
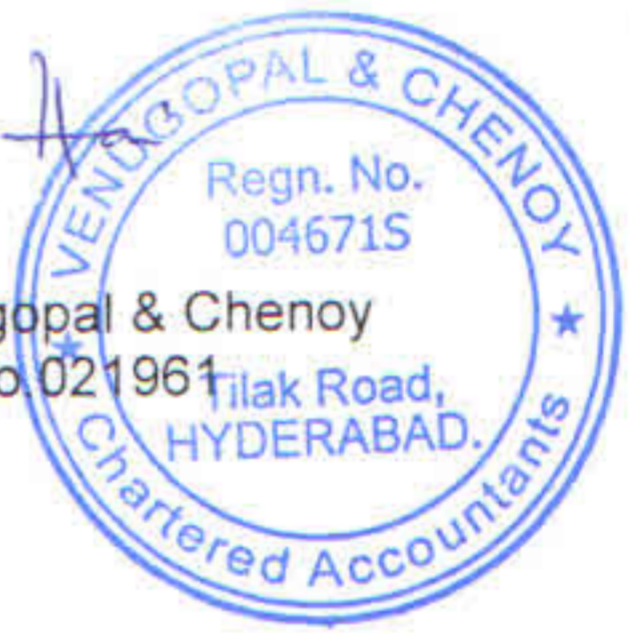


FORM A
(Pursuant to Clause 31 (a) of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the Stock Exchange

| | | |
|---|--|--|
| 1 | Name of the Company | REIL Electricals India Limited |
| 2 | Annual Financial Statements for the year ended | March 31, 2014 |
| 3 | Type of Audit Observation | Un-qualified |
| 4 | Frequency of Observation | N.A. |
| 5 | To be Signed by:- | |
| | Managing Director |  B.S. Sahney |
| | President-Finance & Company Secretary |  P.S. Sastry |
| | Auditor of the Company |  P.V. Sri Hari For M/s. Venugopal & Chenoy Membership No. 021961  |

REIL ELECTRICALS INDIA LIMITED

**Annual Report
2013-2014**



REIL ELECTRICALS INDIA LIMITED

(CIN: L31909TG1973PLC015448)

| | |
|--|--|
| Chairman & Managing Director | Mr. Bhupinder Singh Sahney (DIN: 00376152) |
| Director | Ms. Brijween Kaur Sahney (DIN: 00374606) |
| Director | 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."

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

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**

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

Place: Hyderabad
Date: August 11, 2014



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 | 359.39 |
| | (ii) Foreign Travel | 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.



Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for all the Board Members and the Senior Management. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2014.

Hyderabad
Date: 11-08-2014

B.S. 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 & Company 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, 2014.
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
Date: 11-08-2014

BS Sahney
Chairman & Managing Director

PS Sastry
President-Finance & Company Secretary



Auditors Certificate to the members of REiL ELECTRICALS INDIA LIMITED on Compliance of the conditions of Corporate Governance for the year ended 31st March, 2014 under clause 49 of the Listing Agreement with relevant stock exchanges.

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 31-03-2014, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Stock Exchange.

The compliance conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

Date: 28-06-2014
Place: Hyderabad

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



INDEPENDENT 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, 2014, 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss 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 31,2014 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
FRN No. 004671S

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

Place: Hyderabad
Date: 30-05-2014



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, 2014, 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
FRN No: 004671S

Place: Hyderabad
Date: 30-05-2014

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



REIL ELECTRICALS INDIA LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014

| | Note | As at 31.3.2014 | | As at 31.3.2013 | |
|--|------|-----------------|-----------------|-----------------|----------------|
| | | Rs.lakhs | Rs.lakhs | Rs.lakhs | Rs.lakhs |
| I. EQUITY & LIABILITIES | | | | | |
| 1. Shareholder's Funds: | | | | | |
| (a) Share Capital | 2.1 | 377.50 | | 377.50 | |
| (b) Reserves & Surplus | 2.2 | 944.30 | | 994.47 | |
| | | | 1321.80 | | 1371.97 |
| 2. Non-Current Liabilities: | | | | | |
| (a) Long Term Borrowings | 2.3 | 30.37 | | 36.54 | |
| (b) Deferred Tax Liability(Net) | 2.4 | 68.67 | | 74.93 | |
| (c) Long Term Provisions | 2.5 | - | | 14.37 | |
| | | | 99.04 | | 125.84 |
| 3. Current Liabilities: | | | | | |
| (a) Short Term Borrowings | 2.6 | 345.23 | | 342.43 | |
| (b) Trade Payables | 2.7 | 139.67 | | 260.00 | |
| (c) Other Current Liabilities | 2.8 | 81.46 | | 90.06 | |
| (d) Short Term Provisions | 2.9 | 3.17 | | 13.65 | |
| | | | 569.53 | | 706.14 |
| Total: | | | <u>1990.37</u> | | <u>2203.95</u> |
| II. ASSETS | | | | | |
| 1. Non-Current Assets: | | | | | |
| (a) Fixed Assets | | | | | |
| (i) Tangible Assets | 2.10 | 259.59 | | 296.10 | |
| (b) Long-Term Loans and Advances | 2.11 | 112.35 | | 128.55 | |
| (c) Non-Current Investments | 2.12 | 190.00 | | 190.00 | |
| | | | 561.94 | | 614.65 |
| 2. Current Assets: | | | | | |
| (a) Inventories | 2.13 | 288.16 | | 553.27 | |
| (b) Trade Receivable | 2.14 | 428.87 | | 391.39 | |
| (c) Cash and Cash Equivalents | 2.15 | 98.10 | | 30.83 | |
| (d) Short Term Loans and Advances | 2.16 | 610.34 | | 611.83 | |
| (e) Other Current Assets | 2.17 | 2.96 | | 1.98 | |
| | | | 1,428.43 | | 1,589.30 |
| Total: | | | <u>1,990.37</u> | | <u>2203.95</u> |
| Significant Accounting Policies and Notes to Accounts | 2.25 | | | | |

Our Report attached,
For VENUGOPAL & CHENOY,
Chartered Accountants.

For and on behalf of the Board,

CA P.V.SRI HARI
Partner
Membership No.21961
FRN No: 004671S
Hyderabad
Date: 30-5-2014

B.S.Sahney
Chairman & Managing Director

Jasmine Sahney Pillai
Director

P.S.Sastry
President-Finance &
Company Secretary



REIL ELECTRICALS INDIA LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

| | Note No. | Figures for the year ended March 31, 2014 | | Figures for the year ended March 31, 2013 | |
|--|----------|--|----------------|--|----------------|
| | | Rs.lakhs | Rs.lakhs | Rs.lakhs | Rs.lakhs |
| I. Revenue from Operations | 2.18 | 2226.09 | | 2506.65 | |
| Less: Excise Duty | | 250.91 | | 267.27 | |
| Net Revenue from Operations | | | 1975.18 | | 2239.38 |
| II. Other Income | 2.19 | | 17.93 | | 18.22 |
| III. Total Revenue(I + II) | | | <u>1993.11</u> | | <u>2257.60</u> |
| IV. Expenses: | | | | | |
| Cost of Materials Consumed | 2.20 | | 1312.39 | | 1295.04 |
| Changes in Inventories of Finished Goods | 2.21 | | 19.40 | | 12.25 |
| Employee Benefit Expenses | 2.22 | | 369.87 | | 374.27 |
| Finance Cost | 2.23 | | 41.24 | | 32.06 |
| Loss on Sale/Adjustment of Assets(Net) | | | 9.91 | | 68.08 |
| Depreciation & Amortisation Expenses | | | 49.56 | | 58.57 |
| Other Expenses | 2.24 | | 233.22 | | 250.87 |
| | | | <u>2035.59</u> | | <u>2091.14</u> |
| V. Profit/ (Loss) before Tax(III - IV) | | | (42.48) | | 166.46 |
| VI. Tax Expense: | | | | | |
| Current Tax | | | - | | 53.92 |
| Deferred Tax | | | (6.28) | | (6.03) |
| Tax for earlier years | | | 13.97 | | 47.89 |
| | | | 7.69 | | |
| VII. Profit/(Loss) for the year | | | (50.17) | | 118.57 |
| VIII. Earnings Per Equity Share | | | | | |
| Basic & Diluted | | | (1.33) | | 3.14 |
| Significant Accounting Policies and Notes to Accounts | 2.25 | | | | |

Our Report attached,
For VENUGOPAL & CHENOY,
Chartered Accountants.

For and on behalf of the Board,

CA P.V.SRI HARI
Partner
Membership No.21961
FRN No: 004671S
Hyderabad
Date: 30-5-2014

B.S.Sahney
Chairman & Managing Director

Jasmine Sahney Pillai
Director

P.S.Sastry
President-Finance &
Company Secretary



CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

| | March 31, 2014 | | March 31, 2013 | |
|--|----------------|----------|----------------|----------|
| | Rs.lakhs | Rs.lakhs | Rs.lakhs | Rs.lakhs |
| Net Profit/(Loss) | (42.48) | | 166.46 | |
| Adjusted for | | | | |
| Depreciation | 49.56 | | 58.57 | |
| (Profit) / loss on sale of fixed assets | 9.91 | | 68.08 | |
| Provision/(reversal) for Royalty | (14.37) | | - | |
| Interest Income | - | | (0.79) | |
| Interest Expense | 41.24 | | 32.06 | |
| Operating profit before working capital change | | 43.86 | | 324.39 |
| Adjustments for Changes in Working Capital: | | | | |
| (Increase)/Decrease in Trade Receivable | (37.48) | | (82.93) | |
| (Increase)/Decrease in Short Term Loans & Advances | 1.49 | | (501.84) | |
| (Increase)/Decrease in Long Term Loans & Advances | 16.19 | | (20.50) | |
| Increase/(Decrease) in Trade Payable | (120.30) | | 41.19 | |
| (Increase)/Decrease in Inventories | 265.11 | | 195.02 | |
| (Increase)/Decrease in Other Current Assets | (0.98) | | 1.73 | |
| Increase/(Decrease) in Other Current Liabilities | (8.60) | | 9.73 | |
| Increase/(Decrease) in Short Term Provision | (10.48) | | (121.57) | |
| Cash generated from operations | | 104.95 | | (479.18) |
| Interest paid | (41.24) | | (32.06) | |
| Direct taxes paid | (13.97) | (55.21) | (53.92) | (85.98) |
| A. NET CASH FROM OPERATING ACTIVITIES | | 93.60 | | (240.77) |
| Cash flow from Investing activities | | | | |
| Purchase of fixed assets | (43.31) | | (4.97) | |
| Proceeds from sale of fixed assets | 20.35 | | 25.12 | |
| Sale/(Purchase) of Investments | - | | (190.00) | |
| Interest received | - | | 0.79 | |
| B. NET CASH USED IN INVESTING ACTIVITIES | | (22.96) | | (169.06) |
| Cash Flow from Financing activities | | | | |
| Proceeds/(Repayment-Short Term Borrowings) | 2.80 | | 342.43 | |
| Proceeds/(Repayment-Long Term Borrowings) | (6.17) | | (31.44) | |
| C. NET CASH USED IN FINANCING ACTIVITIES | | (3.37) | | 310.99 |
| NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C) | | 67.27 | | (98.84) |
| CASH & CASH EQUIVALENTS -OPENING BALANCE | | 30.83 | | 129.67 |
| CASH & CASH EQUIVALENTS -CLOSING BALANCE | | 98.10 | | 30.83 |

Our Report attached,
For VENUGOPAL & CHENOY,
Chartered Accountants.

CA P.V.SRI HARI
Partner
Membership No.21961
FRN No: 004671S
Hyderabad
Date: 30-5-2014

For and on behalf of the Board,

B.S.Sahney
Chairman & Managing Director

Jasmine Sahney Pillai
Director

P.S.Sastry
President-Finance &
Company Secretary



NOTE - 2.1 : SHARE CAPITAL

| | Figures at the end of March 31, 2014 | | Figures at the end of March 31, 2013 | |
|--|---|---------------|---|---------------|
| | Rs.lakhs | Rs.lakhs | Rs.lakhs | Rs.lakhs |
| Authorised: | | | | |
| a) 40,00,000 Equity Shares of Rs.10/- each | | 400.00 | | 400.00 |
| b) 4,00,000 - 15% Redeemable Cumulative Preference Shares of Rs.100/- each | | 400.00 | | 400.00 |
| Total: | | <u>800.00</u> | | <u>800.00</u> |
| Issued, Subscribed & Paid up: | | | | |
| 37,75,000 Equity Shares of Rs.10/- each, fully paid up | | 377.50 | | 377.50 |
| Total: | | <u>377.50</u> | | <u>377.50</u> |

Additional Notes:

- 1) No new shares were issued during the current year. Hence, there is no change in number of shares outstanding as at the beginning and as at the end of the reporting period.
- 2) The details of shares in the Company held by each shareholder holding more than 5% shares.

| Name of the Shareholder | % of | No. of Shares | % of | No. of Shares |
|--------------------------------------|--------------|-----------------|--------------|-----------------|
| | Shareholding | | Shareholding | |
| | | in Lakhs | | in Lakhs |
| 1. B.S.Sahney | 29 | 10.98 | 29 | 10.98 |
| 2. Brijween Kaur Sahney | 17 | 6.49 | 17 | 6.49 |
| 3. Bhupinder Investment Co. (P) Ltd. | 16 | 5.99 | 16 | 5.99 |
| 4. Jasmine Sahney | 9 | 3.41 | 9 | 3.41 |
| 5. Deepika Sahney | 9 | 3.40 | 9 | 3.40 |
| 6. Ambita Sahney | 9 | 3.40 | 9 | 3.40 |
| 7. Anjana Thakkar | 9 | 3.39 | 9 | 3.39 |

NOTE - 2.2 : RESERVES & SURPLUS

| | | | | |
|--|---------|---------------|--------|---------------|
| a) Capital Reserve: Per last Balance Sheet | | 7.15 | | 7.15 |
| b) Share Premium Account: Per last Balance Sheet | | 410.15 | | 410.15 |
| c) General Reserve: Per last Balance Sheet | | 177.50 | | 177.50 |
| d) Surplus in Profit & Loss Account: Opening Balance | 399.67 | | 281.10 | |
| Add/(Less) : Profit/(Loss)for the year | (50.17) | | 118.57 | |
| Total: | | <u>349.50</u> | | <u>399.67</u> |
| | | <u>944.30</u> | | <u>994.47</u> |



NOTE - 2.3 : LONG TERM BORROWINGS

| | | |
|--|-------|-------|
| Vehicle Loans: | | |
| HDFC Bank Ltd. | - | 1.91 |
| Axis Bank Ltd. | 27.57 | 28.78 |
| Tata Capital Ltd. (Hypothecation of Vehicles) | 2.80 | 5.85 |
| Total: | 30.37 | 36.54 |
| Additional Notes: | | |
| Secured | 30.37 | 36.54 |
| Unsecured | - | - |

NOTE - 2.4 : DEFERRED TAX LIABILITY

| | | | | |
|--|-------|-------|-------|-------|
| a) Deferred Tax Liability: | | | | |
| 1. Related to Fixed Assets | 68.67 | | 74.93 | |
| 2. Accrued Expenses | - | | - | |
| 3. Miscellaneous Expenses | - | | - | |
| | | 68.67 | | 74.93 |
| b) Deferred Tax Assets: | | | | |
| 1. Provision for Bad & Doubtful Debts and Advances | - | | - | |
| 2. Provision for Post-Retirement Medical Benefits | - | | - | |
| 3. Accrued Expenses | - | | - | |
| 4. Other Provisions | - | | - | |
| | | | | |
| Total: | 68.67 | | 74.93 | |

NOTE - 2.5 : LONG TERM PROVISIONS

| | | |
|-----------------------|---|-------|
| Provision for Royalty | - | 14.37 |
| Total: | - | 14.37 |

NOTE - 2.6 : SHORT TERM BORROWINGS

| | | |
|---|--------|--------|
| Loans Repayable on Demand | | |
| OCC, PC AND BILLS DISCOUNTING | | |
| Canara Bank (Sanc. Limit-Rs.300 Lakhs) | | |
| - Open Cash Credit (Hypothecation of Inventory) | 345.23 | 342.43 |
| | 345.23 | 342.43 |
| | 345.23 | 342.43 |
| Additional Notes: | | |
| Secured | 345.23 | 342.43 |
| Unsecured | - | - |



NOTE - 2.7 : TRADE PAYABLES

| | | |
|--|---------------|---------------|
| Outstanding dues of Micro and Small Enterprises | - | - |
| Other than Micro and Small Enterprises | 139.67 | 260.00 |
| Total: | <u>139.67</u> | <u>260.00</u> |
| <u>Disclosure relating to Micro and Small Enterprises:</u> | | |
| i) (a) The principal amount remaining unpaid to the supplier as at the end of the year | NIL | NIL |
| i) (b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year | NIL | NIL |
| ii) the amount of interest paid in terms of Section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | NIL | NIL |
| iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL |
| iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | NIL | NIL |
| v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL |

NOTE - 2.8 - OTHER CURRENT LIABILITIES

| | | | | |
|---|-------|--------------|-------|--------------|
| Advances from Customers | | 3.74 | | 5.75 |
| <u>Vehicle Loans:(Current maturities of long term debts)</u> | | | | |
| HDFC Bank Ltd. | 2.63 | | 10.62 | |
| Axis Bank Ltd. | 11.13 | | 15.54 | |
| Tata Capital Ltd. | 3.88 | | 4.35 | |
| | | 17.64 | | 30.51 |
| Loans from Related parties | | 0.56 | | - |
| Other Payables | | 59.52 | | 53.80 |
| Total: | | <u>81.46</u> | | <u>90.06</u> |

NOTE - 2.9 : SHORT TERM PROVISIONS

| | | | | |
|----------------------------------|--|-------------|------|--------------|
| <u>Employee Benefits:</u> | | | | |
| Provision for Bonus | | 3.17 | 3.65 | 3.65 |
| <u>Others:</u> | | | | |
| Provision for Income tax | | - | | 10.00 |
| Total: | | <u>3.17</u> | | <u>13.65</u> |

NOTE - 2.10 : TANGIBLE ASSETS

(Rs.in Lakhs)

| Asset | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|--|---------------------|---------------------------|------------------------------------|----------------------|--------------|------------------------------------|----------------------|----------------------|
| | As at April 1, 2013 | Additions during the Year | Sales/ Adjustments during the Year | As at March 31, 2014 | For the Year | Sales/ Adjustments during the Year | As at March 31, 2014 | As at March 31, 2013 |
| Land | 21.43 | - | - | 21.43 | - | - | 21.43 | 21.43 |
| Buildings | 157.05 | 32.00 | - | 189.05 | 5.33 | - | 109.12 | 82.46 |
| Plant & Machinery | 408.41 | 0.06 | - | 408.47 | 14.60 | - | 0.05 | 14.59 |
| Electrical Installation | 38.88 | - | - | 38.88 | 1.85 | - | 4.53 | 6.38 |
| Furniture, Fixtures & Office Equipment | 57.84 | 3.08 | - | 60.92 | 2.45 | - | 33.84 | 33.21 |
| Computer | 77.50 | 0.36 | - | 77.86 | 3.97 | - | 9.39 | 13.00 |
| Vehicles | 223.58 | 7.81 | 59.14 | 172.25 | 21.36 | 28.89 | 81.23 | 125.03 |
| | <u>984.69</u> | <u>43.31</u> | <u>59.14</u> | <u>968.86</u> | <u>49.56</u> | <u>28.89</u> | <u>259.59</u> | <u>296.10</u> |

REIL



NOTE- 2.11 : LONG TERM LOANS & ADVANCES

| | | | |
|---------------------------------|---------------|---------------|---------------|
| Deposits: | | | |
| Deposits with Government Bodies | | 4.26 | 4.38 |
| Others | | 0.31 | 0.31 |
| Excise Duty Refund Claim | | 107.78 | 123.86 |
| | Total: | <u>112.35</u> | <u>128.55</u> |
| Secured, Considered good | | - | - |
| Unsecured, Considered good | | 112.35 | 128.55 |
| Doubtful | | - | - |

NOTE - 2.12 : NON-CURRENT INVESTMENTS

| | | | |
|--|---------------|---------------|---------------|
| Investment in equity shares (unquoted) | | | |
| 1,33,803 equity shares in Daaj Hotels and Resorts Pvt Ltd @ Rs.100/- per share at a premium of Rs.42/- per share | | 190.00 | 190.00 |
| | Total: | <u>190.00</u> | <u>190.00</u> |

NOTE - 2.13 : INVENTORIES

| | | | |
|---|---------------|---------------|---------------|
| Raw Materials, Components & Spares (includes material in transit Rs.507742) | | 259.17 | 504.89 |
| Finished goods | | 28.99 | 48.38 |
| | Total: | <u>288.16</u> | <u>553.27</u> |
| Inventories are valued at Cost or NRV whichever is lower | | | |

NOTE - 2.14 : TRADE RECEIVABLES

| | | | |
|---|---------------|---------------|---------------|
| Outstanding for a period exceeding six months | | 6.10 | 12.39 |
| Others | | 422.77 | 379.00 |
| | Total: | <u>428.87</u> | <u>391.39</u> |
| Notes: | | | |
| Particulars of Trade Receivables: | | | |
| Secured, Considered good | | - | - |
| Unsecured, Considered good | | 428.87 | 391.39 |
| Doubtful | | - | - |

NOTE - 2.15 : CASH & BANK BALANCES

| | | | |
|-------------------------------------|---------------|--------------|--------------|
| Cash & Cash Equivalents: | | | |
| Balances with Banks: | | | |
| - In Current Accounts | | 87.62 | 25.49 |
| Unclaimed Dividend | | 3.04 | 3.32 |
| Cash on hand | | 7.44 | 2.02 |
| | Total: | <u>98.10</u> | <u>30.83</u> |



NOTE - 2.16 - SHORT TERM LOANS & ADVANCES

| | | | | |
|----------------------------|---------------|---------------|--|---------------|
| DEPB Receivables | | - | | 1.03 |
| Income Tax Refundable | | 20.84 | | 14.04 |
| Advances to Suppliers | | 21.65 | | 56.05 |
| Loans to Related parties | | 538.63 | | 509.68 |
| Others | | 29.22 | | 31.02 |
| | Total: | <u>610.34</u> | | <u>611.83</u> |
| Secured, Considered good | | - | | - |
| Unsecured, Considered good | | 610.34 | | 611.83 |
| Doubtful | | - | | - |

NOTE - 2.17 : OTHER CURRENT ASSETS

| | | | | |
|------------------|---------------|-------------|--|-------------|
| Prepaid Expenses | | 2.96 | | 1.98 |
| | Total: | <u>2.96</u> | | <u>1.98</u> |

NOTE - 2.18 : REVENUE FROM OPERATIONS

| | | | | |
|-----------------|---------------|----------------|--|----------------|
| <u>Sale of:</u> | | | | |
| Auto Components | | 2226.09 | | 2506.65 |
| | Total: | <u>2226.09</u> | | <u>2506.65</u> |

NOTE - 2.19 : OTHER INCOME

| | | | | |
|----------------------------|---------------|--------------|--|--------------|
| Interest Income | | - | | 0.80 |
| Sale of Scrap | | 2.08 | | 8.51 |
| Exchange differences (net) | | 1.00 | | (0.06) |
| Miscellaneous Income | | 14.85 | | 8.97 |
| | Total: | <u>17.93</u> | | <u>18.22</u> |

NOTE - 2.20 : COST OF MATERIALS CONSUMED

| | | | | |
|---|---------------|-----------------|--|-----------------|
| Raw Materials, Components & Spares Consumed | | 1,289.47 | | 1,271.65 |
| Stores & Tools Consumed | | 22.92 | | 23.39 |
| | Total: | <u>1,312.39</u> | | <u>1,295.04</u> |

NOTE - 2.21 : CHANGES IN INVENTORIES OF FINISHED GOODS

| | | | | |
|---|---------------|----------------|-------|----------------|
| Work-in-Progress: | | | | |
| Balance as at close of the year | - | | - | |
| Less: Balance as at the beginning of the year | - | | 0.19 | |
| | | | | (0.19) |
| Finished Goods: | | | | |
| Balance as at close of the year | 28.99 | | 48.39 | |
| Less: Balance as at the beginning of the year | 48.39 | | 60.45 | |
| | | (19.40) | | (12.06) |
| | Total: | <u>(19.40)</u> | | <u>(12.25)</u> |



NOTE - 2.22 : EMPLOYEE BENEFIT EXPENSES

| | | | | |
|--|--|---------------|--|---------------|
| Salaries & Wages | | 299.51 | | 306.05 |
| <u>Contribution to Provident Fund & Other Funds:</u> | | | | |
| Provident Fund, EPS & DLI | | 32.68 | | 33.54 |
| Staff Welfare Expenses | | 37.68 | | 34.68 |
| Total: | | <u>369.87</u> | | <u>374.27</u> |

NOTE - 2.23 : FINANCE COST

| | | | | |
|---------------------------|--|--------------|--|--------------|
| Interest on Cash Credit | | 36.14 | | 24.92 |
| Interest on Vehicle Loans | | 5.10 | | 7.15 |
| Total: | | <u>41.24</u> | | <u>32.06</u> |

NOTE - 2.24 : OTHER EXPENSES

| | | | | |
|--------------------------------------|-------|---------------|-------|---------------|
| Rent | | 3.89 | | 4.48 |
| Insurance | | 6.53 | | 8.08 |
| Rates & Taxes | | 8.04 | | 1.98 |
| <u>Payments to Auditors:</u> | | | | |
| As Auditors | 1.50 | | 1.30 | |
| As Tax Auditors | 0.30 | | 0.30 | |
| For Reimbursement Expenses | 0.36 | 2.16 | 0.08 | 1.68 |
| Subscription for Books & Periodicals | | 0.68 | | 1.17 |
| Selling Expenses - Freight Outwards | | 32.62 | | 40.79 |
| - Others | | 2.27 | | 10.59 |
| Research & Development Expenses | | 3.27 | | 5.72 |
| <u>Sundries:</u> | | | | |
| Security Charges | | 8.97 | | 9.76 |
| Travelling Expenses | | 58.59 | | 58.96 |
| Advertisement & Publicity | | 2.14 | | 1.11 |
| Postage, Telephone & Telex | | 7.22 | | 9.40 |
| Printing & Stationery | | 2.81 | | 2.34 |
| Bank Charges & Commission | | 3.72 | | 5.50 |
| Legal & Professional Fees | | 13.52 | | 9.97 |
| Transport & Conveyance | | 14.04 | | 16.14 |
| Power & Fuel | | 17.39 | | 15.71 |
| <u>Repairs:</u> | | | | |
| Buildings | 5.98 | | 2.62 | |
| Machinery | 4.25 | | 2.37 | |
| Others | 20.82 | 31.05 | 24.56 | 29.55 |
| Miscellaneous Expenses | | 14.31 | | 17.94 |
| Total: | | <u>233.22</u> | | <u>250.87</u> |



SCHEDULE 2.25 - ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014.

CORPORATE INFORMATION:

REIL Electricals India Limited (the Company) was incorporated on 11th day of April, 1973 as a Public Limited Company under the provisions of The Companies Act, 1956 (The Act).

The Company is engaged in the business of manufacturing and selling of all types of auto electrical items.

A) SIGNIFICANT ACCOUNTING POLICIES:

1. USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principle in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual result could differ from these estimates. Any revision to such accounting estimates is recognized prospectively in future periods.

2. INVENTORIES

Raw materials and Packing materials are valued at lower of cost, calculated on "First-in-First out" basis, and net realizable value.

Finished goods and work-in-progress are valued at lower of cost and net realizable value. Cost includes materials, labour and a proportion of appropriate overheads. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to affect the sale.

3. FIXED ASSETS AND DEPRECIATION

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation on fixed assets has been provided using written down value method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed

4. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The treatment of contingencies and significant events occurring after balance sheet date are in accordance with AS-4 'Contingencies and Events Occurring after the Balance Sheet Date' as notified in Section 211(3C) of the Companies Act, 1956.

5. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from domestic sales is recognized on delivery of products to customers from the factory of the company. Revenue from export sales is recognized when the significant risks and rewards of ownership



of products are transferred to the customers, which is based upon the terms of the applicable contract. Gross Sales are exclusive of returns, applicable trade discounts and allowances and inclusive of Excise Duty and Sales Tax.

6. SALES

Sales are inclusive of excise duty, and export incentives.

7. WARRANTY CLAIMS

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

8. TREATMENT OF EXCISE DUTY

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.

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

9. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreigncurrency transactions settled during the year are recognized in the profit and loss account.

Monetary assets and liabilities denominated in foreign currencies as at the date of balance sheet are translated at year-end rates. The resultant exchange differences are recognized in the profit and loss account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

10. INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long-term investments are carried at cost. However, diminution in value is provided to recognize a decline, other than temporary, in the value of the investments.

11. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash flow will be required and a reliable estimate can be made of the amount of the obligation. However, where such obligations are not likely to entail outflows in future periods and are contingent on the future outcome of events, they are disclosed as a matter of information as "Contingent Liabilities".

12. TAXATION

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised



13. EMPLOYEE BENEFITS

A) PROVIDENT FUND AND FAMILY PENSION FUND

The Contributions to Provident Fund and Employee State Insurance Schemes, which are defined contributions schemes, to the relevant funds administered and managed by the Central Government of India, are charged off to the Profit and Loss Account as and when respective funds are due. The Company has no further obligations under these plans beyond its monthly contributions.

B) BONUS

Short term employee benefits including bonus as at the balance sheet date are recognized as an expense based on the expected obligation on an undiscounted basis.

C) GRATUITY

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible Employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of 5 years of service. Contributions to Gratuity Fund are made to Life Insurance Corporation of India.

14. RELATED PARTIES DISCLOSURES :

List of Key Managerial personnel:

(1) B.S.Sahney, Managing Director, managerial remuneration shown below:

Relatives of Key management personnel:

(a) Brijween Kaur Sahney, Director

(b) Jasmine Pillai, Director

Enterprises over which key management personnel or relatives exercise significant influence:

(a) Bhupinder Investment Co.Pvt.Ltd., - short term loan balance Rs 368.63 lakhs.

(b) Daaj Hotels and Resorts Pvt.Ltd., - short term loan balance Rs.170 lakhs

The Company had transactions with the following related parties.

| Particulars | March 31, 2014 Rupees in Lakhs | March 31, 2013 Rupees in Lakhs |
|--|-----------------------------------|-----------------------------------|
| a) Mr B S Sahney, Chairman Managing Director-Remuneration | 34.05 | 33.46 |

15. CONTINGENT LIABILITIES IN RESPECT OF :

| Particulars | March 31, 2014 Rupees in Lakhs | March 31, 2013 Rupees in Lakhs |
|----------------------------------|-----------------------------------|-----------------------------------|
| Central Excise demands in Appeal | 108.00 | 108.00 |

16. INCOME TAX :

No provision is made towards Income Tax in view of Loss suffered during the year.

17. DEFERRED TAX:

Components of deferred tax include:

| Particulars | March 31, 2014 Rupees in Lakhs | March 31, 2013 Rupees in Lakhs |
|---|-----------------------------------|-----------------------------------|
| Difference between IT & book depreciation | 68.36 | 74.93 |



18. SEGMENT REPORTING :

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

| Particulars | March 31, 2014 Rupees in Lakhs | March 31, 2013 Rupees in Lakhs |
|---------------------|-----------------------------------|-----------------------------------|
| Sales within India | 2218.65 | 2503.01 |
| Sales outside India | 7.44 | 3.64 |
| Total | 2226.09 | 2506.65 |

19. The Company has taken a policy with Life Insurance Group Gratuity Scheme for payment of gratuity to its employees on superannuation. The particulars as per AS-15 are given as under.

| Particulars of Accounting Standard(AS)-15: | FY 2013-14 Rupees in Lakhs | FY 2012-13 Rupees in Lakhs |
|--|-------------------------------|-------------------------------|
| A. Changes in the present value of the obligation: | | |
| Present value of obligation at the beginning of the year | 47.46 | 44.05 |
| Current Service Cost | 2.61 | 2.18 |
| Actuarial Gain/Loss on obligation | Nil | 1.23 |
| Present value of obligation at the end of the period | 50.07 | 47.46 |
| B. Amounts recognised in the Statement of P&L for the period: | | |
| Expenses recognised in Statement of Profit and Loss | 10.92 | 1.52 |

20. MANAGERIAL REMUNERATION :

| Particulars | March 31, 2014 Rupees in Lakhs | March 31, 2013 Rupees in Lakhs |
|--------------------------------------|-----------------------------------|-----------------------------------|
| a) Salary & Other benefits | 28.80 | 28.80 |
| b) Contributions to PF & other funds | 3.46 | 3.46 |
| c) Reimbursements | 1.79 | 1.20 |
| d) Commission | Nil | Nil |
| Total | 34.05 | 33.46 |

21. AUDITOR'S REMUNERATION AND EXPENSES :

| Particulars | March 31, 2014 Rupees in Lakhs | March 31, 2013 Rupees in Lakhs |
|------------------------------|-----------------------------------|-----------------------------------|
| a) Audit Fees | 1.50 | 1.30 |
| b) Tax Audit Fees | 0.30 | 0.30 |
| c) Reimbursement of expenses | 0.36 | 0.08 |

ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPH 3,4C & 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

22. CAPACITY AND PRODUCTION (AS CERTIFIED BY THE MANAGEMENT)

| Particulars | Unit | 31.03.2014 | 31.03.2013 |
|--------------------------------------|------|------------|------------|
| Licensed Capacity- Cranking Motors | No's | 20000 | 20000 |
| Alternators | No's | 228000 | 228000 |
| Installed Capacity - Cranking Motors | No's | 20000 | 20000 |
| Alternators | No's | 90000 | 90000 |
| Actual Production - Cranking Motors | No's | 10258 | 9616 |
| Alternators | No's | 1687 | 1875 |



23. DETAILS OF GROSS TURNOVER (EXCLUDING DEPB INCOME & EXCISE DUTIES)

| Particulars | March 31, 2014 Rupees in Lakhs | March 31, 2013 Rupees in Lakhs |
|-----------------|-----------------------------------|-----------------------------------|
| Cranking Motors | 1300.48 | 1556.26 |
| Alternators | 129.41 | 112.43 |
| Spares | 545.29 | 570.69 |

24. INFORMATION IN REGARD TO PURCHASE, SALES AND STOCKS IN RESPECT OF FINISHED GOODS AND TRADING STOCKS

| Particulars | Unit | March 31, 2014 | | March 31, 2013 | |
|--------------------------------|------|----------------|-------|----------------|-------|
| Opening Stock - Starters | No's | 241 | | 332 | |
| - Alternators | No's | 45 | 286 | 45 | 377 |
| Sales - Starters | No's | 10481 | | 9707 | |
| - Alternators | No's | 1730 | 12211 | 1875 | 11582 |
| Samples & Warranties- Starters | No's | 0 | | 0 | |
| - Alternators | No's | 0 | 0 | 0 | 0 |
| Closing Stock - Starters | No's | 18 | | 241 | |
| - Alternators | No's | 2 | 20 | 45 | 286 |

Opening & Closing Stock represents, stock sent on free float basis (13 Nos Starters & 2 Nos Alternators).

25. RAW MATERIAL & COMPONENTS CONSUMED

| Particulars | Unit | March 31, 2014 | | March 31, 2013 | |
|---------------------|------|----------------|-------------------------|----------------|-------------------------|
| | | Quantity | Value (Rs. In Lakhs) | Quantity | Value (Rs. In Lakhs) |
| Drive Assy | No's | 11255 | 93.26 | 12133 | 88.01 |
| Solenoid Assy | No's | 2388 | 54.04 | 2021 | 53.48 |
| Brush | No's | 55012 | 35.07 | 57272 | 28.55 |
| Lever Housing Assy | No's | 9934 | 32.47 | 8132 | 26.23 |
| Commutator | No's | 11483 | 97.07 | 10789 | 91.25 |
| Shaft Armature | No's | 11451 | 54.11 | 10761 | 37.63 |
| Copper Wire & Strip | No's | 16376.50 | 86.07 | 16845.63 | 83.50 |
| Field Coil | No's | 53227 | 110.50 | 51506 | 102.47 |
| Diode | No's | 11317 | 3.00 | 11698 | 2.34 |
| Others | - | | 766.19 | | 793.83 |

26. CIF VALUE OF IMPORTS

| | March 31, 2014 Rupees in Lakhs | March 31, 2013 Rupees in Lakhs |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Raw Materials, Components and Parts | 461.53 | 419.86 |



27. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS USED IN PRODUCTION

| | March 31, 2014 | | March 31, 2013 | |
|------------|------------------------|----------|------------------------|----------|
| | Rupees in Lakhs | % | Rupees in Lakhs | % |
| Imported | 619.30 | 46.48 | 573.36 | 44.66 |
| Indigenous | 712.48 | 53.52 | 733.93 | 55.34 |

28. EXPENDITURE IN FOREIGN CURRENCY:

| | March 31, 2014 | March 31, 2013 |
|---------------------|------------------------|------------------------|
| | Rupees in Lakhs | Rupees in Lakhs |
| Payment for Imports | 359.39 | 402.61 |
| Travelling | 13.27 | 29.27 |

29. EARNINGS IN FOREIGN CURRENCY:

| | March 31, 2014 | March 31, 2013 |
|------------------------|------------------------|------------------------|
| | Rupees in Lakhs | Rupees in Lakhs |
| F O B Value of Exports | 7.44 | 3.64 |

30. The Company has sent confirmation Letters to all parties, but a few parties have to still confirm the balances.

31. Previous year's figures regrouped wherever necessary.

Our Report attached,
For VENUGOPAL & CHENOY,
Chartered Accountants.

CA P.V.SRI HARI
Partner
Membership No.21961
FRN No: 004671S

Hyderabad
Date: 30-5-2014

For and on behalf of the Board,

B.S.Sahney
Chairman & Managing Director

Jasmine Sahney Pillai
Director

P.S.Sastry
President-Finance &
Company Secretary

REIL ELECTRICALS INDIA LIMITED

(Earlier known as Remy Electricals India Limited, Sahney Paris Rhone Ltd)
Regd. Office: 8-2-409, Road No.6, Banjara Hills, Hyderabad-500034, Phone: 040-2335 4833,
Email: reilcorp@reilindia.com, website: www.reilindia.com, CIN: L31909TG1973PLC015448

ATTENDANCE SLIP

(To be presented at the entrance)

40th Annual General Meeting on Saturday, the 20th September, 2014 at 11.00 A.M.

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member: _____ Signature: _____

Name of the Proxy holder: _____ Signature: _____

- 1. Only Member/Proxy holder can attend the Meeting
- 2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

REIL ELECTRICALS INDIA LIMITED

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Regd. Office: 8-2-409, Road No.6, Banjara Hills, Hyderabad-500034, Phone: 040-2335 4833,
Email: reilcorp@reilindia.com, website: www.reilindia.com, CIN: L31909TG1973PLC015448

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s): _____

Registered Address: _____

E-mail Id: _____

Folio No./Client ID No. _____ DP ID No. _____

I/We, bring the members of _____ Shares of Reil Electricals India Limited, hereby appoint

1. Name: _____ E-mail Id: _____

Address: _____

Signature: _____ or failing him/her

2. Name: _____ E-mail Id: _____

Address: _____

Signature: _____ or failing him/her

3. Name: _____ E-mail Id: _____

Address: _____

Signature: _____ or failing him/her

As my proxy/our proxy to attend and vote (on a poll) for me/us on and my/our behalf at the 40th Annual General Meeting of the Company to be held on Tuesday, 20th September, 2014 at 11.00 A.M. at 8-2-409, Road No.6, Banjara Hills, Hyderabad-500034 and at any adjournment thereof in respect of such resolutions as are indicated below:

- 1. Adoption of Audited Statement of Profit & Loss, Balance Sheet, Report of Board of Directors and Auditors for year ended 31st March, 2014
- 2. To appoint Mrs.Jasmine Sahney Pillai as Director
- 3. To appoint Auditors and to fix their remuneration
- 4. To approve revision in terms of remuneration of Mr. Bhupinder Singh Sahney

Signed this _____ day of _____ 2014

Affix
Revenue
Stamp

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 8-2-409, Road No.6, Banjara Hills, Hyderabad-500034, not less than 48 hours before the commencement of the Meeting.

REIL ELECTRICALS INDIA LIMITED

(Earlier known as Remy Electricals India Limited, Sahney Paris Rhone Ltd)

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

Phone: 040-2335 4833, Email: reilcorp@reilindia.com, website: www.reilindia.com

CIN : L31909TG1973PLC015448

Annexure to the notice dated 11th August, 2014

Ballot Form for voting on resolutions to be passed at the 40th AGM of the Company to be held on 20th September, 2014

(Please read the instructions carefully before exercising your vote)

BALLOT FORM

S.No.

1) Name of shareholder:
& Registered Address

2) Second Joint Holder/
Third Joint Holder

3) Registered Folio No. /DP ID No. /Client Id No.*:
(* Applicable to investors holding shares in demat form)

4) Number of Shares held:

5) I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 11th August, 2014 by sending my/our assent (FOR) or dissent (AGAINST) to the said resolutions by placing tick (?) mark in the appropriate box below.

| Sl.No. | Resolution | No.of Shares | I/We assent to the resolution | I/We dissent to the resolution |
|--------|---|--------------|-------------------------------|--------------------------------|
| 1. | Adoption of audited Balance Sheet as at 31st March, 2014, the statement of Profit & Loss and Reports of Directors and Auditors. | | | |
| 2. | To appoint Mrs.Jasmine Sahney Pillai as Director. | | | |
| 3. | To appoint Auditors and to fix their remuneration. | | | |
| 4. | To approve revision in terms of remuneration of Mr. Bhupinder Singh Sahney. | | | |

Place:

Date:

(Signature of the Member)
or Authorised Representative

Electronic Voting Particulars

| EVEN (E-Voting Event Number) | USER ID | PASSWORD/PIN |
|------------------------------|---------|--------------|
| | | |

INSTRUCTIONS

1. The Board of Directors of the Company has appointed Ms. Sujana Nandula, Company Secretary in Practice as the Scrutinizer for conducting the Ballot and e-voting process in a fair and transparent manner.
2. Only a member who is entitled to vote is entitled to exercise his/her vote through postal ballot. Voting rights of every member shall be reckoned on the paid-up value of equity shares, whose names shall appear in the Register of Members as on **August 11, 2014**.
3. Member's voting rights shall be in proportion to his/her/its share of the paid up equity share capital of the Company.
4. A Member may convey his/her/its assent/dissent in this postal ballot form. The assent or dissent received in any other form shall not be considered valid. The consent of the Member must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing a tick mark (?) in the appropriate column. Assent or dissent received in any other manner will not be considered valid.
5. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the company) by the first named shareholder and in his absence, by the next named shareholder. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot forms shall be rejected.
6. Duly completed Postal Ballot Form should reach the Scrutinizer before the close of working hours i.e., at **18.00 hrs on September 16, 2014**. All Postal Ballot Forms received after this date will be strictly treated as if reply from such shareholder has not been received.
7. The voting rights for the shares are one vote per equity share registered in the name of the shareholders/beneficial owners.
8. Voting rights in a Postal Ballot cannot be exercised by a Proxy.
9. Voting by Postal Ballot, in the physical form or e-voting, can be exercised only by the shareholder or his/her duly constituted attorney or in case of bodies corporate the duly authorized person.
10. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
11. The Scrutinizer will submit her report to the Chairman of the Board of the Directors after completion of scrutiny of the Ballot Forms and taking into account the votes cast through the electronic mode.
12. The results will be announced by the Chairman of the Board of the Directors or President-Finance & Company Secretary of the Company at the 40th AGM to be held on 20th September, 2014 and will also be communicated to the Stock Exchanges where the shares of the Company are listed. The results declared along with the Scrutinizers Report will also be placed on the Company's website www.reilindia.com and on the website of NSDL within 2(two) days of passing of the resolutions at the AGM
13. **E-voting:** Pursuant to section 110 of the Companies Act, 2013 and applicable rules thereunder and clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-voting facility for the members, to enable them to cast their votes electronically. Members have option to vote either through e-voting or through the physical ballot form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid. For this purpose, the company has signed an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting.
14. **The instructions for e-voting are as under:**
 - (A) **In case of members receiving e-mails from NSDL:**
 - i. Open email and the attached PDF file titled "**Reil e-voting**" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password. The said PDF file contains your "User ID" and "Password for E-Voting". Please note that password is an initial password.
 - ii. Launch Internet browser by typing the URL: <http://www.evoting.nsd.com/>
 - iii. Click on "shareholders" - "Login"
 - iv. Type in your User ID and password as initial password as mentioned as step (i) above and click Login.
 - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Please note your new password. It is strongly recommended that you do not share your new password and take utmost care to keep your password confidential.
 - vi. Home page of e-voting opens. Click on "e-Voting Active Voting Cycles".
 - vii. Select "Even" of REiL ELECTRICALS INDIA LIMITED for casting your vote.
 - viii. **E-voting will be available only for the period commencing 9.00 hrs on September 14, 2014 and ending 18.00 hrs on September 16, 2014.** The e-voting module will be disabled by NSDL for voting thereafter.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed. Once voted on the resolution, you will not be allowed to modify your vote.
 - x. Institutional Shareholders (other than Individuals, HUF,NRI etc.) are also required to send a scanned copy (PDF/ JPG Format) of the relevant Board resolution/Authority letter, etc., together with an attested specimen signature of duly authorized signatory(ies) who are authorize to vote, to the scrutinizer through email on ahaladarao.associates@gmail.com with a copy marked to evoting@nsdl.co.in and reilcorp@reilindia.com
 - (B) **In Case of members receiving Postal Ballot from by post:**
 - i. Initial password is provided at the bottom of the postal ballot form.
 - ii. Please follow all the steps from Sl. No. (ii) To (x) in 14(A) above to cast your vote.
 - (C) In case of any queries, you may refer to the frequently asked questions (FAQs) for shareholders and e-voting user manual for shareholders available at the "Downloads" section of www.evoting.nsd.com or contact at 022- 24994600/022-22049056
 - (D) In case you are already registered with NSDL, you can use your existing User ID and password for casting your vote.
 - (E) You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
15. Members who have registered their email id's are being sent notice of Postal Ballot by e-mail and others are being sent by post along with postal ballot form. Members who have received Postal Ballot notice by e-mail and who wish to vote through Physical Postal Ballot form can download postal ballot form from link <http://www.evoting.nsd.com/> or seek duplicate postal ballot form from the company's registrar and share transfer agents namely Aarthi Consultants Pvt. Ltd, 1-2-285, Domalguda, Hyderabad-500029, Ph: 040-27638111/27634445. Fill in the details and send the same to the scrutinizer.

REIL **Electricals India Limited**

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