

REIL Electricals India Limited

**ANNUAL REPORT
2010-11**

Board of Directors:

Mr Bupinder Singh Sahney
Ms Brijween Kaur Sahney
Ms Jasmine Pillai

Chairman & Managing Director
Director
Director

**President-Finance &
Company Secretary**

P.S Sastry

Auditors:

Venugopal & Chenoy
Chartered Accountants
Hyderabad

Bankers:

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

Factory:

Thondamanatham Village,
Villi anure commune,
Pondicherry 605 502

Registered Office:

207, Ashoka Bhóopal Chambers
146/A, Sardar Patel Road,
Secunderabad 500 003.

Registrar & Share transfer agent:

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

NOTICE

To
The Members
Reil Electricals India Limited.

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Company will be held on Monday the 19th of September, 2011 at 11 a.m. at Company's Registered Office at 207, Ashoka Bhoopal Chambers, SP Road, Secunderabad 500003, to transact the following business.

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, 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 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 Re- appoint M/s. Venugopal and 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.

Place : Hyderabad
Date: 1st June, 2011

By order of the Board
PS Sastry
President-Finance & Company Secretary

NOTES:

1. The share transfer books of the Company will remain closed from Monday, the 5th September, 2011 to Monday the 19th September, 2011 (both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy so appointed need not be a member of the Company.
3. The Proxy form duly executed and properly stamped should be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.

Place : Hyderabad
Date: 1st June, 2011

By order of the Board
PS Sastry
President - Finance & Company Secretary

DIRECTORS' REPORT

Your Directors are pleased to present the Annual Report for the financial year ended March 2011.

1. Operating & financial Performance :

The company's turnover during the year was Rs 3212.80 lakhs compared to Rs. 2051.15 lakhs during the previous year. Gross profit was Rs. 472.97 lakhs as against Rs. 243.37 lakhs during the previous year. Net profit after tax was Rs. 418.74 lakhs as against Rs. 193.86 lakhs in the previous year.

2. Equity Dividend:

In view of the availability of profits, your Directors recommend for payment of dividend on equity shares at Rs 3/ per share (30%) for the year. The same will be paid to the equity shareholders after approval by shareholders at the forthcoming annual general meeting.

3. Prospects :

During the year performance of the Company improved compared to previous year and it is expected that this trend will continue.

4. Directors :

Ms Brijween Kaur Sahney, Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

5. Delisting of Shares from Stock Exchange :

The promoters of the Company have informed the Company that as per SEBI guidelines, they propose to buy shares from the remaining shareholders, which account for only 1.8% of the total share capital. Company has informed Stock Exchanges of this proposal through a letter dated 1st June 2011.

6. Corporate Governance:

A report on Corporate Governance is enclosed to this report.

7. Director's Responsibility:

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act 2000, the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) Appropriate accounting policies have been selected and applied consistently, and have 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 as at March 31, 2011, and of the Profit and Loss Account for the year ended March 31, 2011.

- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

8. Public Deposits:

Your Company has not accepted any deposits from Public.

9. Auditors:

M/s. Venugopal & Chenoy, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of this Annual General Meeting, and are eligible for reappointment.

10. Particulars of Employees:

Director place on record their appreciation for the contribution of employees at all levels.

There were no employees in receipt of remuneration exceeding the limits prescribed for reporting.

11. Acknowledgements:

The Board of Directors is thankful to Canara Bank, the Company's customers, suppliers and its shareholders for their continued assistance and support.

Place: Hyderabad
Date: 1st June, 2011

On behalf of the Board
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. Lacs

(A) INFLOW - (i) Export Earnings (FOB)	541.68
(B) OUTFLOW - (i) Imports - CIF	437.03
(ii) Foreign Travel	2.17

(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 and Managing Director
2. Ms. Brijween Sahney
3. Ms. Jasmine Pillai

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

Sl. No.	Date of meeting	Main Agenda
1	16-06-2010	Audited financial statements for the year ended 2009-10
2	02-08-2010	Un-audited quarterly results for 1st quarter 2010-11
3	11-11-2010	Un-audited quarterly results for 2nd quarter 2010-11
4	24-12-2010	Redemption of preference capital
5	31-01-2011	Un-audited quarterly results for 3rd quarter 2010-11

(d) Committee of Directors: The Audit committee is constituted with two Directors viz., Ms Jasmine Pillai, Ms BK Sahney. The committee carries out functions mentioned in the Listing Agreement and Section 292A of the Companies Act, 1956 including:

- (a) Disclosure of financial information to ensure that the financial statements are correct and adequate and credible.
- (b) Reviewing with the Management the periodical and annual financial statements before submission to the Board focusing primarily on:
 - (i) Changes in accounting policies and practice
 - (ii) Compliances of requirements of Stock Exchanges and legal requirements concerning financial statements.
 - (iii) The going-concern assumption.
- (c) Reviewing with the management and auditors the internal control systems.
- (d) Reviewing the internal audit programmes / system and discussing internal audit reports.
- (e) Reviewing the company's financial and management policies.

III Shareholders Grievances & Share transfer Committee: The Company's shares are listed on Hyderabad and Mumbai stock exchanges. The shares are traded infrequently. Company Secretary is the Compliance Officer and there are no Complaints from shareholders during the year.

IV Address of the Share Transfer Agent:

AARTHI CONSULTANTS PVT LTD.
1-2-285, DOMALGUDA,
HYDERABAD 500 029:
Phone: 040 – 27634445

V Details of remuneration paid to the Directors during the financial year 2010-11. The Remuneration committee consists of two Directors; Ms BK Sahney and Jasmine Pillai. The committee carries out the functions as mentioned in the listing agreements. Whole time Directors remuneration details are shown in note no.16-Managerial remuneration which is reproduced below. None of the other directors were paid any remuneration or sitting fees.

Particulars	Rs. In lacs	
	March 31,2011	March 31 2010
Salary & Other benefits	26.40	25.20
Contributions to PF & other funds	3.17	3.02
Reimbursements	1.28	0.79
Commission	2.30	4.00
Total	33.15	33.01

VI. General Body Meetings: The Last three general body meeting details are:

Date	AGM/ EGM	Time	Purpose
29-09-2008	AGM	03:00 PM	Consideration of Annual Accounts, Declaration of Dividends and Re appointment of Directors and Auditors
07-08-2009	AGM	11:00AM	Consideration of Annual Accounts, Declaration of Dividends and Re appointment of Directors and Auditors
02-08-2010	AGM	11:00 AM	Consideration of Annual Accounts, Declaration of Dividends and Re appointment of Directors and Auditors

VII. Disclosures in terms of related party transactions are shown in note No. 15 to the notes on Accounts

(C) Annexure to Directors Report:

Information pursuant to Section 217 (2A) of the Companies Act 1956 read with Companies (particulars of employees) Rules 1975.

There were no employees in receipt of remuneration exceeding the limits prescribed for reporting.

Certificate of Compliance with the code of Conduct Policy

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2011.

Hyderabad
1st June, 2011

BS Sahney
Chairman & Managing Director

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification.

We, B.S.Sahney, Chairman & Managing Director and P S Sastry, President-Finance & Secretary of REIL Electricals India Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash flow Statements for the year ended 31st March, 2011.
2. To the best of our knowledge and belief,
 - i. These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. The financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5. We have indicated to the Company's Auditors and the Audit Committee of the Company's board of directors that during the year:
 - i. There are no significant changes in internal control over financial reporting;
 - ii. There are no significant changes in accounting policies; and,
 - iii. There are no frauds, whether or not material that involves management or other employees who have significant role in the Company's internal control system over financial reporting.

Hyderabad:
1st June, 2011

BS Sahney
Chairman & Managing Director

PS Sastry
President-Finance & Secretary

AUDITOR'S CERTIFICATE

To,

**The Members
REIL Electricals India Limited
Hyderabad**

We have examined the compliance of conditions of corporate governance by Reil Electricals India Limited for the year ended 31-03-2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that generally no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

We further state such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,**

**Hyderabad
1st June, 2011**

**(P.V.SRI HARI)
Partner
M.No.21961**

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, 2011 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 31,2011, 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, 2011;
- (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,

Hyderabad
1st June, 2011

(P.V.SRI HARI)
Partner
M.No.21961

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, 2011 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,

Hyderabad
1st June, 2011

(P.V.SRI HARI)
Partner
M.No.21961

REIL ELECTRICALS INDIA LIMITED
BALANCE SHEET AS AT MARCH 31, 2011

Rs in lakhs

PARTICULARS	Schedule	31.03.2011	31.03.2010
1. SOURCES OF FUNDS			
i) Shareholders' funds:			
Share Capital	A	454.63	881.87
Reserves & Surplus	B	805.87	642.46
		1260.50	1524.33
ii) Loan Funds:			
Secured Loans	C	-	5.41
Unsecured Loans	D	53.18	52.04
		53.18	57.45
iii) Deferred tax liability		85.18	-
TOTAL		1399.37	1581.78
2. APPLICATION OF FUNDS			
i) Fixed Assets:			
Gross Block	E	1062.29	1123.50
Less: Depreciation		633.95	627.02
		428.34	496.48
ii) Investments	F	31.00	-
iii) Current Assets, Loans and Advances Less: Current Liabilities and Provisions	G H	1529.38	1700.13
		589.35	614.83
		940.03	1085.30
TOTAL		1399.37	1581.78

Our Report attached
for **Venugopal & Chenoy**
Chartered Accountants

P V Sri Hari
Partner

Hyderabad
1st June, 2011

P S Sastry
President-Finance
& Company Secretary

For and on behalf of the Board

B S Sahney
Chairman & Managing Director

Jasmine Pillal
Director

REIL ELECTRICALS INDIA LIMITED
PROFIT & LOSS ACCOUNT FOR YEAR ENDED MARCH 31, 2011

Rs. in lakhs

PARTICULARS	Schedule	31.03.2011	31.03.2010
I N C O M E			
Sales		3212.80	2051.15
Other Income	I	16.47	34.67
		3229.27	2085.82
EXPENDITURE			
Materials Consumed	J	1785.13	1051.13
Manufacturing and Other expenses	K	870.41	729.26
Depreciation		59.17	50.63
Interest on Loans	L	5.80	4.15
Loss on sale of fixed assets		31.92	1.69
Bad debts written off		3.87	-
Loss on currency forward contracts		-	5.59
		2,756.30	1,842.45
Profit before Tax		472.97	243.37
Less: Provision for Taxation			
Current tax	59.36	-	41.37
Deferred tax	(5.13)	54.23	-
Taxation of Earlier Years		-	8.14
Profit after Tax		418.74	193.86
Add: Balance brought forward from previous year		154.13	194.98
Transfer to General Reserve		50.00	50.00
Proposed final/Interim preference dividend paid		33.75	45.00
Tax on Preference Dividend paid		5.61	7.65
Proposed Equity dividend		113.25	113.25
Equity Dividend distribution tax		18.37	18.81
Surplus transferred to Balance Sheet		351.89	154.13

Our Report attached
for **Venugopal & Chenoy**
Chartered Accountants

P V Sri Hari
Partner

Hyderabad
1st June, 2011

P S Sastry
President-Finance
& Company Secretary

For and on behalf of the Board

B S Sahney
Chairman & Managing Director

Jasmine Pillai
Director

SCHEDULE A

SHARE CAPITAL	Rs. in lakhs		
		31.03.2011	31.03.2010
PARTICULARS			
AUTHORISED :			
(a) 40,00,000 Equity Shares of Rs. 10/- each (March 31,2010 - 40,00,000 Equity Shares)	400.00		400.00
(b) 4,00,000 - 15% Redeemable Cumulative Preference Shares of Rs.100/- each (March 31, 2010-4,00,000-Preference Shares)	400.00		400.00
	800.00		800.00
ISSUED, SUBSCRIBED AND PAID UP:			
(a) 37,75,000 Equity shares of Rs.10/- each fully paid up (March 31,2010 - 37,75,000 Equity Shares)	377.50		377.50
(b) 3,00,000 15% Non Convertible Cumulative Redeemable Preference Shares of Rs 100/- each fully paidup	-		300.00
SHARE APPLICATION MONEY	77.13		204.37
TOTAL	454.63		881.87

SCHEDULE B

RESERVES & SURPLUS	Rs. in lakhs		
		31.03.2011	31.03.2010
PARTICULARS			
CAPITAL RESERVE:			
Profit on reissue of forfeited shares Per last Balance Sheet	0.69		0.69
Add: Govt. Subsidy	6.47	7.16	
SHARE PREMIUM ACCOUNT			
Per last Balance Sheet		410.14	410.14
GENERAL RESERVE:			
Per last Balance Sheet	77.50		27.50
Transfer from Profit & loss account	50.00		50.00
Total		127.50	77.50
PROFIT & LOSS ACCOUNT			
Surplus Transferred from Profit & Loss a/c		351.89	154.13
Less: Deferred tax of earlier years		(90.82)	
TOTAL		805.87	642.46

SCHEDULE C**SECURED LOANS**

Rs. in lakhs

PARTICULARS	31.03.2011	31.03.2010
WORKING CAPITAL LOANS		
Canara Bank (Sanctioned Limit - Rs.95 Lakhs)		
- Open Cash Credit	-	5.41
TOTAL	-	5.41

SCHEDULE D**UNSECURED LOANS**

Rs. in lakhs

PARTICULARS	31.03.2011	31.03.2010
Vehicle Loans		
1) HDFC Bank	29.53	36.84
2) Axis Bank	7.41	8.73
3) Tata Capital Limited	16.24	-
4) Government Sales Tax Loan	-	6.47
TOTAL	53.18	52.04

SCHEDULE E

FIXED ASSETS

Rs. in lakhs

DESCRIPTION	GROSS BLOCK	ADDITIONS / DELETIONS			DEPRECIATIONS		TOTAL DEPRECIATION	NET BLOCK	
		As at 1st April 2010	Additions/ Capitalisation	Adjustments/ Deductions/ Transfers	Total March 31, 2011	Depreciation for the year 2010-11		Depreciation deletions	March 31, 2011
Land	21.42				21.42		-	21.42	21.42
Buildings	154.72				154.72	5.17	64.24	90.48	95.65
Plant & Machinery	627.22	1.37	72.61		555.98	29.03	400.43	155.55	222.12
Electrical Installation	38.90				38.90	1.84	28.79	10.11	11.95
Furniture, Fixtures & Office Equipment	53.27	1.44			54.71	2.82	19.56	35.15	36.53
Computer	72.45	3.36			75.81	3.69	60.12	15.69	16.01
Vehicles	155.52	23.77	18.54		160.75	16.62	60.81	99.94	92.80
TOTAL	1123.50	29.94	91.15	1062.29	59.17	52.24	633.95	428.34	496.48
March 31, 2010	1039.04	93.83	9.37	1123.50	50.63	5.64	627.02	496.48	

SCHEDULE F**INVESTMENTS**

PARTICULARS	31.03.2011	31.03.2010
Long Term Investments		
SBI Mutual Fund		
PSU - Fund Growth		
1,60,000 units @ Rs.10/-	16.00	-
UTI Mutual Fund		
Fixed Income Interval Fund -		
Annual Interval Plan Series - II		
Growth Plan		
1,16,615.356 units @ Rs.12.8628	15.00	-
TOTAL	31.00	-

SCHEDULE G**CURRENT ASSETS, LOANS AND ADVANCES**

Rs. in lakhs

PARTICULARS	31.03.2011	31.03.2010
(A) CURRENT ASSETS		
INVENTORIES (As certified by the Managing Director)		
(Lower of cost or net realisable value)		
Raw Materials ,Components & Spares (At cost)	489.35	429.43
Consumable Stores, Spares & Tools (At cost)	8.88	8.14
Jigs, Moulds, Dies (Cost, less depreciation)	15.22	18.18
Packing Materials (At cost)	3.54	2.26
Finished goods (At cost, which is lower than net realisable value)	30.96	5.16
Work-in-Progress (At Estimated Cost)	3.42	4.34
	551.37	467.51
SUNDRY DEBTORS		
Unsecured, considered good:		
Outstanding for more than six months	19.26	23.61
Others	604.21	507.77
	623.47	531.38
Less: Bad debts written off	3.87	
CASH & BANK BALANCES		
Cash on hand	3.15	1.03
With Scheduled banks-in current accounts	75.61	13.84
- in deposit accounts	-	360.00
	78.76	374.87
(B) LOANS & ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received.		
Deposits with Government Bodies	4.95	4.95
Other Deposits	0.43	0.43
Interest receivable on Bank Deposits	-	33.22
Advances/claims recoverable	101.89	105.15
Other Advances	8.36	11.33
Advance Income Tax & TDS	15.02	3.69
Prepaid expenses	0.98	1.03
Excise Deposits	10.18	20.69
Excise duty refund claim	124.88	128.90
DEPB Receivables	12.96	16.98
	279.65	326.37
TOTAL	1529.38	1700.13

SCHEDULE H**CURRENT LIABILITIES & PROVISIONS**

Rs. in lakhs

PARTICULARS	31.03.2011	31.03.2010
(A) CURRENT LIABILITIES		
Sundry Creditors - Materials	349.36	369.46
- Expenses	31.09	14.41
Advances from customers	3.35	4.21
Other liabilities	31.16	31.74
	414.96	419.82
(B) PROVISIONS		
Provision for gratuity	24.74	34.28
Provision for bonus	3.66	3.73
Provision for royalty	14.37	6.70
Provision for MAT	-	18.24
Proposed Dividend on equity shares	113.25	113.25
Dividend distribution tax	18.37	18.81
	174.39	195.01
TOTAL	589.35	614.83

SCHEDULE I**OTHER INCOME**

Rs. in lakhs

PARTICULARS	31.03.2011	31.03.2010
Sale of Scrap	3.07	4.85
Interest received	13.26	28.20
Service Charges Collected	0.14	0.31
Miscellaneous receipts	-	1.31
TOTAL	16.47	34.67

SCHEDULE J**MATERIALS CONSUMED**

Rs. in lakhs

PARTICULARS	31.03.2011	31.03.2010
Raw Materials, Components & Spares Consumed		
Opening Stock	429.43	371.45
Add: Purchases	1869.94	1068.39
	2299.37	1439.84
Less: Closing Stock	489.35	429.43
	1810.02	1010.41
(Increase)/Decrease in Work-in-Progress and Finished Goods		
Opening Stock		
- Work-in-Progress	4.33	5.37
- Finished Goods	5.16	44.84
	9.49	50.21
Closing Stock		
- Work-in-Progress	3.42	4.33
- Finished Goods	30.96	5.16
	34.38	9.49
	(24.89)	40.72
TOTAL	1785.13	1051.13

SCHEDULE K**MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES**

PARTICULARS	Rs. in lakhs	
	31.03.2011	31.03.2010
Excise duty Paid	244.11	137.05
Stores and tools consumed	51.18	26.69
Power and fuel	17.75	13.92
Repairs	30.01	23.13
Insurance	7.97	4.97
Salaries, Wages & Other benefits	250.12	304.45
Contributions to PF and Other funds	26.10	21.84
Staff Welfare	28.85	26.14
Freight outward and packing materials	69.68	44.20
Selling Expenses	18.29	7.34
Travelling	36.39	34.33
Advertisement & Sales Promotion	0.93	0.95
Rents	3.30	3.39
Transport and Conveyance	16.48	16.12
Postage, telex and telephones	8.59	9.65
Legal and professional fees	13.06	11.18
Bank charges and commission	3.31	4.09
Security charges	5.03	5.22
Printing and Stationery	3.11	3.33
Rates and Taxes	3.53	2.95
Royalty	11.10	5.70
Subscriptions, Books and Periodicals	1.23	1.08
Auditors' Remuneration and expenses	1.65	1.38
Miscellaneous expenses	15.23	18.95
Research & Development Expenses	3.41	1.21
TOTAL	870.41	729.26

SCHEDULE L**INTEREST ON LOANS**

Rs. in lakhs

PARTICULARS	31.03.2011	31.03.2010
Other Loans	5.80	4.15
TOTAL	5.80	4.15

'SCHEDULE 'M' – ACCOUNTING POLICIES & NOTES TO ACCOUNTS

ACCOUNTING POLICIES:

01. GENERAL

Financial Statements are prepared under historical cost convention and in accordance with generally accepted accounting practices. Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known Liabilities and Losses.

02. FIXED ASSETS AND DEPRECIATION

- i) Fixed Assets are stated at cost, net of cenvat, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto; and
- ii) Depreciation is provided on fixed assets, except on Technical know how, on Straight Line Method at the rates and in the manner specified under Schedule – XIV to the Companies Act, 1956. Depreciation on technical know-how is provided at 20% per annum on straight-line method.

03. INVESTMENTS:

Long term investments are stated at cost. Provision for diminution in the value of investments, if any, will be made if it is permanent in nature. Current investments are stated at net realisable value.

04. INVENTORIES

(As certified by the Management)

- a. Finished goods are valued at cost or market value which ever is lower.
- b. Work-in-progress, Raw Materials, Components, Stores, Spares etc., are valued at cost or realisable value, whichever is lower.

NOTES TO ACCOUNTS

05. SALES:

Sales are inclusive of excise duty, and export incentives.

06. WARRANTY CLAIMS

Liability for warranty claims is charged to revenue in the year in which it is settled by the company.

07. EXPORT BENEFITS:

Export benefits are accounted on estimated amount of benefits which the company is entitled to.

08. TREATMENT OF CUSTOMS DUTY

The customs duty payable on imported material lying as at the end of the year in customs bonded warehouse is neither included in expenses nor considered in valuation of the inventories of such material/goods. The duty is accounted for on actual payment on clearance of such material/goods.

09. TREATMENT OF EXCISE DUTY

- i. Excise Duty recovered is included in 'Sales'. Excise Duty on despatches is shown as item of expense. It is included as an element of cost in the valuation of duty paid stocks.
- ii. The Cenvat credit available on Raw Material, Components, Stores and Spares and Fixed Assets are correspondingly reduced from these accounts and unutilised part of credit available is reflected as Balance with Excise department under Current Assets.

10. CONTINGENT LIABILITIES IN RESPECT OF :

	March 31, 2011 Rs/Lakhs	March 31, 2010 Rs/Lakhs
Central Excise demands in Appeal	123.86	86.75

11. The Company does not owe any sum exceeding Rs. 1.00 Lakh beyond 30 days to any party for supplies made by creditors who are SSI units.

12. Balances standing to the debit/credit of parties are subject to confirmation and reconciliation.

13. Components of deferred tax include:

(i) Difference between IT & book depreciation. 85.69 lakhs

14. Segment Reporting:

The Company recognises primary segment as the geographical location of its customers within and outside India.

Sales within India	2661.99 lakhs
Sales outside India	550.81 lakhs
Total	3212.80 lakhs

The entire tangible fixed assets of the company are located in India.

15. Related Parties Disclosures: (Rs in lakhs)

The Company had transactions with the following related parties.

a)	Mr B S Sahney, Chairman Managing Director-Remuneration	33.15
b)	Time & Space Advertising Services Pvt.Ltd. - Advertisement	1.08

16. Managerial Remuneration :

	Rs/Lakhs		
	2010 - 2011	2009 - 2010	
a)	Salary & Other benefits	26.40	25.20
b)	Contributions to PF & other funds	3.17	3.02
c)	Reimbursements	1.28	0.79
d)	Commission	2.30	4.00
	<u>33.15</u>	<u>33.01</u>	

17. Commission on net profits in accordance with Section 198 of the Companies Act for the year ended March 31, 2011

	Rs lakhs
Profit as per P & L statement (before charging commission)	475.27
Eligible profits	<u>475.27</u>
Commission at 5%	23.76
(restricted upto)	2.30

18. Auditors remuneration and expenses :

	Rs/Lakhs		
	2010 - 2011	2009 - 2010	
a)	Audit Fees	1.30	1.00
b)	Tax Audit Fees	0.30	0.30
c)	Reimbursement of expenses	0.05	0.08

19. CIF value of Imports

	Rs/Lakhs		
	2010 - 2011	2009 - 2010	
a)	Raw Materials, Components and Parts	599.22	362.19

20 . Value of Imported and Indigenous Raw Materials and Components used in Production :

	2010-2011		2009 - 2010	
	Rs/Lakhs	%	Rs/Lakhs	%
Imported	592.52	33.19	342.67	32.60
Indigenous	1192.62	66.81	708.46	67.40

21. Expenditure in Foreign Currency:

	Rs/Lakhs	
	2010 - 2011	2009 - 2010
Payment for Imports	437.03	179.69
Travelling	2.17	7.87

22. Earnings in Foreign Currency :

	Rs/Lakhs	
	2010 - 2011	2009 - 2010
F O B Value of Exports	312.41	1650.08

23. Previous year's figures have been regrouped wherever necessary.

Our Report attached
for **Venugopal & Chenoy**
Chartered Accountants

P V Sri Hari
Partner

Hyderabad
1st June, 2011

P S Sastry
President-Finance
& Company Secretary

For and on behalf of the Board

B S Sahney
Chairman & Managing Director

Jasmine Pillal
Director

24 BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I Registration details

Registration No.	15448	State Code
Balance Sheet Date	31 03 2011	01
Date	Date Month Year	

II Capital raised during the year (Amount Rs.in lacs)

Public Issue	Rights Issue
-	-
Bonus Issue	Preferential Issue
-	-

III Position of Mobilisation and Deployment of Funds (Amount in Rs.lakhs)

Total Liabilities	Total Assets
1399.37	1399.37
Sources of Funds	
Share Capital	Reserves & Surplus
454.63	805.87
Secured Loans	Unsecured Loans
-	53.18
Application of Funds	
Net Fixed Assets	Investments
428.34	31.00
Net Current Assets	Misc. Expenditure
940.03	-

IV Performance of Company (Amount in Rs.lacs)

Turnover	Total Expenditure
3229.27	2756.30
Profit/-(Loss) before Tax	Profit/-(Loss) after Tax
472.97	418.74

V Earnings per share in Rs.

	11.09
Preference Dividend rate %	15%
Equity Dividend rate %	30%
Generic Names of three principal products/services of company	
Item Code No (ITC Code)	8511.00
Product Description	Starter
Item Code No (ITC Code)	8511.00
Product Description	Generators/Alternators
Item Code No (ITC Code)	8511.00
Product Description	Regulators

For and on behalf of the Board

B S Sahney
Chairman & Managing Director

P S Sastry
President-Finance
& Company Secretary

Jasmine Pillai
Director

Hyderabad
1st June, 2011

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2011

Rs. in lakhs

	March 31,2011	March 31,2010
Net Profit/(Loss)	472.97	243.37
Adjusted for		
Depreciation	59.17	50.63
Amounts/Expenses written off	-	-
Interest	5.80	4.15
Operating profit before working capital change	<u>537.94</u>	<u>298.15</u>
Changes in		
Trade and Other receivables	(41.50)	48.14
Inventories	(83.86)	(23.54)
Trade payables and Other Liabilities	(25.48)	(29.55)
	(150.84)	(4.95)
Cash generated from operations	<u>387.10</u>	<u>293.20</u>
Interest paid	(5.80)	(4.15)
Direct taxes paid	(59.36)	(49.51)
A. NET CASH FROM OPERATING ACTIVITIES	321.94	239.54
Cash flow from Investing activities		
Purchase of fixed assets	(29.94)	(93.83)
Decrease in value of fixed assets	38.91	3.73
Purchase of Investments	(31.00)	
Miscellaneous expenses to extent not written off		
Sale of Investments		
Interest received		
Dividend received		
B. NET CASH USED IN INVESTING ACTIVITIES	(22.03)	(90.10)
Cash Flow from Financing activities		
Proceeds from Issue of share capital	(300.00)	
Share Premium		
Share Application Money	(127.24)	
Proceeds from borrowings	2.20	46.97
Dividend paid	(170.98)	(184.71)
C. NET CASH USED IN FINANCING ACTIVITIES	(596.02)	(137.74)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(296.11)	11.70
CASH & CASH EQUIVALENTS -OPENING BALANCE	374.87	363.17
CASH & CASH EQUIVALENTS -CLOSING BALANCE	78.76	374.87

Our Report attached
for **Venugopal & Chenoy**
Chartered Accountants

P V Sri Hari
Partner

Hyderabad
1st June, 2011

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