

REiL ELECTRICALS INDIA LIMITED

**Annual Report
2013-2014**



REIL ELECTRICALS INDIA LIMITED

(CIN: L31909TG1973PLC015448)

Chairman & Managing Director
Director
Director

Mr. Bhupinder Singh Sahney (DIN: 00376152)
Ms. Brijween Kaur Sahney (DIN: 00374606)
Ms. Jasmine Sahney Pillai (DIN: 00374242)

President-Finance &
Company Secretary

Mr. P.S. Sastry

Auditors

M/s. Venugopal & Chenoy,
Chartered Accountants
Hyderabad

Bankers

Canara Bank, Basheerbagh, Hyderabad
Canara Bank, Muthialpet, Puducherry

Factory

Thondamanatham Village, Villianure commune
Puducherry- 605 502

Registered Office

8-2-409, Road No.6, Banjara Hills,
Hyderabad- 500034, Ph: 040-2335 4833
Website: www.reilindia.com
E-Mail: reilcorp@reilindia.com

Registrar & Share Transfer Agent

Aarathi Consultants Pvt Ltd,
1-2-285, Domalguda, Hyderabad- 500 029
Phone: 040-27634445
Website: www.aarthiconsultants.com
E-Mail: info@arthiconsultants.com



Notice to the 40th Annual General Meeting

NOTICE is hereby given that the 40th Annual General Meeting of the Members of **REiL ELECTRICALS INDIA LIMITED** will be held at the Company's Registered Office at 8-2-409, Road no.6, Banjara Hills, Hyderabad-500034 on Saturday, the 20th September, 2014 at 11.00 am to transact the following business:

ORDINARY BUSINESS:

Item no.1- Adoption of Financial Statements

To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.

Item no.2- Appointment of Director

To appoint a Director in place of Ms .Jasmine Sahney (DIN: 00374242) who retires by rotation and being eligible offers herself for re-appointment.

Item no.3- Appointment of Auditors

To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

"RESOLVED THAT pursuant to the provisions of the Section 139 and other applicable provisions if any of the Companies Act, 2013 and the rules framed there under, M/s. Venugopal & Chenoy, Chartered Accountants, (Firm Regn No: 004671S) be and are hereby re-appointed as 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:

Item no.4- Revision in terms of remuneration of Mr. Bhupinder Singh Sahney

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

"RESOLVED THAT in modification of Resolution No. 5 passed at the Annual General Meeting of the Company held on September 28, 2013 for re-appointment of Mr. Bhupinder Singh Sahney as Managing Director of the Company and pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended or re-enacted from time to time, read with Schedule V of the Act, the Company hereby approves revision in the terms of remuneration of Mr. Bhupinder Singh Sahney, Managing Director of the Company by way of an increase in the maximum amount of his salary (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from April 1, 2014, for the remainder of the tenure as follows:

- a) Basic Salary of Rs. 42,00,000 per annum (Rupees Forty Two Lakhs per annum)
- b) Benefits, perquisites, allowances, reimbursements and facilities as may be determined by the Board, from time to time.
- c) Provident fund and gratuity as per rules of the Company

"RESOLVED FURTHER THAT notwithstanding anything to the contrary contained hereinabove, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites, allowances, reimbursements and facilities as specified above."



"**RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Place: Hyderabad
Date: August 11, 2014

By order of the Board of Directors
For **REIL ELECTRICALS INDIA LIMITED**

P.S. Sastry
President (Finance) &
Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
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.** Pursuant to section 105 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 a person shall not act as proxy for more than fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of a Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A blank proxy form is sent herewith. The instrument appointing proxy, duly stamped completed and signed, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 13.09.2014 to 20.09.2014 (both days inclusive).
4. Pursuant to section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014, e-voting facility to all the members has been provided through the e-voting platform of NSDL. In this regard your demat account/folio number has been enrolled by the Company for your participation in e-voting on the resolutions placed by the Company on the e-voting system. Instructions and manner of e-voting process can be downloaded from the link <https://www.evoting.nsdl.com>. E-voting is optional. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on August 11, 2014.
5. 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.
6. Members are requested to bring admission slip duly filled in along with the copy of Annual Report to the Meeting.
7. 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.
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.
9. In terms of SEBI notification, the shares of the Company are subject to compulsory trading only in dematerialized form on the stock exchanges, hence members are requested to convert their physical share certificates into electronic form.



10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents, Aarthi Consultants Pvt. Ltd, 1-2-285, Domalguda, Hyderabad-500029, Ph: 040-27638111/27634445
11. In accordance with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company shall provide to its members the facility to exercise their right to vote at the Annual General Meeting by electronic means. A member may exercise his/her right to vote on the resolution no's 1 to 4 included in the Notice of AGM by electronic means in terms of the provision of this Rule. The e-voting papers for voting through electronic voting system shall specify the manner and process of electronic mode and the time schedule indicating the period during which the votes may be cast and also provide the log-in ID and create a facility for generating the password. The Notice of the Meeting and the electronic voting papers to the shareholders who do not have log-in IDs and password, are being sent by Registered Post/Speed Post/ Courier service to enable them to exercise their electronic voting.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM 4:

Mr.B.S.Sahney is the Managing Director of the Company. He was re-appointed at the 39th Annual General Meeting of the Company held on September 28, 2013 for a period of three years with effect July 29, 2013. In view of standard and cost of living, increasing responsibilities, time and effort put in by Mr.B.S.Sahney towards managing affairs of the Company and on the recommendations of Nomination and Remuneration Committee of the Board, subject to approval of shareholders, the Board has revised the remuneration of Mr. B.S. Sahney with effect from April 01, 2014 as contained in the resolution.

In terms of section 197 and other applicable provisions of the Companies Act, 2013 read with schedule V to the Act, the Board may revise the remuneration subject to the approval of the shareholders in general meeting. The Board considered the matter in its meeting held on May 30, 2014 and recommends the resolution for the approval of the shareholders.

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.

By order of the Board of Directors
For **REIL ELECTRICALS INDIA LIMITED**

Place: Hyderabad
Date: August 11, 2014

P.S. Sastry
President (Finance) &
Company Secretary



DIRECTORS' REPORT

Yours Directors have pleasure in presenting their 40th Annual Report together with the Audited Accounts for the year ended March 31, 2014.

1. Financial Results:

(Rs. In lakhs)

| Particulars | Year ended 31.03.2014 | Year ended 31.03.2013 |
|---|--------------------------|--------------------------|
| Turnover | 2226.09 | 2506.65 |
| Profit before interest and depreciation & Adjustments | 58.23 | 325.17 |
| Interest and Finance Charges | 41.24 | 32.06 |
| Depreciation | 49.56 | 58.57 |
| Profit before Tax | (42.48) | 166.46 |
| Current Tax after Adjustments | 7.69 | 47.89 |
| Profit after Tax | (50.17) | 118.57 |

*In compliance with General Circular no. 08/2014, dt: 4th April, 2014 of the Ministry of Corporate Affairs, Govt. of India, the Board Report has been prepared in accordance with section 217 of the Companies Act, 1956.

2. Dividend:

In view of Loss, your Directors do not recommend any Dividend on the equity shares of the Company.

3. Operations:

During the year ended 31st March, 2014, your company's turnover was Rs. 2226.09 (previous year Rs. 2506.65) with a net loss of Rs. 50.17 Lakh (previous year profit of Rs. 118.57 Lakhs). During the year your company experienced slow down in off-take from some of the customers and hence decrease in turnover compared to previous year. Going forward, the outlook for the current year is also not very encouraging and Company expects further decrease in revenues.

4. Directors:

Pursuant to the provisions of the Companies Act, 2013, Ms. Jasmine Sahney Pillai, Director of the Company retires from the Board by rotation and being eligible offers herself for re-appointment.

5. 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.

6. Listing Information:

The Company's Shares are presently listed at BSE Ltd., Mumbai and trading is infrequent. The Listing fee to the Stock Exchange has been paid up to date. Promoters have offered to buy back the public shareholding and delist the company from the stock exchange. The company has intimated to the BSE Limited (BSE) on June 28, 2014 outcome of the Board meeting for seeking the approval of the public shareholders of the Company for the Delisting Proposal



by way of postal ballot in accordance with the provisions of section 110 of the Companies Act, 2013 read with rule 22 of Companies (Management and Administration) Rules, 2014 and SEBI (Delisting of Equity shares) Regulations, 2009. The Special Resolution has been duly approved by the requisite majority under the Companies Act, 2013 and as the number of votes cast by public shareholders in favour of the Special Resolution being greater than two times of the number of the votes cast by the public shareholders against the Special Resolution, the requirement of the proviso to Regulations 8(1) (b) of the Delisting Regulations is satisfied. Consequently, in terms of the proviso to Regulation 8(1) (b) of the Delisting Regulations, the Special Resolution shall be acted upon/given effect to.

7. 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, 2014, 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.

8. Public Deposits:

Your Company has not accepted any deposits from the Public.

9. 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.

10. 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.

11. Acknowledgements:

Your Directors take this opportunity to place on record their appreciation for the co-operation and support extended by Banks, Financial Institutions 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: 11-08-2014

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) | 7.44 |
| (B) OUTFLOW - | (i) Imports - CIF (ii) Foreign Travel | 359.39 13.27 |

(B) CORPORATE GOVERNANCE REPORT:

1. 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.

2. 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. B.S. Sahney, Chairman & Managing Director
 2. Ms. Brijween Sahney, Director
 3. Ms. Jasmine Sahney Pillai, Director
- (c). During the year, the Board of Directors met 6 times:

| Sl. No | Date of meeting | Main Agenda |
|--------|-----------------|--|
| 1. | 09-05-2013 | Approved the delisting proposal pursuant to and in accordance with section 8(1)(a) of SEBI (Delisting of Equity shares) Regulations, 2009. |
| 2. | 30-05-2013 | Adoption of Audited Financial Results for the year ended March 31, 2013 |
| 3. | 27-07-2013 | Un-audited Financial Results for the first quarter ended June 30, 2013 |
| 4. | 05-11-2013 | Un-audited Financial Results for the second quarter ended September 30, 2013 |
| 5. | 23-01-2014 | Un-audited Financial Results for the third quarter ended December 31, 2013 |
| 6. | 15-03-2014 | Review of Operations |



DETAILS OF DIRECTORS PROPOSED FOR RE-APPOINTMENT

Ms.Jasmine Sahney Pillai retires by rotation and being eligible, seeks re-appointment

Ms. Jasmine Sahney Pillai, aged 50 years, is a graduate. She has over 25 years of experience in business and industry. She is a Director on the Boards of the following Companies viz Bhupinder Investment Company Pvt Ltd, BS Real Estate Ventures Private Limited, Time and Space Advertising Services Private Limited. She holds 341250 equity shares of Rs.10 each in the Company.

(d). COMMITTEE OF DIRECTORS: The Audit committee is constituted with two Directors viz., Ms Jasmine Sahney Pillai, Ms. Brijween Kaur Sahney. The committee carries out functions mentioned in the Listing Agreement including:

- I. Disclosure of financial information to ensure that the financial statements are correct and adequate and credible.
- II. Reviewing with the Management the periodical and annual financial statements before submission to the Board focusing primarily on:
 - Changes in accounting policies and practice
 - Compliances of requirements of Stock Exchanges and legal requirements concerning financial statements
 - The going-concern assumption
- III. Reviewing with the management and auditors the internal control systems.
- IV. Reviewing the internal audit programmes / system and discussing internal audit reports.
- V. Reviewing the company's financial and management policies.

3. SHAREHOLDERS GRIEVANCES & SHARE TRANSFER COMMITTEE:

There are no complaints pending as on the date of this report. Mr.P.S.Sastry, President-Finance & Company Secretary is the Compliance Officer of the Company

4. REGISTRAR AND SHARE TRANSFER AGENTS:

Aarthi Consultants Pvt Ltd,
1-2-285, Domalguda, Hyderabad-500029.
Phone: 040 - 27634445
Website: <http://www.aarthiconsultants.com>

5. REMUNERATION COMMITTEE:

The Remuneration committee consists of two Directors; Ms.Brijween Kaur Sahney and Ms. Jasmine Sahney Pillai. The committee carries out the functions as mentioned in the listing agreement. Managing Director's remuneration details is shown in note no. 20 of notes to accounts which is reproduced below. None of the other directors were paid any remuneration or sitting fees.

(Rs. In lakhs)

| Particulars | March 31,2014 | March 31, 2013 |
|---|---------------|----------------|
| Mr.B.S.Sahney, Chairman Managing Director - Remuneration | 34.05 | 33.46 |



6. GENERAL BODY MEETINGS: THE LAST THREE GENERAL BODY MEETING DETAILS ARE:

| Date | AGM/ EGM | Time | Purpose |
|------------|----------|----------|--|
| 28-09-2013 | AGM | 11.00AM | Consideration of Annual Accounts and Declaration of Dividends and Re appointment of Directors and Auditors |
| 29-09-2012 | AGM | 11.00 AM | Consideration of Annual Accounts and Declaration of Dividends and Re appointment of Directors and Auditors |
| 19-09-2011 | AGM | 11.00 AM | Consideration of Annual Accounts and Declaration of Dividends and Re appointment of Directors and Auditors |

Special Resolution and Postal Ballot: Special Resolution was passed through postal ballot process as per the provisions of Section 110 of the Companies Act, 2013. Postal Ballot was conducted and the consent of the members was obtained for delisting of Equity Shares of the Company from the stock exchanges where such securities are currently listed in terms of the Delisting Regulations, 2009. The postal ballot was conducted by the Scrutinizer Ms.Sujana Nandula, Practicing Company Secretary and her report was submitted on 04/08/2014 The summary of the results of the Postal Ballot as per Regulation 8(1)(b) of the Delisting Regulations are as under:

| S.no | Particulars | No. of Postal Ballots | No. of Shares Voted | % of valid Votes cast |
|------|---|-----------------------|---------------------|-----------------------|
| 1. | Total Postal Ballots /Votes received from the Shareholders | 20 | 3712250 | - |
| 2. | Less : Invalid Postal Ballots/Votes | 0 | 0 | - |
| 3. | Net Valid Postal Ballots / Votes received from Shareholders | 20 | 3712250 | - |
| 4. | Total Postal Ballots / Votes Assenting (only Promoters) | 7 | 3706550 | - |
| 5. | Net Valid Postal Ballots / Votes received from Public Shareholders | 13 | 5700 | 100 |
| 6. | Total Postal Ballots /Votes Assenting (Public Shareholders other than Promoters) | 9 | 5300 | 92.98 |
| 7. | Total Postal Ballots / Votes Dissenting (Public Shareholders other than Promoters). | 4 | 400 | 7.02 |

The Chairman of the Company declared on 04/08/2014 that the resolution was passed with requisite majority.

7. Disclosures in terms of related party transactions are shown in note no.14 of notes to accounts.

8. MEANS OF COMMUNICATION:

The Company has always promptly reported all material information including Quarterly Financial Results to the Stock Exchange where the securities of the Company are listed. The quarterly results and other information were communicated to the Shareholders by way of advertisement in newspapers.