UNITED BANK OF INDIA

Head Office : 11, Hemanta Basu Sarani, Kolkata - 700 001
Tel : 033-22481054; Fax : 033-22485852, Email : co.sec@unitedbank.co.in

Board Sec/NSE/ REI/ /2014

May 10, 2014

Sri Hari K. Vice President
National Stock Exchange of India Ltd.
Exchange Plaza, Plot – C/1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

Dear Sir,

Sub: Winding up petition against REI Agro Ltd.

The Exchange is hereby informed that the Bank has filed the winding up petition u/s 433, 434 and 439 of the Companies Act 1956 against REI Agro Ltd. vide petition no.436 (of 2014) in the High Court at Kolkata.

Thanking you,

Bikramjit Shom
Company Secretary &
Compliance Officer

NO.

OF 2014

COMPANY PETITION NO. 436 OF 2014

IN THE HIGH COURT AT CALCUTTA

ORIGINAL JURISDICTION

In the matter of:

The Companies Act, 1956;

And

In the matter of:

An application under sections 433, 434 and 439 of the said Act;

And

In the matter of :

REI AGRO LIMITED, a Company within the meaning of the Companies Act, 1956 and having its registered office at Everest House, 46C, Chowringhee Road, 15th floor, Room No – 15 B, Kolkata-700071, West Bengal, within the jurisdiction aforesaid.

...Company

And

United Bank of India, a body corporate, constituted under the Banking Companies (Acquisition & Transfer of undertakings) Act, 1970 having its registered/head office at 11, HemantaBasuSarani, Kolkata – 700 001, and inter alia carrying on business at and from its Corporate Finance Branch at 11 Hemanta Basu Sarani, Kolkata 700 001

.....Petitioner

To

The Hon'ble Arun Mishra, Chief Justice and His Companion Justices of the said Hon'ble Court.

The humble petition of the petitioner above named most respectfully –

S H E W E T H:

1. The address of your petitioner above named for service of all notices, processes etc is that of its Advocate on Record, Sri Prantar Basu Choudhury, Advocate, C/o Verus, Advocates, Room Nos. 1X & 1Y, Olisa Offices, 1st Floor, 4, Government Place (North), Kolkata-700001.

2. The Company above named, namely Rei Agro Limited (hereinafter referred to as the "Said Company") was incorporated on September 14, 1994 under the provisions of the Companies Act, 1956 as a Public Company limited by shares. The registered office of the said Company is situated at Everest House 46C, Chowringhee Road 15th floor, Room No— 15-B Kolkata-700071, within the jurisdiction aforesaid.

3. The Authorized Share Capital of the Company is Rs. 2,000,000,000.00/- (Rupees Two Hundred Crores Only). The paid up shares capital of the Company is Rs. 1,357,984,954.00/- (Rupees One Hundred and Thirty Five Crores Seventy Nine Lakhs Eighty Four Thousand Nine Hundred and Fifty Four only).

4. The object for which the Company was established are set out hereunder :

To carry on the business of manufacturers, producers, processors, Millers, preparators, Dealers, Exporters, importers of all varieties of paddy" Rice, Bran, Wheat, Wheat products and all other kinds and types of agricultural produce whether commercial crops, food grains, oil seeds or otherwise, directly as principals or as agents,

representatives, commission agents and with a view there to acquire, construct and erect (sic) integrated paddy processing project with facilities to produce rice, rice bran, oil, vanaspari ghee, cattle feed, husk and all other products of backward and forward integration and factory or factories for other products.

5. The ancillary and/or other objects of the Company as well as the main objects would appear from the Memorandum and Article of Association of the Company, copies whereof are annexed hereto and collectively marked with the letter "A".

6. The Company is indebted to the petitioner for a sum of Rs. 223,83,79,905.37 (Rupees Two Hundred and Twenty Three Crores Eighty Three Lakhs Seventy Nine Thousand and Nine Hundred and Five rupees and Paise Five Only)as onMarch 31, 2014 along with interest charged at the agreed rate of base rate + 175 bps i.e. 12% per annum.

7. The petitioner is a statutory corporation, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 and having its Corporate Finance Branch at 11 Hemanta Basu Sarani, Kolkata 700 001 amongst others in India.

8. Sometimes in August 2004 the company approached the petitioner for grant of credit facilities through its Promotor Director/Managing Director Sri Sandeep Jhunjhunwala. The Bank considering the request of the company sanctioned an overall limit of Rs 25.00 crore. The said overall limit was modified from time to time. On the requests and the representations made by the said Promoter Director/Managing Director Sri Sandeep Jhunjhunwala, the petitioner had sanctioned the following credit facilities, in consortium with others, vide sanction letter no CBG/ADV/REI-AGRO/671/2010-11 Dated 15-07-2010.

Sl. No.	Nature of Facilities	Sanctioned Limit (Rs. In Crore)
1	Cash Credit (Packing Credit, PCFC, Foreign Bill Purchase, FBN, Foreign Bill Discounting, Inland Letter of Credit)	215.00
	TOTAL	215.00

A duly accepted copy of the said letter of sanction, setting out the terms and conditions of sanction therein, is annexed hereto, and marked with the letter "B - 1". The said overall limit was also reviewed vide

sanction letter no CFBK/ REI/987/2011-12 dated November 24, 2011 and CFBK/REI/3652/2013 dated June 12, 2013. During the said review, the overall limit of Rs 215.00 core remained unchanged with the same terms and conditions and the said sanction letters containing the terms and conditions were communicated to the company and the same were accepted. Copies of the sanction letters dated November 24, 2011 and June 12, 2013 are annexed hereto and marked with the letters "B-2" and "B-3", respectively.

9. For granting of the working capital facilities to the tune of Rs. 4,250.00Crores (Rupees Four Thousand and Two Hundred and Fifty Crores Only), the consortium bankers executed an inter se agreement dated June 24, 2011, appointing UCO Bank as the lead banker therein. A copy of the said *inter se*agreement is annexed hereto and marked with the letter "C".

10. That as per the Sanction Letter, the Credit Facilities were to be secured in the manner as more particularly set out therein, in furtherance to which, the Company executed the following documents in favour of the Consortium Bankers/petitioner :

i. Sixth Supplemental Working Capital Consortium Agreement for Working Capital Facilities of Rs. 4250.00 Croresdated June 24, 2011;

ii. Sixth Supplemental Joint Deed of Hypothecationfor Working Capital Facilities of Rs. 4250.00 Crores dated June 24, 2011;

Copies of the aforesaid documents are annexed hereto and marked with the letter "D - 1" and "D – 2", respectively. Your petitioner craves leave to refer to the same at the time of hearing to ascertain its true meaning and purport.

11. That pursuant to the credit facilities having been sanctioned by the petitioner, the Company has availed the above credit facilities to the fullest extent and has failed to comply with the terms and conditions as per terms of sanction and have failed and/or neglected to regularize their account and comply with the agreed repayment schedule.The default made by the said company in making the payment to the petitioner clearly depicts that the said company is commercially insolvent.

12. From time to time, the petitioner made demands of the due from the Company. The Company has however failed to make payment of the said sum or any part thereof.

13. The Company has acknowledged its debt, and has executed a balance confirmation letter dated February 3, 2014, confirming therein

the debit balance accruing in favour of the petitioner in Cash Credit Account number 038925301163 to the tune of Rs. 2,17,28,02,713.37 (Rupees Two Hundred Seventeen Crore Twenty Eight Lakh Two Thousand Seven Hundred Thirteen and Thirty Seven Paise Only). A copy of the same is annexed hereto and marked with the letter "E".

14. As onMarch 31, 2014, the company was liable to pay to the petitioner Rs. 223,83,79,905.37 (Rupees Two Hundred and Twenty Three Crores Eighty Three Lakhs Seventy Nine Thousand and Nine Hundred and Five rupees and Paise Five Only)at the agreed rate of base rate + 175 bps i.e. 12% per annum.

15. In view of the aforesaid facts and circumstances, the petitioner through its Advocate has issued a notice dated April 1, 2014under Section 433/434 of the Companies Act, 1956, calling upon the Company to make payment of the said sum of Rs. 2,23,83,79,905.37 (Rupees Two Hundred and Twenty Three Crores Eighty Three Lakhs Seventy Nine Thousand and Nine Hundred and Five rupees and Paise Five Only) (being outstanding as on March 31, 2014) along with interest accruing thereon. The petitionerBank has sent the aforesaid notice through his learned lawyer at the registered as well as the corporate office of the Company. This is a statutory notice under Sections 433, 434 and 439 of the

Companies Act, 1956, a copy whereof along with the acknowledgement receipt thereto is annexed herewith and collectively marked with the letter "F".

16. Your petitioner further states that in spite of having been served with the said legal notice dated April 1, 2014more than 21 days have passed, but the company has failed and neglected to pay the dues of your petitioner or to secure or compound for the same to the reasonable satisfaction of the petitioner with the statutory period i.e. 21 days or at all. The company is thus deemed to be unable to pay its debts. Further, the company has preferred not to reply to the said notice dated April 1, 2014.

17. Prior to issuance of the above statutory notice for winding up, the bank vide letter dated March 11,2014 had also requested the company for regularization of the account. From the facts and circumstances it would be crystal clear that the company failed and neglected to pay the amount to your petitioner despite repeated demands and requests made by the petitioner. A copy of the said letter dated March 11, 2014 is annexed hereto and marked with the letter "G".

18. The petitioner states that the secured assets are insufficient to recover the outstanding dues payable by the company. The petitioner

submits that the petitioner is a banking company, and ergo is dealing with public money which needs to be protected.

19. The Company is unable to pay its debts and its continued existence is a threat to the commercial world. The Company has lost its commercial morality and substratum. It is therefore just and equitable that the Company be wound of under the Companies Act, 1956.

20. There is a sum of Rs. 223,83,79,905.37(Rupees Two Hundred and Twenty Three Crores Eighty Three Lakhs Seventy Nine Thousand and Nine Hundred and Five rupees and Paise Five Only) - as onMarch 31, 2014is due and payable by the Company to the petitioner in the particulars stated hereinafter.

PARTICULARS

Sl. No.	Facilities	Outstanding liability As on 31.03.2014
1	Cash Credit (Packing Credit, PCFC, Foreign Bill Purchase, FBN, Foreign Bill Discounting, Inland Letter of Credit)	Rs. 2,23,83,79,905.37
	TOTAL	Rs. 2,23,83,79,905.37

The petitioner is entitled to further interest/ at the agreed rate of base rate + 175 bps i.e. 12% per annum alongwith other penal interest and fees, costs etc., on and from April 1, 2014until payment of the said sums.The computer print outs of the statement of accounts relating to the Credit Facilities availed by the Company prepared by United Bank of India and maintained by United Bank of India in its usual and ordinary course of business along with the required certificate under the Banker's Book Evidence Act, 1891 in respect of the cash credit account of the Company is annexed hereto and marked with the letter "H".

21. From the facts and circumstances stated hereinabove and from the records it would be evident that the petitioner is entitled to a sum ofRs. 223,83,79,905.37 (Rupees Two Hundred and Twenty Three Crores Eighty Three Lakhs Seventy Nine Thousand and Nine Hundred and Five rupees and Paise Five Only) from the Company and the Company is indebted to your petitioner for the same, as indicated hereinabove along with interest charges accrued thereon at the agreed rate of base rate + 175 bps i.e. 12% per annum chargeable thereon fromApril 1, 2014.

22. It is submitted that since, the Company has failed to fulfill the demand made by Petitioner through its legal notice dated April 1, 2014,

which clearly further demonstrates that the Company is unable to pay and discharge its admitted debts and liabilities and is liable to be wound up.

23. The Company, despite admitting and acknowledging its liability, has willfully neglected and defaulted to pay, besides not being in a position to pay and discharge its admitted debts. The Company's inability to pay its debts is manifest. Consequently, the Company has rendered itself liable to be wound up in accordance with provisions of Sections 433 (e), (f) and 434 of the Companies Act, 1956.

24. It is submitted that the Company is in dire financial crisis and the Petitioner has reason to believe that the Company has become commercially insolvent and its existing liabilities far exceed its assets and is evidently unable to pay its debts. In the present circumstances, there appears to be no possibility of the Company reviving and thus, it would be most appropriate and befitting to wind up the Company, so as to protect the interests of its creditors, including the Petitioner herein.

25. In the circumstances aforesaid the Petitioner submits that it is just and equitable and in the interest of the creditors of the Company and in

public interest that the Company be wound up by and under the order and directions of this Hon'ble Court, under the provisions of the Act. It is further evident that the Company, despite acknowledging its liability, is unable to pay its admitted debts. The Petitioner further submits that in the circumstances aforesaid, the Official Liquidator of this Hon'ble Court be appointed as the Liquidator of the company to take charge of the assets, business affairs, books of accounts, properties, records including bank accounts, documents etc. of the company in accordance with the Act.

26. The Petitioner further submits that it is also equitable, convenient and necessary for the protection of its rights and interests that pending the hearing and final disposal of this petition, the Official Liquidator of this Hon'ble Court or some other fit and proper person be appointed as the Provisional Liquidator of the Company to take charge of the assets, business affairs, properties, bank accounts, books of accounts, documents, records etc. of the Company with all powers under the provisions of the Act. The Petitioner apprehends that if a Provisional Liquidator is not appointed forthwith, the Company will incur further liabilities and / or otherwise deal with or dispose off the Company's funds and assets to the detriment of the creditors of the Company

including the Petitioner and would cause grave and irreparable loss, harm and injury to the creditors of the Company including the Petitioner. It is therefore submitted that the Provisional Liquidator be directed by this Hon'ble Court to take over all the assets, books of accounts and records of the Company forthwith and submit a complete inventory of all the assets of the Company before sealing the premises in which they are kept. It is submitted that the Provisional Liquidator may also seek the assistance of a valuer to value the assets and take assistance of local police authorities to take possession of the assets and books of the Company, if required.

27. The Petitioner states that it is also just, equitable and necessary, that pending the hearing and final disposal of the present petition, the Company, by itself, its directors, managers, servants, agents, officers, employees be restrained by an order of injunction of this Hon'ble Court, from dealing with/disposing off or parting with possession, alienating, transferring, selling or encumbering any of its assets or properties or shares or creating third party rights thereon in any manner whatsoever so as not to prejudice the rights and interests of the creditors including that of the Petitioner.

28. The Petitioner states that the cause of action to institute the present proceedings arose on April, 23, 2014 i.e. after the expiry of three

weeks from the date of receipt of the statutory notice since the Company had failed and neglected to pay its debts.

29. The Petitioner states that the Registered Office of the Company is situated in Kolkata and therefore this Hon'ble Court has jurisdiction to entertain, try and dispose off the present Petition.

30. Your petitioner is also entitled to interest/penal charges on the amount till payment is received by the petitioner.

31. Unless orders are passed as prayed for, your petitioner shall suffer irreparable loss and prejudice.

32. This application is made bonafide and for the ends of justice.

The petitioner most humbly prays Your Lordship to pass the following orders –

a) The Company namely REI AGRO LIMITED, a Company within the meaning of the Companies Act, 1956 and having its registered office

atEverest House, 16C, Chowringhee Road, 15th floor, Room No – 15 B, Kolkata-700071, West Bengal within the jurisdiction aforesaid be wound up by this Hon'ble Court under the provision of the Companies Act, 1956;

b) appoint Official Liquidator attached to this Hon'ble Court as Official Liquidator of the Respondent, with all powers under the provisions of the Companies Act, 1956, to take charge of the affairs, assets, books of accounts, records and business of the Respondent and/or to conduct its affairs in the course of winding up;

c) appoint a Provisional Liquidator with all powers under the provisions of the Companies Act, 1956, to take charge of the affairs, assets, books of accounts, records and business of the

Respondent and/or to conduct its affairs in the course of winding up;

d) restrain the Respondent from alienating, transferring, disposing off, encumbering and / or in any manner dealing with the assets and shares of the Company in any manner whatsoever, pending the hearing and final disposal of the Petition;

e) Pass ex parte ad-interim orders order in terms of prayers (b), (c), (d) and confirm the same after notice.

f) Costs and incidental to this application be directed to be paid.

g) Such further and/or other order or orders be passed, direction or directions be given as Your Lordship may deem fit and proper.

And your petitioner as in duty bound shall ever pray.