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.
- 4) We face significant competition from both Indian and international producers of Basmati and other rice and food products.
- 5) We have substantial working capital requirements and will require additional financing in the form of debt or equity to meet our working capital requirements. Moreover, many of your company debts are already overdue and due to liquidity crunch the Company failed to meet its financial obligations towards lenders. An inability to restructure these debts or to procure additional funding can further impact the company performance in the future.
- 6) Financial instability in other countries, particularly countries with emerging markets, could disrupt the Indian markets and the Company's business and cause the trading price of the shares of the Company to decrease. Your company and its subsidiary have borrowed in foreign exchange and an adverse movement in the currency can impact the company adversely.

BASMATI RICE INDUSTRY OUTLOOK

The current scenario of excess supply (weak demand) is expected to continue in the near term and exporters are likely

to continue facing financial stress in the near term. Weak sales growth and decline in profitability, along with inventory losses, are expected to be the key trends in the financials (to be reported) of basmati rice players in 2015-16. This is expected to further weaken the leverage profile of industry players. Any improvement in the situation is likely only from the next basmati paddy harvest season, that is, the second half of 2016-17. In the meantime, supply of basmati paddy is expected to witness some moderation as farmers are likely to shift away from basmati, given the non-remunerative prices in the last two crop cycles. Moreover, since Iran has removed the ban on import of rice, demand is also expected to witness some improvement, going forward.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has proper and adequate internal control systems to ensure that all the assets are safeguarded and that all transactions are authorised, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that the systems are adequate. Management continuously reviews the internal control systems and procedures to ensure the efficient conduct of business. The Audit Committee of the Board oversees the internal controls within the organization.

HUMAN RESOURCES

The context in which Company operate today demands 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.

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

The Company follow best governance practices in true spirit at all times. Even in a tough competitive business environment, the Management and Employees of the Company are committed to transparency, integrity, honesty and accountability. These Values guide us in all our transactions and relations.

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

REI'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 under the Listing Regulations for listed Companies. As a global organization, the Corporate Governance practices followed by the Company are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making, the report contains the details of governance systems and processes at REI Agro Ltd.

The Listing Regulations 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 Listing Agreement with the Indian Stock Exchanges.

[B] BOARD OF DIRECTORS

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and also direct, supervise and control the performance of the Company.

Composition of Board of Directors: At the starting of the financial year under review, Company was having an optimum combination of executive and non executive Directors on the Board of the Company, however due to sudden sad demise

of one of the Independent Non-Executive Directors of the Company and resignation by two other Independent Non-Executive Directors of the Company, the Company is left with only two directors on the Board of Directors of the Company, due to which the no. of Directors on the Board of the Company falls below the minimum numbers required to constitute the Board of Directors and formation of necessary Committees as required under Companies Act and Listing Regulations.

At present the Board of Directors comprises of two (2) Directors only, i.e. one Chairman cum Managing Director and one Non-Executive Independent Director, Therefore the composition of the Board of Directors at the closure of the year was not in conformity with requirements of Listing regulations.

Further, due to the erosion of the entire net worth of the Company, the Company has filed a reference in terms of the provisions of section 15(1) of SICA with the Board for Industrial and Financial Reconstruction (BIFR) on 28th April, 2015 to study the reasons of sickness and determination of measures to be adopted for revival of the Company. Hon'ble BIFR has accepted the reference of the Company vide its letter dated 03rd July, 2015 and the same has been registered as case no. 85/2015 under the provisions of SICA for adopting measure for the revival and rehabilitation, therefore the company has filed a "Misc. Application" with Hon'ble BIFR to allow the Company to act with the existing Directors only till the Company is in BIFR or as may be directed by the Hon'ble BIFR.

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 during the year under review 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 Sandip Jhunjhunwala	Managing Director	2	NIL	9	Present
Dr ING N.K. Gupta###	Independent Non-Executive Director	3	5	4	Absent
Shri A. Chatterjee***	Independent Non-Executive Director	7	6	3	Absent
Shri K.D. Ghosh	Independent Non-Executive Director	1	2	6	Present
Ms. Anishrava Agrawal##	Independent Non-Executive Director	1	NIL	NIL	NA

Resigned w.e.f.25.04.2015

Resigned w.e.f. on 23.11.2015

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

** 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 8 of the Companies Act, 2013 and Alternate Directorship whereas the Membership or Chairmanship of any committee includes Audit Committee and Shareholders'/Investors' Grievance Committees only.

***expire on 04.08.2015

DETAILS OF BOARD MEETINGS HELD:

During the Financial Year ended 31st March 2016, Nine (9) Board Meetings were held, whose details are given as:-

Sl. No.	Date (FY:2015-16)	Board strength	No. of Directors present
1	14.04.2015	5	3
2	21.04.2015	5	3
3	28.04.2015	4	3
4	12.06.2015*	4	3
5	08.08.2015	3	2
6	28.08.2015	3	2
7	09.10.2015	3	2
8	14.11.2015	3	2
9	13.02.2016	2	2

*Meetings held on 12.06.2015 was adjourned to the next day, i.e 13.06.2015.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors of the Company met on 1st August, 2015 and review the performance of Non-independent directors and the Board of Directors as a whole, review the performance of the chairperson of the company by taking into account the views of executive directors and non-executive directors; and also assess the quality, quantity and timeliness of flow of information between the management of the company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties

The meetings were attended by all independent directors. Further, details of the familiarization program conducted by the company for the independent directors are available on the company's website. i.e www.reiagro.com



[C] BOARD COMMITTEES

The Board of directors constituted Six (6) Committees viz. Audit Committee, Nomination and Remuneration Committee, Shareholders'/Investors' Grievance Committee (Stakeholders Relationship Committee), CSR Committee, Share transfer Committee and Risk Management Committee. Company also has a management Committee to look after day to day business activities of the Company. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

[I] AUDIT COMMITTEE

The members of the Audit Committee of the Company 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 2015-16, the Committee met Six(6) times i.e. on 14.04.2015, 21.04.2015, 12.06.2015*, 01.08.2015, 14.11.2015, 13.02.2016.

*Meeting held on 12.06.2015 was adjourned to the next day i.e. 13.06.2015 .

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

S. No	Name of the Director	Status	No. of meetings attended
1.	Shri A. Chatterjee (up to 04.08.2015)	Chairman	4
2.	Dr. ING N.K Gupta	Member	2
3.	Shri K.D. Ghosh	Member	5
4.	Shri Sandip Jhunjunwala	Member	2

During the year under review, Shri A. Chatterjee (Chairman) expire on 04.08.2015 and Dr. ING N.K Gupta (Member) resigned from the Directorship of the Company on 23.11.2015. In view of the above circumstances, the Audit Committee of the Company was reconstituted and at closing of the financial year under review, it is comprising of Shri K.D Ghosh as Chairman and Shri Sandip Jhunjunwala as the member.

[II] SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE (STAKEHOLDERS RELATIONSHIP COMMITTEE)

The Company has constituted Shareholders'/Investors' Grievance Committee to look into and redress the shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of dividends, issue of duplicate shares etc.

Composition of the Committee: As on 31st March, 2016, The committee comprises of Shri K.D. Ghosh (Chairman) and Shri Sandip Jhunjunwala (Member)

During the year under review, due to sudden sad demise of Shri A. Chatterjee (Chairman) on 04.08.2015 and resignation by Dr. ING N.K Gupta (Member) from the Directorship of the Company on 23.11.2015, The Shareholders'/ Investors' Grievance Committee (Stakeholders' relationship committee) of the Company was reconstituted.

During the year, there was one Investors' complaint received by the Company and that was resolved to the satisfaction of the complainant. Further, no complaints were pending at the end of the year. During the year, Four Meetings were held on 12.06.2015, 01.08.2015, 14.11.2015 and 13.02.2016 respectively. The Company Secretary of the Company acts as Secretary to the Committee.

Name and designation of Compliance Officer (Contact Person)
 Compliance Officer : Shri Mandan Mishra
 Company Secretary
 Address : 58A/1, Sainik Farm, New Delhi- 110062
 Phone No. : +91- 11-66768000
 Fax No. : +91-11-66768026
 E-mail : mandan@reiagro.com
 Website : www.reiagro.com

Pursuant to the Listing Regulations, the Company's e-mail ID for grievance redressal purpose is investor@grievance@reiagro.com where complaints can be lodged by the investors.

[III] NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference: The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible to adhere to the transparent policies, procedure and practises while developing and fixing the remuneration policy for the Directors.

Composition and Meeting of the Committee: During the year under review, due to sudden sad demise of Shri A. Chatterjee (Chairman) on 04.08.2015 and resignation by Dr. ING N.K Gupta (Member) from the Directorship of the Company on 23.11.2015, Nomination and Remuneration Committee of the Company was reconstituted and at present comprising of Shri K.D Ghosh as chairman and Shri Sandip Jhunjhunwala as member of the Committee.

During the year under review, no meeting of the nomination and remuneration committee of the company was held

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

Remuneration of Directors:

Directors with pecuniary relationship or business transaction with the Company:

The Chairman & Managing Director of the Company receives Salary, Perquisites and Allowances, while all the Non-Executive Directors Receive Sitting Fees for attending meetings.

The Details of Remuneration and sitting fees paid to Directors for the year ended 31st March 2016 is as follows:

(Amount in ₹)

Name of the Director	Sitting Fees	Salary & Perquisites	Commission
Shri Sandip Jhunjhunwala	-	5,133,340	-
Dr. N.K. Gupta	60,000	-	-
Shri A. Chatterjee	70,000	-	-
Shri K.D. Ghosh	1,10,000	-	-

The details of Equity Shares held by the Directors as on 31st March 2016 are as follows:

Name of Director	No. of shares held	Nominal value of shares (₹)
Shri Sandip Jhunjhunwala	76,61,160	76,61,160
Shri K.D. Ghosh	NIL	NIL

[IV] 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. As on 31st March, 2016, The committee comprises of Shri K.D. Ghosh (Chairman) and Shri Sandip Jhunjhunwala (Member)

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, 2243-5029/5809

Fax : 033-2248-4787

[V] CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Corporate Social Responsibility (CSR) Committee are as per the provisions of Section 135 of The Companies Act, 2013 which inter alia include formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy and following the necessary guideline in accordance with the applicable laws.

Composition of CSR Committee:

As on 31st March, 2016, the Corporate Social Responsibility of the company comprises of Shri Sandip Jhunjhunwala- Chairman and Shri K.D. Ghosh- Member. Further During the year under review, no meeting of the CSR committee was held by the Company.



[D] GENERAL BODY MEETINGS

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

Venue	Financial Year	Date & Time
Uttam Mancha,10/1/1 Manohar Pukur Road, Kolkata-700026	2014-15	29th September, 2015 at 10.30 A.M
Uttam Mancha,10/1/1 Manohar Pukur Road, Kolkata-700026	2013-14	30th September, 2014 at 10:30 AM.
Mini Auditorium, Science City, J.B.S Haldane Avenue, Kolkata – 700046	2012-13	30th September, 2013 at 09:30 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
30th September, 2014	Annual General Meeting	Alteration of Article of Association of the Company
30th September,2013	Annual General Meeting	Alteration of Article of Association of the Company

Postal Ballot: There was no special resolution passed through postal ballot during the year under review and no special resolution is proposed to be passed through postal ballot.

[E] DISCLOSURES

(i) Related party transactions

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of Companies Act, 2013 and Listing Regulations. The policy in dealing with related party transactions of the Company is available on www.reiagro.com

During the financial year 2015-16, the Company has not entered into any related party transaction and therefore do not attract the provisions of Section 188 of the Companies Act, 2013 and the Listing Regulations.

Further, There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements

(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 of mandatory requirements

During the year, the Company has complied with all the provisions of the Listing Regulations and SEBI notification and other matters related to Capital Market. Further, necessary disclosure has been made in the Corporate Governance Report

(iv) Whistle blower policy

The Company has put in place a codified system, which welcome suggestions from the employees and employees at all levels have access to the audit Committee members 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. Further, Your Company has formulated a vigil mechanism/whistle blower policy for directors and employees for the same, which is available at the company's website i.e www.reiagro.com

(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 the Listing Regulations and which is also available on the company's website i.e www.reiagro.com . 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) Code of Conduct for Prevention of Insider Trading

The Company has instituted a comprehensive Code for prevention of Insider Trading, for its Directors and designated

employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, The objective of this Code is to prevent purchase and/ or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares when the Trading Window is closed. Further the Code specifies the procedures to be followed and disclosures to be made by Directors and the designated employees, while dealing with the shares of the Company and enlists the consequences of any violations.

(vii) Policy for Determining Material Subsidiaries

Pursuant to the provisions of the Listing Regulations, the Company has formulated a Policy for Determining Material Subsidiaries, which can be view at the company's website i.e. www.reiagro.com.

(viii) Details of Non-Compliance on matters relating to Capital Market

There has been few instances of non-compliances by the Company related to late submission of results and other reports with stock exchanges

(ix) Compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with major of the Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

Further, The Company submits on quarterly basis a compliance report on corporate governance with the stock exchanges. The said report is placed before the Board of Directors every quarter for their comments/observations/advice if any.

[F] MEANS OF COMMUNICATION

The Company timely informs its investor and statutory authorities of all the price sensitive and critical information's. Quarterly Results/half yearly and annual results of the company's performance are sent to the Stock Exchanges on regular and timely basis through electronic filing system and also published in English leading Newspaper as well as Regional language Newspaper of the State where the Company is registered and the

same are also available at the company's website (www.reiagro.com) 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.

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 the Listing Regulations, the Company has notified an e-mail id (investorgrievance@reiagro.com) for the purpose of investor grievance and other queries of the investors.

[G] GENERAL SHAREHOLDERS' INFORMATION

(i) Details of the ensuing AGM

Date & Time	30th Setpember,2016 at 10.30 AM
Venue	Uttam Mancha, 10/1/1 Manohar Pukur Road, Kolkata-700026
Book Closure Date	28th September 2016 to 30th September, 2016 (both days inclusive)

(ii) Registrar & Share Transfer Agents (RTA)

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, Kolkata-700 001.
Phone no. 033-22482248, 22435029/ 5809
Fax : 033-22484787
E-mail: mdpldc@yahoo.com

[H] DIVIDEND AND FINANCIAL YEAR INFORMATION

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

Pursuant to Section 124 read with Section 125 of the Companies Act, 2013, unclaimed dividend which remains unpaid for a period of seven years shall be transfer to Investor Education & Protection Fund. Accordingly, the Company has transferred all the unclaimed dividend for the year 2007-08 to the said fund. Unclaimed dividend for the year 2008-09 of ₹ 453,460.50 shall be transfer to the said fund before the due date.

Members are requested to claim the amount of Unpaid / unclaimed dividend for the year 2008-09 onwards.



(ii) Financial year:

The financial year of the Company starts with 1st April 2015 and ended on 31st March 2016.

(iii) Financial Calendar for 2016-2017 (Tentative)

S.No.	Approval/Adoption of	On or before
1.	1st Qtr. Financial Result ending on 30th June, 2016	14th August 2016
2.	2nd Qtr. and half year ending on 30th September, 2016	14th November, 2016
3.	3rd Qtr. Financial Result ending on 31st December, 2016	14th February, 2017
4.	Audited Financial Result for year ending 31st March, 2017	30th May, 2017
5.	Next Annual General Meeting	30th September, 2017

[I] LISTING OF SECURITIES AND OTHER INFORMATION'S

(i) Listing of Securities at Stock Exchanges:

Equity Shares : ISIN : INE385B01031

Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai- 400051
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Scrip Code: 532106	Trading Symbol: REIAGROLTD
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FCCBs
 Singapore Stock Exchange (SGX)
 Code: 4BQB and 4BPB
 ISIN-US74948PAA21 and USY7253SAB61

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 for the financial year 2015-16.

(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 2015-16 are as follows:

Month	BSE		NSE	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
Apr-15	1.02	0.67	1.05	0.65
May-15	0.88	0.63	0.85	0.6
Jun-15	0.71	0.5	0.75	0.5
Jul-15	0.62	0.47	0.65	0.45
Aug-15	0.51	0.38	0.55	0.35
Sep-15	0.83	0.39	0.8	0.35
Oct-15	0.67	0.53	0.7	0.45
Nov-15	0.75	0.46	0.75	0.45
Dec-15	0.89	0.60	0.95	0.6
Jan-16	0.83	0.58	0.85	0.55
Feb-16	0.62	0.48	0.65	0.45
Mar-16	0.55	0.43	0.55	0.4

(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, 2016 is given as under.

Chart One: Both BSE (Sensex) and REI Agro Share prices are indexed to 100 based on closing prices of April, 2015 .

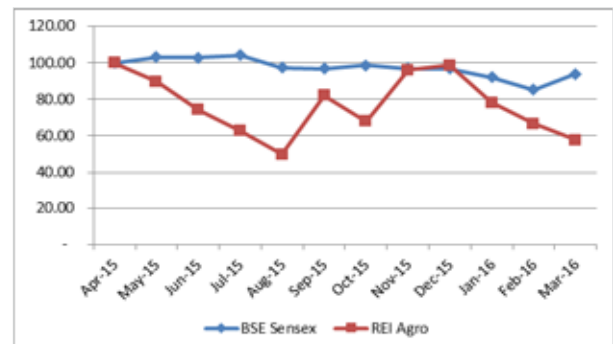
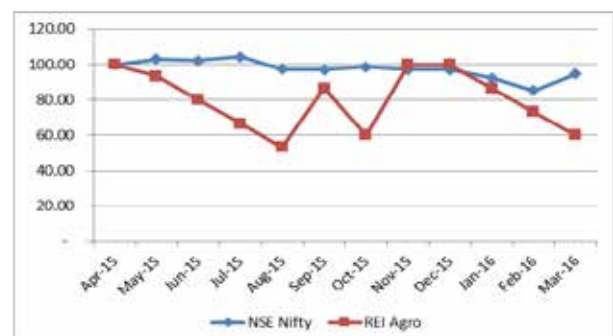


Chart Two: Both NSE (Nifty) and REI Agro Share prices are indexed to 100 based on closing prices of April, 2015.





(v) Distribution of Shareholding

The Shareholding distribution of equity shares as on 31st March, 2016 is given below: -

Sl.No	Shares Holding	No. of Share Holders	% of Share Holders	No. of Shares	% of Shareholding
1.	1 to 500	30416	40.11	6369941	0.66
2.	501 to 1000	11651	15.37	10449352	1.09
3.	1001 to 2000	8850	11.67	14860548	1.55
4.	2001 to 3000	4481	5.91	12020938	1.25
5.	3001 to 4000	2441	3.22	9073220	0.95
6.	4001 to 5000	3584	4.73	17439179	1.82
7.	5001 to 10000	6101	8.05	48911265	5.11
8.	Above 10000	8300	10.94	838860511	87.57
	Total	75824	100	957984954	100

(vi) Shareholding Pattern of the Company as on 31st March, 2016

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

(A) Shareholding of Promoter and Promoter Group

(1) Indian								
(a)	Individuals/ Hindu Undivided Family	7	16465220	16465220	1.72	1.72	0	0
(b)	Bodies Corporate	6	252181969	252181969	26.32	26.32	22580043	8.95
	Total Shareholding of Promoter and Promoter Group (A)	13	268647189	268647189	28.04	28.04	22580043	8.95

(B) Public shareholding

(1) Institutions								
(a)	Mutual Funds/ UTT	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	2	6300000	6300000	0.66	0.66	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	1	1261305	1261305	0.13	0.13	0	0
(f)	Foreign Institutional Investors	9	110448827	110448827	11.53	11.53	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0



Category of shareholder		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII) / (IV) *100
(h)	Foreign Portfolio Investors	9	8052726	8052726	0.84	0.84	0	0
Sub-Total (B)(1)		21	126062858	126062858	13.16	13.16	0	0
(2) Non-institutions								
(a)	Bodies Corporate	525	31952876	31952276	3.34	3.34	0	0
(b)	Individuals -							
i.	Individual shareholders holding nominal share capital up to ₹ 2 lakh	73895	375032269	374710637	39.15	39.15	0	0
ii.	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	278	115347661	115347661	12.04	12.04	0	0
(c) Any Other		-	-	-	-	-	-	-
	Non Resident Individuals	924	29178825	29130825	3.04	3.04	0	0
	Trusts	2	1360	1360	0.00	0.00	0	0
	Clearing Member	159	11738656	11738656	1.23	1.23	0	0
	NBFCs registered with RBI	3	23260	23260	0.00	0.00	0	0
Sub-Total (B)(2)		75786	563274907	562904675	58.80	58.80	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)		75807	689337765	688967533	71.96	71.96	0	0
TOTAL (A)+(B)		75820	957984954	957614722	100.00	100	22580043	2.36
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0
1	Promoter and promoter group	0	0	0	0	0	0	0
2	Public	0	0	0	0	0	0	0
Sub Total (C)		0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)		75820	957984954	957614722	100.00	100	22580043	2.36



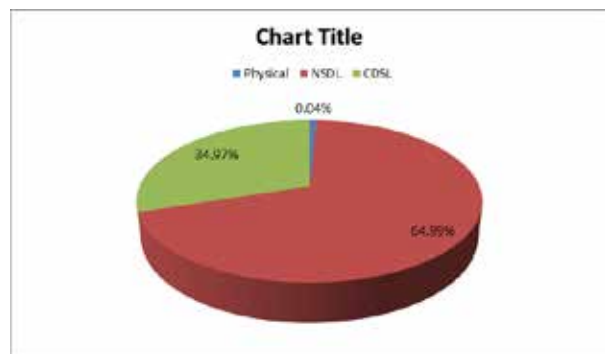
(vii) Dematerialization of shares and liquidity:

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, 2016

	No. Of Share Holders	No. of shares	% of Shareholding
1. Physical	150	370232	0.04
2. NSDL	46018	622565687	64.99
3. CDSL	29656	335049035	34.97
Total	75824	957984954	100

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



[J] 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 Crore) divided into 1,600,000,000 (One Hundred Sixty Crore) Equity Shares of Re.1/- each and 40,00,000 (Forty Lacs) Preference Shares of ₹ 100/- each. During the year, there is no change in the authorised and paid up capital of the Company

[K] 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 Re. 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 received any request for redemption of GDRs and releasing of underlying shares in favour of non-resident investor. As on 31st March 2015, 2200 GDR were outstanding. Mean while the Company has requested the UK listing Authority (the UKLA/London Stock Exchange (the LSE) to cancel the standard listing of REI's regulation S global Depository Receipts (Regulation S GDRs) due to relatively low liquidity with virtually no trading taking place.

(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. As on 13th November, 2014, out of 105000 Bonds, only 350 bonds stand converted into equity shares as per following details. All the outstanding bonds were due for redemption on November 13, 2014, since then neither repayment has been made by the company nor any request for conversion has been received from FCCB holders



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.

(L) PLANT LOCATIONS (MANUFACTURING UNITS)

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

WIND MILLS

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

(M) ADDRESS FOR CORRESPONDENCE

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

Registered office : Everest House, 46C, Chowringhee Road, 15th Floor R. No.15B, Kolkata-700071.

Corporate office : 58A/1, Sainik Farm, New Delhi-110062.

Shareholders are 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 Practising Company Secretary regarding compliance of Corporate Governance as stipulated in the Listing Regulations and the same is annexed.

Share Capital Audit

- Pursuant to the Listing Regulations, 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 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

Sd/-

K D Ghosh

Director

Sd/-

Sandip Jhunjunwala

Chairman &
Managing Director

Place: Kolkata

Date: 29th August, 2016

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE



CEO'S CERTIFICATION AS TO COMPLIANCE WITH CODE OF CONDUCT

The Company had adopted a model Code of Conduct that has been made effective from 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

Sd/-

Sandip Jhunjhunwala

Chairman & Managing Director



CEO AND CFO CERTIFICATION

(Pursuant to Regulations 17(8) of the Listing Regulations)

To,
The Board of Directors
REI Agro Limited
Kolkata

I, Sandip Jhunjhunwala, Chairman and Managing Director and CEO of REI Agro Limited, to the best of my knowledge and belief, do hereby certify that:

- A. I have reviewed the Financial Statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of my 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.
- C. I accept the responsibility for establishing and maintaining internal controls for financial reporting and that i have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting .
- D. I have disclosed to the Company's auditors and the audit committee of the Company's board of directors
 - a. There were no deficiencies in the design or operations of the internal control,
 - b. There were no significant changes in the internal controls over financial reporting 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.; and
 - d. There were no instances of significant 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 over the financial reporting.

Sd/-
Sandip Jhunjhunwala
Chairman & Managing Director

Place: Kolkata
Date : 29th August, 2016



CORPORATE GOVERNANCE CERTIFICATE

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, 2016 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that 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 **SAS & Associates**
Company Secretaries

Sd/-
Shazan Ali
FCS No.8764
CP No.9354

Place: Delhi
Date : 20th August, 2016



INDEPENDENT AUDITORS' REPORT

To The Members of **REI AGRO LIMITED**

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of REI AGRO LIMITED, which comprise the Balance Sheet as at March 31, 2016, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

BASIS FOR QUALIFIED OPINION:-

- 1) During the year due to sudden death of one of the Independent Director Mr. Asoke Chatterjee on 04.08.2015 and subsequently due to resignation of Dr Ing Narpinder Kumar Gupta on 23.11.2015, Number of Directors on the Board of the Company has reduced to Two {2} only which is not a Competent Board. However, the Board have finalized and approved the 3rd Quarterly Results with the existing two directors and now submitting the yearly results which is again subject to final approval by the duly constituted Board. Meanwhile the company has communicated and appraised the facts to the Regulatory Authority and also sought certain waivers and reliefs from the Hon'ble BIFR. Company being a Net Worth eroded Company, is registered under Sick Industrial Companies (Special Provisions) Act, 1985.
- 2) The Company's Fixed Assets have been hypothecated / pledged with the Banks / Financial Institutions etc against various credit facilities availed by the Company and due to the accounts being classified as NPA, the Bankers / FIs have taken legal actions for recovery. Fixed Assets / Inventories are not insured.

- 3) The Company has not provided Interest on loans availed from Banks and Financial Institutions which has been classified as NPA. The Amount not so provided amounts to ₹ 1127.42 Crore {including ₹ 426.07 Crore for previous year} up to 31st March 2016.
- 4) Provision for Gratuity and Leave Encashment has been made on the basis of estimate and not as per the Actuarial Valuation, which is not in consonance with AS -15.
- 5) The Company had provided Corporate Guarantee to overseas lenders for the borrowings by its Subsidiary Company namely Ammalay Commodities JLT. The said subsidiary company defaulted in the repayment of the facilities provided by the lenders and the lenders to the subsidiary company had invoked the Corporate Guarantee of the Company provided to them amounting to ₹ 3105.93 Crore against which no provision has been made till the year ended 31st March 2016.
- 6) No balance confirmation and / or Bank Statement of the outstanding loan could be obtained, in absence of which, we are unable to confirm the correctness of the balances appearing in the financial statement.
- 7) The Net Worth of the company has fully eroded and the company's reference filed before the Hon'ble BIFR was registered. The Company's ability to continue the business as going concern is significantly dependent upon the viability of the restructuring plan as may be approved by the Hon'ble BIFR.

QUALIFIED OPINION:-

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the "basis for qualified opinion" paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India;

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2016
- b. in the case of the Statement of Profit and Loss, of the loss 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.

EMPHASIS OF MATTER:

We draw attention to the following matters in the Notes to the financial Statements:

1. Note 29.1 to the financial statements that describe that due to liquidity crunch being faced by the Company, it was not able to procure adequate quantum of Raw Material for last two years, which has resulted in partly operational of one its unit only at the end of the year.
2. Note 29.2 to the financial statement that the Company has defaulted in payment of obligations in respect of all the Banks/ Financial Institutions / Non Convertible Debentures holders together with interest thereon on due dates. As a result thereof `all the Working Capital Banks , Term Lenders and NCD Holders had initiated the Corrective Action Plan (CAP) through the Joint Lenders Forum (JLF) in accordance with the RBI's SMA Guidelines dated February 26,2014. But the same could not be approved. Some of the lender banks have initiated winding up proceedings against the Company for recovery of dues. Notices have been issued by the lenders U/s 13(4) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.This have adverse effect on the functioning of the Company on going forward basis.
3. Note No 29.5 to the financial statement indicates that the company has accumulated losses and its net worth is fully eroded. The Company has incurred net loss during the current year and previous years and Company's current liabilities exceeded its current assets as at the balance sheet date.

These Conditions along with other matters set out above indicates the existence of uncertainty that may cast doubt about the Company's ability to continue as Going Concern. However the financial statements of the company have been prepared by the management on Going Concern Basis.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained and except for the matters described in the basis for Qualified Opinion paragraph, all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the possible effects of the matter described in the basis for Qualified Opinion Paragraph above, 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) Except for the possible effects of the matter described in the basis for Qualified Opinion Paragraph, in our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014;
- e) The matter described in the basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) The Company has defaulted in redemption of Non Convertible Debenture {"NCD"} on due date and payment of interest due thereon and dividend on preference share and such default has continued for more the one year. In terms of Section 164 (2) of the Companies Act,2013 the Directors of the Company are not eligible to be re-appointed as directors of the Company. As per the legal opinion obtained by the company, the existing directors of the company may

continue to hold their position as Directors till their reappointment date

- g) With respect to the adequacy of Internal Financial Controls over Financial Reporting of the Company, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note No. 28 & 29 to the financial statements.
 - ii) The Company did not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been some delay in transferring amounts required to be transferred to the Investor Education & Protection Fund by the Company.

For **P. K. LILHA & CO.**
Chartered Accountants
Firm Reg. No.: 307008E
Sd/-
(CA. P. K. LILHA)
Partner
M. No. 011092

Place: Kolkata

Date: 31.05.2016

“ANNEXURE A”

TO THE AUDITORS’ REPORT



The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March 2016,

We report that:

- 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) It has been confirmed by the Management that three Title Deeds in respect free hold land are not in the name of the company. The Gross Block / Net Block of these Freehold Land amounts to ₹ 177.01 Crore as on 31.03.2016.
 - c) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- 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 procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) As informed to us, the Company during the year has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of sub clause (iii) (b) & (c) of the Companies (Auditors Report) order, 2013 (as amended) are not applicable.
- iv) In respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Companies Act 2013 have been complied with. However, the company during the year, has not given loan or provided guarantee or security to any person or other body corporate and not made any investment.
- v) The Company has not accepted any deposit from the public; therefore the provisions of clause (v) of the order are not applicable to the company.
- vi) We have broadly reviewed the Books of Accounts maintained by the company in respect of generation of

electricity where pursuant to the rules made by the Central Government of India, the maintenance of Cost Records have been prescribed U/s 148(1) 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 records with a view to determine whether they are accurate or complete.

vii) In respect of Statutory Dues:-

- a) According to the information and explanations given to us and on the basis of examination of records of the Company, amount deducted / accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been regularly deposited with appropriate authorities during the year except Dividend Distribution Tax Payable as set out below. As explained to us the Company did not have any dues on account of Duty of Custom and Duty of Excise as they were not applicable.

Particulars	Amount (Rs)
Dividend Distribution Tax Payable (DDT) (Inclusive of Interest)	
F.Y. 2011-12	114,026,220/-
F.Y. 2012-13	104,390,201/-
	218,416,421/-

- b) According to information and explanation given to us and records of the Company examined by us, the following disputed amount of statutory dues which have not been deposited.

Name of the Statute	Nature of Dues	Amount (Rs in Lacs)	Period to which it relates	Forum where Dispute is Pending
PDIF Act	Local Tax	119.00	2008-09	Punjab & Haryana High Court
Sales Tax	Local Tax	144.00	2008-09	Punjab & Haryana High Court
Sales Tax	Local Tax	36.53	2011-12	***
Sales Tax	HVAT	118.33	2012-13	***
Sales Tax	CST	1462.01	2012-13	***

*** The Company is in process of filing Appeal before the Competent Authority.



viii) The company has defaulted in repayment of loans or borrowing to the financial institutions/ bank / Government and Debenture holder in respect of secured / unsecured loans. There loan have been classified as NPA, and therefore no statement of Accounts or Balance confirmation could be made available. The company has therefore not provided Interest of ₹ 1127.42 Crore, computed on the basis of last available rates. The applicable details of defaults as at 31.03.2016 are as under, exclusive of interest thereon, as stated above:

a) To Banks Rs. 4745.24 Crores

Bank Names (Lender wise details)	Principal Outstanding (in Cr.)
Andhra Bank	84.34
Axis Bank	165.54
Bank of Baroda	321.40
Bank of Maharashtra	74.95
Central Bank of India	227.76
Corporation Bank	535.18
Dena Bank	114.00
Dhanlaxmi Bank	69.67
IDBI Bank	39.13
IFCI Ltd.	40.53
Indian Overseas Bank	426.30
Indusind Bank	132.92
ING Vysya Bank	80.14
Jammu & Kashmir Bank	237.68
Karur Vysya Bank	110.50
Lakshmi Vilas Bank	52.59
State Bank of Bikaner & Jaipur	337.08
State Bank of Patiala	283.17
State Bank of Travancore	75.29
UCO Bank	903.95
Union Bank of India	209.28
United Bank of India	223.84
TOTAL	4,745.24

b) To Debenture Holders Rs. 524.35 Crores

c) To FCCB Holders Rs. 667.20 Crores

ix) The Company did not raise any money by way of Initial Public Offer or Further Public Offer (including debt

instruments) and term loans during the year. Accordingly, Paragraph 3(ix) of the order is not applicable.

x) According to the information and explanations given to us, no material fraud on or by the company by its officers or employees has been noticed or reported during the course of our audit.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) As per information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non cash transactions with the Directors or persons connected with him. Accordingly, Paragraph 3 (xv) of the order is not applicable.

xvi) The Company is not required to be registered U/s 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
(CA. P. K. LILHA)
Partner
M. No. 011092

Place : Kolkata
Date : 31.05.2016



“ANNEXURE B”

TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls over financial reporting of REI Agro Ltd. (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India” (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting

included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal



financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

QUALIFIED OPINION

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31st, 2016:

- i) As required u/s 138 of the Companies Act, 2013, Internal Audit has not been conducted by the Company.

A "material weakness" is a deficiency, or a combination of deficiencies, in Internal Financial Control over Financial Reporting, such that there is a reasonable possibility that a material misstatement of the Company's Annual or Interim Financial Statements will not be prevented or detected on a timely basis.

OPINION

In our opinion, except for the possible effects of the material weakness described as above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate Internal Financial Controls

over Financial Reporting and such Internal Financial control over financial reporting were operating effectively as of March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"(ICAI).

We have considered the material weakness identified and reported above in determining the nature, timing and extent of Audit tests applied in our Audit of the March 31, 2016 financial statements of the Company and the material weakness does not affect our opinion on the financial statements of the Company.

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

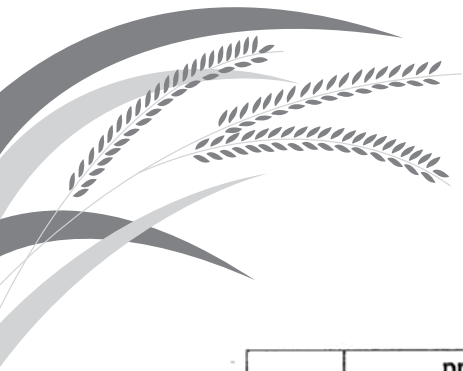
Sd/-
(CA. P. K. LILHA)
Partner
M. No. 011092

Place : Kolkata
Date : 31.05.2016



**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results**

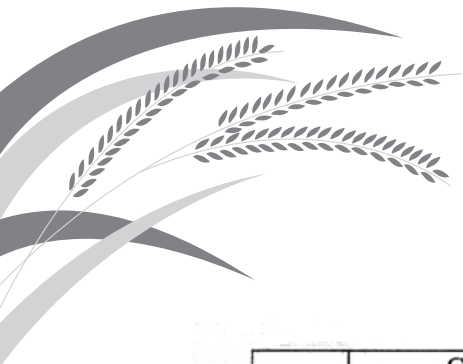
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (In Crores)	Adjusted Figures (audited figures after adjusting for qualifications) (In Crores)
	1	Turnover / Total income	521.80	521.80
	2	Total Expenditure	1,559.18	5,366.46
	3	Net Profit/(Loss)	(1,076.14)	(4,883.41)
	4	Earnings Per Share	(11.23)	(50.98)
	5	Total Assets	3,068.98	(1,164.36)
	6	Total Liabilities	3,068.98	(1,164.36)
	7	Net Worth	(3,850.31)	(8,083.66)
	8	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	<p>1) During the year due to sudden death of one of the Independent Director Mr. Asoke Chatterjee on 04.08.2015 and subsequently due to resignation of Dr Ing Narpinder Kumar Gupta on 23.11.2015, Number of Directors on the Board of the Company reduced to Two {2} Directors only, which is not a Competent Board. However the Board have finalized and approved the 3rd Quarterly Results with the existing two directors and now submitting the yearly results which is again subject to final approval by the duly constituted Board. Meanwhile the Company has communicated and appraised the facts to the Regulatory Authority and also sought certain waivers and reliefs from the Hon'ble BIFR. Company being a net worth eroded Company is registered under Sick Industrial Companies (Special Provisions) Act, 1985</p> <p>2) The Company's Fixed Assets have been hypothecated / Pledged with the Banks / Financial Institutions etc against various credit facilities availed by the Company and due to accounts being classified as NPA the Bankers / FIs have taken legal action for recovery. Fixed Assets / Inventories are not insured.</p> <p>3) The Company has not provided Interest on loans availed from Banks and Financial Institutions which have been classified as NPA. The amount not so</p>			



	<p>provided amounts to Rs 1127.42 Crores {including Rs 426.07 Crore for previous year} up to 31st March 2016.</p> <p>4) Provision for Gratuity and Leave Encashment has been made on the basis of estimate and not as per the Actuarial Valuation, which is not in consonance with AS -15.</p> <p>5) The Company had provided Corporate Guarantee to overseas lenders for the borrowings by its Subsidiary Company namely Ammalay Commodities JLT. The said subsidiary company defaulted in the repayment of the facilities provided by the lenders and the lenders to the subsidiary company had invoked the Corporate Guarantee of the Company provided to them amounting to Rs 3105.93 Crore against which no provision has been made till the year ended 31st March 2016.</p> <p>6) No balance confirmation and /or Bank Statement of the outstanding loan could be obtained, in absence of which, we are unable to confirm the correctness of the balances appearing in the financial statement.</p> <p>7) The net worth of the Company fully eroded and the Company's reference filed before the Hon'ble BIFR was registered. The Company's ability to continue the business as going concern is significantly dependent upon the viability of the restructuring plan as may be approved by the Hon'ble BIFR.</p> <p><u>Qualified Opinion:-</u></p> <p>In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the "basis for qualified opinion" paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India;</p> <p>a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2016</p> <p>b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and</p> <p>c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.</p>
	<p>b. Type of Audit Qualification : Qualified Opinion /Disclaimer of Opinion/ Adverse Opinion</p>
	<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing:</p> <p>Qualification no. 1, 2, 6 and 7 has appeared first time. However, qualification no. 3, 4 and 5 had appeared for the second time as the Company is facing liquidity</p>

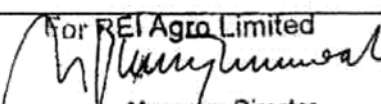
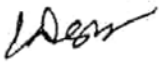



	<p>crunch and failed to pay its obligations towards the lenders and NCD holders. Net worth of the Company has been completely eroded , Company had become a Sick Industrial Company as per the provisions of Sick Industrial Companies (Special Provision) Act 1985 (SICA). Accordingly, Company filed a Reference with the Board for Industrial and Financial Reconstruction (BIFR) which has since been registered as Case No. 85/2015 by the Hon'ble BIFR for adopting measures for the rehabilitation and revival of the Company.</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>1. Reply for qualified opinion 3: Majority of the Loan accounts of the Company has turned NPA, As per banking regulations, banks are not charging any interest on NPA accounts hence the Company has not accounted the interest on said accounts, but qualified the same by way of Notes to reflect the present status.</p> <p>2. Reply for qualified opinion 5: The company had provided Corporate Guarantee to the lenders for the borrowings by its wholly owned foreign Subsidiary Company, i.e. Ammalay Commodities JLT and has shown in the contingent liabilities in the financial statements of the Company and in case the lenders fail to recover the amount from subsidiary by realizing their assets, the Company will make suitable provision for the liabilities towards the corporate guarantees.</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>Reply for qualified opinion 1: During the year under review, Mr. Asoke Kumar Chatterjee one of the Independent Director of the Company expired on 04.08.2015 and subsequently another Independent Director Dr Ing Narpinder Kumar Gupta resigned on 23.11.2015. Thus the number of Directors on the Board of the Company reduced to Two {2} Directors only, which is not a Competent Board. Therefore, In this regard the Company has filed "Misc. Application" with Hon'ble BIFR seeking their approval to allow the Company to act with only two existing Directors till the Company is in BIFR or per the order of Hon'able BIFR. Further Company has also submitted that it will get review all the results as placed before two Directors will be placed before the competent Board as and When Constituted.</p> <p>Reply for qualified opinion 2:</p>



	<p>Company has been facing financial crunch due to various reasons for the last two years and due to financial problems faced by the Company, it has failed to pay principal and interest due thereon to Banks / Financial Institutions on due dates, some of the Bankers thereafter have issued notices under provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Further due to severe liquidity crunch faced by the Company, company has failed to get insurance to its assets.</p> <p>Reply for qualified opinion 4: Board of Directors submit that total strength of the employees of the Company has been reduced by more than 90% from the peak number of employees; therefore company used the estimation method for calculation for gratuity and leave encashment.</p> <p>Reply for qualified opinion 6: As majority of the loan accounts of the Company has turned NPA, no such balance confirmation and /or Bank Statement were provided by the banks to the Company, in absence of which, the Company has not been in position to provide such statements to the Auditors.</p> <p>Reply for qualified opinion 7: The net worth of the company has been fully eroded and the Company filed a reference in terms of the provisions of section 15(1) of SICA with the Board for Industrial and Financial Reconstruction (BIFR) on 28th April, 2015 to study the reasons of Sickness and determination of measures to be adopted for revival of the Company, which as accepted by Hon'ble BIFR vide its letter dated 3rd July, 2015 and same has been registered a case no. 85/2015 under the provisions of SICA. The revival and rehabilitation scheme for the Company is under process which outlines the measures for the revival and rehabilitation for continue the business of the Company as going concern.</p>
	<p>(i) Management's estimation on the impact of audit qualification: As per management reply.</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: NA</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: NA</p>



III.	Signatories	
	<ul style="list-style-type: none">CEO/Managing Director- Sh. Sandip Jhunjunwala	For REI Agro Limited  Managing Director
	<ul style="list-style-type: none">Audit Committee Chairman- Sh. K. D Ghosh	
	<ul style="list-style-type: none">Statutory Auditor- Sh. P.K Lilha	 P.K Lilha (1111011092)
	Place: Delhi	
	Date: 31.05.2016	



BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

	Notes	As at March 31 '2016	As at March 31 '2015
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,35,79,84,954	1,35,79,84,954
Reserves and Surplus	4	(39,86,11,00,743)	(29,09,97,48,636)
Sub Total - Shareholders Fund		(38,50,31,15,789)	(27,74,17,63,682)
Non-current liabilities			
Long Term Borrowings	5	16,93,980	28,45,62,410
Deferred Tax Liabilities (Net)	6	-	-
Long Term Provisions	7	89,12,759	1,08,55,283
Sub Total - Non-current Liabilities		1,06,06,739	29,54,17,693
Current liabilities			
Short Term Borrowings	8	41,97,07,13,148	41,95,34,90,410
Trade Payables	9	4,75,06,17,151	4,61,25,67,032
Other Current Liabilities	10	22,46,10,26,936	20,64,30,91,661
Short Term Provisions	7	-	60,26,06,045
Sub Total - Current Liabilities		69,18,23,57,235	67,81,17,55,148
TOTAL - EQUITY AND LIABILITIES		30,68,98,48,185	40,36,54,09,159
II. ASSETS			
Non current assets			
Fixed assets	11		
Tangible assets		23,24,59,08,785	24,29,55,79,406
Intangible assets		-	-
Capital Work-in-Progress		-	-
Non-Current Investments	12	3,86,92,38,718	3,86,92,38,718
Long Term Loans and Advances	13	18,78,32,640	32,28,31,911
Sub Total - Non Current Assets		27,30,29,80,143	28,48,76,50,035
Current assets			
Inventories	14	7,12,12,368	2,61,85,37,022
Trade Receivables	15	2,99,05,46,564	8,34,17,11,374
Cash and Cash Equivalents	16	2,49,84,076	66,65,27,789
Short Term Loans and Advances	13	29,57,15,622	24,74,59,597
Other Current Assets	17	44,09,412	35,23,342
Sub Total - Current Assets		3,38,68,68,042	11,87,77,59,124
TOTAL - ASSETS		30,68,98,48,185	40,36,54,09,159
Significant accounting policies	2		
Notes on Financial Statements	3 to 34		

As per our Report of even date
For **P. K. Lilha & Co.**
Chartered Accountants
[Firm Registration No.: 307008E]
sd/-
CA. P. K. Lilha
Partner
Membership No. 011092

For and on behalf of the Board of Directors
sd/-
Sandip Jhunjunwala **K.D. Ghosh**
Managing Director Director

sd/-
Mandan Mishra
Company Secretary

Place: Kolkata
Dated : 31st May, 2016

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2016

(Amount in ₹)

	Notes	Period ended March 31 '2016	Year ended March 31 '2015
INCOME			
Revenue from operations	18	5,21,79,67,116	18,55,76,61,335
Other Income	19	85,70,875	44,15,272
Total Revenue (I)		5,22,65,37,991	18,56,20,76,607
EXPENSES			
Cost of Raw Materials Consumed	20	9,35,62,66,469	38,41,52,39,677
(Increase)/decrease in inventories of Finished Goods	21	2,47,02,05,259	26,30,31,45,044
Employee Benefits Expenses	22	5,36,91,496	10,11,80,393
Finance Costs	23	1,85,39,46,046	3,14,98,87,554
Depreciation & Amortization Expenses	24	1,04,96,70,621	1,05,01,38,821
Other expenses	25	80,80,40,923	1,74,14,55,706
Total Expenses (II)		15,59,18,20,814	70,76,10,47,195
Profit / (Loss) Before Extraordinary Items & Tax (I - II)		(10,36,52,82,823)	(52,19,89,70,588)
Extraordinary Items		1,00,20,81,162	2,74,40,14,790
Profit / (Loss) Before Tax		(11,36,73,63,986)	(54,94,29,85,377)
Tax expenses			
Prior Period Tax Adjusted		(60,60,11,879)	-
Total Tax Expenses		(60,60,11,879)	-
Profit / (Loss) for the year after tax		(10,76,13,52,107)	(54,94,29,85,377)
Earnings per Equity Share of Re. 1/- each)			
Basic		(11.23)	(57.35)
Diluted		(11.23)	(57.35)
Significant accounting policies	2		
Notes on Financial Statements	3 to 34		

As per our Report of even date
For **P. K. Lilha & Co.**
Chartered Accountants
[Firm Registration No.: 307008E]
sd/-
CA. P. K. Lilha
Partner
Membership No. 011092

Place: Kolkata
Dated : 31st May, 2016

For and on behalf of the Board of Directors
sd/-
Sandip Jhunjunwala **K.D. Ghosh**
Managing Director Director

sd/-
Mandan Mishra
Company Secretary



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2016

(Amount in ₹)

Particulars	2015-16		2014-15	
A) CASHFLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Tax as per Statement of Profit and Loss	(11,36,73,63,986)		(54,94,29,85,377)	
Adjusted for:				
Depreciation / Amortization	1,04,96,70,621		1,05,01,38,821	
Finance Costs	1,85,39,46,046		3,14,98,87,554	
Dividend Income	-		-	
Interest Received	(83,07,405)		(41,65,387)	
Profit on sales of Investments	-		-	
Loss on Sale/Discard of Fixed Assets (Net)	-	2,89,53,09,262	5,23,52,000	4,24,82,12,988
Operating Profit before in working capital changes	(8,47,20,54,723)		(50,69,47,72,390)	
Adjusted for:				
Decrease/ (increase) in Inventories	2,54,73,24,654		30,21,70,63,503	
Decrease/ (increase) in Trade Receivables	5,35,11,64,810		19,07,65,05,352	
Decrease/ (increase) in Loan & Advances	8,67,43,246		1,74,26,43,614	
Decrease/ (increase) in Other Current Assets	(8,86,070)		15,78,26,963	
Increase/(Decrease) in Trade Payables	13,80,50,119		(86,79,30,548)	
Increase/(Decrease) in Other Liabilities and Provisions	1,24,95,53,861	9,37,19,50,620	46,26,873	50,33,07,35,757
Cash Generated from operations	89,98,95,897		(36,40,36,633)	
Direct Taxes adjusted	34,20,657		-	
Direct Taxes paid	(403)		-	
Prior Period Penalty paid	(14,420)			
Net Cash from/(used in) Operating Activities (A)	90,33,01,730		(36,40,36,633)	
B) CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets	-		(41,96,602)	
Capital Work in Progress capitalised	-		-	
Advances for Capital Expenditure	-		-	
Investments in Shares	-		-	
Proceeds from sale of Fixed Assets	-		-	
Dividend Received (Including from Subsidiary Co.)	-		-	
Interest Received on FDR	83,07,405		41,65,387	
Net Cash from/(used in) Investing Activities (B)	83,07,405		(31,215)	



Particulars	2015-16	2014-15
C) CASH FLOW FROM FINANCING ACTIVITIES		
~ Redemption of Non Convertible Redemable	-	(35,00,000)
~ Repayment of Term Loans	(10,80,40,305)	(4,59,92,968)
~ Proceeds/(Repayment) from Corporate Loans	-	(19,47,23,175)
~ Forex Loss on FCCB Outstanding	39,16,10,765	26,06,83,150
~ Proceeds/(Repayment) from Long Term Working Capital from banks as FITL & WCTL under CDR Process (Refer Note- 5.5)	-	2,11,60,01,410
~ Proceeds from/(Repayments) of Short Term Borrowings	1,72,22,738	15,42,14,998
~ Finance Costs	(1,85,39,46,046)	(3,14,98,87,554)
~ Dividend on Equity /Preference Shares paid	-	-
Net Cash from/(used in) Financing Activities (C)	(1,55,31,52,848)	(86,32,04,139)
NET INCREASE/(DECREASE) IN CASH (A+B+C)	(64,15,43,713)	(1,22,72,71,987)
CASH AND CASH EQUIVALENTS(OPENING BALANCE)	66,65,27,789	1,89,37,99,776
CASH AND CASH EQUIVALENTS(CLOSING BALANCE)	2,49,84,076	66,65,27,789

NOTES :

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 :-

(Amount in ₹)

	31st Mar 2016	31st Mar 2015
a) Unclaimed Dividend with Bank	45,61,073	53,26,781
b) Fixed Deposit with Bank pledged against Bank.	87,41,629	87,41,629
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 for uses as defined under ECB guidelines issued by RBI. At the end of the Year, the Pictet & CIE Balance has been valued at NIL.	15,66,519	51,29,37,115
Total	1,50,81,521	52,72,17,825

3) Figures in Bracket indicate Cash Outflows.

4) Previous Year's figures have been reclassified and re stated, wherever considered necessary to confirm with current period's presentation.

In terms of our attached Report of even date

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

Chartered Accountants

[Firm Registration No.: 307008E]

sd/-

CA. P. K. Lilha

Partner

Membership No. 011092

Place: Kolkata

Dated : 31st May, 2016

For and on behalf of the Board of Directors

sd/-

Sandip Jhunjunwala

Managing Director

sd/-

K.D. Ghosh

Director

sd/-

Mandan Mishra

Company Secretary



NOTES TO FINANCIAL STATEMENTS

{1} COMPANY INFORMATION:

REI Agro Limited (“the Company”) is a public company domiciled in India. It is incorporated under the Companies Act, 1956 and its shares are listed in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company has been the global leader in the processing of Basmati rice and market its products under the Brand name “Raindrops”

{2} SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES:

The Accounting Policies set out below have been consistently applied by the Company and are consistent with those used in the previous year.

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (hereinafter to be referred as “the act”) read with the rule 7 of Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in millions of Indian Rupees and rounded off to one decimal unless otherwise stated.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

C. CURRENT AND NON-CURRENT CLASSIFICATION:

All Assets & Liabilities have been classified as current or noncurrent as per the Company’s normal operating cycle and other criteria. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of Assets & Liabilities. Current Liabilities include the current portion of non-current financial Liabilities.

D. TANGIBLE ASSETS:

- a) Freehold and Leasehold Land are 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, if any, 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 the statement Profit & Loss.

E. 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.

F. DEPRECIATION / AMORTISATION

- a) Cost of Lease hold land is amortized over the period of respective leases.



- b) Freehold land is not depreciated.
- c) Depreciation is provided on the basis of Useful Life of the assets as specified in Schedule II of the Companies Act, 2013.

G. 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 usually recognized in the Statement of Profit and Loss in the period they occur but wherever it is not provided it has been reported by way of Notes. Borrowing Costs consist of Interest and other costs incurred in connection with borrowing of funds.

H. 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) Investment made in overseas subsidiary have been valued at cost at the respective exchange rate prevailing on the date of investments.

I. INVENTORIES:

Inventories are valued as under:

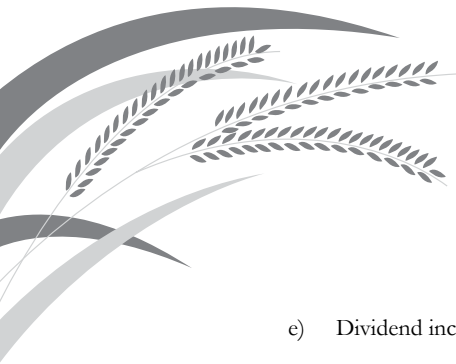
- a) Raw Materials are valued at lower of cost or net realizable value.
- b) Finished goods are valued at cost or net realizable value whichever is lower. Cost includes cost of raw materials, direct, indirect and finance cost which are incurred to bring the inventories to their present location and condition.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

J. 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. The company also maintains account in foreign currency with banks which has been built up out of the proceeds from Foreign Currency Convertible Bonds (FCCB) since 2009 and this is revalued at the exchange rate prevailing on the balance sheet date.

K. REVENUE RECOGNITION:

- a) Domestic sale is recognized on dispatch 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 WIG's.
- b) 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.
- c) Interest income is recognized on time proportion base taking into account the amount outstanding and the rates applicable.
- d) Profit / loss on sale of investments is booked on the basis of contract notes/delivery of shares etc.



- e) Dividend income is recognized when the right to receive dividend is established.
- f) Income from operating lease is recognized on accrual basis.
- g) 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.

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 arise.

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. 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 Statement Profit & Loss 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, at Balance Sheet date at the end of financial year using the projected unit credit method. Effects of changes in actuarial valuations are immediately recognized in the Statement of Profit & Loss. 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.

**P. 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.

Q. 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 are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

R. 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.

S. 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.

T. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at end of the Financial year on 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 '2016	As At March 31 '2015
3) SHARE CAPITAL		
Authorised Share Capital		
1,600,000,000 (1,600,000,000) Equity shares of Re. 1/- each	1,60,00,00,000	1,60,00,00,000
4,000,000 (4,000,000) Preference shares of ₹ 100/- each	40,00,00,000	40,00,00,000
	2,00,00,00,000	2,00,00,00,000
Issued, Subscribed and paid-up		
957,984,954 (957,984,954) Equity shares of Re. 1/- each fully paid up	95,79,84,954	95,79,84,954
4,000,000 (4,000,000) 4% Non Convertible Redeemable Preference shares of Rs 100/- each fully paid up	40,00,00,000	40,00,00,000
TOTAL	1,35,79,84,954	1,35,79,84,954

A) Equity Share Capital includes

- 29,945,550 (29,945,550) Equity Shares of Re. 1/- each issued through QIP in FY 2009-10
- 352,398 (352,398) Equity shares of Re. 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 Re. 1/- each during the FY 2010-11
- 44,000 (2,934,760) Equity Shares of Re. 1/- each representing 2,200 (1,46,738) Global Depository Receipts in the ratio of 20 Equity Shares for each GDR
- 88,801,800 (88,801,800) Equity shares of Re. 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

	2015-16		2014-15	
	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

	2015-16		2014-15	
	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 Re. 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 if any proposed by the Board of Directors remain 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 @ 4% fixed rate is payable 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 March 31 '2016		As at March 31 '2015	
	No. of shares	% holding	No. of shares	% holding
Aspective Vanijya Private Limited	7,40,06,114	7.73%	8,00,06,114	8.35%
Shree Krishna Gyanodaya Flour Mills Pvt. Ltd	9,21,86,623	9.62%	9,21,86,623	9.62%
Bay Pond MB	6,39,16,277	6.67%	7,88,81,617	8.23%

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 was extended to 30.06.2022 in the Annual General Meeting held on 27.09.2010.

	As at March 31 '2016 (₹)	As at March 31 '2015 (₹)
4) RESERVES AND SURPLUS		
A) Securities Premium Account		
Balance as per the last financial statement	15,92,88,87,355	14,61,80,40,227
Less/(Add): Deferred Tax Assets/(Liabilities) (Net)	-	1,31,08,47,128
T O T A L (A)	15,92,88,87,355	15,92,88,87,355
B) Debenture Redemption Reserve		
Balance as per the last financial statement	87,35,00,000	87,35,00,000
Less: Transfer to General Reserve on Partly Redemption of NCD	-	-
Add: Reserve created during the year	-	-
T O T A L (B)	87,35,00,000	87,35,00,000
C) General Reserve		
Balance as per the last financial statement	9,02,92,05,797	9,04,45,00,000
Add: Transfer from Debenture Redemption Reserve	-	-
Less: Adjustment due to expiry of useful life of assets (Net of D'IL)	-	(1,52,94,203)
T O T A L (C)	9,02,92,05,797	9,02,92,05,797
D) Surplus in the Statement of profit and loss		
Balance as per last financial statement	(54,93,13,41,788)	1,16,43,589
Add: Net Profit for the current year	(10,76,13,52,107)	(54,94,29,85,377)
Less: Appropriations		
Transfer to Debenture Redemption Reserve	-	-
TOTAL	-	-
T O T A L (D)	(65,69,26,93,895)	(54,93,13,41,788)
Total (A + B + C + D)	(39,86,11,00,743)	(29,09,97,48,636)

Notes

4.1) In view of the losses incurred during the year, no debenture redemption reserve has been created.



(Amount in ₹)

	NON CURRENT		CURRENT (Refer Note 10)	
	As at March 31 '2016	As at March 31,2015	As at March 31 '2016	As at March 31,2015
5) LONG TERM BORROWINGS				
Secured				
A) Non Convertible Debentures	-	28,05,00,000	5,24,35,00,000	4,96,30,00,000
B) Term Loans				
B.1) From Banks				
ICICI Bank (Vehicle Loan)	16,93,980	40,62,410	24,04,087	17,42,759
Jammu & Kashmir Bank	-	-	9,07,79,297	19,71,12,500
B.2) From Others				
Infrastructure Development Finance Company Limited (IDFC)	-	-	-	-
Indian Renewal Energy Developments Agency [IREDA]	-	-	-	-
Total Term Loans	16,93,980	40,62,410	9,31,83,384	19,88,55,259
C) Corporate Loans				
From Banks				
a) IFCI Ltd	-	-	40,52,76,825	40,52,76,825
b) Jammu & Kashmir Bank Limited	-	-	1,50,00,00,000	1,50,00,00,000
c) Dhanlaxmi Bank Limited	-	-	15,17,80,277	15,17,80,277
Total Corporate Loans	-	-	2,05,70,57,102	2,05,70,57,102
D) Long Term Working Capital Loans (Refer Note 5.5)				
a) Funded Interest Term Loans	-	-	26,65,44,583	26,65,44,583
b) Working Capital term Loans	-	-	1,84,94,56,827	1,84,94,56,827
Total Long term working capital Loans	-	-	2,11,60,01,410	2,11,60,01,410
Total Secured Loans	16,93,980	28,45,62,410	9,50,97,41,896	9,33,49,13,771
Unsecured				
A) Foreign Currency Convertible Bonds	-	-	6,94,17,37,985	6,55,01,27,220
TOTAL	16,93,980	28,45,62,410	16,45,14,79,881	15,88,50,40,991

5.1 Notes to Non Convertible Debentures

A) Security Coverage :-

- a) 11.75% Non-Convertible Debenture:- ₹ 93.00 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) 11.75% Non-Convertible Debenture:- ₹ 87.85 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:- ₹ 250.00 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) As informed to us, during the year some of the NCD holders have recalled their debts and accordingly they have been classified as current liability.



5.2 Notes on Term Loans

Security Coverage:

- a) ICICI Bank (Vehicle Loan): Secured by hypothecation of Vehicle.
- b) Jammu & Kashmir Bank :
 - i) Secured by 1st charge on all the moveable assets relating to 51 WTGs including but not limited to moveable machinery, machinery spares, tools and accessories (present & future),
 - ii) 1st and exclusive charge by way of mortgage of all company's immovable properties, but not limited to land relating to 51 WTGs (present & future),
 - iii) 1st and exclusive charge by way of hypothecation of company's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising from the 51 WTGS (present & future),
 - iv) 1st and exclusive charge on all the bank accounts of the WTGs but not limited to the escrow account to be maintained with bank at BU Vasant Vihar, New Delhi through which all the projects cash flow will be routed,
 - v) 1st and exclusive charges on the lease rentals accruing to the company by leasing out 17 WTGs at Gujrat to M/s Octal Suppliers Pvt Ltd,
 - vi) Exclusive 1st charge by way of assignment on all project documents, rights, title, interest, benefits, claims, demands of whatsoever nature and insurance policies relating to 51 WTGs and Personal Guarantee of the Promoters directors."

5.3 Notes on Corporate Loans

Security Coverage:

- a) 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 14,42,97,567 shares (out of which 116,852,438 shares were sold by the IFCI Ltd. during the year ended 31.03.2015) of the company held by four promoter group companies, repayable in five equal quarterly installments of ₹ 20 Crores w e f October 2013.
- b) 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.
- c) 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 of ₹ 13,888,889 w.e.f. Feb,12.

5.4 Since the Company has defaulted in repayment of Term loans, Corporate Loans and Long Term Working Capital Loan together with interest. The lenders have recalled their debts and it has been shown as Current Liability.

5.5 Maturity Profile of Secured Loans

(Amount in ₹)

	Repayment Terms	2017-18	2018-19
Secured Loans			
Term Loans			
~ICICI Bank (vehicle Loan)	Monthly	13,92,686	3,01,294

5.6 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 [Rs 493.71 Crores] at par. The bonds were redeemable on 13th November, 2014 unless previously converted; these bonds were 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 have resulted 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. Since then neither repayment has been made by the company nor any request for conversion has been received from FCCB holders and the liability of FCCB Bonds are restated with Foreign Exchange Rate as applicable as on the Balance Sheet date.



(Amount in ₹)

	As at March 31 '2016	As at March 31 '2015
6) DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Timing difference in Depreciable assets (a)		1,88,97,67,820
Deferred Tax Assets		
Expenses allowable against taxable income in future years		
~ On Gratuity & Leave encashment	-	33,54,282
~ Accumulated Business Loss	-	16,83,06,79,731
~ On Provision for doubtful debts		-
(b)	-	16,83,40,34,014
Deferred Tax Liability/(Assets) (Net)	-	(14,94,42,66,193)

Note: Deferred Tax Asset has not been recognized in absence of virtual certainty supported with convincing evidences of foreseeable taxable income.

(Amount in ₹)

	Non Current		Current	
	March 31 '2016	March 31, 2015	March 31 '2016	March 31, 2015
7) LONG TERM / SHORT TERM PROVISIONS				
Provision for Employee Benefits (Unfunded)				
~ Gratuity	67,85,697	88,98,948	-	-
~ Leave encashment	21,27,062	19,56,335	-	-
	89,12,759	1,08,55,283	-	-
Provision for Taxation	-	-	-	60,26,06,045
TOTAL	89,12,759	1,08,55,283	-	60,26,06,045

(Amount in ₹)

	As at March 31 '2016	As at March 31 '2015
8) SHORT TERM BORROWINGS		
Secured		
Working Capital Loans from Banks		
a) Rupee Denominated Loans		
Cash Credit/ WCDL/Short Term Loans	41,09,38,05,599	40,71,11,05,599
Packing Credit Loans	38,20,00,000	38,20,00,000
b) Foreign Currency Loans		
PCFC/Short Term Loans	34,96,07,549	32,98,84,811
Unsecured		
Form Body Corporates	14,53,00,000	53,05,00,000
TOTAL	41,97,07,13,148	41,95,34,90,410



Notes to Working Capital Loans

8.1 Security Coverage :-

Working Capital Loans from Banks are secured by creation of first pari passu charge stocks of Rice, Paddy, Book Debts & Stores, etc, and by second charge on all Fixed Assets both Present and future of the Rice Division.

8.2 Due to default in repayment of working capital facilities & Interest thereon the lenders have recalled their facilities and they have issued the notice on company U/s 13(2) of The SARFAESI Act, 2002.

8.3 In the view of defaults in repayment of facilities & interest thereon on working capital, one of the banker has filed a winding up petition before Hon'ble Calcutta High Court for recovery of their dues.

(Amount in ₹)

	As at March 31 '2016	As at March 31 '2015
9) TRADE PAYABLE (Refer Note No: 29.6)		
Acceptances/Buyer's Credit invoked	1,45,37,51,041	1,42,63,18,896
Trade Payable for Goods and Services	3,29,68,66,110	3,18,62,48,136
	4,75,06,17,151	4,61,25,67,032

Notes

- 1) Creditors for Others are due in respect of goods purchases or services received in the normal course of business
- 2) 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.

(Amount in ₹)

	As at March 31 '2016	As at March 31 '2015
10) OTHER CURRENT LIABILITIES		
A) Current Maturities of Long Term Borrowings (Refer Note 5)	16,45,14,79,881	15,88,50,40,991
B) Interest accrued and due on Borrowings	2,33,38,94,324	1,29,82,79,459
C) Interest accrued but not due on Borrowings	22,29,69,648	21,19,71,346
D) Advance from		
i) a Subsidiary Company	2,46,76,13,804	2,32,84,05,996
ii) Other Customers	73,02,16,235	67,53,88,185
E) Payable for Capital expenditures	13,59,565	38,59,565
F) For Other Expenses	42,58,649	36,51,742
G) Statutory Dues	22,86,81,290	21,51,75,119
H) Preference Dividend Payable	1,60,00,000	1,60,00,000
I) Unpaid dividends	45,53,540	53,19,258
	22,46,10,26,936	20,64,30,91,661

11) FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	AS ON 01.04.2015	ADDITION/ ADJUSTMENTS/ADJUSTMENT	UPTO 01.04.2015	ADJUSTMENT WITH RESERVES	FOR THE YEAR	SALE/ ADJUSTMENT	AS ON 31.3.2016	AS ON 31.03.2015
TANGIBLE ASSETS								
LAND								
~ FREE HOLD LAND*	3,94,85,44,543	-	-	-	-	-	-	3,94,85,44,543
~ LEASE HOLD LAND	2,71,20,000	-	1,12,19,407	-	11,65,501	-	1,23,84,908	1,47,35,092
BUILDING	13,86,41,76,927	-	86,45,74,358	-	42,55,18,691	-	1,29,00,93,049	12,57,40,83,878
PLANT & MACHINERY	8,00,71,92,142	-	1,92,38,63,478	-	53,21,27,250	-	2,45,59,90,728	5,55,12,01,413
WINDFARM GENERATORS	2,35,55,08,294	-	1,12,05,59,887	-	8,79,75,334	-	1,20,85,35,220	1,14,69,73,074
OFFICE EQUIPMENT	37,50,978	-	28,45,970	-	3,97,210	-	32,43,181	5,07,797
TUBEWELL	4,68,850	-	4,68,850	-	-	-	4,68,850	(0)
COMPUTER	73,82,761	-	71,73,540	-	1,66,034	-	73,39,574	43,187
VEHICLES	2,08,86,045	-	97,51,858	-	20,62,760	-	1,18,14,618	90,71,427
FURNITURE & FIXTURES	49,31,310	-	39,25,095	-	2,57,841	-	41,82,936	7,48,374
TOTAL	28,23,99,61,849	-	3,94,43,82,443	-	1,04,96,70,621	-	4,99,40,53,064	23,24,59,08,785
INTANGIBLE ASSETS								
COMPUTER SOFTWARE	42,88,875	-	42,88,875	-	-	-	42,88,875	-
TOTAL	42,88,875	-	42,88,875	-	-	-	42,88,875	-
TOTAL	28,24,42,50,724	-	3,94,86,71,318	-	1,04,96,70,621	-	4,99,83,41,939	23,24,59,08,785
Previous Year total as on 31.03.2015	28,29,88,99,017	41,96,602	2,88,97,31,188	1,52,94,203	1,05,01,38,821	64,92,893	3,93,33,77,115	24,29,55,79,406

* Note: Freehold Land purchased / acquired during the year 31.03.2014 for ₹ 177.01 Crores has not yet been registered in the name of the company.

A. The Company has adopted useful lives of the fixed assets as those specified in Part C of the Schedule II of the Companies Act, 2013 ('the Act') effective from 1st April, 2014. Accordingly carrying amount of Assets, for which useful lives as per the revised estimate are exhausted as of 1st April, 2014 have been recognised in the retained earnings as on that date after retaining the residual value of these assets. For other assets, the carrying amount as of 1st April, 2014 is being amortized over the remaining useful lives of the Assets. As a result, an amount of ₹ 152.94 Lacs was recognised to the Opening Retained Earnings as of 1st April, 2014, and Depreciation charged for the year ended 31.03.2015 was higher by ₹ 348.71 Lacs.

B. The depreciation is being charged on SLM Basis.



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	FV/Share (₹)	As at March 31 '2016 (₹)	As at March 31 '2015 (₹)
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
TOTAL (A)			58,27,282	58,27,282
B) In Mutual Funds-Fully paid up				
1,000,000 (1,000,000)	Reliance Alternative Investments Funds, Private Equity Scheme-I	10	1,00,00,000	1,00,00,000
TOTAL (B)			1,00,00,000	1,00,00,000
II) Trade Investments (Un Quoted)				
C) In Equity Shares, Fully paid up (In Associate Companies)				
12,110,242 (12,110,242)	Varrsana Ispat Limited	10	2,71,24,48,160	2,71,24,48,160
1,569,336 (1,569,336)	Anagi Construction Pvt Ltd	10	17,35,99,948	17,35,99,948
TOTAL (C)			2,88,60,48,108	2,88,60,48,108
D) In Equity Shares of Wholly Owned Overseas Subsidiary Companies (Unquoted)				
14973777 (14,973,777)	Ammalay International Pte Ltd, Singapore*	SGD 1	67,17,78,139	67,17,78,139
300 (300)	Ammalay Commoditiess JLT, UAE*	AED 1,000	36,79,669	36,79,669
9610 (9,610)	Auckland Holdings Ltd, Mauritius	USD 100	5,21,06,796	5,21,06,796
35270 (35,270)	Holy Stars Ltd, Mauritius	USD 100	17,68,77,488	17,68,77,488
12280 (12,280)	Orient Agro (M) Ltd, Mauritius	USD 100	6,29,21,236	6,29,21,236
TOTAL (D)			96,73,63,328	96,73,63,328
Total Non-Current Investments (A+B+C+D)			3,86,92,38,718	3,86,92,38,718
Aggregate Value of Quoted Investments			58,27,282	58,27,282
Market Value of Quoted Investments			40,88,386	61,55,996

*NOTE:-

- Investment made by the company in first 2 (two) overseas subsidiaries above are pledged with the Overseas Bankers and/or Financial Institutions against the facilities granted to them.



	Long Term		Short Term	
	As at March 31 '2016 (₹)	As at March 31, 2015 (₹)	As at March 31 '2016 (₹)	As at March 31 '2015 (₹)
13) LOANS AND ADVANCES (Unsecured, considered good)				
Security Deposits	21,85,423	21,85,423	-	-
Advance to Suppliers and others	-	-	19,79,63,431	15,16,42,472
Other Advances	13,50,00,000	13,70,81,162	9,75,54,736	9,48,78,070
Advance Income Tax & TDS	35,14,621	13,64,32,730	-	-
Balance With Govt Departments				
- Income Tax Refundable	-	-	450	450
- MAT Credit (FY 2011-12)	4,71,32,596	4,71,32,596	-	-
- Service Tax Input Credit	-	-	1,97,005	9,38,605
TOTAL	18,78,32,640	32,28,31,911	29,57,15,622	24,74,59,597

	As at March 31 '2016 (₹)	As at March 31 '2015 (₹)
14) INVENTORIES		
(Valued at lower of cost and net realizable value)		
Raw Materials	-	-
Finished Goods	6,33,30,831	2,53,35,36,090
Stores, Spares and Packing Materials	78,81,537	8,50,00,932
TOTAL	7,12,12,368	2,61,85,37,022

NOTE: Stores & Spares in hand is after writing off the damaged and unserviceable Stores & Packing Material the Amount of which has not been quantified.

	As at March 31 '2016 (₹)	As at March 31 '2015 (₹)
15) TRADE RECEIVABLES (Refer Note No: 29.6)		
Unsecured		
Debt outstanding for a period exceeding six months		
~ Considered Good	2,30,08,56,726	3,97,43,95,893
~ Considered Doubtful	1,00,47,65,676	47,65,676
	3,30,56,22,402	3,97,91,61,569
Less: Provision for doubtful Trade Receivables	(1,00,47,65,676)	(47,65,676)
	2,30,08,56,726	3,97,43,95,893
Other Receivables		
~ Considered Good	68,96,89,838	4,36,73,15,481
TOTAL	2,99,05,46,564	8,34,17,11,374



	As at March 31 '2016 (₹)	As at March 31 '2015 (₹)
16) CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with Banks		
In Current Account	96,30,755	13,83,53,661
Cash in hand (as certified)	2,71,800	9,56,303
Other Bank Balances		
Margin Money (Against Guarantee & Export Bills Discounting)	2,12,300	2,12,300
Fixed Deposit with Banks (Unconfirmed) (Note 2 below)	87,41,629	87,41,629
Other Bank Balances (In Foreign Banks for restricted Use) (Note 3 below)	15,66,519	51,29,37,115
On Unclaimed Dividend Account	45,61,073	53,26,781
	2,49,84,076	66,65,27,789
Note :		
1. In absence of Statement of Accounts, some of the current account balances are not confirmed.		
2. Details of Fixed Deposit		
~ Maturity less than 3 months	-	-
~ Maturity more than 3 months but less than 12 months	-	-
~ Maturity more than 12 months	87,41,629	87,41,629
	87,41,629	87,41,629
3. During the year end, valuation of Balance in Pictet & CIE has fallen to zero, therefore there has been 100% diminution in value during the year, which has been shown in the Statement of Profit & Loss.		
17) OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest Accrued on Fixed Deposits	44,09,412	35,23,342
TOTAL	44,09,412	35,23,342



	Year Ended March 31'2016 (₹)	Year Ended March 31'2015 (₹)
18) REVENUE FROM OPERATIONS		
Revenue from operations		
Sale of Products	5,02,99,21,386	18,32,25,17,372
Sale of Energy (Including lease rent)	18,52,15,381	18,89,64,787
Revenue from other operations		
Sales of Scrap	28,30,349	4,61,79,176
	5,21,79,67,116	18,55,76,61,335
18.1) A) Particulars of Sale of Products		
i) Manufactured Goods		
Rice (Incl. Paddy)	5,02,99,21,386	35,81,58,57,062
ii) Traded Goods		
Rice	-	76,01,56,380
Other Food Grain & Agricultural Items	-	6,53,88,72,602
Iron & Steel ,Coal & Other Products	-	1,88,37,69,751
	-	9,18,27,98,733
TOTAL (i + ii)	5,02,99,21,386	44,99,86,55,796
B) Particulars of Sale of Energy		
Sales of Electricity	17,85,74,326	20,91,99,433
Lease Rental (WTG)	66,41,055	1,20,00,000
	18,52,15,381	22,11,99,433

18.2) Carbon Credit in hand consists of 51,764 units as on 31st March, 2016 which will be accounted for on the basis of actual sale.

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 of Food Grains (mainly rice) which is single reportable segment.

18.4) Geographical Segments

Revenue from Operations	Year Ended Mar 31'2016 (₹)	Year Ended Mar 31'2015 (₹)
Within India	5,20,90,48,896	17,56,74,03,384
Outside India (Deemed Export)	89,18,220	99,02,57,951
TOTAL	5,21,79,67,116	18,55,76,61,335



	Year Ended Mar 31'2016 (₹)	Year Ended Mar 31'2015 (₹)
19) OTHER INCOME	9,84,523	41,65,387
Interest on Fixed Deposit	73,22,882	-
Interest on Income tax Refund		
Dividend Income from Long Term Investments		
~A Subsidiary Company	-	-
~Other Long Term Investments **	2,63,470	2,49,885
	85,70,875	44,15,272

*Note : Commission on corporate gurantee given to subsidiaries have not been provided for due to uncertainty of receipt of income.

**Note: Dividend on other long term investment has not been accounted for in absence of relevant information of ECS Credit from Banks.

	Year Ended Mar 31'2016	Year Ended Mar 31'2015
20) COST OF RAW MATERIALS CONSUMED (Indigenous)		
Inventory at the beginning of the year	-	3,91,81,09,187
Add: Purchases	9,35,62,66,469	34,49,71,30,490
	9,35,62,66,469	38,41,52,39,677
Less: Inventory at the end of the year	-	-
Cost of Raw Material Consumed	9,35,62,66,469	38,41,52,39,677
21) CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE		
Closing Stock of Finished Goods	6,33,30,831	2,53,35,36,090
Opening Stock of Finished Goods	2,53,35,36,090	28,83,66,81,134
	2,47,02,05,259	26,30,31,45,044
22) EMPLOYEE BENEFIT EXPENSES		
	(₹)	(₹)
Salary and wages (Includes Managing Directors Remuneration)	5,01,87,472	8,35,95,849
Contribution to Provident & other funds	10,02,457	12,55,487
Gratuity	21,21,410	1,06,97,741
Leave Encashment	1,70,727	50,11,117
Staff Welfare Expenses	2,09,430	6,20,199
	5,36,91,496	10,11,80,393

22.1) Provision for gratuity was taken as per the Actuarial Valuation upto 31st March, 2014. Since then the Employees have reduced to significantly low numbers. As such, the Company has opted provision for Gratuity and Leave Encashment on estimated basis which is not in consonance with AS-15.

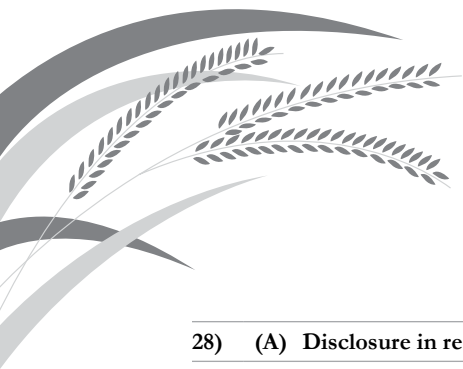


	Year Ended March 31'2016 (₹)	Year Ended March 31, 2015 (₹)
23) FINANCE COSTS		
Interest expense (Refer Note: 24.1)	1,04,56,39,521	2,64,70,37,219
Other Borrowing Costs	-	3,03,01,344
~ L/C Commission	-	41,94,718
~ Processing fee and Commitment charges	-	2,61,06,626
Net Loss on Foreign Exchange Fluctuation	78,84,40,105	45,32,75,906
Interest on Delayed payment of Dividend Tax	1,98,66,420	1,92,73,085
TOTAL	1,85,39,46,046	3,14,98,87,554
24) DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	1,04,96,70,621	1,04,95,12,402
Amortization of Intangible assets	-	6,26,419
	1,04,96,70,621	1,05,01,38,821
25) OTHER EXPENSES		
Stores, Spares & Packing Material Consumed (including damaged/unserviceable materials)	10,97,06,622	4,47,49,870
Power & Fuel Consumed	3,89,56,404	3,57,81,564
Security Charges	53,09,603	99,94,580
Hire Charges	3,475	3,95,793
Repairs & Maintenance		
~ Buildings	600	26,08,185
~ Plant & Machinery	16,76,351	5,69,164
~ Windfarms	6,09,88,696	5,59,43,535
~ others	1,25,143	14,81,814
Rent	1,73,29,948	6,80,56,468
Rates & Taxes	1,84,705	5,68,122
Insurance	10,59,685	77,64,545
ECGC Premium	-	16,28,510
Telephone Charges	3,84,772	24,02,562
Auditors' Remuneration	12,51,075	36,34,653
Directors' Sitting Fees	2,49,160	3,59,552
Filing Fees	13,531	2,78,997
Travelling & Conveyance	19,86,145	98,36,602
Bank Charges	94,490	11,05,656
Miscellaneous Expenses	1,67,62,305	5,59,15,012
Assets written off on Surrender of Tenancy Rights	-	5,23,52,002
Carriage Outward and Clearing Charges, etc	87,09,508	3,83,05,606
Selling & Sales Promotion Expenses	12,97,891	1,09,04,188
VAT/Central Sales Tax	-	2,90,788
Irrecoverable Guarantee Commission Written Off	-	15,90,25,487
Diminution in value of Foreign Currency deposits with Banks	54,19,50,814	1,17,75,02,451
	80,80,40,923	1,74,14,55,706

NOTE: Stores & Spares consumed is including write off of the damaged and unserviceable Stores & Packing Material the Amount of which has not been quantified.



	Year Ended March 31'2016 (₹)	Year Ended March 31, 2015 (₹)
25.1) Auditors Remuneration Includes		
Audit fee	10,00,000	15,00,000
Tax Audit Fees	-	5,00,000
Special Purpose Audit Fees	-	5,00,000
For Certification	-	5,00,000
For Service tax	1,45,000	3,09,000
For Re-imburement of Expenses	1,06,075	3,25,653
	12,51,075	36,34,653
26) EARNING PER SHARE (EPS)		
Profit After Tax (Rs.)	(10,76,13,52,107)	(54,94,29,85,377)
Less: Preference Dividend Holders Right		
Preference Dividend	-	
Tax on Preference Dividend	-	
Profit for Equity Shareholders (Rs.)	(10,76,13,52,107)	(54,94,29,85,377)
Weighted No of Equity Shares	95,79,84,954	95,79,84,954
Basic EPS	(11.23)	(57.35)
Diluted EPS	(11.23)	(57.35)
	2015-16	2014-15
27) CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)		
Contingent Liabilities		
i) Guarantee provided to Banks and Financial Institutions for loans provided to Overseas Sub	31,05,93,15,859	31,05,93,15,859
ii) Guarantee provided to Jammu & Kashmir Bank against Crop Loan	4,00,00,00,000	4,00,00,00,000
iii) Claim not acknowledged as debts relating to cases being contested by the company		
~ Under Punjab Development Infrastructure Fund (PDIF) Act	1,19,00,000	1,19,00,000
~ Under Punjab Sales Tax	17,60,87,000	1,14,00,000
Commitments		
i) Estimated amounts of unexecuted capital contracts (Net of Advances and Deposit)		
ii) In respect of Operating lease for minimum rental for lock in period	Not ascertainable	Not ascertainable
iii) Tax duties if any, that may arise in respect of which appeal is pending	-	-
iv) Export Bills discounted with the Bank	82,01,34,935	82,01,34,935
v) In respect of disputed warehousing rent	51,68,560	51,68,560



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.		
II) Lease payment recognised in the statement of Profit & Loss for the Year :	12,959,120	29,773,997
III) Future Minimum Lease Rentals Payable		
a) Not later than one year	Not Ascertainable	Not Ascertainable
b) Later than one year and not later than five year		
c) Later than five year		
(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	1,02,00,000	
b) Cost of 17 WTG's	52,24,33,161	53,26,33,161
ii) Accumulated Depreciation		24,07,25,191
iii) Future Lease Rent Receivables		
a) Not later than one year*		- 1,20,00,000
b) Later than one year and not later than five year		- 4,80,00,000

*NOTE: The Company has given Operating Lease of 17 WTGs to Octal Suppliers Pvt. Ltd. but due to intervention of the lender Jammu & Kashmir Bank, who is claiming the Electric Bill against their dues, and due to this dispute, the the Electricity Company did not make any payment to the Lessee and therefore they stopped payment of the Lease Rent. The Lease Agreement could not be effected due to dispute and will be accounted for after due settlement, if any. Therefore, Lease Rent Receivables are doubtful of recovery.

- 29) 29.1) Due to liquidity crunch being faced by the company, it was not able to procure adequate quantum of Raw Material during the year, which has resulted in temporary shutdown of one of its unit and partly shut down of second unit. However the third being grading & packing units has been operational.
- 29.2) The Company has defaulted in payment of obligations in respect of all the Banks/Financial Institutions/Non- Convertible Debentures holders together with interest thereon on due dates. As a result thereof all the Working Capital Banks, Term Lenders and NCD Holders had initiated the Corrective Action Plan (CAP) through the Joint Lenders Forum (JLF) in accordance with the RBI's SMA Guidelines dated February 26,2014. A lender bank initiated a Winding up proceedings against the company for recovery of dues. Now notices have been issued by the lenders u/s 13(2) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. This may have adverse effect on the functioning of the company on going forward basis.
- 29.3) Net worth of the company has fully eroded due to huge losses incurred by the company. The company has already made an application before the Ld. BIFR in terms of section 15(1) of The Sick Industrial Company Act (SICA), 1985.
- 29.4) Dividend on preference shares for the year ended 31st March 2013, approved in AGM held on 30th Sep 2013, remains undeposited in the Bank and unpaid to the Shareholders.
- 29.5) The financial statement indicates that the company has accumulated losses and its net worth is fully eroded. The company has incurred net loss during the current year and in the previous year. The Company's current liabilities has exceeded its current



assets as at the balance sheet date. These conditions along with other matters set out above indicates the existence of material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However the financial statements of the company has been prepared by the management on the going concern basis.

29.6) Trade Receivables, Loans & Advances and Trade Payables are subject to confirmation.

29.7) In the opinion of the Board of Directors, Current Assets and Loans and Advances have the value at which they are stated in the Balance Sheet if realized in the ordinary course of Business unless otherwise stated. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

30) 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. 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. Sanjay Jhunjhunwala
 - d) Mrs. Suruchi Jhunjhunwala
 - e) 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 SARL, Morocco
 - 5) Surimp Shipping Ltd, British Virgin Islands
 - 6) Alia North Ltd, Hong Kong
 - b) Ammalay International PTE, Ltd, Singapore
 - c) Auckland Holdings Ltd, Mauritius
 - d) Holy Stars Ltd, Mauritius
 - e) Orient Agro (M) Ltd, Mauritius
- v) Associate Company
 - Varrsana Ispat Limited
 - Anagi Construction Pvt Ltd



B) Material Transactions with Related Parties

Sl No	Transactions	Control Exists	Key Management Personnel (KMP)	Relative of KMP	Subsidiary & Associates
1	Dividend Paid	-	-	-	-
	~ on Equity Shares	-	-	-	-
2	Dividend Received				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	-
3	Interest credited				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	-
4	Commission on Corporate Guarantees credited during the year to Wholly Owned Subsidiaries				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	-
		-	-	-	-
	~ Orient Agro (M) Ltd, Mauritius	-	-	-	-
		-	-	-	-
	~ Ammalay International PTE Ltd	-	-	-	-
5	Commission on Corporate Guarantees Receivables from Wholly Owned Subsidiaries to Wholly Owned Subsidiaries				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	-
		-	-	-	-
	~ Auckland Holdings Ltd, Mauritius	-	-	-	-
		-	-	-	-
	~ Holy Stars Ltd, Mauritius	-	-	-	-
		-	-	-	-
	~ Orient Agro (M) Ltd, Mauritius	-	-	-	-
		-	-	-	-
	~ Ammalay International PTE Ltd	-	-	-	-
		-	-	-	-
6	Managerial Remuneration	-	51,33,340	-	-
		-	(48,00,000)	-	-
7	Sale of Goods				
	~ REI Six Ten Retail Ltd	-	-	-	-
		(37,67,545)	-	-	-
	~ My Grahak Shopping Online Ltd	-	-	-	-
		(1,40,17,90,719)	-	-	-
	to a Subsidiary				
	~ Ammalay Commoditiess JLT, UAE	-	-	-	-
		-	-	-	(38,74,52,012)



Sl No	Transactions	Control Exists	Key Management Personnel (KMP)	Relative of KMP	Subsidiary & Associates
8	Purchase of Goods (Import)				
	~ REI Six Ten Retail Ltd	-			
		(43,00,00,480)			
	~ My Grahak Shopping Online Ltd	-			
		(20,36,89,940)			
	from a Step down Subsidiary				
	~ Ammalay FZE	-	-	-	-
		-	-	-	(41,48,93,500)
9	Receivables				
	~ My Grahak Shopping Online Ltd	-	-	-	-
		-	-	-	-
10	Unsecured Loans Outstanding				
	~ REI Six Ten Retail Ltd	-	-	-	-
		(38,27,00,000)			
11	Rent Paid				
	~ Varsaana Ispat Ltd	-			
		(42,000)			
12	Deposit Given during the year				
	~ Varsaana Ispat Ltd	-	-	-	-
					(19,10,02,994)
	~ REI Six Ten Retail Ltd				-
					(60,00,000)
13	Deposit Returned during the year				
	~ Varsaana Ispat Ltd	-	-	-	-
		-	-	-	(19,10,02,994)
	~ REI Six Ten Retail Ltd				-
					(60,00,000)

31) DETAILS OF FOREIGN CURRENCY TRANSACTIONS

31.1)	FOB value of Direct Exports (including high sea sales)	-	75,51,55,685.00
31.2)	CIF Value for		
	Capital Goods Import	-	-
	Traded Goods Import	-	-
	Expenditure in Foreign Currency		
	Foreign Traveling	-	21,48,396.00
	Registration Fees	-	-
	Interest Payment	-	-
	On FCCB	-	-



Rating Charges	-	-
Listing Fees	-	32,772.00
Professional Charges	-	-
FCCB-Custodian admin fees	-	-
31.3) Amounts remitted on a/c of Dividend to FII/Non-Resident Shareholders		
On Equity Shares	-	-
On Preference Shares	-	-
31.4) No of Non-Resident Share holders		
On Equity Shares	3	3
On Preference Shares	4	4
31.5) No of shares held by Non-Resident Share holders		
On Equity Shares	70,75,200.00	70,75,200.00
On Preference Shares	40,00,000.00	40,00,000.00

32) 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 '2016		As on March 31 '2015	
	₹	USD	₹	USD
Payable				
On PCFC Facilities	34,96,07,549	52,70,500	32,98,84,811	52,70,500
FCCB (Net of Deposit abroad)	6,94,01,71,466	0,46,26,384	6,03,71,90,105	9,64,54,912
Trade Advances (USD)	63,57,94,937	95,84,911	59,99,27,242	95,84,911
Trade Advance (JPY)	4,89,01,680	8,28,00,000	4,31,47,080	8,28,00,000
Trade Payable (USD)	14,26,15,735	21,50,000	13,45,70,220	21,50,000
Receivables				
Trade Receivable	3,75,540	5,661.45	3,54,355	5,661.45

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

34) 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]
 sd/-
CA. P. K. Lilha
 Partner
 Membership No. 011092

Place: Kolkata
 Dated : 31st May, 2016

For and on behalf of the Board of Directors
 sd/- sd/-
Sandip Jhunjunwala **K.D. Ghosh**
 Managing Director Director
 sd/-
Mandan Mishra
 Company Secretary



REI AGRO LIMITED

Registered Office:

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

Email: investorgrievance@reiagro.com

CIN : L14200WB1994PLC104573



NOTICE

Notice is hereby given that 22nd Annual General Meeting of the Members of REI AGRO LIMITED will be held on Friday 30th September, 2016 at 10.30 AM at Uttam Mancha, 10/1/1 Manohar Pukur Road, Kolkata-700026 to transact the following businesses:

Ordinary Business:

1 To Consider and adopt Annual Financial Statements

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

To receive, consider and adopt the Audited Standalone Balance Sheet for the Financial year ended 31st March, 2016 and Profit and Loss account for the year ended on that date and the Reports of the Board of Directors and Auditors' thereon.

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2 Ratification of the appointment of Auditor

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 Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, including any statutory modification(s) or re-enactment thereof for the time being in force, the Company hereby ratifies the appointment of M/s. P. K. Lilha & Co., Chartered Accountants (Firm's Registration No. 307008E) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of its 23rd Annual General Meeting (subject to ratification at every Annual general Meeting) at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors."

By Order of the Board
For **REI Agro Ltd.**
Sd/-

Mandan Mishra
Company Secretary

Date: 29th August, 2016

Place: Kolkata

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- b) Duly complete instrument appointing Proxy as per the format included in the Notice should reach at the Registered Office of the Company, not less than forty eight hours before the time of the Meeting.
- c) The Registers under the Companies Act, 2013 is available for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm except on holidays.
- d) Members/proxies/ authorized representatives are requested to bring the duly filled attendance slip enclosed herewith to attend the meeting and those holding shares in electronic form are also requested to bring 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.
- e) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- f) Members are requested to notify immediately any change of address to their Depositories 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.

- g) As per the Circulars issued by Securities and 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.
- h) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain close from 28th September, 2016 to 30th September, 2016 (both days inclusive) for the purpose of Annual general meeting of the Company for year ended 31.03.2016.
- i) No dividend on Shares is recommended by the Board of Directors. Members wishing to claim dividends, which remain unclaimed for the previous years are requested to correspond with Maheshwari Datamatics Private Limited, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transfer to the Investor Education and Protection Fund, as per Section 124 of the Companies Act, 2013.
- j) 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 electronic 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 and will be available at the registered office of the Company during office hours.

Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any such communication, the members may also send requests to the Company's investor email id: investorgrievance@reiagro.com.

- k) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- l) Information and other instructions relating to e-voting are as under: E-voting:

In compliance of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and In terms of the Listing regulations, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as at closing of business hours on Friday, 12th August, 2016, i.e. the cut-off date taken by the Company for dispatch of the Annual Report and the Notice (including notice for e-voting) calling the Annual General Meeting.

The e-voting period will commence from Tuesday 27, September, 2016 at 09.00 am and will end at 05.00 pm on Thursday, September 29, 2016. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date being, 24th September 2016.

The e-voting module will be disabled on September 29, 2016 at 5.00 pm. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given below. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting").

The facility for voting through polling paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Astik Mani Tripathi, Membership No. 8670, Practising Company Secretary, CP No. 10384, to act as the Scrutinizer, to scrutinize the voting and e-voting process in a fair and transparent manner.



The Scrutinizer shall immediately after the conclusion of the voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the Meeting a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the Annual General Meeting of the Company and will accordingly be communicated to the stock exchanges.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) The voting period begins on 27.09.2016 from 09.00 A.M and ends on 29.09.2016 till 5.00P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through polling paper shall be made available at the AGM and the members as on the "cut-off date" i.e. Record date, attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through polling paper.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID.
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

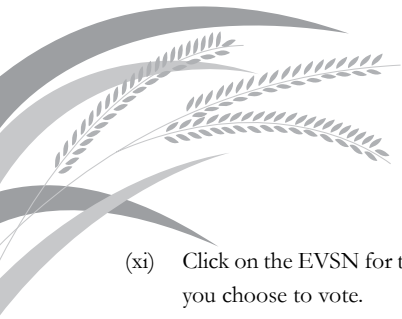
Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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



- (xi) Click on the EVSN for the relevant REI Agro Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Note for Institutional Shareholders**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk. evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 24th September, 2016. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on 27.09.2016 (09:00 a.m.) and ends on 29.09.2016 (5:00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

By Order of the Board
For **REI Agro Ltd.**
Sd/-
Mandan Mishra
Company Secretary

Date: 29th August, 2016

Place: Kolkata



REI Agro Limited

CIN: L14200WB1994PLC104573

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



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 to be held on 30th September, 2016 at Uttam Mancha, 10/1/1 Manohar Pukur Road, Kolkata-700026. At 10.30 AM

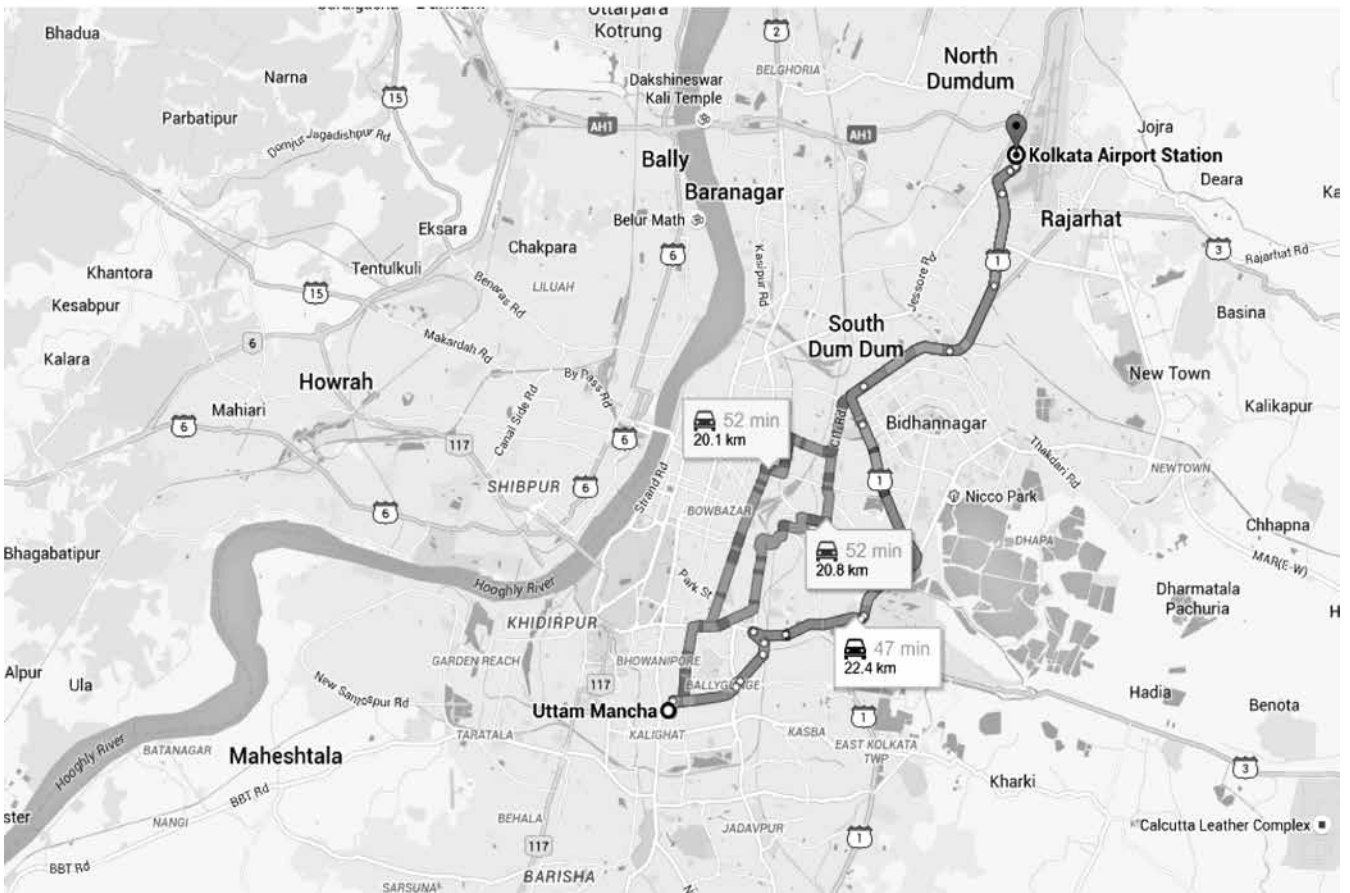
Signature of the Shareholder /
Representative / Proxy

*Strike out whichever is not applicable

Note:

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

Route Map





REI Agro Limited

CIN: L14200WB1994PLC104573

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



PROXY FORM

Name of the member
Registered address
E-mail Id
Folio no./ Client ID
DP ID

I/We, being the member (s) of REI Agro Limited, hereby appoint:

1. Name:
Address:
E-mail Id:
Signature:

or failing him

2. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on the Friday the 30th September, 2016 At 10.30 AM at Uttam Mancha, 10/1/1 Manohar Pukur Road, Kolkata-700026 and/or at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

S. no	Resolutions	For	Against
1	To consider and Adopt Audited Financial Statements along with the Report of the Board of Directors and Auditors for the financial year ended March 31, 2016.		
2	Ratification of appointment of M/s. P. K. Lilha & Co., Chartered Accountants, (Firm Registration No. 307008E) as Statutory Auditors of the Company		

Signed on this, _____ day of _____ 2016

Signature of Shareholder _____

Signature of proxy holder _____

Affix a
Re. 1/-
Revenue
Stamp

NOTE:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

