



BOARD OF DIRECTORS :

**Chairman & Managing Director
Director
Director**

Mr Bupinder Singh Sahney
Ms Brijween Kaur Sahney
Ms Jasmine Sahney Pillai

**President (Finance) &
Company Secretary**

Mr. P.S. Sastry

Auditors:

Venugopal & Chenoy
Chartered Accountants
Hyderabad

Bankers:

Canara Bank, Basheerbagh, Hyderabad
Canara Bank, Muthialpet, Pondicherry

Factory:

Thondamanatham Village, Villianure commune
Puducherry - 605 502

Registered Office:

8-2-409, Road No.6
Banjara Hills,
Hyderabad- 500034

Registrar & Share transfer agent:

Aarthi Consultants Pvt Ltd.,
1-2-285, Domalguda,
Hyderabad 500 029
Phone: 040-27634445



NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of REIL ELECTRICALS INDIA LIMITED will be held on Saturday, the 29th of September 2012 at 11.00 a.m. at Company's Registered Office at 8-2-409, Road No.9, Banjara Hills, Hyderabad- 500034, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity capital.
3. To appoint a Director in place of Ms .Jasmine Sahney Pillai, who retires by rotation and being eligible offers herself for re-appointment.
4. To Re- appoint M/s. Venugopal & Chenoy, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By order of the Board of Directors
For REIL ELECTRICALS INDIA LIMITED
P.S. Sastry
President (Finance) & Company Secretary

Place: Hyderabad
Date: May 30, 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form(s) in order to be effective must be received by the company at the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. The share transfer books of the Company will remain closed from 15.09.2012 to 29.09.2012 (both days inclusive).
3. Members holding shares in electronic form are requested to intimate any change in their address to the depository participant (DP) with whom the demat account is maintained.



4. Members are requested to bring admission slip duly filled in along with the copy of Annual Report to the Meeting.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

Place: Hyderabad
Date: May 30, 2012

By order of the Board of Directors
For REIL ELECTRICALS INDIA LIMITED
P.S. Sastry
President (Finance) & Company Secretary



Auditors' Report

To
The Members,
REiL Electricals India Limited
Hyderabad

We have audited the attached Balance Sheet of REiL Electricals India Limited, Hyderabad, as at March 31, 2012, and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

1. We conducted our audit in accordance with 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are 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 mandatory Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on March 31, 2012, from being appointed as directors 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 Accounting Policies and Notes to Accounts annexed thereto, particularly – give the information required by the Companies Act 1956 (Act 1 of 1956) in the manner so required and give a true and fair view:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,

P.V.SRIHARI
Partner
M.No.21961

30th May, 2012
Hyderabad

Annexure to Auditors' Report

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, which require to be updated.
- b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the books/record and the physical inventory were noticed on such verification.
- c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of its inventories:

- a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to book record.
3. The Company neither took nor granted any loans, secured or unsecured, from or to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 4. 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, fixed assets and also for the sale of goods.
 5. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, aggregating during the year to Rs.5,00,000/- (Rupees Five lakhs only) or more in respect of any party.
 6. The Company has not accepted any deposits from the public.
 7. The Company has an Internal Audit system. In our opinion, the scope and coverage is commensurate with its size and nature of its business.
 8. We have been informed that the Central Government has not prescribed maintenance of Cost records for the Company's products.



9. The Company during the year is regular in depositing Provident Fund dues and Employee's State Insurance dues with appropriate authorities. In respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty, there are no undisputed amounts outstanding as at March 31, 2012, for a period of more than six months from the date they became payable.
10. As per the accounts referred to in this Report, neither the net-worth of the Company has been eroded nor the Company incurred cash losses during the financial year under Report nor in the preceding financial year.
11. The Company has not defaulted in repayment of its dues to any financial institutions or banks
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause-4 (xiii) of the Companies (Auditors' Report) Order, 2003, is not applicable to the Company.
14. The Company has not dealt in or traded in shares, securities, debentures and other investments.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. The Company during the year did not raise any short-term loans and hence the question of their usage does not arise.
18. During the year, 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.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,

P.V. SRIHARI
Partner
M.No.21961

30th May, 2012
Hyderabad



DIRECTORS' REPORT

The Directors have pleasure in presenting their 38th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2012.

Financial Results:

(Rs. in lakhs)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Turnover	2667.91	3212.94
Profit before interest and depreciation	360.92	537.95
Interest and Finance Charges	7.55	5.80
Depreciation	59.61	59.17
Profit before Tax	293.76	472.97
Taxation	92.10	54.24
Profit after Tax	201.66	418.74

Dividend:

The Board of Directors recommends a dividend of Rs.3 per share for the year 2012. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Operations:

During the year ended 31st March, 2012, your company's turnover was Rs. 2667.91 Lakh (previous year Rs. 3212.94) and earned a profit of Rs. 201.66 Lakh (previous year Rs. 418.74 Lakh).

Directors:

Pursuant to the provisions of the Companies Act, 1956 and Articles of the Association of the Company, Ms.Jasmine Sahney Pillai, Director of the Company retires from the Board by rotation and being eligible offers herself for re-appointment.

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with stock exchange, Corporate Governance Report and Auditors Certificate regarding the compliance of the conditions of Corporate Governance are made part of the Annual Report. The code of conduct for Directors and Senior Management personnel of the Company, as approved by the Board, has been affirmed on an annual basis by all the Directors of the Company. The relevant certification on the various matters specified under paragraph V of Clause 49 has been certified by the Chairman & Managing Director and President - Finance & Company Secretary

Listing Information:

The Company's Shares are presently listed at BSE Ltd., Mumbai. The Listing fees to the Stock Exchange have been paid up to date.

**Director's Responsibility:**

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 affairs of the company at the end of the financial year and of the profit or loss of the company for that period under review;
- (iii) the directors have ensured that proper and sufficient care is taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts are prepared on a going concern basis.

Public Deposits:

Your Company has not accepted any deposits from the Public.

Auditors:

M/s. Venugopal & Chenoy, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment. A certificate from the Auditors have been received to the effect that their appointment, if made would be within the limits prescribed under section 224(1)(B) of the Companies Act, 1956.

Particulars of Employees:

During the year under report, no employee throughout the year or part of the year was in receipt of remuneration upto or in excess of the sums prescribed under Section 271(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1956.

Acknowledgements:

Your Directors take this opportunity to place on record their appreciation for the co-operation and support extended by Banks and Business Associates.

Your Directors also wish to place on record their appreciation to all the employees for their sincere and dedicated services rendered to the Company and are also grateful to all the members of the Company for reposing continued trust and confidence in the Management of the Company.

For and on behalf of the Board

Place: Hyderabad
Date: May 30, 2012

B.S.Sahney
Chairman & Managing Director

(A) Annexure to Director's Report

(i) Conservation of Energy:

Though the Company's production facilities are not energy intensive, measures have been adopted to conserve usage of energy.

(ii) Research and Development & Technology absorption:

Company's in-house Design & Development facilities have enabled continuous redesigning of the products and their components to save cost and improve quality.

(iii) Foreign Exchange Inflow & Outflow: (Rs. in Lakhs)

(A) INFLOW -	(i) Export Earnings (FOB)	135.09
(B) OUTFLOW -	(i) Imports - CIF	491.69
	(ii) Foreign Travel	28.42

(B) ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT:

I CORPORATE GOVERNANCE CODE:

Company believes in corporate governance aimed at efficient conduct of the business of the Company. This report is as per clause 49 of the listing agreement.

II BOARD OF DIRECTORS:

(a). The board comprised of 3 Directors of whom one is Whole time Director and other two are Non- executive Directors.

(b). The names of the Directors are:

1. Mr. BS Sahney, Chairman & Managing Director
2. Ms. Brijween Sahney, Director
3. Ms. Jasmine Sahney Pillai, Director

(c). During the year the Board of Directors met 5 times:

Sl. No	Date of meeting	Main Agenda
1	31-01-2012	Un-audited quarterly results for 3rd quarter 2011-12
2	31-10-2011	Un-audited quarterly results for 2nd quarter 2011-12
3	10-10-2011	To note the working capital limits sanctioned by Canara Bank
4	01-08-2011	Un-audited quarterly results for 1st quarter 2011-12
5	01-06-2011	Audited financial statements for the year ended 2011-12