



**BOARD OF DIRECTORS :**

**Chairman & Managing Director**  
**Director**  
**Director**

Mr. Bhupinder Singh Sahney  
Ms. Brijween Kaur Sahney  
Ms. Jasmine Sahney Pillai

**President - Finance &**  
**Company Secretary**

Mr. P.S. Sastry

**Auditors:**

M/s. 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 39th Annual General Meeting of the Members of REIL ELECTRICALS INDIA LIMITED will be held on Saturday, the 28th of September 2013 at 11.00 a.m. at Radisson Blu Plaza Hotel, 8-2-409, Road No.6, 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 2013, 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 .Brijween Kaur Sahney, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General M and to fix their remuneration and to pass the following resolution thereof:

**“RESOLVED THAT** M/s. Venugopal & Chenoy, Chartered Accountants, having ICAI Registration No: 004671S, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors.”

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution

**“RESOLVED THAT** pursuant to the provisions of the sections 198,269,309,311 and other applicable provisions, if any, of the Companies Act, 1956 (Act), read with schedule XIII to the said Act and subject to the such other consents/approvals as may be required, Mr.B.S.Sahney, be and is hereby by re-appointed as Managing Director of the Company for a further period of three years with effect from July, 29, 2013 whose term of office shall not be liable to determination by retirement of Directors by rotation at remuneration and perquisites as detailed below :

- a) Salary of Rs. 28,80,000 per annum (Rupees Twenty Eight Lakhs Eighty Thousand per annum)
- b) Perquisites including medial reimbursement, leave travel allowance, expenditure on gas, electricity and water, house maintenance etc., shall be valued as per the Income Tax Rules.
- c) Provident fund and gratuity as per rules of the Company
- d) Commission at 5% of the net profit of the Company computed as per the Act.

**“RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr.B.S.Sahney, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and



perquisites within the limits as laid down under sections 198,309,310 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act, as in force from time to time.”

**“RESOLVED FURTHER THAT** Mr.P.S.Sastry, President (Finance) & Company Secretary be and is hereby authorised to complete necessary formalities as may be required under the Companies Act, 1956 and to do all such acts as may be necessary for this purpose.

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

Place: Hyderabad  
Date: July 27, 2013

**NOTES:**

1. An Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of business under Item no. 5 above is annexed.
2. 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.
3. The share transfer books of the Company will remain closed from 14.09.2013 to 28.09.2013 (both days inclusive).
4. 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.
5. Members are requested to bring admission slip duly filled in along with the copy of Annual Report to the Meeting.
6. 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.
7. The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by the Companies; vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that service of documents on Members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the Members are given an advanced opportunity to register their Email address or changes, if any, therein with the Company. Members are requested to provide their email id to our Registrar & Share Transfer Agent M/s. Aarthi Consultants Pvt Ltd, 1-2-285, Domalguda, Hyderabad-500029 for the purpose of service of documents viz., Annual Report, Notice of General Meetings, Notice of Postal Ballot etc.
8. Members are requested to intimate any change of registered address (including PIN code number) to the Registered Office of the Company, if they are holding shares in physical mode only.



## **EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

### **ITEM 5**

Mr.B.S.Sahney is the Managing Director of the Company. He was re-appointed at the 36th Annual General Meeting of the Company held on August 02, 2010 for a period of three years with effect July 29, 2010. It is proposed to re-appoint Mr.B.S.Sahney as a Managing Director of the Company for a further period of three years with effect from July 29, 2013 at the remuneration presently being drawn by him and on other terms and conditions as set out in the Resolution.

Under the provisions of Sections 198, 269, 309 and all other applicable provisions read with Schedule XIII of the Companies Act, 1956, consent of the Members of the Company is required for the re-appointment and fixation of remuneration payable to the Managing Director. The Board of Directors, based on the recommendation of Remuneration Committee, is of the view that the remuneration package is commensurate with the operations of the Company.

A brief profile of Mr.B.S.Sahney and the names of the Companies in which he holds directorships and memberships/chairmanships of Board/Committees, as stipulate under clause 49 of the Listing Agreement with the stock exchanges in India, are provided in Report on Corporate Governance forming part of Annual Report.

The terms of revision of remuneration as set out in Item No.5 of the Notice may be treated as an abstract of the terms of revision of remuneration of Mr.B.S.Sahney for the purpose of Section 302 of the Act.

The Board accordingly, commends the resolution for approval of the members as a Special Resolution.

Mr.B.S.Sahney, Managing Director is deemed to be concerned or interested in the Resolution. Ms.Brijween Kaur Sahney and Ms.Jasmine Shaney Pillai, Directors may be deemed to be interested in the Resolution as they are related to Mr.B.S.Sahney, Managing Director. Save and except the above, none of the other Directors of the Company is in any way deemed to be concerned or interested in the Resolution.

Place: Hyderabad  
Date: July 27, 2013

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**

### **Report on Financial Statements**

We have audited the accompanying financial statements of REiL Electricals India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, together with the Accounting Policies and Notes to Accounts, give the information



required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, none of the directors are disqualified as on that date from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;.

For VENUGOPAL & CHENOY,  
CHARTERED ACCOUNTANTS,

P.V.SRIHARI  
Partner

M.No.21961  
FRN No: 004671S

Place: Hyderabad  
Date: 30-05-2013



## **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 and according to the information and explanations given to us, 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. According to the information and explanations given to us, 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. According to the information and explanations given to us, 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 broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records.
9. In respect of Statutory Dues:
  - (a) The Company during the year is regular in depositing provident fund dues and Employees 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, 2013, for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations give to us, the disputed statutory dues that have not been deposited on account of disputed matters pending before the appropriate authorities are Rs. 108.00 lakhs on account of Central Excise demands pending before High Court of Tamil Nadu.
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. In our opinion, the short-term loans raised by the Company during the year have not been applied for long term investment.
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  
FRN No: 004671S

Place: Hyderabad  
Date: 30-05-2013



## DIRECTORS' REPORT

The Directors have pleasure in presenting their 39th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2013.

### Financial Results:

(Rs. in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Turnover	2506.59	2667.91
Profit before interest and depreciation	257.10	360.92
Interest and Finance Charges	32.06	7.55
Depreciation	58.57	59.61
Profit before Tax	166.46	293.76
Current Tax after Adjustments	47.90	92.10
Profit after Tax	118.57	201.66

### Dividend:

The Board of Directors recommends a dividend of Rs. 3 per share for the year 2013. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

### Operations:

During the year ended 31st March, 2013, your company's turnover was Rs. 2506.59 (previous year Rs. 2667.91) and earned a profit of Rs. 118.57 Lakh (previous year Rs. 201.66 Lakh).

### Directors:

Mr Bhupinder Singh Sahney has been reappointed as Managing Director for a period of 3 years effective from July 29, 2013. Mr. B.S. Sahney has been the Managing Director of the company since inception and hence Board of Directors has reappointed him.

Pursuant to the provisions of the Companies Act, 1956 and Articles of the Association of the Company, Ms. Brijween Kaur Sahney, 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.