

## **Auditors' Report**

To The members of  
REI Agro Limited

1. We have audited the attached Balance Sheet of REI Agro Limited as at 31<sup>st</sup> March, 2006 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2006 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- 1) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2006;
  - 2) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date, and
  - 3) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Date : 29<sup>th</sup> May, 2006  
Place : Kolkata

P.K. Lilha  
**Partner**  
Membership No. 11092

## **ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 3 of our report of even date)

- i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets, is being physically verified in the phased manner by the management in accordance with a program of verification covering all the fixed assets over a period of three years, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) There was no disposal of fixed assets during the year.
- ii) In respect of its inventories:
  - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to us, the Company has not granted / taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods.
- v) In our opinion and according to information and explanations given to us, there are no contracts and agreements referred to in section 301 of the Companies Act, 1956, particulars of which need to be entered in to a register maintained under section 301 of the Act. Accordingly clause 4 (V) (b) of the Order is not applicable.

- vi) In our opinion and according to information and explanations given to us, the company has not accepted any deposits from the public during the year. Hence paragraph 4 (vi) of the order is not applicable.
- vii) In our opinion company has an internal audit system commensurate with the size of the company and nature of business.
- viii) Maintenance of Cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for the products manufactured by the company.
- ix) (a) According to the information and explanations given to us the company has been regular in depositing undisputed Statutory Dues, including Provident fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Wealth Tax, Service Tax, Sales tax, Custom Duty, Excise, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year.

(b) No undisputed amount payable were in arrear, for a period of more than six months from the date they become payable.

(c) According to the information and explanation given to us, the details of statutory dues of sales tax which have not been deposited on account of disputes are given below: -

Name of the statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Haryana Sales Tax Act	Local Sales tax	Rs.76.34 (since paid Rs. 25.00) and for the balance amount third parties bonds have been executed.	1997-98	Appellate Tribunal Haryana at Chandigarh

- x) The Company does not have accumulated losses as at the end of the year and company has not incurred cash losses during the current and the immediately preceding financial year.
- xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, or Banks.

- xii) According to the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company has in our opinion maintained proper records and contracts with respect to its investments where timely entries & transactions are made in the former. All investments at the close of the year are held in the name of the Company.
- xiv) The nature of the Company's business / activities during the year have been such that clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us there are no guarantee given by the company for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (Fixed Assets etc.) and vice versa.
- xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
- xix) According to the information and explanations given to us the company has not issued any debentures during the year.
- xx) The Company has raised money to the extent of Rs. 138.01 Crores by the issue of 37,70,000 GDR's of US \$ 8 per GDR equal to 75,40,000 Equity Shares of Rs. 10/- each issued at a premium of Rs. 173/-per share. The money has been used for the purpose for which it has been raised.
- xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the course of our audit.

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

Date : 29<sup>th</sup> May, 2006  
Place : Kolkata

P.K. Lilha  
**Partner**  
Membership No. 11092

# REI AGRO LIMITED

BALANCE SHEET AS AT 31ST March 2006

( In Rs.)

	SCHEDULES	AS AT 31.03.2006	AS AT 31.03.2005
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	1	788,311,870	734,467,540
Reserves & Surplus	2	2,470,971,263 <b>3,259,283,133</b>	935,996,621 <b>1,670,464,161</b>
<b>LOAN FUNDS</b>			
Secured Loans	3	5,980,796,681	4,259,705,714
Unsecured Loan	4	1,551,726,606	863,039,892
		<b>7,532,523,287</b>	<b>5,122,745,606</b>
Deffered Tax Liability - Net		<b>502,556,289</b>	<b>230,103,195</b>
<b>TOTAL</b>		<b>11,294,362,709</b>	<b>7,023,312,962</b>
<b>APPLICATIONS OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	2,727,918,627	1,698,188,363
Less : Depreciation		217,028,614	124,602,977
Net Block		<b>2,510,890,013</b>	<b>1,573,585,386</b>
Capital Work-In-Progress		559,100,253	4,848,486
		<b>3,069,990,266</b>	<b>1,578,433,872</b>
<b>INVESTMENT</b>			
	6	<b>5,827,282</b>	<b>2,246,548</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	7	5,960,921,103	5,130,871,003
Sundry Debtors	8	2,385,185,528	1,460,207,243
Cash & Bank Balances	9	44,215,086	153,155,478
Loans & Advances	10	323,522,569	121,485,206
		<b>8,713,844,286</b>	<b>6,865,718,930</b>
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>	11	495,299,125	1,423,718,274
		<b>495,299,125</b>	<b>1,423,718,274</b>
<b>NET CURRENT ASSETS</b>		<b>8,218,545,161</b>	<b>5,442,000,656</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)	12	-	631,886
		-	<b>631,886</b>
<b>TOTAL</b>		<b>11,294,362,709</b>	<b>7,023,312,962</b>
Significant Accounting Policies	19	-	-
Notes on Accounts	20		

In terms of our attached report of even date

For P.K.Lilha & Co.

Chartered Accountants

For and on behalf of the Board

P.K.Lilha  
Partner  
Membership No.: 11092  
Place : Kolkata  
Dated : 29th May, 2006

Sandip Jhunjunwala  
Managing Director

A. Chatterjee  
Director

K. D. Ghosh  
Director

**REI AGRO LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006**

	SCHEDULES	FOR THE YEAR ENDED 31.03.2006	(IN Rs.) FOR THE YEAR ENDED 31.03.2005
<b>INCOME</b>			
Sales	13	9,587,650,030	8,450,152,052
Other Income	14	2,201,828	77,756
Increase/(Decrease) of Inventory	15	1,377,438,288	451,085,228
		<b>10,967,290,146</b>	<b>8,901,315,036</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	16	8,863,036,626	7,517,031,032
Manufacturing , Administrative & Selling Expenses	17	614,047,451	510,608,769
Interest	18	373,472,208	291,398,242
Depreciation		92,795,255	40,365,404
Preliminary & public Issue Exp. W/o		631,886	631,886
		<b>9,943,983,426</b>	<b>8,360,035,333</b>
<b>Profit Before Taxation</b>		<b>1,023,306,720</b>	<b>541,279,703</b>
Provision for Current Taxation		83,524,137	38,828,416
Provision for Current Year Deferred Tax		255,616,285	121,298,476
Provision for Fringe Benefit Tax		1,591,185	-
Income Tax Provision for Earlier Years		5,444,024	2,643,711
Deferred Tax Short for Earlier Year		16,836,809	-
Profit After Taxation & Deferred Tax		660,294,280	378,509,100
Add- Balance Brought Forward		15,142,208	11,450,847
Amount Available for Appropriation		675,436,488	389,959,947
Less - Proposed Dividend		88,345,456	66,170,131
Less - Dividend Tax		12,390,446	8,647,609
Less- Short Provision for Dividend & Dividend Tax		808,833	-
Less - Transfer to General Reserve		500,000,000	300,000,000
Balance Carried to Balance Sheet		<b>73,891,753</b>	<b>15,142,207</b>
<b>Basic and Diluted Earning Per Share ( Rs.)</b>		<b>19.32</b>	<b>12.13</b>
Significant Accounting Policies	19		
Notes on Accounts	20		

**In terms of our attached report of even date  
For P.K.Lilha & Co.  
Chartered Accountants**

**For and on behalf of the Board**

P.K.Lilha  
Partner  
Membership No.: 11092  
Place : Kolkata  
Dated : 29th May, 2006

Sandip Jhunjhunwala  
Managing Director

A. Chatterjee  
Director

K. D. Ghosh  
Director

**REI AGRO LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH 2006**

	2005-06	2004-05
<b>A Cash Flow Operating Activities</b>		
Net Profit before Taxes	1,023,306,720	541,279,703
Adjustments:		
Depreciation / Amortization	93,427,141	40,997,290
Other income not related to operations	(1,549,749)	(77,756)
Loss on Sale of Fixed Assets	-	73,128
Operating profit before changes in working capital	1,115,184,112	582,272,365
Changes in:		
Decrease/ (increase) in trade & other receiveables	(924,978,285)	(482,374,975)
Decrease/ (increase) in inventories	(830,050,100)	(1,987,411,410)
Decrease/ (increase) in loan & advances	(139,222,073)	(73,444,536)
Increase/(Decrease) in trade and other payables	(918,132,315)	236,562,161
Cash generated from operations	(1,697,198,661)	(1,724,396,395)
Less : Direct Tax Paid	108,847,176	19,314,535
<b>Net Cash used in Operating Activities</b>	<b>(1,806,045,837)</b>	<b>(1,743,710,930)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,030,981,044)	(927,985,479)
Capital Work in Progress	(554,251,767)	(4,575,270)
Sale of Fixed Assets	881,162	389,000
Dividend Received	147,120	51,840
Other Income	-	25,916
Sale of investments	13,985,292	4,858,028
Purchase of Investments	(16,163,396)	(6,326,976)
<b>Net Cash used in investing activities</b>	<b>(1,586,382,633)</b>	<b>(933,562,941)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Share (Including GDR)(Net)	1,030,069,426	500,000,020
Proceeds from long term borrowings	341,103,000	433,141,772
Proceeds from short term borrowings	1,379,987,967	1,625,674,921
Proceeds from FCCB's(Net)	1,127,871,200	-
Proceeds from unsecured loans	(439,184,486)	192,539,892
Dividend & Dividend Tax Paid	(156,359,029)	(26,759,599)
<b>Net Cash from financing activities</b>	<b>3,283,488,078</b>	<b>2,724,597,006</b>
NET INCREASE/(DECREASE) IN CASH	(108,940,392)	47,323,135
CASH AND CASH EQUIVALENTS(OPENING BALANCE)	153,155,478	105,832,343
CASH AND CASH EQUIVALENTS(CLOSING BALANCE)	44,215,086	153,155,478
	<b>(108,940,392)</b>	<b>47,323,135</b>

In terms of our attached report of even date

For P.K.Lilha & Co.

Chartered Accountants

For and on behalf of the Board

P.K.Lilha  
Partner

Sandip Jhunjunwala  
Managing Director

A. Chatterjee  
Director

K. D. Ghosh  
Director

Membership No.: 11092

Place : Kolkata

Dated : 29th May, 2006

**REI AGRO LIMITED**  
**SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2006**

	<b>AS AT 31.03.2006 (IN Rs.)</b>	<b>AS AT 31.03.2005 (IN Rs.)</b>
<b>SCHEDULE - 1</b>		
<b>AUTHORISED CAPITAL</b>		
8,00,00,000 (4,00,00,000) Equity Shares of Rs.10/- each	800,000,000	400,000,000
40,00,000 (40,00,000) Preference Share of Rs. 100/- each	400,000,000	400,000,000
	<b><u>1,200,000,000</u></b>	<b><u>800,000,000</u></b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
3,88,31,187 (3,34,46,754) Equity Shares of Rs.10/- each fully paid up ( Refer note no.3 of Schedule 20)	388,311,870	334,467,540
Of the above following were allotted:-		
a) 1,48,00,300 Equity Shares issued as fully paid up Bonus Share by Capitalisation of General Reserve in 2003-04		
b) 75,40,000 Equity Shares issued during the year as underlying shares to 37,70,000 GDR's each representing two shares		
c) 1690587 Equity Share issued on conversion of 626 FCCB's in 2005-06		
4,00,00,000 (4,00,00,000) 4% Non-Convertible Redeemable Preference Shares of Rs.100/- each fully paid up in Cash	400,000,000	400,000,000
	<b>788,311,870</b>	<b>734,467,540</b>
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Securities Premium</b>		
As per Last Year	461,538,480	-
Add: During the year ( Net) ( Refer note No. 4 of Schedule 20)	1,098,462,050	461,538,480
Less: FCCBs and GDRs issue expense, etc.	(122,236,954)	-
	<b>1,437,763,576</b>	<b>461,538,480</b>
<b>General Reserve</b>		
As Per Last Year	459,315,934	159,315,934
Add: Transferred from Profit and Loss Account	500,000,000	300,000,000
	<b>959,315,934</b>	<b>459,315,934</b>
<b>Profit and Loss Account</b>		
As per Annexed Account	73,891,753	15,142,207
	<b>2,470,971,263</b>	<b>935,996,621</b>

**SCHEDULE - 3****SECURED LOAN**

AS AT 31.03.2006 (IN Rs.)	AS AT 31.03.2005 (IN Rs.)
---------------------------------	---------------------------------

**Term Loan**

Industrial Development Bank of India	-	63,800,000
State Bank of India	-	36,400,000
United Bank of India	212,500,000	250,000,000

(Secured by creation of first charge on Fixed Assets at Rice Division both present and future and by second charge on hypothecation of stock of Rice, Paddy, Book-debts & Stores etc. for Rice Division both present & future on pari passu basis & first charge with consortium of Banks.) Amount due in one year Rs. 500 lacs (Previous Year Rs. 340 Lacs)

Indian Renewable Energy Development Agency	174,723,000	185,000,000
Allahabad Bank	34,580,000	41,500,000

( Secured by creation of first charge on their respective WTG's at Jaislamer & Sundry Debtors thereon and personal guarantee of some director in case of IREDA) Amount due in one year Rs. 274.76 lacs (Previous Year Rs 138 Lacs)

Infrastructure Development Finance Company Limited	496,000,000	-
----------------------------------------------------	-------------	---

( Secured by creation of first charge on 6 WTG's (NEG Make) at Dhule & Sundry Debtors thereon ) Amount due in one year Rs. Nil

<b>917,803,000</b>	<b>576,700,000</b>
--------------------	--------------------

**Working Capital Facilities**

( From Scheduled Banks )

**A) Demand Loan**

a) Foreign Currency Loan	152,988,000	1,033,044,479
b) Rupee Loan	140,000,000	484,888,589

**B) Cash Credit**

Rupee Loan	1,919,566,430	775,966,507
------------	---------------	-------------

**C) Packing Credit**

Foreign Currency Loan	655,129,192	-
Rupee Loan	195,310,059	389,106,139

<b>3,062,993,681</b>	<b>2,683,005,714</b>
----------------------	----------------------

( Secured by creation of first charge on pari passu basis, on hypothecation of stocks of Rice, Paddy, Book Debts & Stores etc. both present & future ( except windfarm Division) and by second charge on all Fixed Assets both present and future for Rice Division, on which first charge is registered in favour of UBI )

**Commercial Paper**

( Secured by earmarking of working capital limits)

Maximum balance outstanding during the year Rs. 200 Crores (Previous Year Rs. 100 crores)

<b>2,000,000,000</b>	<b>1,000,000,000</b>
----------------------	----------------------

<b>5,980,796,681</b>	<b>4,259,705,714</b>
----------------------	----------------------

**SCHEDULE - 4****UNSECURED LOAN****Foreign Currency Convertible Bond**

( Refer note no. 2 of Schedule 20)

<b>1,127,871,200</b>	-
----------------------	---

**Long Term Loans**

From Bodies Corporate	363,527,286	291,250,000
-----------------------	-------------	-------------

**Deposit from Customers**

-	311,461,772
---	-------------

**Supplier's Credit**

- Suzlon Energy Limited

60,328,120	260,328,120
------------	-------------

<b>1,551,726,606</b>	<b>863,039,892</b>
----------------------	--------------------

**SCHEDULE-5**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.2005	ADDITIONS	DEDUCTIONS	AS ON 31.03.2006	AS ON 01.04.2005	FOR THE YEAR	DEDUCTIONS	AS ON 31.03.2006	AS ON 31.03.2006	AS ON 31.03.2005
LAND	32,471,723	6,830	-	32,478,553	-	-	-	-	32,478,553	32,471,723
LEASE HOLD LAND	6,000,000	21,120,000	-	27,120,000	300,000	472,379	-	772,379	26,347,621	5,700,000
BUILDING	175,083,770	137,546,456	-	312,630,226	23,193,876	6,237,510	-	29,431,386	283,198,840	151,889,894
PLANT & MACHINERY	539,237,703	269,369,436	-	808,607,139	77,373,086	29,717,238	-	107,090,324	701,516,816	461,864,617
WINDFARM GENERATORS	928,670,400	598,928,753	-	1,527,599,153	17,884,085	54,477,631	-	72,361,716	1,455,237,437	910,786,315
OFFICE EQUIPMENT	1,504,423	95,662	-	1,600,085	258,109	75,433	-	333,542	1,266,543	1,246,314
TUBEWELL	468,850	-	-	468,850	91,878	22,270	-	114,148	354,702	376,972
COMPUTER	6,975,006	740,461	-	7,715,467	3,173,710	1,176,339	-	4,350,049	3,365,418	3,801,296
VEHICLES	4,676,141	2,826,164	1,250,780	6,251,525	1,569,392	416,755	369,618	1,616,529	4,634,996	3,106,749
FURNITURE & FIXTURES	3,100,347	347,282	-	3,447,629	758,841	199,700	-	958,541	2,489,088	2,341,506
<b>TOTAL</b>	<b>1,698,188,363</b>	<b>1,030,981,044</b>	<b>1,250,780</b>	<b>2,727,918,627</b>	<b>124,602,977</b>	<b>92,795,255</b>	<b>369,618</b>	<b>217,028,614</b>	<b>2,510,890,014</b>	<b>1,573,585,386</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>770,967,600</b>	<b>927,985,479</b>	<b>764,716.00</b>	<b>1,698,188,363</b>	<b>84,540,161</b>	<b>40,365,404</b>	<b>302,588</b>	<b>124,602,977</b>	<b>1,573,585,386</b>	
<b>CAPITAL WORK IN PROGRESS</b>	<b>4,848,486.00</b>	<b>559,100,253.00</b>	<b>4,848,486.00</b>	<b>559,100,253</b>					<b>559,100,253</b>	<b>4,848,486</b>

**SCHEDULES - 6**

AS AT 31.03.2006 (IN Rs.)	AS AT 31.03.2005 (IN Rs.)
---------------------------------	---------------------------------

**INVESTMENTS( Non-trade and Long Term) at Cost**

In Fully Paid-up Quoted Equity Shares of Rs. 10/- each

No of Shares	Company		
35000	Allahabad Bank	2,870,000	-
2000	Jyoti Structure Limited	546,155	-
3109	OCL Limited	-	1,434,286
398	Punjab National Bank	155,220	740,220
5500	Reliance Capital Limited	2,255,907	-
1186	Transgene Biotech Limited	-	72,042
		<b>5,827,282</b>	<b>2,246,548</b>

Market Value as on 31.03.2006: Rs.6890169/- ( Rs. 2561649/-)

**SCHEDULES - 7****INVENTORIES**

( As taken, valued &amp; Certified by the Management)

Raw materials	3,201,243,860	3,755,668,280
Finished Goods	2,744,714,516	1,367,276,228
Stores, Spares & Packing Materials etc.	14,962,727	7,926,495
	<b>5,960,921,103</b>	<b>5,130,871,003</b>

**SCHEDULE - 8****SUNDRY DEBTORS**

( Unsecured, Considered Good)

Debts Due for a period exceeding six months	4,084,669	318,769
Others debts	2,381,100,859	1,459,888,474
	<b>2,385,185,528</b>	<b>1,460,207,243</b>

**SCHEDULE - 9****CASH & BANK BALANCES**

Cash in Hand (As certified by the management)	2,398,418	2,942,468
<b>Balance with Scheduled Banks</b>		
- in Current Accounts	13,209,066	7,539,135
- in Fixed Deposits	28,391,200	139,757,856
Interest Accrued on Fixed Deposits	216,402	2,916,019
	<b>44,215,086</b>	<b>153,155,478</b>

**SCHEDULE - 10****LOANS & ADVANCES**

(Unsecured, Considered Good)

Advances recoverable in Cash or in kind or for value to be received	221,976,522	93,084,606
Deposits	19,858,004	9,527,847
Income tax payments	80,862,158	18,872,753
Fringe Benefit Tax	825,885	-
	<b>323,522,569</b>	<b>121,485,206</b>

<b>SCHEDULE - 11</b>	<b>AS AT 31.03.2006 (IN Rs.)</b>	<b>AS AT 31.03.2005 (IN Rs.)</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>( A ) Current Liabilities</b>		
Acceptances	249,671,581	1,165,240,710
Sundry Creditors		
For Goods supplied and Services		
Other than Small Scale Industrial Undertaking	72,239,109	119,646,769
For Capital Expenditure	28,118,547	16,599,666
For other Liability	35,844,287	5,635,238
Investor Education & Protection Fund ( Unclaimed Dividend)	3,183,742	1,881,618
	<b>389,057,266</b>	<b>1,309,004,001</b>
<b>( B ) Provisions</b>		
For Taxation	83,675,984	38,980,263
For Fringe Benefit Tax	1,591,185	-
For Grauity & Leave Encashment	2,730,690	916,270
For Dividend	16,000,000	66,170,131
For Dividend Tax	2,244,000	8,647,609
	<b>106,241,859</b>	<b>114,714,273</b>
	<b>495,299,125</b>	<b>1,423,718,274</b>
<b>SCHEDULE - 12</b>		
<b>MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)</b>		
Preliminary Expenses	-	61,741
Public Issue Expenses	-	570,145
	-	<b>631,886</b>
<b>SCHEDULE - 13</b>		
<b>SALES</b>		
Sale of Rice, Bran & Husk	9,431,019,049	8,386,594,851
Export Incentives	9,203,583	550,550
Sale of Power/Energy	147,427,398	63,006,651
	<b>9,587,650,030</b>	<b>8,450,152,052</b>
<b>SCHEDULE - 14</b>		
<b>OTHER INCOME</b>		
Insurance Claim	-	3,700
Profit on Sale of Investments (In Shares)	1,423,102	-
Dividend received on Shares	147,120	51,840
Miscellaneous receipts	631,606	22,216
	<b>2,201,828</b>	<b>77,756</b>
<b>SCHEDULE - 15</b>		
<b>INCREASE/(DECREASE) IN INVENTORY</b>		
Opening Stock of Finished Goods	1,367,276,228	916,191,000
Closing Stock of Finished Goods	2,744,714,516	1,367,276,228
	<b>1,377,438,288</b>	<b>451,085,228</b>

<b>SCHEDULE - 16</b>	<b>AS AT 31.03.2006 (IN Rs.)</b>	<b>AS AT 31.03.2005 (IN Rs.)</b>
<b>RAW MATERIAL CONSUMED &amp; PURCHASE OF GOODS</b>		
A) Raw Material Consumed		
Opening Stock	3,755,668,280	2,221,902,930
Purchases	7,014,157,882	8,173,511,656
Agriculture crop produce expenses	14,193,832	22,229,256
	-	-
Less - Closing Stock	3,201,243,860	3,755,668,280
	<b>7,582,776,134</b>	<b>6,661,975,562</b>
 B) Purchase of Goods	 1,280,260,492	 855,055,470
	<b>8,863,036,626</b>	<b>7,517,031,032</b>

**SCHEDULE - 17**

**MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES**

Stores, Spares & Packing Material Consumed( 100% indigneous)	129,317,248	61,226,043
Power & Fuel	57,355,485	48,943,159
Salary,Wages & Bonus	74,889,058	65,810,293
Contribution to Provident Fund & Other Fund	1,471,838	833,431
Staff Welfare	1,672,804	1,355,309
Security Charges	4,539,654	2,618,903
Hire Charges	2,837,442	5,756,164
Repairs & Maintenance		
- Plant & Machinery	1,542,004	1,072,853
- Buildings	906,945	225,674
-Windfarms	161,391	256,277
-others	517,958	-
Rent	6,363,082	2,731,454
Rates & Taxes	71,945	97,654
Key Man Insurance	1,211,188	737,963
Insurance	5,933,988	6,211,595
ECGC Premium	1,089,073	2,914,226
Bank Charges	17,014,339	21,072,935
Postage & Telephone	2,877,236	2,380,689
Auditors' Remuneration	1,124,441	416,156
Directors' Remuneration	2,976,000	1,872,000
Directors' Fees	39,000	40,500
Filing Fees	36,730	518,489
Travelling & Conveyance	10,099,013	8,432,126
Miscellaneous Expenses	18,830,077	18,421,695
Carriage Outward, Freight & Clearing Charges	256,260,034	248,471,019
Advertisement	1,519,856	332,257
Brokerage & Selling Expenses	12,090,511	7,692,148
Purchase /Sales Tax	1,299,111	-
Loss on sale of investment	-	94,630
Loss on sale of Fixed Assets	-	73,127
	<b>614,047,451</b>	<b>510,608,769</b>

**SCHEDULE - 18**

**Interest**

- On Term Loan	56,157,432	33,680,687
- On Working Capital etc.( Net)	317,314,776	257,717,555
	<b>373,472,208</b>	<b>291,398,242</b>

## **Schedule – 19**

### **SIGNIFICANT ACCOUNTING POLICIES:**

#### **1. METHOD OF ACCOUNTING:**

- a) The accounts of the company are prepared under historical cost convention and with applicable accounting assumption of a going concern in compliance with the accounting standards referred to in section 211(3C) of the Companies Act 1956.
- b) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.
- c) Accounting policies not specifically referred otherwise, are consistent and in consonance with generally accepted accounting principles.

#### **2. FIXED ASSETS:**

- a) Fixed Assets are stated at cost of acquisition or construction inclusive of freight, duty, taxes and incidental expenses related to acquisition or construction less depreciation.
- b) Land is stated at cost of acquisition inclusive of incidental expenses thereto.
- c) Leasehold Land is stated at cost and is amortized over the period of lease.
- d) Project under commissioning and other Capital Work in Progress are carried at cost, comprising direct cost & related incidental expenses and attributable interest on borrowed funds for project, if any.
- e) When assets are sold or discarded, their cost and accumulated depreciation are removed from fixed assets and any gain / loss resulting from disposal is included in profit & loss account.

#### **3. DEPRECIATION:**

Depreciation on Fixed Assets is provided pro-rata and on the Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

#### **4. INVESTMENTS:**

Long Term Investments are stated at cost. However, provision for diminution in value, if any, is made to recognize a decline other than temporary in the value of investments.

#### **5. INVENTORIES:**

- i) Inventories are valued as under:

Raw Materials	: At cost. (FIFO)
Finished Goods	: At cost (less realizable value of by-products) or market price whichever is lower.
- ii) Stores, spares and packing : At cost, other than used materials which are at estimated realizable value.
- iii) Raw material on floor shop and in process is taken as part of raw material and valued accordingly.
- iv) Market value is based on the available market price and estimated realizable value.

## **6. FOREIGN CURRENCY TRANSACTIONS**

- i) Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction.
- ii) Current Assets and Current Liabilities are translated at rate prevailing at the end of the year. The differences between the rate prevailing on the date of transaction and on the date of settlement as also on translation of current assets and current liabilities at the end of the year are recognized in the Profit & Loss Account.
- iii) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the forward contract is recognized as income or expense over the life of the contract.

## **7. REVENUE RECOGNITION**

- i) Domestic Sales are accounted when goods are supplied to customers and are recorded net of trade discounts, rebates, sales tax/ vat etc. Export sales are accounted on the basis of bill of lading. Sale of energy is accounted on actual net billing plus claims for short generation wherever applicable.
- ii) Income for Services rendered/derived is booked based on agreement/arrangements with the concerned parties.
- iii) Interest on Fixed Deposits/Advances is booked on time proportion basis taking into account the amount invested and the rate of interest.
- iv) Profit/Loss on sale of investments has been booked on the basis of contract notes for sale of shares.
- v) Dividend income on Investments is accounted for when the right to receive the payment is established.
- vi) Insurance claims are recorded on cash basis.
- vii) Claims by the Government Authorities regarding taxes, duties, etc. which are disputed by the Company, are accounted based on the merits of each claim.

## **8. RETIREMENT BENEFITS**

Retirement Benefits to employees comprise Provident fund, Gratuity and leave encashment benefit under the Scheme of the Company.

In respect of defined contribution schemes, the contribution payable for the year is charged to Profit to Loss account.

In respect of gratuity and leave encashment provision for accrued liability is made on the basis of estimate and / or Actuarial valuation wherever available.

**9. TAXES ON INCOME:**

Tax expense for the year comprising current tax, deferred tax and Fringe benefit tax are included in determination of net profit for the year.

Deferred Tax is recognized on all timing differences subject to consideration of prudence in respect of deferred Tax Assets.

**10. BORROWING COSTS:**

Borrowing costs are recognized as an expense in the year in which they are incurred except cost that are directly attributable to the acquisition, construction or production of qualifying assets which are capitalized as part of the cost of the asset.

**11. PRELIMINARY AND PUBLIC ISSUE EXPENSES**

Preliminary and public issue expenses are amortized over a period of ten years.

**12. FCCBS & GDRS ISSUE EXPENSE**

Foreign Currency Convertible Bonds (FCCBs) & Global Depositary Receipt (GDRs) issue expenses incurred are adjusted against the Security Premium Account in the year in which they are incurred in terms of Section 78 (2) of the Companies Act, 1956.

**13. CONTINGENT LIABILITIES**

Contingent liabilities are disclosed after a careful evaluation of the facts and various aspects of the matter involved.

## **SCHEDULE-20**

### **NOTES ON ACCOUNTS:**

#### **1. Contingent liabilities not provided for in respect of:**

- a) Estimated amount of contracts remaining to be executed on Capital account (net of advances) Rs. 2122 Lacs (previous year Rs. 670 Lacs)
- b) Sales Tax Demand for the financial year 1997-98 of Rs 51.34 Lacs (Net of deposits) for which Bonds have been executed by third parties.
- c) Letters of Guarantee issued by the Bank in favour of Dy. Commissioner of Customs, for Rs.22,29,200/- on account of import of Plant & machinery against the Import License issued under Para 5.2/5.7 of Exim Policy 2002-07 under lower Custom Duty EPCG Scheme against which differential duty amounts to Rs. 22,29,200/- These amounts have been taken credit in the year of import while capitalising the Plant & Machinery, on the obligations that the Company will export items to GCA and realize money in the Convertible Foreign Exchange worth Rs.5.00 Crores, over the period of 8 years from the date of issue of license. The Company has already fully met its past and present obligation by exporting Rs.24.34 Crores by use of imported capital goods to GCA. The company has now requested the custom authority to release the Bonds executed by the company and also Bank Guarantee issued by the Bank.

#### **2. Foreign Currency Convertible Bonds (FCCB)**

- a) The Company has issued during the year 1.5% Foreign Currency Convertible Bonds (FCCB) of US \$ 10000 each aggregating US \$ 32.20 million [Rs. 140.01 Crores] at par. The bonds are redeemable on 8<sup>th</sup> July, 2010 unless previously converted at 125.383% of its principle amount, these bonds are convertible into equity shares at a initial conversion price of Rs.161/- per share with a fixed rate of exchange on conversion @ Rs.43.48 =US \$ 1.00 at the option of the bondholder at any time on or after 8<sup>th</sup> August, 2005 and prior to the close of business on 7<sup>th</sup> June, 2010. During the year, conversion option in respect of 626 bonds aggregating to US \$ 6.26 million [Rs 27.22 Crores] was exercised by the bondholders and pursuant to this 1690587 equity shares of Rs.10 each were allotted. The exercise of conversion option and the consequent allotment of shares resulted in the Share Capital of the company increasing by Rs.1.69 Crores and Rs.25.53 Crores credits the Security Premium A/c.

The outstanding 2594 bonds amounting to US \$ 25.94 million [Rs. 112.79 Crores] as at 31.03.2006, if fully converted, would result in issue of 70,05,413 additional equity shares of Rs.10/-each. The Company, subject to fulfillment of certain conditions and obtaining requisite approvals, has an option to redeem these bonds but not in part on or after 8<sup>th</sup> July 2008 and prior to 8<sup>th</sup> July, 2010 at its early redemption amount together with the accrued and unpaid interest.

- b) Redemption on 2594 FCCB Bonds outstanding on 31.03.2006 if made on or after 8<sup>th</sup> July, 2008 and prior to 8<sup>th</sup> July, 2010 will entail Premium liability @ 25.383% amounting Rs.28.43 Crores and shall be paid out of Security Premium A/c as and when due.

### 3. Equity Share Capital

38,46,154 equity shares of Rs. 10 each issued at a premium of Rs. 120 per share each allotted on 24.03.2005 on preferential basis has been cancelled during the year in accordance with the provisions of Sections 73 of the Companies Act, 1956.

### 4. Security Premium Account

Security Premium Account during the year (Net) amounting Rs. 10984.62 Lacs consists of Rs. 2552.78 Lacs on account of Security Premium @Rs.151/- per share on issue of 1690587 equity shares on conversion of 626 FCCBs and Rs. 13047.22 Lacs for Security Premium @ Rs.173/- per share on 75,40,000 equity shares issued as underlying shares for 37,70,000 GDRs and after adjusting Rs.4615.38 lacs, being premium received @120/- per share on preferential issue of 38,46,154 Equity Shares cancelled during the year as per Note (3) above.

### 5. The company has purchased & sold investment during the year:

<u>No of Equity Shares</u>	<u>Name of the Company</u>
72,013	Allahabad Bank
50,000	Himachal Futuristics Communication Limited
10,000	Hindustan Motors Limited
6,056	Jyoti Structure Limited
5,185	Syndicate Bank
5,000	Bank of Baroda

### 6. Managerial Remuneration ( In Rs.):

	<u>2005-06</u>	<u>2004-05</u>
(a) Salaries & Allowances	17,76,000	6,72,000
(b) Company's cont. to provident fund	9,360	9,360
(c) Commission to a director	12,00,000	12,00,000
(d) Director Sitting Fees	39,000	40,500
(e) Other Perquisites	4,38,603	65,415
	<u>34,62,963</u>	<u>19,87,275</u>

### Computation of net profit in accordance with section 198 of the Companies Act 1956: -

	<u>2005-06</u>	<u>2004-05</u>
Net Profit after Taxation	66,02,94,280	37,85,09,100
Add: Managerial Remuneration (as above)	<u>34,62,963</u>	<u>19,87,275</u>
	66,37,57,243	38,04,96,375
Less: Profit/ (Loss) on sale of fixed assets	-----	(73,127)
Profit/ (Loss) on sale of Investment	<u>14,23,102</u>	<u>(94,630)</u>
<b>Net Profit</b>	<b>66,23,34,141</b>	<b>38,06,64,131</b>
Commission Amount	Rs.12,00,000	Rs.12,00,000
- Percentage of Net Profit	0.18%	0.32%

Commission Payable to Director up to @ 1% of Net Profit, restricted to Rs.12,00,000/- being a sum determined as above by the Board of Directors.

<b>7. Auditors Remuneration includes:</b>	<b><u>2005-06</u></b>	<b><u>2004-05</u></b>
(a) Audit Fees	4,50,000	2,50,000
(b) Tax Audit Fees	50,000	50,000
(c) For Certification	3,00,000	25,000
(d) For Management Consultancy Fees	1,75,000	---
(d) For Service Tax	99,450	29,630
(e) For reimbursement of expenses	1,49,441	61,525
<b>Total</b>	<b>12,23,891</b>	<b>4,16,155</b>

8. The estimated liability on account of Gratuity and Leave Encashment provided is Rs 27,31,140 /- (Rs 9,16,270/-).

9. Fixed deposits with banks include Rs 178.91 Lacs (Rs.1310.00 Lacs) pledged as margin money against Letter of Guarantee and Letter of Credits issued by them.

10. There are no Small Scale Industrial Undertakings to whom the Company owes sums, including Interest outstanding for more than thirty days.

11. Interest on working capital, etc. is Net of interest on fixed deposit with Bank etc.

12. Stores, Spares and packing materials consumed are net of realization.

### 13. Contract Farming:

The company is in possession of agricultural land on crop sharing basis from various landowners for cultivating and raising paddy crop, in addition to leasehold rights of agricultural land allotted by the Government from time to time. All Agricultural expenses relating to cultivation of land, labour charges and expenses like fertilizers, seeds, insecticides, pesticides and transportation etc. are accounted as and when they are incurred.

### 14. Earning per Share:

b) Calculation of weighted number of equity shares of Rs. 10 each

1) No. of Equity Shares at the beginning of the year 3,34,46,754

Less: Preferential Allotment of equity shares cancelled 38,46,154  
2,96,00,600

2) Add: Equity Shares on FCCB Conversion:

<u>Date of Allotment</u>	<u>Nos.</u>	<u>Weighted Nos.</u>	
24.08.2005	67,515	40,694	
26.09.2005	13,50,310	691,803	
24.10.2005	270,062	117,643	
18.11.2005	2,700	<u>991</u>	8,51,131

3) Add: Equity Shares as underlying shares to GDR:

17.11.2005 75,40,000 27,88,767  
Total No. Of Shares (Denominator) **3,32,40,498**

b) Calculation of profit available to Equity Shares

Net Profit After Tax 66,02,94,280  
Less: Preference Shares Dividend and Dividend Tax 1,82,44,000

Profit after tax available to Equity Shareholders **64,20,50,280**  
(Numerator)

Earning Per Share =  $\frac{64,20,50,280}{3,32,40,498}$  Rs.19.32

### 15. Segment Reporting:

Based on the guiding principles given in accounting standard on Segment Reporting (AS-17) issued by the Institute Of Chartered Accountants Of India, the company's primary business segment is Rice and additionally Wind Farm.

#### Primary Business Reporting

a) Business Segment.

(Rs. in Lacs)

Sl. No	Particulars	Rice	Energy Generation (Wind Farm)	Unallocable Expenditure	Total
1.	Net Sales/Income from operation	94402.23 (83871.45)	1474.27 (630.07)	-----	95876.50 (84501.52)
2.	Segment Result Profit(+)/ Loss (-) before Tax, Interest & depreciation from each segment	13487.25 (8164.41)	1408.49 (566.02)	-----	14895.74 (8730.43)
	Less: i) Interest	3173.00 (2761.12)	561.72 (152.86)	-----	3734.72 (2913.98)
	ii) Depreciation	378.45 (228.60)	549.50 (175.05)	-----	927.95 (403.65)
	Total Profit before Tax	9935.80 (5174.69)	297.27 (238.11)	-----	10233.07 (5412.80)
3.	Segment Assets	101568.88 (75155.32)	16327.74 (9308.67)	-----	117896.62 (84463.99)
4.	Segment Liability	68764.43 (58376.36)	11513.79 (7088.28)	5025.56 (2301.03)	85303.78 (67765.67)
5.	Capital Employed (Segment Asset-Segment Liability)	32804.45 (16778.96)	4813.95 (2220.39)	-5025.56 (-2301.03)	32592.84 (16698.32)
6.	Addition to Segment Fixed Assets	4109.32 (3135.15)	6200.49 (6144.70)	-----	10309.81 (9279.85)
7.	Depreciation	378.45 (228.60)	549.50 (175.05)	-----	927.95 (403.65)

b) Geographical Segment

Sl. No	Particulars	Rice	Energy Generation (WTG)	Total
1.	Revenue Source: India	86875.34 (78380.12)	1474.27 (630.07)	88349.61 (79010.19)
	Outside India	7526.89 (5491.33)	----- (-----)	7526.89 (5491.33)
	Total	94402.33 (83871.45)	1474.27 (630.07)	95876.50 (84501.52)
2.	Assets: India	100107.91 (74848.88)	16327.74 (9308.67)	116435.65 (84157.55)
	Outside India	1460.97 (306.44)	----- (-----)	1460.97 (306.44)

**16. Related party disclosures:**

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) Sri Sanjay Jhunjunwala (Chairman)
- b) Sri Sandip Jhunjunwala (Managing Director)

II) Name of the companies where control exists (either individually or with others)

- a) Aspective Vanijya Pvt. Ltd.
- b) Jagdhatri Tracon Pvt. Ltd.
- c) REI Steel & Timber Pvt. Ltd.
- d) Snehpuph Barter Pvt. Ltd.
- e) Subhchintak Vancom Pvt. Ltd.
- f) Shree Krishna Gyanodaya Flour Mills Pvt. Ltd.
- g) Varrsana Ispat Limited
- h) Directors' relatives:
  - i) Sri Kailash Chandra Jhunjunwala
  - ii) Smt. Koushalya Devi Jhunjunwala
  - iii) Smt. Sangita Jhunjunwala
  - iv) Smt. Suruchi Jhunjunwala
  - v) Sri Akshay Jhunjunwala

III) Transactions with Related parties:

<u>Transaction</u>	<u>Control</u>	<u>Key Management</u>	<u>Relatives of key Management Personnel</u>
1) Dividend Paid	5,54,12,235 (1,13,32,447)	29,77,240 (5,95,448)	4,18,775 (1,40,070)
2) Remuneration	----- (-----)	34,23,963 (19,46,775)	92,000 (-----)

Note: Reimbursement of expenses has not been treated as related party transactions.

- 17.** Working Capital Demand Loan includes foreign currency loan for a period of 6/12 months (with option for further renewal) and is covered by forward contract.

<b>18. Deferred Taxation:-</b>	<b><u>As on 31.03.2006</u></b>	<b><u>As on 31.03.2005</u></b>
a) Deferred Tax Liabilities :		
- On Depreciation	Rs. 50,34,75,591	Rs 23,03,90,583
b) Deferred Tax Assets		
- On Gratuity & Leave Encashment	Rs. 9,19,302	Rs. 2,87,388
Net Liability	<b>Rs 50,25,56,289</b>	<b>Rs 23,01,03,195</b>

The Deferred tax liability has arisen on account of the timing difference between the depreciation admissible under Income Tax and the depreciation adjusted in the accounts. Though provision is being made as per Accounting Standard (AS-22) "Accounting of Taxes on Income" issued by the Institute of Chartered Accountants of India, having regard to the normal capital expenditure which the company is expected to continue to make in the future years, the timing difference is not expected to be reversed and no cash outgo is expected to materialize towards such liability in foreseeable future.

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

**(A) Capacities, Production, Sales and Stocks**

	<u>UNIT</u>	<u>2005-06</u>	<u>2004-05</u>
I) Licensed Capacity		Not Applicable	Not Applicable
II) Installed Capacity -Basmati Rice Processing	(TPH)	49	42
III) Installed Capacity Wind farm (As certified by the Management)	(MW)	29.90	20

**i) Finished Goods**

Particulars	<u>2005-06</u>		<u>2004-05</u>	
	Qty in MT.	Amount (Rs)	Qty in MT.	Amount (Rs)
a) Processed Rice				
i) Opening stock	32679	1112474513	22264	916191000
ii) Actual Production	265632	-	230672	-
iii) Sales	225820	7709089240	220257	7553861158
iv) Closing stock	72491	2744714516	32679	1112474513

**ii) By-Product**

	<u>2005-06</u>		<u>2004-05</u>	
	Qty in MT.	Amount (Rs)	Qty in MT.	Amount (Rs)
Bran & Husk				
Sales	24478	74812155	28354	103676394

**iii) Purchase of Goods**

	<u>2005-06</u>		<u>2004-05</u>	
	Qty in MT.	Amount	Qty in MT.	Amount
i) Opening stock	24759	254801715	Nil	-----
ii) Purchase	79599	1280260492	81954	855055470
iii) Sales	103598	1647117654	56925	729057299
iv) Closing stock	-----	-----	24759	254801715
v) Shortage	760	-----	270	-----

**(B) Raw material consumed & purchase of goods (100% Indigenous)**

	<u>2005-06</u>		<u>2004-05</u>	
	Qty in MT.	Amount(Rs)	Qty in MT.	Amount(Rs)
Raw material consumed	338613	7582776134	311459	6661975562
Purchase of goods	79599	1280260492	81954	855055470
Total		8863036626		7517031032

**(C) Power Generation**

	<u>2005-06</u>		<u>2004-05</u>	
	Units	Amount (Rs)	Units	Amount (Rs)
Electricity	42387141 *	147427398 *	14498395	63006651

\*includes claim for short generation

	<u>2005-06</u> (in Rs)	<u>2004-05</u> (in Rs)
(D) (i) FOB Value of Exports	708406516	464604593
(ii) Interest Earned	11914280	----
(E) C.I.F. Value of Capital Goods imports	38141659	5933494
(F) Expenditure in Foreign Currency		
i) Revenue Expenditure (Travelling)	5428312	3915945
ii) Capital Expenditure Travelling	1746179	----
iii) Management Training Expenditure	1263883	2165585
iv) Interest on FCCB's (Net of TDS)	12760405	----
(G) i) Amount remitted in Foreign Currency on Account of Dividend		
(a) On Equity Share	11669900	825440
(b) On Preference Share	16000000	3000000
ii) No. of Non-resident Shareholders		
(a) Equity Shares	58	4
(b) Preference Share	8	5
iii) No. of shares held by Non- resident Shareholders		
(a) Equity Shares	11974484	1179200
(b) Preference Shares	4000000	4000000

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

21) Figures in brackets denote previous year's figures.

**Signature to Schedule 1 to 21**

In terms of our attached report of even date  
For **P.K.Lilha & Co.**  
Chartered Accountants

For and on behalf of the Board

P.K.L.ilha  
**Partner**  
Membership no: 11092

Sandip Jhunjhunwala  
**Managing Director**

A.Chatterjee  
**Director**

K. D. Ghosh  
**Director**

Place: Kolkata  
Dated: 29<sup>th</sup> May, 2006

**REI AGRO LIMITED**

## Balance Sheet Abstract and Company's Business Profile

## I. Registration Details

Registration No.       State Code

Balance Sheet Date

## II Capital Raised during the Year ( Rs. in Thousand)

Public Issue\*      Right Issue

Bonus Issue      Private Placement

## III Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities	<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="3"/>	Total Assets	<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="3"/>
Sources of Funds		Application of Funds	
Paid-up Capital	<input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="2"/>	Net Fixed Assets	<input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>
Reserves & Surplus	<input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="1"/>	Net Current Assets	<input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="5"/>
Secured Loans	<input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="7"/>	Investments	<input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="7"/>
Unsecured Loans	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="6"/>	Misc. Expenditure	<input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Deferred Tax	<input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="6"/>	Accumulated Losses	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

## IV Performance of Company (Rs. in Thousands)

Turnover	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="0"/>	Total Expenditure	<input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="3"/>
Profit/(Loss) Before Tax	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="7"/>	Profit/(Loss) After Tax	<input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="4"/>
Earning per Share in (Rs.)	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="."/> <input type="text" value="3"/> <input type="text" value="2"/>	Dividend Rate	<input type="text" value="2"/> <input type="text" value="0"/> %

## V Generic Names of three principal Products/Services of Company (As per Monetary terms)

Item Code No (ITC Code)

Product Description

\* Through issue of GDRs and Foreign Currency Convertible Bond

For and on behalf of the Board

Sandip Jhunjhunwala  
Managing Director

A Chatterjee  
Director

K. D. Ghosh  
Director