



CORPORATE INFORMATION

Board of Directors

Shri Sandip Jhunjhunwala
Managing Director

Shri A. Chatterjee
Director

Shri Manoj Mishra
Director

Dr. ING N.K. Gupta
Director

Shri K. D. Ghosh
Director

Company Secretary

Shri Subhash Kumar Burnwal

Statutory Auditor

P. K. Lilha & Co.
Chartered Accountants

Registered Office

"Everest House"
46C, Chowringhee Road
15th Floor, Room No. – 15 B
Kolkata - 700 071

Corporate Office

58A/1, Sainik Farm
New Delhi-110062

Registrar & Transfer Agent

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

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the Third Board Report of the Company together with the audited financial results for the financial year ended 31st March, 2010.

Summarised Financial Results:

(Rs. in Lacs)

Particulars	2009-2010	2008-2009
Sales (Net)	69089.84	83119.93
Other Income	9.19	39.71
Total Income	69099.03	83159.64
Profit Before Depreciation, Interest & Tax (PBDIT)	4846.70	4208.25
Less: Interest	6.56	6.15
Profit Before Depreciation & Tax (PBDT)	4840.14	4202.10
Less: Depreciation	785.61	678.47
Profit Before Tax (PBT)	4054.53	3523.63
Less:		
Provision for Current Taxation	1430.00	963.00
Provision for Fringe Benefit Tax	-----	28.50
Provision for Deferred Tax	(43.56)	272.45
Income Tax paid for earlier years	23.74	-----
Profit After Tax (PAT)	2644.35	2259.68
Amount Available for Appropriation	3498.00	2689.74
Less:		
Proposed Dividend	287.27	287.27
Corporate Dividend Tax	48.82	48.82
Transfer to General Reserves	2200.00	1500.00
Balance Carried to Balance Sheet	961.90	853.65

Sub-division / Split of Shares:

During the financial year under review, the Company has sub divided / split its equity shares from one equity share of face value Rs. 10/- each into five equity shares of Rs. 2/- each w.e.f. October 27, 2009 .

Issue / Allotment of Convertible Debentures to HT Media Ltd. and Writers & Publisher Pvt. Ltd.

During the financial year under review, the Company has issued on 29th December, 2009, 7,00,000 Fully Convertible Debentures of face value Rs.100/- each to HT Media Limited and 20,00,000 Fully Convertible Debentures of face value Rs.100/- each to Writers & Publisher Pvt.

Ltd. respectively for amount aggregating to Rs. 27 Crore (Rupees Twenty Seven Crore Only) on preferential basis. Debentures are convertible into equity shares at applicable price as computed according to the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Due date of conversion of the said fully convertible debentures is 28th June, 2011.

Business / Financial Performance:

We are pleased to inform you that your Company has recorded the sales and profit of Rs.69090 Lakhs and Rs. 2644 Lakhs respectively during the financial year under



review. However, sales for the year under review were declined to Rs. 69090 Lakhs from preceding year sales of Rs.83120 Lakhs but PAT for financial year 2009-10 was Rs. 2644 Lakhs which is higher by Rs.384 Lakhs (approx.) from preceding year profit of Rs. 2260 Lakhs. The increase in net profit in terms of percentage is 17% (approx.). It is the result of reduction in costs particularly personnel and administrative costs. During the financial year under review, the Company has added 226 new franchisees and total franchised outlets are 310 across Delhi & NCR, Punjab, Jaipur, Mumbai, Kolkata, Nagpur, Ahmedabad and Baroda as compared to 84 as on March 31, 2009. Overall, the Company has delivered a good performance in terms of financial and operations amidst competitive retail market.

Dividends:

The Board of Directors have recommended a final dividend of Re.0.20/- per equity share (i.e.,10% of the face value of Rs.2/-each) for the financial year ended 31st March, 2010. Thus total payment for dividends comes to Rs. 287.27 Lakhs.

Management Discussion and Analysis

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

Corporate Governance:

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

Environmental aspects and Social Responsibility:

The Company is committed to improve all aspects of environment. We will pay attention to promote and improve better socio economic conditions of the society as we cannot exist without betterment of the society.

Directors:

Shri K.D.Ghosh and Dr. ING N.K. Gupta, Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment. A brief resume of the Director seeking re-appointment, their expertise etc. is

given in the notice to the ensuing Annual General Meeting.

Auditors:

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

Auditors Report:

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

Director's Responsibility Statement:

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

- ▶ In preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards read with requirement set out under Schedule VI to the Companies Act, 1956, have been followed along with the proper explanations relating to the material departures, if any.
- ▶ The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the financial results of the Company as at 31st March, 2010.
- ▶ The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities.
- ▶ The Directors have prepared the annual accounts for the financial year ended 31st March, 2010 on a going concern basis.

Public Deposits:

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

Particulars of Employees:

Particulars of employees as required to be furnished



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

Conservation of Energy & Technology Absorption and Foreign Exchange earnings and outgo:

As the Company being in retail sector, the provisions regarding giving details of conservation of energy is not applicable.

However there is no expenditure on Research & Development, Technology absorption, adoption &

innovation during the current financial year.

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

Acknowledgment:

The Board would like to thank and also place on record their sincere appreciation to all consumers, bankers, vendors and other stakeholders for their continued support during the year under review. Your Directors are quite optimistic for support to be extended by all in the years to come.

For and on behalf of the Board

Sd/-

Manoj Mishra
Director

Sd/-

A. Chatterjee
Director



MANAGEMENT DISCUSSION AND ANALYSIS

Business Environment - Retail Sector of the Indian Economy

The Retail sector of Indian economy is rapidly evolving and is going through a phase of tremendous transformation. It has been categorized into two segments viz. organized retail sector and unorganized retail sector. Unorganized retail sector constitutes small individual/family run single stores and contributes the larger share of retail sector. Market liberalization and changing consumer behaviour have sown the seeds of a retail transformation in India. Indian economy has transformed since liberalisation in year 1991. The consumers have shown a growing preference for the latest branded goods of national and international repute. India achieved 7.4% per cent GDP Growth Rate in 2010 significantly fueling consumption. It has been estimated that the Indian retail sector is around Rs. 9,00,000 crore. Organized sector accounts for a mere about 4 per cent of total retail business in India indicating a huge potential and market opportunity for organized retailer. There is a need for organized retail to adapt itself to the Indian retail scenario to fully encash on this opportunity.

No wonder that India has been rated as among the top Foreign Direct Investment (FDI) destinations and second most favoured retail destination in the World. This has been backed by the wide acceptance of India as the second fastest growing economy and the fourth largest economy in PPP terms after USA, China & Japan.

Retail industry in India

Modern Retailing in India is actively adapting to the Indian conditions and is all set to become the next booming industry. In recent years, the Indian consumer has rapidly evolved and accepting modern formats overwhelmingly. Large Indian corporate groups, foreign investors and private equity players are firming up plans for investment opportunities in the Indian retail sector. The quantum of investments is likely to increase which will create employment in the future as the industry evolves and gets more attractive.

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

Indian food & grocery sector

Indian food & grocery sector is largest category in retail industry but mostly unorganized today and it is estimated that it is around two thirds of the total Indian retail market. The Indian food industry has been hailed by many as a sunshine industry of India.

The Indian retail industry is one of the most exciting in the world for various reasons: though the Indian retail market is the fifth largest in the world, a major part of it is unorganized compared to the developed world. This is particularly true of the food and grocery segment, the sixth largest in the world accounting for 70% of the total retail sales in India and currently valued at \$236 billion and it is expected to grow to \$482 billion in 2020 with overall growth rate of 104 percent. The unorganized segment still constitutes 99 per cent of the total food and grocery market, and is characterized by the traditional mom-and-pop kirana stores. Interestingly, size of the Indian retail is one of the reasons behind the excitement the other being the inevitable transition of this vast market from unorganized to organized

Food and grocery retail comprises 70 per cent of the total retail sales. Notwithstanding its growth, India's share in the exports of processed food in global trade is meager 1.5%; while the size of the global processed-food market is around US\$ 3.2 trillion. This indicates that both investors and exporters are yet to cash in on from the Indian food and processing industry.

Road Ahead- Industry's Growth Drivers

A large young working population, nuclear families in urban areas, increasing working-women population, brand profusion, and emerging opportunities in the services sector are going to be the key growth drivers of the organized retail sector in the country. Other growth drivers are Improving Demographics, Rising per capita income and rising consumerism.

Young Consumers: With the largest young generation population in the world - over 890 million people below 45 years of age, India is indeed a resplendent market. Its 300 million odd middle class, the "Real" consumers, catches the eye of the world. As the economy grows so does India's middle class. It is estimated that 70 million Indians earn a salary of over INR 800,000 (\$18,000) a year, a figure that is set to rise to 140 million by 2011. The number of effective consumers is expected to swell to over 600 million by 2010 - sufficient to establish India as one of the largest consumer markets of the world.

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

Improving Demographics: India is currently the second largest country as well as the youngest with the population estimated at 1.20 billion, growing at 1.8% annually. The Indian middle class is expected to grow to 153 million by the year 2009-10 (Source: NCAER). Currently, the urban population comprises 28% of the aggregate Indian population, growing at 2.77% and is expected to rise to 40% by the year 2020 (Source: Vision 2020 document), with much of the growth concentrated in or around 60 to 70 large Indian cities with over one million population each. This results into a rising demand for cereals.

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

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

The Indian economy grew by 7.4 per cent in the previous fiscal 2009-10 despite weak global growth and it is expected to grow at 8.5 per cent in the current fiscal (2010-11) as per RBI's baseline projection and 8.5 per cent in the next fiscal (2011-12) as per the revised survey of professional forecasters released by the Reserve Bank of India (RBI).

The survey has revised India's real GDP growth from the 8.2 per cent projected in the last survey, on the basis of increased private final consumption expenditure growth, stronger industrial activity in the first quarter and further contribution of services in the subsequent quarters.

For the year 2010-11, the forecasters have assigned highest probability of 38.7 per cent to 8.0-8.4 per cent growth range for GDP. For 2011-12, they have assigned maximum probability of 28.6 per cent to 8.5-8.9 per cent growth range for GDP.

The forecast for agriculture, industry and services for the year 2011-12 are 3.0 per cent, 9.1 per cent and 9.5 per cent respectively.



For the year 2010-11, the forecast for agriculture has been revised marginally upwards from 4.0 per cent to 4.1 per cent. For the industry sector, the growth rate forecast is 9.0 per cent, same as in the last survey, whereas for service sector, the forecasts have been revised marginally upwards from 9.0 per cent to 9.1 per cent.

REI Six Ten's Business Strategy:

Indian retail market is largely unorganized and wastage of fruits and vegetables generally occurs during supply and storage. REI Six Ten Stores are developing the strategy of capitalizing on its closer reach to the farmers thereby establishing an efficient supply chain to improve efficiencies and reduce wastage of fruits and vegetables.

The Company has forayed into food & grocery items under its brand "6TEN" offering great value for money on daily need products. With so many choices in today's world, customers are looking for the retailers who are providing comfort, competitive price and quality products at their stores. 6TEN stores are aggressively delivering its promises for Comfort, competitive price and quality products.

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

The company has consolidated in the financial year 2009-10 by making the model more efficient and scalable. The year has seen the introduction of the Franchisee and the master franchisee who have brought in an entrepreneurial approach in logistics and the stores.

The Company has consolidated its operations at existing locations in NCR, Jaipur, Chandigarh, Mohali, Amritsar, Ludhiana, Ambala, Panchkula, Baddi, Ahmedabad, Baroda, Mumbai, Nagpur and Kolkata. Currently, the company is operating 310 stores on franchisee basis at the existing locations and improving its infrastructure and comfort for the benefits of customers.

The Company now has a stronger focus on its strengths i.e. procurement, branding, IT infrastructure requirements which are the key to success for the modern retail. The stores are owned and operated by the franchisees. The franchisee as an entrepreneur has been able to connect with the customers in a much better way. We are innovating new ideas to reduce operational overheads to increase profitability without compromising with operational standards under this model. This business model has enabled us to reach large population of middle class of the Country. We have now introduced a Master franchisee who has brought an entrepreneur to the logistics and supply chain. The company has successfully transformed itself in the financial year 2009-10.

REPORT ON CORPORATE GOVERNANCE

A Good Corporate Governance involves principles of integrity, fairness, equity, transparency, accountability and commitment to values. It is an ongoing measure of company's objectives to translate into real opportunities. As stakeholders across the globe evince keen interest in the practices and performance of the companies, Corporate Governance has emerged on the centre stage.

Corporate Governance Monitoring and Review Process at REI Six Ten Retail Ltd. (Six Ten Retail):

Six Ten Retail periodically reviews its policies & practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and true spirit but also endeavours to implement the best practices of Corporate Governance, in the overall interest of all its stakeholders.

In accordance with Clause 49 of the Listing Agreement and some of the best practices followed on Corporate Governance, the report containing the details of governance systems and process at REI Six Ten Retail Limited is as under:

[A] COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy about good corporate governance is a key driver of sustainable corporate growth and long-term value creation of our stakeholders. Corporate Governance envisages several core values like adherence of principles, accountability, integrity, transparency and

compliance of all applicable statutes. We are committed to conduct business upholding these core values.

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

[B] BOARD COMPOSITION

The Board of Directors formulates strategies, policies and reviews its performance periodically in order to ensure the effective business decisions and the implementation of the same.

The Board of Directors comprises of five Directors, chaired by an Executive Director. Three of the Board members are independent Directors. The composition of the Board of Directors during the year is in conformity with the Clause 49 of the Listing Agreement, which stipulates that at least half of the Board should comprise of Independent Directors and if the Chairman is Non-Executive, one third of the Board should be independent.

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

Name of the Director	Category	** No. of other Directorship	No. of Membership /Chairmanship of other Board Committees	Attendance at last AGM of the Company
Shri Sandip Jhunjunwala	Managing Director	4	NIL	Present
Shri A. Chatterjee	Independent Director	8	3	Present
Shri Manoj Mishra	Non-Executive Director	3	NIL	Absent
Shri K. D. Ghosh	Independent Director	1	3	Present
Dr. ING N.K. Gupta	Independent Director	5	3	Absent

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



During the Financial Year ended 31st March 2010, Board Meetings were held on 13/04/2009, 17/04/2009, 30/06/2009, 31/07/2009, 08/08/2009, 29/08/2009, 14/10/2009, 26/10/2009 and 30/01/2010 respectively. The details of Board Meeting attended by directors are as under:

Name of Director	Board Meeting	
	Held	Attended
Shri Sandip Jhunjunwala	9	5
Shri A. Chatterjee	9	6
Shri Manoj Mishra	9	8
Dr. ING N. K. Gupta	9	7
Shri K. D. Ghosh	9	Nil*

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

[C] AUDIT COMMITTEE

The Audit Committee of the company comprises of three Independent Directors. The Audit Committee met four times during the year under review on June 30, 2009, July 31, 2009, October 26, 2009 and January 30, 2010. All these directors possess knowledge of corporate finance, accounts and company law. The Company Secretary of the Company acts as a Secretary to the Committee.

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

The constitution and particulars of meetings attended by members of the Committees during the year ended 31st March, 2010 are given below:

Sl. No.	Name of the Director	Status	No. of meetings attended
1.	Shri Ashoke Chatterjee	Chairman	4
2.	Dr. ING Narpinder Kumar Gupta	Member	4
3.	Shri Krishna Dayal Ghosh	Member	0

[D] REMUNERATION OF DIRECTORS:

The Details of Remuneration paid to Directors for the year ended 31st March, 2010 is as follows:

Name of the Director	Sitting fees	Salary & Perquisites	Commis- sion
Shri Sandip Jhunjunwala	7500	Nil	NIL
Shri Ashoke Chatterjee	15000	Nil	Nil
Shri Manoj Mishra	12000	Nil	Nil
Dr. ING Narpinder Kumar Gupta	16500	Nil	Nil
Shri Krishna Dayal Ghosh	Nil	Nil	Nil

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

Name of the Director	No. of shares held	Nominal value of shares
Shri Sandip Jhunjhunwala	957645	1915290
Shri Ashoke Chatterjee	NIL	NIL
Shri Manoj Mishra	35000	70000
Dr. ING Narpinder Kumar Gupta	NIL	NIL
Shri Krishna Dayal Ghosh	NIL	NIL

[E] SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Company has constituted Shareholders / Investors Grievance Committee to look into and redressal of complaints from shareholders' and investors such as transfer of shares, non-receipt of shares, non-receipt of dividends, non-receipt of Balance Sheets, issue of duplicate shares etc. The committee comprises of Shri Krishna Dayal Ghosh (Chairman, Independent Director), Shri Ashoke Chatterjee (Member, Independent Director) and Dr. ING Narpinder Kumar Gupta (Member, Independent Director). During the year, four meetings were held on June 10, 2009, September 11, 2009, November 16, 2009 and February 15, 2010 respectively. Three complaints were received by the Company during the year and all were resolved within specified period in the investor's Grievance Committee Meeting.

[F] GENERAL BODY MEETINGS

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

Venue	Financial Year	Date and time
46C, CHOWRINGHEE ROAD, EVEREST HOUSE, 15TH FLOOR, ROOM NO. 15B, KOLKATA-700071	2007-08	29th September, 2008 10.30 A.M.
INSTITUTION OF ENGINEERS (INDIA), SIR R. N. MUKHERJEE HALL, 8, GOKHALE ROAD, KOLKATA 700 020	2008-09	23rd September, 2009 11:30 A.M.

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

Name and Designation of Compliance Officer (Contact Person):

Mr. Subhash Kumar Burnwal, Company Secretary
Address: Everest House, 46C, Chowringhee Road, 15th Floor, Room No. 15B, Kolkata-700 071 (West Bengal)

E mail id: cosec@rei6ten.com

Investor Grievance Email id:
investorgrievance@rei6ten.com

Share Transfer Committee and Share Transfer System

The Board of Directors of the company has constituted a Share Transfer Committee. The committee comprises of Mr. Krishna Dayal Ghosh (Chairman, Independent Director), Mr. Ashoke Chatterjee (Member, Independent Director) and Dr. ING Narpinder Kumar Gupta (Member, Independent Director).

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

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, Kolkata-700 001.

Phone no.: 033-22482248, 22435029/5089

Fax: 033-22484787

During the year, four meetings of Share Transfer Committee were held on 30th May, 2009, 15th July, 2009, 27th October, 2009 and 7th January, 2010 respectively.