



REI Six Ten Retail Limited

8th Annual Report 2014-2015

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Sandip Jhunjhunwala	Managing Director
Shri Manoj Mishra	Non Executive 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

*expires on 04.08.2015

**resigned w.e.f 25.04.2015

COMPANY SECRETARY cum COMPLIANCE OFFICER

Ms. Anuradha Gaur

STATUTORY AUDITOR

P.K. Lilha & Co.
Chartered Accountants

CORPORATE OFFICE

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

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure for presenting the 8th Board Report together with the audited annual accounts of the Company for the financial year ended 31st March 2015.

1. FINANCIAL RESULTS:

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

(₹ In Lacs)

Particulars	2014-15	2013-14
Sales	4338.72	9773.06
Other Income	0.54	1.56
Total	4339.26	9774.62
Profit Before Interest and Depreciation and Amortisation (PBIDTA)	(93.46)	(224.01)
Less: Interest	0.13	5.83
Less: Depreciation	34.96	220.20
Profit before Taxation and Exceptional items(PBT)	(128.55)	(450.04)
Less: Exceptional Items	3036.99	1044.24
Profit Before Tax (PBT)	(3165.54)	(1494.28)
Less: Prior Period Tax Payments	0	2.85
Profit after Taxation (PAT)	(3165.54)	(1497.13)

2 PERFORMANCE OF THE COMPANY

During the year under review, your Company has achieved a turnover of Rs. 43.39 Crores as against Rs. 97.73 Crores in the previous year.

The Management of the Company is trying very hard to review the Company and to get the operation back on track. Earlier the Company was working on Company owned and Company operated (COCO) model of retail business, then it move to franchise model Due to less and slow recovery of old debts the bottom line of the Company faces heavy pressure and Company extended it losses from 14.97 crores to 31.65 crores during the year under review.

3 DIVIDEND

Board of Directors of the Company, has not recommended any dividend for the equity shareholders of the Company for the financial year ended on March 31, 2015.

4 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. Unclaimed dividend for the year 2007-08 shall be transferred to the said fund before the due date.

It may be noted that upon the transfer of dividend to Investor Education & Protection Fund, members lose their right to claim such dividend. Therefore, Members are requested to claim the amount of Unpaid/unclaimed dividend for the year 2007-2008 and onwards.

5 TRANSFER TO GENERAL RESERVE

During the year under review, Your Company has not transferred any amount to any reserve of the Company.

6 BUSINESS SEGMENTS

Your Company does not have any reportable segment in accordance to Accounting Standard (AS) -17 issued by the Institute of Chartered Accountants of India as it deals in only one segment i.e., Retail segment.

7 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on the management discussion and analysis is annexed hereto and forms part of this report as required in Clause 49 of the Listing Agreement with the stock exchange of India.

8 CORPORATE GOVERNANCE

The Company has put in place the norms of Corporate Governance in compliance with the provisions of Clause 49 of the listing agreement. A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

A certificate to that effect has been obtained from statutory auditors of the Company and is annexed to this report .

9 ENVIRONMENTAL ASPECT AND SOCIAL RESPONSIBILITY

The Company is committed to improve all aspects of environment. We always aspire to fuse business values, cultural pillars and operating principles to achieve the expectations of our customers, lenders, employees, investors, communities and the wider society. We always pay full attention to promote, improve and maintain our responsibility towards the society as a whole for better socio-economic condition.

10 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March, 2015, Your Company doesn't have any subsidiary, joint venture or associate company.

11 BOARD OF DIRECTORS

As on 31st March 2015, Your Company has 6 (Six) Directors, consisting of Four Independent Non Executive Directors (including one Woman Director), One Managing Director and One Non-Executive Director.

In terms of the provision of Section 149 of the Companies Act 2013, and Clause 49 of the Listing Agreement, every listed and such other class of Companies as may from time to time prescribed shall have at least One Woman Director on Board of Directors of the Company , therefore Company has appointed Ms. Anishrava Agrawal (DIN-00976083) as additional Director on the Board of the Company, however due to some unavoidable circumstances she could not continue to act as Director of the Company and has tendered her resignation from Directorship of the Company w.e.f. 25.04.2015. Further this is to inform all the members that Shri Asoke Kumar Chatterjee, Independent Director of the Company expires on 04th August, 2015.

The Company has received the 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 Clause 49 of the Listing Agreement.

DIRECTORS RETIRING BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Manoj Mishra (DIN-00386578), Director of the Company will retire in the ensuing Annual General

Meeting of the Company and being eligible, seek re-appointment.

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, performance of the Independent Directors, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

REMUNERATION POLICY

The Board of Directors in consultation with the members of Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Details of the Remuneration and other fees paid to the Directors are provided in the Corporate Governance Report.

MEETINGS

During the year under review, 6 (Six) Meetings of Board of Directors and 1(One) Meeting of Independent Directors' of the Company were held. The Details of meetings are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

12 COMMITTEES OF THE BOARD

Your Company has established various committees for the purpose of the best governance practices and which are in compliance with the requirements of relevant provision of applicable laws and statutes which are as follows:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Share Transfer Committee
- d. Shareholders'/Investors' Grievance 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 reviewed.

14 VIGIL MECHANISM

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, internal welfare committees and the Senior Management of the Company to report any kind of irregularity in the Company's functioning or any unethical behaviour or any kind of harassment or unequal treatment given to them. Company has always believed in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethics.

15 LOANS, GUARANTEE AND INVESTMENT IN SECURITIES

Particulars of loans, guarantees and investments made by the Company pursuant to Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Accounts.

16 CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTY

During the year under review, all related party transactions done by the Company were at arm's length and in ordinary course of business.

17 AUDITORS

a. Statutory Auditors

M/s P.K. Lilha & Co, Chartered Accountants, Kolkata were appointed as Statutory Auditors for a period of three years in the Annual General Meeting held on 30/09/2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Auditors' Report and Qualification

There is a qualification in the Auditors' report that Trade Receivables amounting to Rs. 87.23 Crores is outstanding for considerable period of time. No confirmations have been received for these customers. In their opinion the

debts are doubtful of recovery against which no provision has been made in the financial statements.

In this regard, Board of Directors of the Company submits that the Company is pursuing with the parties for payment of dues, however if management feels that these debts may not be recovered, they will provide necessary provisions in the upcoming financial years.

b. Secretarial Auditors

Pursuant to the 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 Tripathi, CP No. 10384 Practicing Company Secretary, Proprietor of M/s Astik Tripathi and Associates to undertake the Secretarial Audit of the Company.

Secretarial Audit Report and Qualifications

There is a qualification in the Secretarial audit report that during the year under review, Company has not appointed Company Secretary and Chief Financial officer in the Company.

In this regard, Board of Directors hereby submits that there are no major business activities in the Company during last year and from past few years the revenue from the operations were declining continuously.

During the year under review, Company Secretary of the Company has tendered his resignation. The Company's management was searching the eligible candidates who are suitable to the Company for the Post of Chief Financial Officer and Company Secretary. However the Company has appointed Ms. Anuradha Gaur, an Associate member of the Institute of the Company Secretaries of India as the Company Secretary cum Compliance officer of the Company in the month of June, 2015 and the management is still looking for suitable candidate for the post of Chief Financial officer of the Company.

Copy of the Secretarial Auditors Report is annexed to this Report as an annexure "A"

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, if any.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act for safeguarding the assets of the Company and for preventing and detecting the fraud and other irregularities.
- The Directors have prepared the annual accounts of the Company on a 'going concern' basis.
- 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 any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

20 PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of

employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which 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 Company had not paid any remuneration to the Managing Director of the Company and only the sitting fees for attending Meetings of the Company was paid to other Directors, no other benefits or perquisites were paid to Directors.

21 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption and foreign exchange earnings & outgo is required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. As the Company being in retail sector, the provisions regarding giving details of conservation of energy is not applicable. However Your Company has taken adequate measures to reduce energy consumption wherever possible. The Company has not incurred any expenditure on Research & Development, Technology absorption, adoption & innovation during the current financial year. However, the detail for "Nil expenditure is given as below:

1. Specific Areas in which R & D carried out by the Company	Not Applicable
2. Benefits derived as a result of above R & D	Nil
3. Future Plan of Action	Nil
a. Capital	Nil
b. Recurring	Nil
c. Total	Nil
d. Total R & D	Nil
Expenditure as % Of total Turnover	Nil

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

Foreign Exchange Earnings and Outgo:

Amount (Rs. In Lacs)

Total foreign exchange earned and outgo:	
Foreign exchange earned	Nil
Foreign exchange outgo	Nil
Net foreign exchange outgo/earned	Nil

22 ANNUAL RETURN

Extract of Annual Return Pursuant to the Section 92(3) of the Companies Act, 2013 is annexed to this report as Annexure "B".

23 MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year to which this financial statements relate and the date of this report

24 INTERNAL FINANCIAL CONTROL

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 disclosures.

25 SEXUAL HARASSMENT

During the year under review, there were no cases filed pursuant to the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

26 ACKNOWLEDGEMENT

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

For and on behalf of Board of Directors

sd/-

(Sandip Jhunjunwala)

Managing Director

Place: New Delhi

Date: 28th August, 2015

ANNEXURE “A” TO THE BOARD REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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 SIX TEN RETAIL LIMITED
Everest House -46C,
Chowringhee Road, 15th Floor, Room No. 15B
Kolkata-700071

Date of Incorporation: 23/08/2007

Authorized Share Capital: 500,000,000.00

Paid up Share Capital: 294,196,724.00

We have conducted the secretarial audit of the compliance of applicable statutory provisions REI Six Ten Retail 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 of the REI Six Ten Retail 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, 2015 (‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes except appointment of CFO and CS and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by REI Six Ten Retail Limited (“The Company”) for the financial year ended on 31st Day of March, 2015 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;

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;

I/we have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable to the company during the audit period)
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

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 company has not appointed Company Secretary 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*.
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.

*However, as on the date of the signing of this Secretarial Audit Report, the Company has appointed a whole time Company Secretary of the Company.

We further report that:

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.

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 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

Proprietor

ACS No. 27667 C P No.: 10384

Place: New Delhi

Date: 30.06.2015

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 SIX TEN RETAIL LIMITED
Everest House -46C,
Chowringhee Road, 15TH Floor, Room No. 15B
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

Proprietor

ACS No. 27667 C P No.: 10384

Place: New Delhi

Date: 30.06.2015