38TH ANNUAL REPORT

2012-2013

ERL

EASUN REYROLLE LIMITED

Easun Reyrolle Limited

38th Annual Report, 2012-2013

Chairman	:	Hari Eswaran
Managing Director	:	Raj H Eswaran
Directors	:	W S Jones Rakesh Garg J D N Sharma M Raman
Secretary and VP (Corporate Finance)	:	K N Nagesha Rao
Auditors	:	Brahmayya & Co. Chartered Accountants 48, Masilamani Road, Balaji Nagar, Royapettah, Chennai – 600 014
	:	R Subramanian & Co. Chartered Accountants 36, Krishnaswamy Iyer Avenue, Luz, Chennai – 600 004
Registered Office	:	"Temple Tower", 6th Floor, 672, Anna Salai, Nandanam, Chennai – 600 035
Corporate Office & Development Centre	:	389, "Rasu Kumaki", Hulimavu, Bannerghatta Road, Bangalore 560 076, Karnataka
Factories	:	1. Plot No.98, Sipcot Industrial Complex, Hosur – 635 126, Krishnagiri Dt., Tamilnadu
		2. 17/3, Arakere Village, Bannerghatta Road, Bangalore – 560 076
		3. Plot No.147/148 Harohalli Industrial Area, 2nd Phase Madamaranahalli Village Harohalli Hobli, Kanakapura Taluk, Ramnagara Dt., Karnataka
Registrar and Transfer Agents	:	Integrated Enterprises (India) Ltd. 2nd Floor, "Kences Towers" No.1, Ramakrishna Street, North Usman Road, Chennai – 600 017

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Easun Reyrolle Limited

38th Annual Report – 2012-13

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Easun Reyrolle Limited

Registered Office: "Temple Tower", 6th Floor, 672, Anna Salai, Nandanam, Chennai – 600 035

Notice to Shareholders

Notice is hereby given that the Thirtyeighth Annual General Meeting of the Members of Easun Reyrolle Limited will be held on Thursday, 26th September, 2013 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai 600 008, to transact the following business :

Ordinary Business

1. To consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013, the Balance Sheet as at 31st March, 2013 and the reports of Board of Directors and Auditors thereon
2. To appoint a Director in place of Mr Rakesh Garg who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr JDN Sharma who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Brahmayya & Co and M/s R Subramanian & Co the retiring Auditors are eligible for re-appointment.

Special Business

5. To appoint a Director in place of Mr M Raman who was appointed as Additional Director by the Board. He is eligible for re-appointment. The Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. M Raman as Director of the Company.

By Order of the Board

for Easun Reyrolle Limited

Place : Chennai

Date : 27th June, 2013

K N Nagesha Rao

Secretary and VP (Corporate Finance)

Notes:

1. Any Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member. A Proxy so appointed shall not have any right to speak at the Meeting. The Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the Meeting.

2. Members holding shares in physical form are requested to communicate change in their addresses, if any, to our Registrar and Share Transfer Agents, Integrated Enterprises (India) Limited, 2nd Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Telephone No.044-28140801-803, E-mail - corpserv@integratedindia.com

3. Members holding shares in demat form may inform the change in address or other particulars to their Depository Participants.

4. Members are also requested to immediately notify their email IDs to their respective DPs or the RTA or to the Company, as the case may be, to enable the Company to send all notices and documents through electronic mode in view of the Government's recent green initiative regarding the service of various documents by electronic mode instead of in physical mode.

5. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days during the business hours up to the date of the Meeting.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September, 2013 to 26th September, 2013 (both days inclusive).

7. Members / Proxies are requested to bring the Attendance Slip with them duly filled in and hand over the same at the entrance of the Meeting Hall. Members are requested to bring their copy of Annual Report to the Meeting.

By order of the Board

For Easun Reyrolle Limited

Place: Chennai
Date: 27th June, 2013

K N Nagesha Rao
Secretary and VP (Corporate Finance)

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice of the Annual General Meeting of the Company to be held on Thursday, 26th September, 2013 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai – 600 008.

Item No.5 – Appointment of Mr. M Raman as Director of the Company

Pursuant to Article 95 of Articles of Association of the Company, on 9th May, 2013, Board of Directors appointed Mr. M Raman as Additional Director of the Company. Mr Raman holds office as Director up to the date of ensuing Annual General Meeting and is eligible for reappointment.

Mr Raman, aged 62 years, has last served the Government of India as the Secretary in the Ministry of Chemicals and Petrochemicals and retired during 2011. Mr Raman has in-depth practical experience of more than 2 decades in policy formulation, monitoring and implementation at the Government vis-a-vis industrial development and infrastructure sector. Presently, Mr Raman has been on the board of the following companies as independent Director:

1. National Fertilizers Limited, Noida (U.P)
2. National Commodity & Derivatives Exchange Limited, Mumbai
3. Cochin Shipyard Ltd, Cochin

The background of Mr Raman is furnished in the Corporate Governance disclosure accompanying the Directors' Report.

The Company has received a notice in writing from a member proposing Mr Raman's candidature under Section 257 of the Companies Act, 1956 for being appointed as Director from the date of the ensuing Annual General Meeting.

Your Directors are of the opinion that it would be in the interest of the Company to appoint Mr Raman as Director and accordingly commend the Resolution for approval of the Shareholders.

Except Mr Raman none of the other Directors of the Company is in any way concerned or interested in the Resolution.

Financial Highlights for 10 years

[Rupees in lacs]

Sl. No.	Particulars	Year ended 31st March									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
1	Sales & Other Income	31,397	34,522	30,255	26,289	17,232	20,762	13,521	10,817	5,233	4,194
2	Operating Expenditure	26,921	31,277	28,581	25,262	15,863	16,606	10,393	8,356	4,445	3,636
3	Earning/Profit before interest, depreciation and tax (EBIDTA)	4,476	3,244	1,674	1,027	1,369	4,156	3,128	2,461	788	558
4	Less: Interest	2,342	2,208	909	604	489	408	194	136	100	86
5	Less: Depreciation	2,302	1,464	1081	766	514	385	277	254	150	70
6	Profit before tax	(168)	(427)	(316)	(343)	366	3,363	2,657	2,071	538	402
7	Exceptional Items	-	-	-	5,955	-	-	-	-	-	-
8	Less: Current tax	42	162	222	1,101	96	805	830	715	200	133
9	Less: Deferred tax	147	136	183	-	18	6	22	21	(19)	(5)
10	Less: Fringe benefit tax	-	-	-	-	24	24	38	27	-	-
11	Profit after tax	(357)	(725)	(722)	4,511	228	2,528	1,767	1,308	357	274
12	(Less) / Add : Share of minority interest	-	(24)	-	15	43	-	-	-	-	-
13	Net profit after share in minority interest	(357)	(701)	(722)	4,496	271	2,528	1,767	1,308	357	274
14	Add: Balance brought forward	(1,787)	(939)	173	649	1,114	202	100	77	86	59
15	Profit available for appropriation	(2,144)	(1,639)	(549)	5,145	1,385	2,730	1,867	1,385	443	333
16	Less: Proposed dividend on equity shares	-	42	249	831	415	510	333	200	102	86
17	Less: Interim dividend on equity shares	-	-	-	-	-	102	67	50	-	11
18	Less: Tax on dividends	-	7	41	141	71	104	65	35	14	-
19	Less: Transfer to General Reserve	-	100	100	4,000	250	1,500	1,200	1,000	250	150
20	Surplus carried to balance sheet	(2,144)	(1,788)	(939)	173	649	515	202	100	77	86

Note : From the financial year 2007-08 the Company expanded its operations through overseas subsidiaries. Accordingly, from the financial year 2007-08 the financial highlights shown are after consolidating the accounts of all subsidiary companies.

Directors' Report

To the Members

The Directors' of your Company present the 38th Annual Report with the Statement of the audited accounts for the financial year ended 31st March, 2013.

1. Financial Performance

The standalone and consolidated audited financial results for the year ended 31st March, 2013 are as follows:

[Rupees in lacs]

Particulars	Standalone		Consolidated	
	2012-2013	2011-2012	2012-2013	2011-2012
Sales and other income	24,467	29,602	31,397	34,522
Earnings before interest Depreciation and tax (EBIDTA)	3,076	3,340	4,476	3,244
Depreciation	717	521	2,302	1,464
Interest	2,159	1,805	2,342	2,208
Profit/(Loss) before tax and Exceptional Items	200	1,014	(168)	(427)
Exceptional Items	–	–	–	–
Profit/(Loss) before Tax	200	1,014	(168)	(427)
Provision for Taxation	187	84	189	294
Share of Loss / Profit of Associates	–	–	–	–
Net Profit / (Loss)	12	930	(357)	(701)

Your Company achieved turnover of Rs 244.67 crores during the financial year 2012-13 against previous year's figure of Rs 296.02 crores. The Company's performance appears satisfactory, viewed in the context of current economic scenario and the slower off-takes experienced in the electrical T&D Sector.

2. Dividend

The Company's cash generation is inadequate to support a reasonable dividend at this juncture, therefore the Directors with regret have to recommend that the Company do not pay any dividend for the financial year 2012-13.

3. Operations Review

The performance of your Company on a standalone basis and of the various operating subsidiaries is as follows:

Particulars	Easun Reyrolle India Limited, (Rs. In lacs)		ERLPhase Power Technologies Ltd.,Canada ('000 USD)		ERL Marketing Int. FZE Sharjah ('000 USD)		Switchcraft Europe GmbH, Germany ('000 Euro)	
	12-13	11-12	12-13	11-12	12-13	11-12	12-13	11-12
Sales	22,045	29,602	7,508	8,200	1,115	6,011	349	715
EBIDTA	3,076	3,340	1,323	347	(340)	179	759	(849)
PBT	200	1,014	(736)	192	(372)	77	53	(2,151)
PAT	12	930	(736)	192	(372)	77	51	(2,471)

Note: Effective from 1st April, 2012, considering the reduced business opportunity, the Company suspended operations of Switchcraft Limited, Hong Kong.

4. Management Discussions and Analysis

The Indian economy due to India centric problems has slowed down and in particular the electrical equipment manufacturing sector has suffered due to

- The poor financial health of our ultimate customers who are largely the Utilities
- Reforms required to be implemented in power production sector by the Central and State Governments

These factors impacted your Company's operations both in terms of improving revenue and profits.

Despite the above adversities, it is heartening that your Company's order book is healthy. Effort of your company to develop and acquire latest technologies has commenced yielding returns. During the year, your Company through its subsidiary Switchcraft Europe GmbH, Germany has won a prestigious order from Energex Limited, Australia for the supply Secondary Switchgear (Ring Main Units). The order is valued at around US$ 84 million to be executed over 7 years. Key components for the Ring Main Units are to be manufactured in the new state-of-the-art facility in Harohalli, Karnataka setup recently at the cost of around Rs.80 Crores and in the manufacturing facilities available at German Subsidiary, Switchcraft Europe GmbH. Your Company also won substantial of export contracts in the Middle East & African Region for the supply of Ring Main Units and sophisticated Power Protections Systems manufactured by its Canadian Subsidiary, ERL Phase Power Technologies Ltd.

The steps taken by your Company in conjunction with subsidiaries to develop and bring to the markets products suitable for the Global & Indian market is starting to bear fruit; first substantial orders have been received and the Company would commence order execution during this financial year. Directors strongly believe that our strategy will stand the Company in good stead in years to come. It is heartening to note that the Company's international operations are becoming cash positive from the first quarter of current financial year 2013-14. Directors are expecting this trend to continue and that the subsidiaries would contribute to the Company's bottom line in years to come.

To ease the liquidity position of the Company and its subsidiaries, the promoters have been advancing money for over two years.

In pursuance to approval given by Shareholders, Company is completing formalities to raise around Rs. 50 crores by issue of equity shares to the existing shareholders on Rights Basis.

To improve margins, your Company has since been selective in accepting orders. Effective steps are being taken to improve operational efficiency and cut costs.

5. Subsidiary Companies and Consolidated Financial Statements:

There has been no material change in the nature of the business of the subsidiaries.

In accordance with the Statement of Accounting Standard on Consolidated Financial Statements (AS21) issued by the Institute of Chartered Accountants of India, Financial Statements of Company's subsidiaries have been considered in the accompanying Consolidated Financial Statements of the Company. As per guidance given in the circular issued by Ministry of Corporate Affairs, the Board of Directors has consented for sending annual financial accounts of the Company without attaching the Balance Sheets of the subsidiary companies. Shareholders who wish to have a copy of the full report and accounts of the subsidiary companies will be provided on receipt of a written request from them. The above documents will also be available for inspection by any shareholder at the registered office of the Company as well as registered office of the subsidiary company, on any working day during the business hours.

6. Human Resource Development

The Company's industrial relations remained peaceful at all factories and establishments during the financial year. The Company is continuously improving employees skill sets through training and personality development programs.

Employee strength as on 31st March, 2013 was 385 as compared to 398 as at the end of previous financial year.

7. Employee Stock Option Scheme:

The Company introduced an Employee Stock Option Scheme for the benefit of its executives effective from 29th September 2010.

Details of the stock options granted under the Employee Stock Option Scheme,2009 are disclosed in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and set out in Annexure - A of this Report.

8. Fixed Deposit

The Company did not invite or accept any fixed deposit pursuant to provisions of Section 58A of the Companies Act,1956. During the year no amount either on interest or principal,remained outstanding as on the date of the Balance Sheet.

9. Corporate Governance Report

Your Company has been practicing the principle of good Corporate Governance over the years and ensures to comply with the provisions of Clause 49 of the Listing Agreements with Stock Exchanges. A detailed report on the Corporate Governance Code and practices of the Company along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under the Listing Agreements are given in Annexure - B of this Report.

10. Directors

Mr Rakesh Garg, Director and Mr JDN Sharma, Director retire by rotation and being eligible,have offered themselves for re-appointment. A brief background of both the Directors is given in the Corporate Governance Report.

Pursuant to the provisions of Section 260 of the Companies, Act, 1956, Mr M Raman was appointed on Board as additional director with effective from 9th May, 2013. Mr Raman would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing Mr Raman's candidature under Section 257 of the Companies Act, 1956. The appointment of Mr Raman is in the best interests of the Company and the Board recommends his appointment. A brief bio-data of Mr Raman is given in the accompanying Corporate Governance Report.

11. Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm:

(i) that in the preparation of Annual Accounts for the year, applicable Accounting Standards have been followed along with proper explanations relating to material departures;

(ii) that 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 as at the end of the financial year and of the profit of the Company for the year under review;

(iii) that the Directors have taken proper and sufficient care 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; and

(iv) that the Directors have prepared the Annual Accounts on a going concern basis.

12. Auditors

M/s. Brahmayya & Co., Chartered Accountants and M/s R Subramanian & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting. They have furnished certificate of their eligibility for re-appointment as required under the Companies Act, 1956.

The Audit Committee and the Board of Directors recommend appointment of M/s Brahmayya & Co., Chartered Accountants and M/s R Subramanian & Co., Chartered Accountants as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company.

13. Cost Auditors

The Company has appointed Mr Rajesh Sai Iyer, Chennai as Cost Auditor for conducting Audit of Company's cost records for the financial year 2012-13. The due date for filing the Cost Audit Report for the financial year ended 31st March 2013 is 30th September 2013.

14. Particulars of Employees

Information required to be furnished under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are annexed to this Report, and they form part of this Report. However, as provided in Section 219 (1) (b) (iv) of the Companies Act, 1956, the Annual Report and Accounts are being sent to the Members of the Company, excluding statement containing particulars of employees under Section 217(2A) of the Act. Any Member interested in obtaining such particulars, may write to the Company at the Registered Office.

15. Particulars of Research and Development, Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings/Outgo:

Information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is attached as Annexure - C and forms part of this Report.

16. Concluding Remarks

The Directors convey their appreciation to all employees of the Company for their sincere and dedicated services during the year. The Directors take this opportunity to express their gratitude to all Shareholders, Bankers, Vendors and other Stakeholders who have reposed trust and extended their constant support.

For and on behalf of Board of Directors

Place: Chennai
Date: 27th June,2013

Hari Eswaran
Chairman

Annexure to the Directors' Report for the year ended 31st March,2013

Annexure - A

Information required to be disclosed under the Securities and Exchange Board of India

(Employees Stock Option Scheme and Employees Stock Purchase Scheme Guidelines, 1999)

Employees Stock Option Scheme – 2009

(a)	Options Granted	1,97,245 Equity Shares of Rs.2 each	
(b)	The Pricing formula	The Exercise Price is decided by the Compensation Committee, which shall not be less than the par value of equity share of the Company and shall not be more than the Market price (closing price of the Shares of the Company on a day preceding the date of grant of options). The Compensation Committee fixed the Exercise Price as under: No. of options granted at par (Rs. 2) : 39,449 No. of options granted at market value as at 28th Sept 10 (Rs.125.75) : 157,796 Total : 197,245	
(c)	Options Vested	1,97,245	
(d)	Options Exercised	35,409	
(e)	Total number of shares arising as a result of exercise of option	35,409	
(f)	Options lapsed	1,61,836	
(g)	Variation of terms of Options	Nil	
(h)	Money realized by exercise of Options	Rs. 70,818	
(i)	Total number of options in force – Vested Unvested **Total**	 1,97,245 - **1,97,245**	
(j)	Employee wise options granted to – (i) Senior Managerial Personnel	**Name and Designation**	**No. of Options Granted**
		1. William Stanley Jones, Director	14,790
		2. Rakesh Garg, Director	14,790
		3. J D N Sharma, Director	32,325
		4. S Ravichander, Executive Vice President	12,120
		5. K N Nagesha Rao, Secretary & VP (Corporate Finance)	12,120
		6. G Premnath, President, Power Products, Automation and Smart Grid	12,120
	(ii) Any other employee who receives a grant in any one year of Options amounting to 5% or more of Options granted during that year.	None	
	(iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) Company at the time of grant.	None	

(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standards (AS) 20 been vested so far. 'Earning Per Share' being vested so far.	0.06
(l)	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on Earning Per Share (EPS).	No Impact on Profit and Earning Per Share
(m)	Weighted average exercise price and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price – Rs. 101 per option Weighted average fair value – Rs. 134 per option
(n)	Fair Value (Price Earning Capacity Value)	Rs.133.79 per option

For and on behalf of the Board of Directors

Place : Chennai
Dated : 27th June, 2013

Hari Eswaran
Chairman

Annexure to the Directors' Report for the year ended 31st March, 2013

Annexure-B
Corporate Governance Disclosure

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges,the Company submits the following report.

1. Company's philosophy on code of governance

The philosophy of the Company on Corporate Governance is to attain highest level of transparency, responsibility, accountability and equity in all facets of its operations.

The Company believes that all its actions must serve the underlying goal of enhancing shareholders' value over a sustained period of time.

The Company's "Code of Conduct" for all Board Members and Senior Management of the Company is posted on the web site of the Company.

2. Board of Directors

The following table gives particulars of Directors, their attendance at the Board Meetings and Annual General Meetings and particulars of Directorships, etc. held in other Companies.

Sl. No.	Name	Category	Attendance Particulars		Member of Directorship/ Committee Membership/ Chairmanship		
			Board Meetings	Last Annual General Meeting	Director-ship	Committee Membership	Chairman-ship
1.	Mr. Hari Eswaran	Promoter Director (Chairman)	5 of 5	Attended	6	-	8
2.	Dr. W. S. Jones	Independent Director	5 of 5	Not Attended	5	1	-
3.	Mr. Raj H Eswaran	Promoter Director	5 of 5	Attended	13	1	-
4.	Mr. Rakesh Garg	Independent Director	5 of 5	Attended	12	-	-
5.	Mr. JDN Sharma	Director	4 of 5	Attended	9	-	-

Note:
1. Mr Raj H Eswaran is the son of Mr Hari Eswaran
2. Except Mr Raj H Eswaran, Managing Director, all the Directors on the Board are non-executive Directors.
3. Mr M Raman was appointed Additional Director effective from 9th May 2013. He is being re-appointed Director at the ensuing Annual General Meeting.

Number of Board Meetings held during the financial year 2012-13 : 5 (Five)
Dates of Board Meeting held during the Financial Year 2012-13 is as below:

Board Meeting Number	Date of Board Meeting
1	15.05.2012
2	14.08.2012
3	16.11.2012
4	17.11.2012
5	12.02.2013

Mr Rakesh Garg and Mr JDN Sharma, Directors retire by rotation and are eligible for reappointment.

The brief background of Mr Rakesh Garg, Mr JDN Sharma, Directors and Mr M Raman, Additional Director is furnished below:

Brief Background of Directors being re-appointed:

a) Mr Rakesh Garg

Mr Rakesh Garg aged 50 years, Commerce Graduate from Punjab University, is a qualified Chartered Accountant and a Company Secretary. During the period from 1984 to 1992 he worked with various public limited companies in the senior level. During 1992, Mr Garg set up an independent consultancy firm and has 21 years experience in the field of Audit and Taxation, Mergers and Acquisitions, feasibility and profitability studies, setting up standard costing system for manufacturing companies, secretarial advice, financial planning, etc., Mr Garg is a consultant to the major listed companies in the field of logistics.

Mr Garg is a Director on the Board of the following Companies:

01. Ishwar Goods Pvt. Ltd.
02. Karan Woo-sin Ltd.
03. Nehas Infotech Pvt.Ltd.
04. Nehas Trading Pvt. Ltd.
05. Kartiken Logistics Ltd.
06. Three GID Technologies Pvt. Ltd.
07. Peninsula Terminals Pvt. Ltd.
08. Sovereign Logistics Pvt. Ltd.
09. Five Star Terminals Pvt. Ltd.
10. Five Star Container Terminals Pvt. Ltd.
11. Adveta Services & Trading Pvt. Ltd.
12. Leben Multitrade Pvt. Ltd.

Mr Rakesh Garg is holding 2,958 equity shares of Rs.2 each in Easun Reyrolle Limited as on 31st March,2013.

b) Mr J D N Sharma

Mr JDN Sharma 68 years, has done his Engineering from IIT Kharagpur. With a haul of rich and multi-disciplinary experience of over 45 years covering,manufacturing and technical functions,techno commercial functions,and top management functions, Mr JDN Sharma has held key managerial positions in professional and multinational organizations. He has served Easun Reyrolle Limited for 16 years as Chief Executive till 31st March,2012.

He is an active member of IEEMA Southern Region Council and Institute of Electrical Engineers.

Mr Sharma is a Director on the Board of the following Companies.

01. ERL Phase Power Technologies Ltd., Canada
02. ERL International Pte. Ltd., Singapore
03. ERL Marketing International FZE., Sharjah
04. Switchcraft Europe GmbH, Germany
05. Switchcraft Limited, Hong Kong
06. ERL (Thailand) Co. Ltd., Thailand
07. Easun Reyrolle Projects Ltd., India
08. Squiger Technologies Pvt. Ltd., India
09. Hosur Sipcot Development Association (HOSIDA), India

Mr. J D N Sharma is holding 33,875 Equity Shares of Rs.2 each in Easun Reyrolle Limited as on 31st March, 2013.

c) Mr M Raman

Mr M Raman, aged 62 years holds M.Sc. degree in Chemistry from University of Delhi. Mr Raman has last served the Government of India as the Secretary in the Ministry of Chemicals and Petrochemicals and retired during 2011. He has in-depth practical experience of more than two decades in policy formulation, monitoring and implementation at the Government vis-a-vis industrial development and infrastructure sector. Mr Raman is Director on the Board of the following Companies:

1. National Fertilizers Limited, Noida (U.P)
2. National Commodity & Derivatives Exchange Limited, Mumbai
3. Cochin Shipyard Ltd, Cochin

Effective from 27th June, 2013 Mr Raman has been inducted as an independent Director on the Company's Audit Committee Meeting.

Mr Raman is not holding any equity shares of the Company.

3. Audit Committee:

The Audit Committee of the Company is comprised of five Members namely, Dr W S Jones, Mr Raj H Eswaran, Mr Rakesh Garg, Mr JDN Sharma and Mr M. Raman (co-opted on 26th June 2013). Dr. W S Jones is the Chairman of the Audit Committee.

The Terms of reference specified by the Board to the Audit Committee are in conformity with Clause 49 of the Listing Agreement.

During the year 2012-13, 4 (Four) Audit Committee Meetings were held.

The attendance of Members during the year was as below:

Sl. No.	Names and Position of the Member	No. of Meetings	
		Held	Attended
01.	Dr W S Jones, Member	4	4
02.	Mr Raj H Eswaran, Member	4	4
03.	Mr Rakesh Garg, Member	4	4
04.	Mr JDN Sharma, Member	4	3

4. Subsidiary Companies :

Subsidiaries:

The Company has 6 subsidiaries, a list of which is given in the note to accounts.

The Audit Committee also reviews the financial statements of all the subsidiary companies. The minutes of the Board Meetings of the subsidiary companies are placed and reviewed at the Company's Board Meetings.

5. Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee comprises of Mr Hari Eswaran and Mr Raj H Eswaran. Mr Hari Eswaran (a non-executive Director) is the Chairman of the Committee.

The Committee looks into redressing of shareholders' / Investors' complaints in the matter of share transfer, non-receipt of dividend, annual report etc. The Committee oversees the performance of the Registrar and Transfer Agents.

The Board of Directors has delegated the power to approve transfer and transmission of shares,in favour of Mr Hari Eswaran, Chairman.

Mr K N Nagesha Rao, Secretary and VP (Corporate Finance) is the Compliance Officer of the Company.

During the year 2012-13 the Company received 14 complaints and all the complaints were resolved to the satisfaction of the Shareholders.

6. Remuneration Committee

(i) The Company has a Remuneration Committee of Directors

(ii) The broad terms of reference of the Remuneration Committee are as under:

- to approve the annual remuneration plan of the Company;
- to approve the remuneration and annual performance bonus payable to the Senior Executives of the Company for each financial year.

(iii) The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings held during the year 2012-13	
		Held	Attended
Dr. W. S. Jones	Independent, Non-Executive	1	1
Mr. Rakesh Garg	Independent, Non-Executive	1	1
Mr. Raj H Eswaran	Promoter - Executive Director	1	1

(iv) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits available pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

During the year 2012-13, the Company paid Sitting Fees of Rs.3,000 per meeting to its Directors and Members for attending meetings of Board and Committee.

(v) Details of Remuneration paid to Executive / Non-Executive Director for the year ended 31st March, 2013:

(a) Non-Executive Directors:

Name	Commission (Rs. Lacs)	Sitting Fee (Rs. Lacs)
Mr. Hari Eswaran, Chairman	-	0.21
Dr. W S Jones	-	0.30
Mr. Rakesh Garg	-	0.30
Mr. J D N Sharma	-	0.21

(b) Executive Directors:

Name	Salaray (Rs. Lacs)	Commission (Rs. Lacs)	Sitting Fee (Rs. Lacs)
Mr. Raj H Eswaran, Managing Director	48	nil	nil

7. General Body Meeting:

The details of the Annual General Meetings held during the last three years are as below:

Calendar year	Location	Date	Time	No. of special resolutions passed
2010	Hotel Ambassador Pallava, 53, Montieth Road. Chennai – 600 008	29.09.2010	03 p.m.	Nil
2011		29.08.2011	03 p.m.	Nil
2012		26.09.2012	03 p.m.	Nil

8. Postal Ballot:

On 30th January, 2013, the Company obtained approval of Members by way of Special Resolution through Postal Ballot for raising long-term funds through Issuance of Securities.

For this purpose, the Company appointed Mr K Venugopalan, Practicing Company Secretary as the Scrutinizer to conduct Postal Ballot process.

Presently, there are no Special Resolutions proposed to be obtained through Postal Ballot.

9. Disclosures:

a. None of the transactions with any of the related parties was in conflict with the interest of the Company. Details of the related party transactions are disclosed in Note No.28 of Notes on Accounts of the accompanying Annual Report.

b. During the last three years,there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority on any matter related to the capital market.

c. The Company confirms that during the financial year 2012-13, it complied with mandatory reporting requirement of Corporate Governance. The Company did not adopt any of the non-mandatory reporting requirements mentioned in Clause 49 of the Listing Agreement.

10. Means of Communication:

i) The Company has been publishing quarterly, half-yearly and yearly financial results in newspapers, namely, The Indian Express, The New Indian Express, The Financial Express, Business Lines and Dinamani (in Tamil). Quarterly and half-yearly financial results are not sent individually to the shareholders.

ii) The Company is posting in its website, www.easunreyrolle.com the quarterly financial reports as well as presentations made to institutional investors/analysts.

11. General Shareholder information:

(a) Annual General Meeting for 2013:

a) Date : 26th September, 2013
b) Time: 3.00 p.m.
c) Venue : Hotel Ambassador Pallava at 53, Montieth Road, Chennai

(b) Financial calendar:

Results for the quarter ended 30th June 2013	Second week of August 2013
Results for the quarter ended 30th September 2013	Second week of November 2013
Results for the quarter ended 31st December 2013	Second week of February 2014
Results for the quarter ended 31st March 2014	Last week of May 2014

(c) Book closure date:

The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September, 2013 to 26th September, 2013 (both days inclusive).

(d) Listing Stock Exchanges:

National Stock Exchange of India Limited,Mumbai,Bombay Stock Exchange Limited,Mumbai and Singapore Stock Exchange Limited,Singapore. Up to date listing fee has been paid to all the Stock Exchanges.

(e) Stock Code:

National Stock Exchange Limited	EASUNREYRL
Bombay Stock Exchange Limited	532751
Singapore Stock Exchange Limited (GDRs)	ISIN - US27785G1085
Singapore Stock Exchange Limited (FCCBs)	ISIN - XS0334497558
ISIN Number of the Company	INE268C01029
Corporate Identification Number	L31900TN1974PLC006695

(f) Market Price Data:

Highlights of Market Price of the Company's Shares traded on National Stock Exchange and Bombay Stock Exchange during 2012-13 are as follows:

Period	NSE			BSE		
	High(Rs.)	Low(Rs.)	Closing(Rs.)	High(Rs.)	Low(Rs.)	Closing(Rs.)
April,2012	62.03	58.27	60.02	62.04	58.26	60.26
May,2012	66.07	62.74	64.15	66.69	63.23	64.89
June,2012	62.53	60.23	61.20	63.15	60.50	61.78
July,2012	61.20	58.65	59.76	61.13	58.93	59.95
August,2012	59.05	55.69	57.41	59.55	56.11	57.45
September,2012	55.11	51.89	53.52	55.07	52.08	53.53
October,2012	69.62	66.80	68.27	69.34	66.74	68.01
November,2012	73.68	70.45	72.11	73.42	69.88	71.91
December,2012	74.75	70.47	72.45	74.78	70.60	72.38
January,2013	72.38	69.08	70.43	72.49	68.81	70.42
February,2013	65.64	62.43	63.97	65.68	62.44	64.06
March,2013	60.84	56.71	58.28	60.56	56.87	58.54

(g) Share performance in comparison with NSE/BSE index:

Share Performance of the Company in comparison to National Stock Exchange and Bombay Stock Exchange Index:

(h) Registrars and Transfer Agents:

Integrated Enterprises (India) Limited,
2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai 600 017
Telephone No: 28140801 to 28140803, Email: corpserv@integratedindia.in

(i) Share Transfer System:

All requests for transfer of shares are processed by the Registrars and Share Transfer Agents and are approved by the Share Transfer Committee. The approved share transfers are returned within 15 days from the date of lodgment, if documents are complete in all respects.

(j) Dematerialization of Shares and Liquidity

96.10% of the paid up capital has been dematerialized as at 31st March 2013. The highest trading activity is witnessed on National Stock Exchange, Mumbai.

The average daily turnover of the Company's equity shares on National Stock Exchange, Mumbai and Bombay Stock Exchange Limited, Mumbai during 2012-13 is given below:

Sl.No.	Name of the Stock Exchange	No. of Shares	Value of Share (Rs)
01.	The National Stock Exchange of India Ltd	10,044	63.59
02.	Bombay Stock Exchange Limited	4,412	63.67

(k) Outstanding GDRs/ADRs/Warrants, etc:

Outstanding GDRs / ADRs / Warrants or any convertible instrument,conversion date and likely impact on equity:

i) Outstanding GDRs/ADRs/Warrants: There are no outstanding GDRs/ADRs/ Warrants as on 31.03.2013.

ii) Securities held in abeyance: Issue and allotment of 850 Equity Shares of Rs.2 each (including 675 Shares on Bonus) which are subject to matter of suits filed in a court, is held in abeyance pursuant to Section 206A of the Companies act, 1956.

(l) Plant Location:

1. Hosur Plant: - Unit I Plot No.98, Sipcot Industrial Complex, Hosur-635126 Krishnagiri District, Tamilnadu	**2. Global Manufacturing Facility:** Plot No.147/148 Harohalli Industrial Area 2nd Phase, Madamaranahalli Village Harohalli Hobli, Kanakapura Taluk, Ramnagara Dt, Karnataka
3. Bangalore Plant: - Unit II 17/3, Arakere Village, Bannerghatta Road Bangalore –560076 Karnataka	**4. Technology Development Centre:** 389, "Rasu Kumaki", Hulimavu Bannerghatta Road Bangalore-560 076 Karnataka

(m) Address for Correspondence:

i) For transfer / dematerialization of shares and other queries relating to Company's shares	Integrated Enterprises (India) Limited, 2nd Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 Email: corpserv@integratedindia.in
ii) Any query on payment of dividend or Annual Report	Easun Reyrolle Ltd. No.98, Sipcot Industrial Complex Hosur – 635 126 Email: subhamangala@easunreyrolle.com

(n) Transfer of unclaimed dividend to Investor Education and Protection Fund of the Central Government

Dividend for the year ended	No. of Equity Shares	No. of Shareholders	Amount Rs.	Date of Transfer
Final Dividend for the year 2004-2005	66,496	541	2,16,218	16.11.2012
Interim Dividend for the year 2005-06	66,606	623	99,946	09.01.2013

The Company will be transferring the following Unpaid Dividend to the Investor Education and Protection Fund as detailed below:

Dividend for the year	Declared on	Transferring to IEPF during
Final Dividend for the Financial Year 2005-06	25th September, 2006	November, 2013
Interim Dividend for the year 2006-07	7th November, 2006	December, 2013

(o) Shareholding pattern as at 31st March, 2013:

Sl. No.	Category	No. of Shares held	Percentage of Share-holding
01.	**A. Promoters' Holding**		
	Indian Promoters- Mr Hari Eswaran & Associates	60,48,136	29.07%
02.	**Non-promoters' Holding**		
	a) Bank	-	-
	b) Others		
	- Mutual Fund	11,02,257	5.30%
	- Private Corporate Bodies	30,31,009	14.57%
	- Foreign Institutional Investors	5,000	0.02%
	- NRIs/OCBs	3,78,918	1.82%
	- Depository Participants	-	-
	c) Indian Public	1,02,41,694	49.22%
	Total	**2,08,07,014**	**100.00%**

(p) **Distribution of Shares as on 31st March, 2013**

Sl. No.	Distribution of Shareholding	No. of Shareholders	% to total	No. of Shares	% to total
1	Upto 500 Shares	11,679	80.67%	16,93,831	8.14%
2	501 to 1000 Shares	1,349	9.32%	11,05,243	5.31%
3	1001 to 2000 Shares	714	4.93%	10,85,685	5.22%
4	2001 to 3000 Shares	282	1.95%	7,26,784	3.49%
5	3001 to 4000 Shares	110	0.76%	3,95,157	1.90%
6	4001 to 5000 Shares	80	0.55%	3,76,090	1.81%
7	5001 to 10000 Shares	131	0.90%	9,41,256	4.52%
8	More than 10000 Shares	133	0.92%	1,44,82,968	69.61%
	Total	**14,478**	**100.00%**	**2,08,07,014**	**100.00%**

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 its Board Members and Senior Management Personnel. This Code of Conduct is available on the Company's web site.

I confirm that, in respect of the financial year ended 31st March, 2013, the Company has received from the Members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct.

On behalf of the Board of Directors

Place: Chennai
Date: 27th June, 2013

Hari Eswaran
Chairman

ERL

Auditors' Report on Corporate Governance to the Members of M/s. Easun Reyrolle Limited

1. We have examined the compliance of conditions of Corporate Governance of Easun Reyrolle Ltd, for the year ended on 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

2. The compliance of conditions is the responsibility of the management. Our examination has been limited to a review of the procedures and the implementations thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanationsgiven 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 clause 49 of the above mentioned Listing agreement.

4. We state that no investor's grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

5. We further state that 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 R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

Annexure C

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rule, 1988

A. Conservation of Energy	
i. Energy conservation ii. Additional Investments and proposals if any, being implemented for reduction of consumption of energy iii. Impact of the measures at (a) and consumption and consequent impact of the cost of production of goods.	By rationalizing operations, the Company could save energy resulting in reduction in power consumption. The Company is continuously identifying areas where energy can be saved and appropriate measures are being taken to optimize conservation of energy
iv. Total energy conservation	Disclosure requirement is not applicable to the Company.
B. Technology Absorption	
i) Research and Development 1) Specific areas in which R & D is carried out by the Company	(a) Protective Relays (b) Field Remote Terminal Unit (c) Substation Automation and Control Products (d) Automatic Meter Reading Solution
2) Benefits derived as a result of the above efforts	(a) Indigenous IP, hence no royalty payable. (b) Improved brand name as a technology Company. (c) New product lines for the existing business, hence entry into new market segments. (d) Adaptation of products and creation of variants to meet International and domestic markets.
3) Future plan of action	(a) To add additional variants of the Sub-Transmission and Distribution segment Protection Relays. (b) To develop SCADA compatible products such as Field Remote Terminal Device & its Variants.
4) Expenditure on R & D a. Capital b. Recurring c. Total d. Total R & D expenditure as a percentage of total turnover	 Rs. 0.42 lacs Rs. 155.58 lacs Rs. 156.00 lacs 0.70%

ii) Technology absorption, adaptation and innovation.	
1) Efforts, in brief, made towards technology absorption, adaptation and innovation.	(a) Use of Multi-core processor designs and re-use of software across products, reduce the product development Cycle. (b) Integration of product development across global development teams by Joint development work and use of configuration and other tools.
2) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development substitution, etc.	(a) Use of Multi-core processor designs cut down the product cost by 30% to 40% (b) The absorption/Re-use of Algorithms, Software has reduced the Product development cycle (c) Development of MV Breaker technology at the German Company's subsidiary helped Company to bag prestigious order from Australia for the supply Ring Main Units. The order is valued at around US$ 84 million to be executed over 7 years. (d) The development of substation Automation Products has resulted in reduction of Import cost and provide product upgrades to Customers.
3) In case of imported technology, (imported during the last five years reckoned from the beginning of the financial year, following information may be furnished) a) Technology imported b) Year of import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	 Programmable Logic Control Technology 2007 and 2008 Technology has been absorbed Software design is absorbed
C. Foreign Exchange Earnings and Outgo	
i. a) Efforts made in Technology absorption. b) Initiatives taken to increase exports c) Development of new export markets for products and services d) Export plans	Participating in Tenders and product demonstrations in Overseas Market
ii. a) Total foreign exchange used b) Total foreign exchange earned	Rs. 3,885.27 lacs Rs. 4,213.21 lacs

On behalf of the Board of Directors

Place: Chennai
Date: 27th June, 2013

Hari Eswaran
Chairman

Auditor's Report

Auditor's Report to the Members of M/s. Easun Reyrolle Limited

To the Members of EASUN REYROLLE LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of EASUN REYROLLE LIMITED which comprise of the Balance Sheet as at 31st March 2013, Statement of Profit & Loss and Cash Flow Statement for the year then 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 the Companies Act, 1956 ("the Act"). The responsibility includes the design, implementation and maintenance of internal control 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 of 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 judgment, 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 control 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 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 31st March 2013

b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

c) in the case of 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, , and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said 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 sub-section (3C) of section 211 of the Companies Act, 1956.

(e) On the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

Annexure to the Auditors' report referred to in paragraph 3 of our report of even date

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Easun Reyrolle Limited on the financial statements for the year ended 31st March 2013]

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

   (b) These Fixed Assets have been physically verified by the Management on a regular programme, which however, in our opinion needs to be strengthened further having regard to the size of the Company and nature of Assets. No significant discrepancies were noticed on such verification.

   (c) As per information and explanations given to us, Fixed Assets disposed during the year were not substantial.

2. (a) The stock of Finished Goods, stores and spare parts and raw materials except stock lying with third parties, for which confirmation have been sought for, have been physically verified at year end as per programme of verification drawn up by the Management.

   (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

   (c) On the basis of the records examined by us and relying on the information provided to us, in our opinion, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the book record of inventories.

3. (a) During the year the company granted interest free advances to wholly owned overseas subsidiary outstanding at year end amounting to Rs.776.84 lacs other than this the Company has not granted any loans, secured / unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The terms of advance given are not prima facie prejudicial to the interests of the company. In the absence of any specific terms as regards the term of advance and terms of repayment of the advances given, we are unable to comment on the same.

   (b) During the year the company has taken interest free unsecured loan of ***Rs.2294.76 lacs*** from companies, firms or other parties listed in the register required to be maintained under section 301 of the Companies Act, 1956. The terms and conditions of the loan borrowed are not, prima facie, prejudicial to the interests of the company. Interest free unsecured loan outstanding at year end is ***Rs.4129.76 lacs***. The loan is repayable after September 2014 or convertible into Equity if any, allotted prior to due date of repayment.

4. In our opinion and according to the information and explanations given to us, the internal control system are commensurate with the size of the Company and the nature of its business for purchase of inventory, fixed assets, sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

5. (a) Based on the audit procedures applied by us, to the best of our knowledge and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal under Sections 58A and 58AA of the Companies Act, 1956.

7. The Company has an internal audit system commensurate with the size of the Company and the nature of its business.

8. The Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

9. a. According to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues in respect of Customs Duty, Professional Tax and Investor Education and Protection Fund. However, there have been ***instances of delay in deposit of the undisputed statutory dues of Provident Fund, Excise Duty, Employee State Insurance, Dividend Distribution Tax and Income Tax including Tax Deducted at Source, Sales Tax (VAT, CST) and Service Tax with appropriate authorities, during the year.***

   b. According to the information and explanations given to us, except for the ***undisputed statutory dues representing Fringe Benefit Tax of Rs.9.21 lacs, Service Tax of Rs.156.07 lacs, Dividend Distribution Tax of Rs.6.75 lacs,*** no other Statutory Dues were outstanding at year end for a period of more than six months from the date they became payable.

   c. According to the information and explanations given to us and on the basis of examination of records of the Company, the following dues have been disputed with appropriate authorities.

Name of the Statute	Assessment Year to which the matter pertains	Forum where the matter is pending	Amount in Rs.
Income Tax Act	2001-02	CIT(Appeals)	# 30,02,382
Income Tax Act	2003-04	CIT(Appeals)	* 47,85,258
Income Tax Act	2004-05	CIT(Appeals)	* 26,12,561
Income Tax Act	2005-06	CIT(Appeals)	# 71,58,509
Income Tax Act	2006-07	CIT(Appeals)	# 55,41,946
Income Tax Act	2008-09	CIT(Appeals)	* 3,06,33,157
Income Tax Act	2010-11	CIT(Appeals)	@ 1,78,18,290
Sales Tax, Karnataka	2007-08	VAT (Appeals)	** 32,00,000

Name of the Statute	Assessment Year to which the matter pertains	Forum where the matter is pending	Amount in Rs.
Sales Tax, Karnataka	2008-09	VAT (Appeals)	** 21,00,000
Sales Tax, West Bengal	2009-10	VAT (Appeals)	@ 7,98,599
Customs Duty	2011-12	CESTAT	# 66,37,675
Provident Fund	2008-12	EPFO, Salem	@ 59,37,030

paid
* adjusted against refund
** covered under Bank Guarantee
@ unpaid

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

11. Based on our audit procedures and on the basis of information and explanations given by the Management, the Company has not defaulted in repayment of dues to bank, financial institutions and debenture holders except for a delay upto 30 days in repayment of term loan installment to Banks during the year.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of clause 4 (xiii) of the Order relating to Chit Funds, Nidhi, Mutual Benefit Fund or a Society are not applicable to the Company.

14. In our opinion, according to the information and explanations given by the management, the Company is not dealing or trading in shares, securities, debentures and other investments. Proper records of the transactions and contracts have been maintained and timely entries have been made. The said investments have been held by the company in its own name.

15. According to the information and explanations given to us, the Company has not given any guarantee for any loan taken by others from any Bank or Financial Institution.

16. According to the information and explanations given to us and the based on the examination of records, the term loan availed during the year has been used for the purpose for which such loan has been availed.

17. In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company and after placing reliance on the reasonable assumptions made by the company for classification of long term and short term usages of funds, prima facie, we report that funds raised on short term basis have been used for long term investment.

18. According to information and explanation given to us the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

19. According to the information and explanations given to us, the Company has not issued debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.

20. The Company has not made public issue of securities during the year and therefore the question of disclosing the end-use of money raised by way of public issue does not arise.

21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of material fraud on or by the company, noticed or reported during the year.

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

Balance Sheet as at 31st March 2013

Rs Lacs

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	416.14	416.14
(b) Reserves and surplus	3	22,184.70	22,544.37
(c) Money received against share warrants	2.4(b)	0.00	668.80
		22,600.84	**23,629.31**
(2) Non-current liabilities			
(a) Long-term borrowings	4	9,190.03	8,525.52
(b) Deferred tax liabilities (Net)	5	429.77	282.42
(c) Long-term provisions	6	122.92	66.12
		9,742.72	8,874.06
(3) Current liabilities			
(a) Short-term borrowings	7	9,125.08	7,766.60
(b) Trade payables	8	17,795.71	12,892.23
(c) Other current liabilities	9	3,322.39	5,008.45
(d) Short-term provisions	10	197.29	247.85
		30,440.47	**25,915.13**
Total		**62,784.03**	**58,418.50**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	9,451.20	3,763.57
(ii) Intangible assets		557.36	434.71
(iii) Capital Works in Progress		0.00	2,783.90
		10,008.56	6,982.18
(b) Non-current investments	12	15,502.10	15,502.10
(c) Foreign Currency Monetary Item Translation Difference Account		721.00	0.00
(c) Long-term loans and advances	13	1,654.93	4,229.11
(d) Other Non current assets	14	3,322.54	2,042.01
		31,209.13	**28,755.40**
(2) Current assets			
(a) Inventories	15	5,707.70	4,975.89
(b) Trade receivables	16	21,235.41	20,036.27
(c) Cash and Bank Balances	17	2,053.62	3,203.68
(d) Short-term loans and advances	18	2,272.27	1,221.45
(e) Other current assets	19	305.90	225.81
		31,574.90	**29,663.10**
Total		**62,784.03**	**58,418.50**
Significant Accounting Policies	1		

The Notes referred to above form an integral part of the Financial Statements

Per our Report of even date annexed

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460
Place : Chennai
Date : 27th June 2013

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

For and on behalf of Board of Directors

Raj H Eswaran
Managing Director

Rakesh Garg
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

ERL

Statement of Profit and Loss for the year ended 31st March 2013

Rs Lacs

	Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
1	Revenue from operations	20	22,044.55	27,670.85
2	Other income	21	2,422.22	1,931.28
3	**Total Revenue (1+2)**		**24,466.77**	**29,602.13**
4	**Expenses**			
	(1) Cost of Materials Consumed	22	16,755.36	21,284.54
	(2) Change in Inventory	23	(131.81)	(58.15)
	(3) Employee benefits expense	24	2,283.92	2,171.46
	(4) Finance costs	25	2,159.20	1,628.47
	(5) Depreciation and amortization expense		717.32	520.62
	(6) Other expenses	26	2,483.21	3,040.81
	Total expenses		**24,267.20**	**28,587.75**
5	**Profit before exceptional and extraordinary items and tax (3-4)**		**199.57**	**1,014.38**
6	Exceptional items		-	-
7	**Profit before extraordinary items and tax (5-6)**		**199.57**	**1,014.38**
8	Extraordinary Items		-	-
9	**Profit before tax (7- 8)**		**199.57**	**1,014.38**
10	**Tax expense:**			
	(1) Current tax		39.93	250.00
	(2) Deferred tax		147.35	(77.93)
	(3) MAT Credit Availment		-	(87.72)
11	**Profit after tax for the year**		**12.29**	**930.03**
12	**Earnings per equity share (in Rs)**			
	(1) Basic (Face Value Rs.2 each)		0.06	4.47
	(2) Diluted (Face Value Rs.2 each)		0.06	4.01

Significant Accounting Policies 1

The Notes referred to above form an integral part of the Financial Statements

Per our Report of even date annexed

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460
Place : Chennai
Date : 27th June 2013

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

For and on behalf of Board of Directors

Raj H Eswaran
Managing Director

Rakesh Garg
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Cash flow statement for the year ended 31st March,2013
Pursuant to Clause 32 of the Listing Agreement

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
A. Cash flow from operating activities:		
Net profit before tax and extraordinary items	**199.57**	**1,014.34**
Adjusted for:		
Depreciation	717.32	520.62
(Profit)/Loss on Sale of Assets	(1,749.35)	(829.38)
Interest Expense	2,159.20	1,628.47
Income from Mutual Funds	-	(364.00)
Interest Income	(219.35)	(246.19)
Unreliased Loss/ (Gain) on FCCB	-	255.60
Transfer to ESOP Amortization Expenses	-	17.81
Unrealised Forex fluctuations in Drs and Crs	85.75	(77.21)
Operating profit before Working Capital changes	1,193.14	1,920.06
Trade and other receivables	(2,565.42)	(4,008.17)
Inventories	(731.81)	(413.11)
Loans and Advances	1,528.96	2,685.3
Trade Payables and other Current Liabilities	3,150.82	1,379.42
Cash generated from operations	**2,575.69**	**1,563.51**
Direct Taxes	(85.69)	(107.72)
Net cash from operating activities	**2,490.01**	**1,455.79**
B. Cash flow from Investing activities:		
Purchase of Fixed Assets	(6,580.50)	(303.74)
Investment In Mutual Fund	-	5,264.43
Dividend income from mutual funds	-	364.00
(Increase) / Decrease in capital work in progress	2,783.90	(1,148.91)
Interest received	219.35	246.19
Margin Money Accounts and Deposits	1,060.54	(2,359.49)
Sale of Fixed Assets	1,802.23	970.00
Investment in ERL International Pte Ltd *	-	(5,146.82)
Net cash from Investing activities	**(714.48)**	**(2,114.35)**
C. Cash flow from financing activities:		
Issue of Share Capital	-	0.71
FCCB redemption	(1040.75)	-
Increase / (Decrease) in Term Loans	664.51	4,055.41
Increase / (Decrease) in Short term borrowings	712.01	(1,773.23)
Dividend paid	(41.61)	(290.87)
Interest paid	(2,159.20)	(1,628.47)
Net Cash from financing activities	**(1,865.04)**	**363.55**
Increase / (Decrease) in cash and cash equivalent	(89.52)	(295.01)
Cash and cash equivalent at the beginning of the year	169.39	464.40
Cash and cash equivalent at the close of the year	**79.87**	**169.39**

1. The above Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2. Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current year's presentations.

* Non cash item

Per our Report of even date annexed

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

For and on behalf of Board of Directors

Raj H Eswaran
Managing Director

Rakesh Garg
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

1 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued under the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the company. Revenues are recognised and expenses are accounted on their accrual, including provisions / adjustment for committed obligations and amounts determined as payable or receivable during the year.

Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. The actual results may differ from these estimates.

B. Revenue Recognition

Sale of goods and services is recognised on dispatch to customers or when the service has been provided. Income from turnkey projects is recognised on the Gross Billing exclusive of applicable sales/service taxes and based on work certified. Interests on deposits are recognised on time proportion basis taking into account the amount of deposit and interest. Export incentives such as DEPB benefits are recognized on exports of goods.

C. Fixed Assets and Intangibles

Fixed assets are stated at cost of acquisition inclusive of freight, duties, taxes and interest on borrowed capital allocated to and utilized for fixed assets upto the date of capitalization and other direct expenditure incurred on ongoing projects. Assets acquired on hire purchase are capitalised at gross value and interest thereon is charged to revenue.

Cost incurred on self generated intangibles which are separately identifiable are amortised over the useful life of the asset.

Borrowing costs directly attributable to the acquisition, construction and production of qualifying assets are capitalised till the month in which the asset is ready for its intended use. Other borrowing costs are recognised as expenses in the period in which these are incurred.

D. Depreciation

Depreciation on fixed assets is provided under the straight line method in accordance with Schedule XIV of the Companies Act,1956 at the rates specified therein, with the exception to the following:

a) Technical Know how is depreciated at the rate applicable under the provisions of Income TaxAct.,1961.
b) Non compete fees is depreciated @20% under the Straight Line Method.
c) Vehicles Purchased are written off over the period of three years.
d) Computer and accessories purchased are written off over a period of three years.
e) Electrical Installations installed on or after 1st April 2005 are written off @12.5%.
f) Intangible Assets –Product development is depreciated @20% under Straight Line Method.
g) Fixed Furniture in leasehold Property is depreciated over the lease period.
h) SAP implementation cost is depreciated @ 16.21% under the Straight Line Method.

E. Inventories

a) Inventories other than tools are valued at lower of cost or net realisable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present locations and condition. Cost is determined on weighted average basis.

b) Tools are written off at cost less amortization. Amortizations of tools are made based on technical evaluation.

F. Foreign Currency Transactions

Transactions in foreign exchange are initially recognised at the rates prevailing on the date of transaction. Premium or discount arising at the inception of forward contract is amortized as income or expenses over the life of the contract. Exchange difference on such contracts is recognized in the reporting period in which the exchange rate changes.

All monetary assets and liabilities are restated at the balance sheet date using year end rates. Resultant exchange difference is recognized as income or expenses in that period.

G. Employee Benefits

The company's contributions to provident fund, a defined contribution scheme is charged to profit & loss account on accrual basis.

Liability for gratuity is funded with Life Insurance Corporation of India (LIC). Gratuity expense for the year has been accounted based on actuarial valuation determined under the projected credit unit method, carried out at the end of financial year. Actuarial gains/losses are recognised in full in the profit and loss account. The retirement benefit obligation recognised in the balance sheet represents the present value of defined benefit obligations adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reduction in future combinations to the scheme.

Superannuation Liabilities have been covered by Master Policies of Life Insurance Corporation of India under irrevocable trust. Annual premium on accrual basis are charged to profit & loss account.

Liability for encashment of leave considered to be long term liability is accounted for on the basis of an actuarial valuation as per revised AS-15. Provision for outstanding leave credits considered as short term liability is as estimated by the management. Other short term employee benefits like medical, leave travel etc are accrued based on the terms of employment on time proportion basis.

H. Investments

Long term investments are stated at cost less diminution in the value of investments that is other than temporary. Current Investments are carried at lower of cost and fair value. Overseas investments are converted on the date of transaction.

I. Expenditure

Subject to Note No.35 below, Revenue expenditure is charged as an expense in the year in which it is incurred. Capital Expenditure is included in fixed assets and depreciated at applicable rate.

Expenditure incurred towards selling expenses, is accounted as expenditure in proportion to the sale income recognised.

Expenditure incurred towards opening of Bank Guarantee in relation to turnkey project activities and others, the same is prorated over the life of the bank guarantee.

J. Warranty Claims and Liquidated Damages

Future liability towards warranty claims are estimated and provided for Liquidated damages are recognised in the books of accounts on actual crystallization

K. Taxes on Income

Current taxes including Fringe Benefits Tax is determined as the amount payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal of in one or more subsequent periods.

MAT Credit is recognized as an asset only when and to the extent there is a convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as a MAT Credit Entitlement.

L. Customs and Excise duty

Excise duty on finished goods stock lying at the factory is accounted at the point of manufacture. Customs Duty on imported material lying in bonded warehouse is accounted for at the time of bonding of materials.

M. Cash Flow Statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in accounting standard 3, issued by Companies (Accounting Standards) Rules 2006.

N. Provisions and Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not provided but disclosed in the notes to financial statements.

O. Impairment of Fixed Assets

The carrying amount is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever carrying amount exceeds recoverable amount.

P. Earnings per Share

The company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to equity share holders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti dilutive.

2. Share Capital

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Authorised Share Capital:		
7,50,00,000 (7,50,0000) Equity Shares of Rs.2/- each	1,500.00	1,500.00
50,00,000 (50,00,000) Preference Shares of Rs.10/- each	500.00	500.00
Issued Share Capital:		
2,08,07,864 (2,08,07,864) Equity Shares of Rs.2 each	416.16	416.16
Subscribed and Paid up Capital:		
2,08,07,014 (2,08,07,014) Equity Shares of Rs.2 each fully paid up	416.14	416.14
Total	**416.14**	**416.14**

2.1 Reconciliation of number of shares

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	Amount	No. of Shares held	Amount
Balance at the beginning of the year	20,807,014	416.14	20,771,605	415.43
Add: ESOP shares issued during the year (Refer 29)	-	-	35,409	0.71
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	20,807,014	416.14	20,807,014	416.14

2.2 Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs 2 par share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

2.3 Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Easun Products of India Pvt Ltd	2,267,557	10.90%	2,267,557	10.90%
Easun Engineering Company Ltd	1,632,500	7.85%	1,632,500	7.85%
Power Ventures Holdings (India) Pvt. Ltd.,	1,628,088	7.82%	1,628,088	7.82%
Sowraj Investments Pvt Ltd	1,458,060	7.01%	1,458,060	7.01%
Sundaram Mutual Fund A/C Sundaram Smile Fund	11,02,257	5.29%	788216	3.79%

2.4 Shares Reserved for issue under Options and Contracts/Commitments for sale of Shares

a) Employee Stock Option Scheme

During 2009-10, the Company established "Easun Reyrolle Employee Stock Option Plan 2009" under which 10,00,000 options have been allocated for being granted to the employees and non promoter directors . The Company has obtained in-prinicple approval from National Stock Exchange Limited , Mumbai (NSE) and Bombay Stock Exchange Limited, Mumbai (BSE) for listing upto a maximum of 10,00,000 shares pursuant to exercise of options granted under the Scheme. Each option comprises one underlying Equity Shares of Rs.2/- each. This scheme has been formulated in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999. As per the Scheme, the Compensation Committee grants options to senior employees and non promoter directors. The options are granted at a price, which shall not be less than the par value of equity shares of the Company and shall not be more than the Market price as defined in the Guidelines.

b) Issue of Share Warrants

During 2010-11, the Company had issued 20,00,000 Convertible Equity Warrants at Rs.133.76 per warrant in terms of the extant guidelines of SEBI on preferential issue. The Company has received Rs.6,68,80,000 towards 25% of the warrant as advance money, each warrant was convertible into one equity shares of Rs.2 each within 18 months from the date of allotment, as the same was not executed, amount so received have been forfeited during the year.

3. Reserves and Surplus

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Capital Reserve		
Opening Balance	45.54	45.54
Add: Amount transferred on forfeiture of Share warrant	668.80	-
Less: Deductions	-	-
Closing Balance	714.34	45.54
Government Subsidy	**40.42**	**40.42**
Securities Premium Account		
Opening Balance	10,884.47	10,842.25
Add: Amount transferred on allotment of ESOPs	-	42.22
Less: Premium on redemption of FCCB	1,040.75	-
Closing Balance	9,843.72	10,884.47
General Reserve		
Opening Balance	9,546.39	9,446.39
Add: Transfer From Statement of Profit and Loss	-	100.00
Less: Deductions	-	-
Closing Balance	9,546.39	9,546.39
Employee Stock Options Outstanding Account		
Opening Balance	-	48.82
Add: ESOP Granted	-	-
Less: Transfer to Share Premium A/c on options exercised	-	42.22
Less: Transfer to ESOP Amortisation exp on expired options	-	6.60
Closing Balance	-	-
Surplus in Statement of Profit and Loss		
Opening Balance	2,027.56	1,245.91
Add: Profit for the year	12.29	930.00
Less: Proposed dividend	-	41.61
Less: Tax on Proposed dividend	-	6.75
Less: Transfer to General Reserve	-	100.00
	2,039.83	2,027.55
Total	**22,184.70**	**22,544.37**

4. Long Term Borrowings

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Secured Loans		
Foreign Currency Term loans From Banks		
Standard Chartered Bank - ECB (Refer 4.1(i))	2,739.13	3,389.96
DBS Bank - ECB (Refer 4.1(i))	2,033.66	2,704.04
External Commercial Borrowings (Refer 4.1)	**4,772.79**	**6,094.00**
Rupee Term Loans From Banks		
Axis Bank (Refer 4.1(i))	287.48	515.60
Hire Purchase Loan		
Long Term Maturities of vehicle loans (Refer 4.1 (ii))	-	6.39
Total (A)	**5,060.27**	**6,615.99**
Unsecured Loans		
Sales Tax Deferral Scheme (Refer 9.1)	-	74.53
Intercorporate Deposits (Refer 4.1 (iii))	4,129.76	1,835.00
Total (B)	**4,129.76**	**1,909.53**
Total (A+B)	**9,190.03**	**8,525.52**

4.1 Security Clause

i) Term Loans

Bank	Properties	
	Hosur Factory: Land, Building and Plant & Machinery	Industrial Land amd building at Harohalli, Kanakapura Taluk, Ramanagaram District
Axis Bank	Second Charge	First Charge
DBS Bank	Second Charge	First Charge
Standard Chartered Bank	Second Charge	First Charge

ii) Hire Purchase Loans: Loans taken under hire purchase arrangemnts are secured against hypothecation of specific assets.

iii) Unsecured Term Loan from Sowraj Investments P. Limited and Easun Products of India P. Limited do not carry any interest. The amount is payable on demand after 30th September 2014. The parties have given their intention of subscribing to Equity share capital of the Company if any offered within 30th September 2014.

4.2 The details of Long Term Borrowings are as follows

Particulars	Repayment Start Date	O/s Amt as on 31st March 2013	Current Maturitie	Interest Rate	Instalment Amount
Rupee Term Loans					
Axis Bank Ltd- (Repayable in 16 Quarterly instalments)	Feb-12	475.00	172.73	13.25%	43.18
External Commercial Borrowings (Fully Un-Hedged)					
Standard Chartered Bank Ltd (Repayable in 8 Half yearly Instalments) * ($7.5 mn)#	Aug-12	4,109.46	1,370.33	11.45%	685.17
External Commercial Borrowings (Fully Hedged)					
DBS Bank Ltd (Repayable in 10 Half yearly Instalments) ($6 mn)#	Aug-12	2,711.02	677.36	11.60%	338.68
Total		**7,295.47**	**2,220.42**		**1,067.03**

* Amount varies as per the exchange rate on the date of repayment # O/s as on 31.03.13

4.3 Unsecured Loans

a) During the year 2007-08 the company raised funds through issue of Zero Coupon Foreign currency Convertible Bond aggregating to USD 35 million (Rs.13,846 lakhs) with an option to the investor to convert the FCCBs into equity shares of the company at an initial conversion price of Rs.400 per share at a fixed rate of exchange on conversion Rs.39.45=USD 1, at any time after December 5, 2007 and prior to November 28, 2012 and 34,51,875 shares would be issuable on November 28, 2012 unless previously converted, redeemed, repurchased and cancelled, the balance FCCBs redeemed on December 05, 2012 at 142.56% of their principal amount. Out of the aforesaid FCCBs, there were no FCCBs converted to equity shares as at the year end.

b) During the year 2009-10, the company has bought back and cancelled 310 Nos of 5 years FCCB of the face value of USD 100,000 each, as per the notification of Reserve Bank of India, at a discount to the face value. Consequent to this the company is absolved of its liability towards the bond holders whose bonds are cancelled.

c) During the financial year, the Company has redeemed the balance 40 numbers of 5 years Foreign Currency Convertible Bonds of the face value of USD 100,000 each with premium of 42.56%. Conseqent to this, the Company is fully obsolved of its liability towards the bond holders to whom Foreign Currency Convertible Bonds were issued.

5. Deferred Tax Liabilities

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liabilities		
- On account of Timing differences related to Fixed Assets	517.37	360.27
Deferred Tax Assets		
- Disallowances under Income Tax Act 1961	87.60	77.85
Total	**429.77**	**282.42**

6. Long-term provisions

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for employee benefits		
- Leave Encashment	67.41	66.12
- Gratuity	55.51	-
Total	**122.92**	**66.12**

7. Short-term borrowings

Particulars	As at 31.03.2013	As at 31.03.2012
Secured		
From Banks		
- Cash Credits facilities availed	8,735.16	7,374.89
- Buyers credit	389.92	391.71
Total	**9,125.08**	**7,766.60**

7.1 Working Capital

a. Primary Security

Hypothecation of entire current assets including stocks, receivables and other current asets of the Company on pari passu basis favouring Axis Bank, DBS Bank, Standard Chartered Bank and State Bank of India.

b. Collatral Security

Bank	Properties	
	Hosur Factory: Land, Building and Plant & Machinery	Industrial Land amd building at Harohalli, Kanakapura Taluk, Ramanagaram District
Axis Bank	Second Charge@	First Charge#
DBS Bank	Second Charge@	First Charge#
Standard Chartered Bank	Second Charge@	First Charge#
State Bank of India	First Charge	Second Charge

@ on paripassu basis among Axis Bank, DBS Bank and Standard Chartered Bank.
# by way of primary security

8. Trade Payables

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Micro, Small and Medium Enterprises (Refer 8.1)	302.87	409.66
Other Enterprises	17,492.84	12,482.57
Total	**17,795.71**	**12,892.23**

8.1 Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors, the relevant particulars as at 31st March 2013 are furnished below

Particulars	2013	2012
Principal Amount Due to Suppliers	302.87	409.66
Interest Accrued and due to the suppliers under MSMED Act, on the above amount	2.98	3.97
Payment made to suppliers (other than interest) beyond the appointed date	805.93	725.01
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	12.25	12.95
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	15.23	16.92

9. Other Current Liabilities

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
(a) Foreign Currency Term loans from Banks		
Standard Chartered External Commericial Borrowing (Refer 4.1(i))	1,370.33	1,130.00
DBS Bank External Commericial Borrowing (Refer 4.1(i))	634.35	677.36
(b) Rupee Term Loans from Banks		
Axis Bank (Refer 4.1(i))	181.32	234.40
Current Maturities of Long Term Debt (a+b)	2,186.00	2,041.76
Sales Tax Deferral Scheme (Refer (9.1))	74.53	-
Current Maturities of Hire Purchase Loans (Refer 4.1(ii))	6.39	13.84
Current Maturities of FCCB's	-	2,061.20
Interest Accrued and not due on borrowings	43.01	82.49
Interest Accrued and due on borrowings	6.20	8.30
Other Payables		
Employee Related	186.30	61.05
Expenses, Service & Contract Payables	118.83	222.27
Unpaid Dividend Payable	37.41	41.92
Statutory Dues Payables	663.72	475.62
Total	**3,322.39**	**5,008.45**

9.1 The company has been sanctioned to avail interest free sales tax deferral scheme for an aggregate amount of Rs.74.53 lakhs by the department of Sales tax, Government of Tamilnadu. The underlying deferred sales tax payable by the company from the financial year commencing from 2013-14.

10. Short-term provisions

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Employee Benefits		
Leave Encashment	8.17	8.89
Gratuity	9.12	-
Other Provisions		
Warranty Claim Reserve (refer 10.1)	170.79	188.16
Provision for FBT (Net of advance tax)	9.21	9.19
Dividend Payable	-	41.61
Total	**197.29**	**247.85**

10.1 Warranty Claim Reserve	As at 31.03.2013	As at 31.03.2012
At the beginning of the year	188.16	205.74
Created during the year	-	29.68
Utilised during the year	17.37	47.27
At the end of the year	**170.79**	**188.16**

11. Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 1-Apr-12	Additions	Deductions	As at 31-Mar-13	As at 1-Apr-12	For the year	Deletion	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
(a) Tangible Assets										
Land	55.19	-	52.88	2.31	-			-	2.31	55.19
Land - Leasehold	998.98	-		998.98	-			-	998.98	998.98
Land - Hosur Residential Plots	4.29	-		4.29	-			-	4.29	4.29
Buildings	941.96	3,234.99		4,176.95	212.67	111.77		324.44	3,852.51	729.29
Buildings - Leasehold	5.26	-		5.26	1.81	0.18		1.99	3.27	3.45
Plant and Machinery	713.63	2,585.03		3,298.66	303.43	116.89		420.32	2,878.33	410.19
Electrical installation	267.67	304.20		571.87	160.76	57.77		218.53	353.34	106.91
Office equipments	488.07	22.65		510.72	342.05	21.55		363.60	147.12	146.02
Furniture	507.04	78.81		585.85	202.45	33.81		236.26	349.59	304.59
Vehicles	132.11	26.00	12.43	145.68	104.55	14.99	12.43	107.11	38.57	27.56
Computers	776.67	43.00		819.67	257.89	163.11		421.00	398.67	518.78
Research And Development										
Buildings	173.23			173.23	38.51	5.79		44.30	128.93	134.72
Plant and Machinery	445.94			445.94	135.30	21.10		156.40	289.54	310.64
Electrical installation/	27.01			27.01	20.06	3.17		23.23	3.78	6.95
Office equipments	88.64			88.64	83.51	3.84		87.35	1.29	5.13
Computers	1.46	0.42		1.88	0.57	0.62		1.19	0.69	0.89
Total	**5,627.13**	**6,295.10**	**65.31**	**11,856.92**	**1,863.56**	**554.57**	**12.43**	**2,405.72**	**9,451.20**	**3,763.57**
Previous Year	**(6,106.51)**	**(128.78)**	**(608.17)**	**(5,627.13)**	**(1,941.34)**	**(389.77)**	**(467.55)**	**(1,863.56)**	**(3,763.57)**	**(4,165.18)**
(b) Intangible										
Technology Know-how	550.44			550.44	547.17	3.27		550.44	0.00	3.27
Non-compete fees	100.00			100.00	100.00			100.00	-	-
Intangible Asset - Product devel	719.66	285.40		1,005.06	296.20	155.58		451.78	553.28	423.46
Computer Software	11.69			11.69	3.71	3.90		7.61	4.08	7.98
Total	**1,381.79**	**285.40**	**-**	**1,667.19**	**947.08**	**162.75**	**-**	**1,109.83**	**557.36**	**434.71**
Previous Year	**(1,206.82)**	**(174.97)**	**-**	**(1,381.79)**	**(816.23)**	**(130.85)**	**-**	**(947.08)**	**(434.71)**	**(390.59)**
(c) Capital Work in Progress										
Capital Work in progress (including project related expenditure)	2,783.90	-	2,783.90	-	-	-	-	-	-	2,783.90
Total	**2,783.90**	**-**	**2,783.90**	**-**	**-**	**-**	**-**	**-**	**-**	**2,783.90**
Previous Year	**(1,634.99)**	**(1,148.91)**	**-**	**(2,783.90)**	**-**	**-**	**-**	**-**	**(2,783.90)**	**(1,634.99)**
Grand Total	**9,792.82**	**6,580.50**	**2,849.21**	**13,524.11**	**2,810.64**	**717.32**	**12.43**	**3,515.55**	**10,008.56**	**6,982.18**
Previous Year	**(8,948.33)**	**(1,452.65)**	**(608.17)**	**(9,792.82)**	**(2,757.57)**	**(520.62)**	**(467.55)**	**(2,810.64)**	**(6,982.18)**	**(6,190.76)**

12. Non-current investments

Rs Lacs

Particulars	No. of Shares	As at 31.03.2013	As at 31.03.2012
Non Trade Investments - Unquoted (At Cost)			
In ERL International Pte Ltd- Singapore			
Equity Shares of USD 1 each fully paid up	300,000	118.68	118.68
7.5% Non cumulative redeemable convertible Preference Shares of USD 1 each fully paid up	9,700,000	5,146.82	5,146.82
Non cumulative redeemabale convertible Preference Shares of USD 1 each fully paid up	22,000,000	10,236.60	10,236.60
Total		**15,502.10**	**15,502.10**
Aggregate amount of : quoted investments			
: market value		-	-
Aggregate amount of unquoted investments		**15,502.10**	**15,502.10**

13. Long-term loans and advances

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, Considered Good unless otherwise stated		
Capital Advances	-	2,813.18
Security Deposits and Earnest Money Deposits	181.42	271.08
Loans and advances to related parties	776.84	604.31
Prepaid Expenses	121.43	37.77
Other Deposits	25.18	23.44
Testing Charges to be amortised	18.31	33.27
Income Tax & TDS (Net)	531.75	446.06
Total	**1,654.93**	**4,229.11**

14. Other non-current assets

Particulars	As at 31.03.2013	As at 31.03.2012
Long Term Trade Receivables		
Unsecured, Considered Good	3,322.54	2,042.01
Total	**3,322.54**	**2,042.01**

15. Inventory

Particulars	As at 31.03.2013	As at 31.03.2012
(Lower of Cost and estimated Net Realisable Value)		
Raw Materials and Components	3,140.73	3,053.61
Work In Progress	287.28	184.05
Finished Goods	917.59	889.01
Packing Materials	10.19	6.60
Stock in Transit - Raw Materials & Components	1,336.64	811.70
Stores and Spares	15.27	30.92
Total	**5,707.70**	**4,975.89**

16. Trade Receivables

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, Considered Good unless otherwise stated		
Outstanding for a period exceeding six months	11,647.01	10,563.19
Other Receivables	9,588.40	9,473.08
Total	**21,235.41**	**20,036.27**

17. Cash and Bank Balances

Particulars	As at 31.03.2013	As at 31.03.2012
Cash and cash equivalents		
Cash on Hand	**24.31**	**20.76**
Balances with banks in Current Accounts	**55.56**	**148.63**
Other Bank Balances*		
Bank Deposits with maturity more than 3 months but less than 12 months	**1,031.77**	**2,173.38**
Balances in Earmarked Accounts		
Unpaid Dividend Accounts	37.82	42.63
Margin Money Deposits	904.16	818.28
Total	**2,053.62**	**3,203.68**

** Under lien with DBS Bank and Standard Chartered Bank*

18. Short-term loans and advances

Particulars	As at 31.03.2013	As at 31.03.2012
Advances recoverable in cash or in kind or for value to be received (Unsecured, Considered Good unless otherwise stated)		
(a) Advance to suppliers	1,112.47	639.24
(b) Advance to Employees	64.66	47.76
(c) Rental Advance	73.37	70.08
(d) Prepaid Expenses	43.97	104.09
(e) Other Receivables	314.39	124.05
(f) VAT and CENVAT Credit (Net)	663.41	236.23
Total	**2,272.27**	**1,221.45**

19. Other current assets

Particulars	As at 31.03.2013	As at 31.03.2012
(a) Interest Accrued on Short term deposit	18.11	10.69
(b) Interest Accured on Bank Guarantee Margin	287.79	215.12
Total	**305.90**	**225.81**

20. Revenue from Operations

Particulars	As at 31.03.2013	As at 31.03.2012
Sale of products (Refer 20.1)	22,780.48	28,448.53
Sale of services	562.52	1,438.38
Other operating revenues	23.91	1.71
	23,366.91	29,888.62
Less: Excise duty	1,322.36	2,217.77
Total	**22,044.55**	**27,670.85**

20.1 Sale of Products(net of Excise Duty) comprises of the following

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Relays and Control Panels	10,971.08	14,371.53
Meters	143.08	737.58
Switchgear	2,250.18	1,857.10
Projects	8,093.77	9,240.13
Wind Energy Produced	-	62.75
Total	**21,458.12**	**26,269.09**

21. Other Income

Particulars	As at 31.03.2013	As at 31.03.2012
Interest Income	219.35	246.19
Profit on Sale of Fixed Assets	1,749.35	829.38
Dividend Income from Mutual Fund	-	364.00
Realisation of Debts written off in earlier years	8.44	2.36
Foreign Exchange Gains	426.00	401.01
Trade Incentives	18.94	7.14
Miscellaneous Income	0. 14	81.20
Total	2,422.22	1,931.28

22. Cost of Material Consumed

Particulars	As at 31.03.2013	As at 31.03.2012
Opening Stock		
Raw Materials and Components	3,053.61	3,260.76
Add: Purchases	16,842.48	21,077.39
	19,896.09	24,338.15
Less: Closing Stock		
Raw Materials and Components	3,140.73	3,053.61
Total	**16,755.36**	**21,284.54**

23. Change in Work in Progress and Finished Goods

Particulars	As at 31.03.2013	As at 31.03.2012
Opening Stock		
Finished Goods	889.01	963.78
Work in Progress	184.05	51.13
(A)	1,073.06	1,014.91
Less: Closing Stock		
Finished Goods	917.59	889.01
Work in Progress	287.28	184.05
(B)	1,204.87	1,073.06
Total (A+B)	**(131.81)**	**(58.15)**

24. Employee Benefits Expense

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Salaries and Wages	1,877.53	1,740.77
Contribution to provident and ESI funds	95.86	91.73
Gratuity	80.04	20.43
Leave encashment	0.57	26.11
Staff Welfare Expenses	229.92	292.42
Total	**2,283.92**	**2,171.46**

25. Finance Cost

Particulars	As at 31.03.2013	As at 31.03.2012
Interest		
Term Loans	781.70	339.09
Buyers Credit and Others	60.62	222.78
Working Capital Loans	1,148.69	899.43
Inter Corporate Deposits	-	85.95
Other borrowing costs	168.19	81.22
Total	**2,159.20**	**1,628.47**

26. Other Expenses

Particulars	As at 31.03.2013	As at 31.03.2012
Consumption of Stores and Spares	145.36	242.70
Power & Fuel	89.70	72.81
Rent	117.86	89.81
Repairs to : Buildings	1.67	0.05
: Machinery	1.40	1.79
: Others	179.74	319.29
Insurance	68.40	51.65
Rates and taxes (excluding taxes on income)	91.56	119.93
Travel and Conveyance Expenses	464.78	536.26
Postage, Telephone and Telegram	81.40	86.37
Selling Expenses	334.78	403.83
Audit Fees : Audit	7.50	7.50
: Tax matters	0.75	0.75
: For other services	1.50	1.50
: Out of Pocket Expenses	3.77	3.73
Professional Charges	73.15	38.45
Electricity Charges	27.48	27.61
Security Charges	54.35	48.01
Bad Debts	-	7.03
Advertisement Expenses	23.77	74.59
Printing & Stationery	39.28	50.35
Bank Charges	319.98	276.46
Tools Written off	15.91	21.11
Service Charges	19.78	41.36
Other expenses	319.31	517.87
Total	2,483.21	3,040.81

27. Gratuity and Leave for AS 15 Disclosure

A Defined Benefit Plan:

(i) Gratuity (Funded)

In accordance with applicable laws, the company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering all permanent employees. The gratuity plan rovides for, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the company. The company provides the gratuity benefit through annual contributions to a gratuity trust which in turn mainly contributes to Life Insurance Corporation of India (LIC) for this purpose. Under this plan the settlement obligation remains with the gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.

(ii) Leave Encashment (Unfunded)

In accordance with applicable rules, the liability for leave encashment was actuarially valued and provided in the books of accounts, covering permanent employees.

B Defined Contribution Plan (Funded)

Provident Fund

All employees are entitled to provident fund benefits. For all categories of employees the company makes contributions to Regional Provident Fund commissioners as per law.

Defined Beneift Plans - As per Actuarial Valuations

Rs Lacs

Particulars	Leave Encashment		Gratuity	
	2012-13	2011-12	2012-13	2011-12
1. Assumptions				
Interest rate	8.50%	8.00%	8.00%	8.00%
Salary Escalation	8.50%	8.00%	7.00%	7.00%
2. Change in benefit obligations				
Obligations at period beginning - Current	8.89	5.85	-	-
Obligations at period beginning - Non-current	66.12	43.21	290.74	276.62
Service Cost	13.50	23.06	23.26	22.51
Interest on Defined benefit obligation	6.19	3.92	25.63	22.13
Benefits settled	-	-	(54.68)	(23.86)
Actuarial (gain)/loss	(19.13)	(1.29)	62.02	(6.65)
Obligations at period end	75.57	74.76	346.97	290.74
Current Liability (within 12 months)	8.89	8.89	-	-
Non Current Liability	66.12	66.12	-	-
3. Change in plan assets				
Plans assets at period beginning, at fair value	-	-	349.14	325.00
Expected return on plan assets	-	-	29.14	29.25
Actuarial gain/(loss)	-	-	-	-
Contributions	-	-	15.59	18.76
Benefits settled	-	-	(54.68)	(23.86)
Plans assets at period end, at fair value	-	-	**339.19**	**349.14**
4 Table showing fair value of plan assets				
Fair value of plan assets at beginning of year	-	-	349.14	325.00
Actual return on plan assets	-	-	29.14	29.25
Contributions	-	-	15.59	18.76
Benefits Paid	-	-	(54.68)	(23.86)
Fair value of plan assets at the end of year	-	-	339.19	349.14
Funded status	-	-	(7.78)	58.40

Rs Lacs

Particulars	Leave Encashment		Gratuity	
	2012-13	2011-12	2012-13	2011-12
5 Actuarial Gain/Loss recognized				
Actuarial (gain)/ loss on obligations	-	-	62.02	(3.39)
Actuarial (gain)/ loss for the year - plan assets	-	-	Nil	Nil
Total (gain)/ loss for the year	-	-	62.02	(6.65)
Actuarial (gain)/ loss recognized in the year	-	-	62.02	(6.65)
6 The amounts to be recognized in the balance sheet and Statement of Profit and Loss				
Present value of obligations as at the end of year	-	-	346.97	290.74
Fair value of plan assets as at the end of the year	-	-	339.19	349.14
Funded status	75.57	74.76	(7.78)	58.40
Net asset/(liability) recognized in balance sheet	(75.57)	(74.76)	(7.78)	58.40
7 Expenses recognised in the Statement of Profit and Loss for the year ended				
Service cost	13.50	23.06	23.26	22.51
Interest cost	6.19	3.92	25.63	22.13
Expected return on plan assets	-	-	(29.14)	(29.25)
Actuarial (gain)/loss	(19.13)	(1.29)	62.02	(6.65)
Expenses recognised in the statement of Profit and Loss	0.56	25.70	81.77	8.73

28. Disclosure of AS 18 for the Year 2012-13

a) Details of transactions during year 2012-13

Sl No	Particulars	Eswaran & Sons Engineers Ltd	Sowraj Invest-ments	Easun Products of India P Ltd	Key Mgt Personnel	ERL Iternational Pte Ltd	ERLPhase Power Technologies Ltd	Switchcraft GMBH	ERL Marketing Intl. FZE	ERL Thailand P. Ltd	Grand Total
1	Sale of Goods			447.74			0.98	12.04	309.82	-	770.59
							(6.87)	(123.81)	(794.74)	(2.57)	(927.98)
2	Purchase of Goods						291.79	142.94	-		434.73
							(135.94)	(71.27)	(1,752.51)		
3	Rendering of Services										-
	Reimbursement of Expenses					19.24	4.89	-	6.83		30.96
	(incl. exchange fluctuation)					(837.31)	(42.18)		(57.43)		(936.91)
	Un-Secured Loan					141.57					141.57
						(2,490.51)					
											2,490.51)
	Interest on Loan advanced					-					-
						-					-
4	Availing of Services										-
	Reimbursement of Expenses			-		-		22.23	-		22.23
				(50.35)		(229.48)			-		(279.83)
	Loan borrowed		3,353.50	4,195.00							7,548.50
		(1,935.00)									
											1,935.00)
	Loan repayment	1,835.00		2,971.00		-					4,806.00
		(100.00)				(1,521.33)					
											1,621.33)
	Interest on Loan borrowed	-									-
		(85.95)									(85.95)
5	Directors remuneration				48.00						48.00
					(5.72)						(5.72)

b) Details of outstandings in respect of Related Parties

Rs Lacs

S. No.	Names of Related Parties	Outstanding as on 31/03/2013	Maximum Amount due during the year	Outstanding as on 31/03/2012	Maximum Amount due during the year
1	Eswaran & Sons Engineers Ltd.	NIL	1,835.00 Cr	1,835.00 Cr	1,935.00 Cr
2	Easun Mr Tap Changers P Ltd	NIL	NIL	NIL	NIL
3	Easun Products of India P Ltd	795.45 Cr	1979.36 Cr	50.23 Cr	50.23 Cr
4	Sowraj Investment P Ltd	3365.76 Cr	3365.76 Cr	NIL	NIL
5	ERL Phase Power Technologies Ltd	136.63 Cr	195.52 Cr	86.89 Cr	100.76 Dr
6	ERL International Pte Ltd	583.30 Dr	586.85 Dr	422.49 Dr	5,578.69 Dr
7	ERL Marketing International FZE	410.59 Dr	557.92 Dr	98.78 Dr	390.21 Cr
8	ERL Thailand P. Ltd	NIL	72.29 Dr	370.91 Dr	443.20 Dr
9	Switchcraft Ltd	NIL	NIL	NIL	NIL
10	Switchcraft Gmbh	98.40 Dr	263.91 Dr	52.54 Dr	92.34 Dr
11	Directors :				
	Hari Eswaran	19.99 Cr	19.99 Cr	19.99 Cr	19.99 Cr
	Raj H Eswaran	5.32 Cr	5.32 Cr	5.32 Cr	5.32 Cr
	Dr W S Jones	3.03 Cr	3.03 Cr	3.03 Cr	3.03 Cr
	Rakesh Garg	5.64 Cr	5.64 Cr	5.64 Cr	5.64 Cr
	J D N Sharma	NIL	NIL	NIL	NIL

29. Employee Stock Option Scheme

a. During the year 2010-11 the Compensation Committee has granted 1,97,245 options to its senior employees and non-promoter directors. The options granted vest over a period of 1 to 2 years; and can be exercised over a maximum period of 6 months from the date of vesting. The difference between the market price of the share underlying the value of options granted on the date of grant and the exercise price of the option are expensed over the vesting period as per the SEBI guidelines.

b. **Method Used for Accounting for Share Based Payment Plan:**
The Company has used Intrinsic Value Method to account for the compensation cost of stock option to employees of the Company. Intrinsic Value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option.

c. **Employees' Stock Options Details as on the Balance sheet Date are :**

Particulars	31/03/2013		31/03/2012	
	No. of Shares	Weighted Average Exercise Price (Rs.)	No. of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	135,172	101	197,245	101
Granted during the year	-	Nil	-	Nil
Forfeited during the year	-	Nil	-	Nil
Exercised during the year	-	Nil	35,409	101
Expired during the year	135,172	101	26,664	101
Outstanding at the end of the year	-	101	135,172	101
Exercisable at the end of the year	-	101	67,586	101

The shares expired during the year were exercisable at the market value of Rs.125.75 fixed as on 28th September 2010 and none of the option holders exercised thier options. There is no impact on net income and earning per share for the financial year.

30. Contingent Liabilities and Commitments

Rs Lacs

A.	Contingent Libilities	2013	2012
(a)	Letters of Credit opened by Bank for purchase of raw materials and components	2,728.26	3,736.97
(b)	Bills Discounted with bank	70.70	39.84
(c)	Counter Guarantee given to bankers in respect of Guarantees given by them	17,002.08	14,183.85
	Counter Guarantee given to bankers in respect of Standby LC given by them	1,253.66	-
(d)	Bonds executed in favour of President of Inda for import of material at concessional rate of duty	8.95	8.95
(e)	Sales effected under CST - liability towards submission of C Forms	2,735.04	2,785.36
(f)	**Disputed amounts of Income Tax paid**		
	Assessment year		
	2001-02 - Paid	30.02	30.02
	2003-04 - Paid	47.85	47.85
	2004-05 - Paid	26.13	26.13
	2005-06 - Paid	70.28	70.28
	2006-07 - Paid	55.42	55.42
	2008-09 - Paid	306.33	306.33
	2010-11 - Unpaid	178.18	-
(g)	Disputed amounts of Sales Tax, Karnataka for the FY 2007-08 paid	63.65	63.65
(h)	Disputed amounts of Sales Tax, Karnataka for the FY 2008-09 paid	41.78	41.78
(i)	Disputed Customs Duty paid under protest	66.38	66.38
(j)	Disputed VAT Demand of West Bengal for FY 2009-10-Unpaid	7.99	7.99
(k)	Disputed amount of Provident Fund	59.37	-
B. Capital Commitment			
(a)	Estimated amount of capital commitment on account of Fixed Assets	470.30	695.21

31. Other Income includes an amount of Rs.426.24 lacs being the gain on surrender of Currency swap entered into with Standard Chartered Bank.

32. During the financial year the Company has sold land at Jigani for Rs.1800 lacs based on an agreement to sale and handing over of possession to the buyer pending registration of sale deed. The Company has recognised a profit of Rs.1747.12 lacs towards such sale.

33. The Company has incurred expenditure aggregating to Rs.153.39 lakhs during the year (Rs.168.96 lakhs) on development of products. The expenditure has been capitalised and carried in the financial statements under the head Intangible Asset Product Development as on 31st March 2013. Based on the process of establishing the technical and economic feasibility of the product, the management is confident that the products developed would be commercially viable and there is no uncertainty regarding the establishment of feasibility of the product. Management believes that the expenditure capitalized is in the nature of development costs and can be capitalized as per AS 26 " Intangible Assets".

34. In respect of company's operations which includes execution of the turnkey projects. These turnkey projects significantly involve supply of equipment dealt with by the company in the ordinary course of operations. The activities that are additionally carried out while executing the turnkey projects are in the nature of civil construction and erection services which are significantly less when compared with the overall project value. No information is furnished in terms of segment reporting in as much the project execution essentially involves supply of Transmission and Distribution equipment manufactured by the company carrying similar risks and rewards which are not different from main products.

35. Personnel expenses and other expenses are net off recovery of overheads from direct and indirect overseas subsidiaries amounting to Rs. NIL (Rs.188.17 lakhs) and net off product development expenses Rs.153.39 lakhs (Rs.168.96 lakhs).

36. Reconciliation of Excise and Service Tax Records / VAT Records with the Financial Records are under Progress. Adjustments if any which may arise are not ascertainable and would be carried out in the Books upon completion of Reconciliation.

37. During the Year the company has completed installation and commenced production from 01.07.2012 in the new facility at Harohali, Bangalore. Company has capitalised an amount of Rs.6,277.06 lacs towards the project including preoperative expenses of Rs.1,771.11 lacs comprising of (a) Interest and Bank Charges Rs.1,246.41 lacs (b) Proto type development Rs.214.38 lacs (c) Employee expenses Rs.104.85 lacs and (d) Other expenses Rs.205.47 lacs.

38. Trade Receivables includes an amount of Rs.731.15 lacs being the Liquidated Damages recovered by some customers. The Company is in the process of recovering the said amount and pending recovery, no provision is considered in the accounts towards Liquidated Damages.

39. Trade Receivables includes an amount of Rs.160.91 lacs being the outstanding from Foreign Debtors for more than 1 Year. The Company is in the process of getting necessary approval from Reserve Bank of India towards extension of time limit for collection.

40. The Company has made an investment of Rs.15502.10 lacs in its wholly owned subsidiary at Singapore. Considering the long term prospective and future plans by the management, no provision towards impairment of investment has been.

41. Expenditure incurred on account of borrowing costs amounting to Rs.206.76 lakhs (Rs.593.81 lakhs) is capitalized towards new projects.

42. The Ministry of Corporate Affairs (MCA) vide Para 46 of AS11 has relaxed the requirement of the immediate debit / credit of Foreign exchange translation differences on long term foreign currency monetary items to the Statement of Profit & Loss till 31st March 2020. Further the MCA inserting a new para 46A in AS11 allowed Companies to defer foreign exchange translation differences on long term foreign currency monetary items for entitites which had not opted for such relaxation earlier. The Company during the financial year has opted for the relaxation as given in Para 46A and has deferred an amount of Rs.721 lacs being the foreign exchange difference on long term external commercial borrowing from Standard Chartered Bank. The amount would be written off over a period of three years, being the loan tenure.

43. **Operating Lease**

The Company has entered into operating lease arrangements for its office facilities. These leases are for a period ranging from 1 to 5 years with an option to the Company for renewing at the end of the initial term. Rental expenses for operating leases included in the income statement for the year is Rs.117.86 lakhs (Rs.89.81 lakhs)

The future minimum lease payments for non-cancellable operating leases are

Break-up of dues	2013	2012
Within one year	27.30	33.92
Due in a period between 1 to 5 years	NIL	NIL
Due after 5 years	NIL	NIL

44. Financial Lease

The company has acquired Vehicles on Hire rental basis; the minimum hire rentals outstanding as of 31st March 2013 in respect of these assets are as follows:

in Lacs

Break-up of dues	Total minimum Hire Rentals Outstanding	Future Interest on Outstanding	PV of Minimum Hire rentals
Within one year	6.39	0.67	5.72
Later than one year	-	-	-
Total	6.39	0.67	5.72

45. Valuation of Imports of CIF Basis

Particulars	2013	2012
Components and Spare parts including in transit	3,701.58	7,344.93

46. Expenditure in Foreign Currency

Particulars	2013	2012
Travelling expenses and others	43.36	44.73

47. Earnings in Foreign Exchange on account of Export on

FOB Value	528.64	2749.79

48. Value of Raw Materials, Spare Parts and Components Consumed

Particulars	2013		2012	
	Value Rs.	% to Total Consumption	Value Rs.	% to Total Consumption
Indigenous	13,551.46	80.88	14,671.81	68.93
Imported	3,203.90	19.12	6,612.73	31.07
Total	16,755.36	100.00	21,284.54	100.00

49. Earnings Per Share

The earnings considered in ascertaining Earning per share comprise the profit after tax.The number of shares used in computing Basic Earning per share is the weighted average number of shares outstanding during the year as follows:

Particulars	**2013**	**2012**
Profit after tax	12.29	930.00
Number of Weighted average equity shares		
Basic	20,807,014	20,789,310
Effect of dilutive equity shares equivalent		
Share Warrants Outstanding	-	2,000,000
Foreign Currency Convertiable Bond	-	394,500
	20,807,014	**23,183,810**
Face Value of Shares	2.00	2.00
Earings per share before exceptional items		
Basic	0.06	4.47
Diluted	0.06	4.01
Earings per share after exceptional items		
Basic	0.06	4.47
Diluted	0.06	4.01

50. Derivative Instruments and Unhedged Foreign Currency Exposure

Forward Contract Outstanding

in Lacs

Particulars	Currency	31-Mar-13	31-Mar-12	Purpose
Buy	USD	60.00	175.00	Hedge of ECB Loan payable

Unhedged Foreign Currency Exposure

Particulars	Currency	31-Mar-13	31-Mar-12
ECB Loan	USD	75.00	-

Particulars	Currency	31-Mar-13	31-Mar-12
Payable	AUD	0.34	0.20
Payable	CHF	-	-
Payable	EURO	0.01	-
Payable	GBP	0.27	0.11
Payable	SGD	-	-
Payable	USD	27.74	38.04
Receivable	AUD	0.19	0.17
Receivable	EURO	2.17	0.28
Receivable	GBP	0.21	0.55
Receivable	THB	-	257.63
Receivable	USD	14.70	13.52
Advance Receivable	USD	2.88	4.73

51. Confirmation of balance has not been obtained from some of the creditors, debtors and to certain parties to whom the Company has given advances.

52. The company is engaged in power transmission and distribution segment and the same is being reported.

Per our Report of even date annexed

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

For and on behalf of Board of Directors

Raj H Eswaran
Managing Director

Rakesh Garg
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Place : Chennai
Date : 27th June 2013

Auditors' Report on the Consolidated Financial Statements

To the Board of Directors of Easun Reyrolle Limited

We have examined the accompanying consolidated financial statements of Easun Reyrolle Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit subject to our observations mentioned under 'Other Matters', 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view 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 consolidated financial statements.

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

Other Matter

a) We have not audited the financial statements of step down subsidiaries ERL Canada, ERL Mint (including its Associate) whose financial statements reflect total assets (net) of Rs.1,137.68 lacs as at 31st March 2013 and total Revenues of Rs.4,745.34 lacs and net cash flows amounting to Rs.(32.51) lacs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Company's management, and our opinion, so far as it relates to these step-down subsidiaries including its associate is based solely on the report of their auditors.

b) We have not audited the financial statements of subsidiary and step down subsidiaries ERL International Pte Limited, ERL Switchcraft Pte Limited, Switchcraft Europe Gmbh, ERL Switchcraft Hongkong, whose financial statements for the year ended 31st March 2013, reflect total assets (net) of Rs.19,113.97 lacs, total revenues of Rs.3,708.35 lacs and net cash flow amounting to Rs.(71.29) lacs. These financial statements have been consolidated solely based on management estimates and are not audited by any auditor. Our opinion is qualified in respect of this matter.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of certain step down subsidiaries including its associates, management accounts for certain subsidiaries and step down subsidiaries as stated in 'Other Matters', the consolidated financial statements prepared in accordance with requirements of Accounting Standard AS-21, Consolidated Financial Statements, and AS-23, Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standard) Rules, 2006, give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Consolidated Profit and Loss Account, of the loss for the year ended on that date; and

c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

Consolidated Balance Sheet as at 31st March 2013

Rs Lacs

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	416.14	416.14
(b) Reserves and surplus	3	19,661.62	19,565.86
(c) Money received against share warrants	2.4(b)	-	668.80
		20,077.76	**20,650.80**
(2) Non-current liabilities			
(a) Long-term borrowings	4	9,190.03	8,527.83
(b) Deferred tax liabilities (Net)	5	429.77	282.42
(c) Other Long term liabilities	6	1,175.14	640.40
(d) Long-term provisions	7	122.92	66.12
		10,917.86	**9,516.77**
(3) Current liabilities			
(a) Short-term borrowings	8	10,552.31	7,981.59
(b) Trade payables	9	19,599.39	11,985.18
(c) Other current liabilities	10	3,599.59	6,512.67
(d) Short-term provisions	11	512.82	596.83
		34,264.11	**27,076.27**
Total		**65,259.73**	**57,243.84**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	10,688.33	5,264.41
(ii) Intangible assets		15,271.55	11,552.41
(iii) Capital Works in Progress		-	2,783.90
		25,959.88	19,600.72
(b) Non-current investments	13	-	6.28
(c) Foreign Currency Monetary Item Translation Difference Account		721.00	-
(c) Long-term loans and advances	14	746.16	3,573.10
(d) Other Non current assets	15	3,322.54	2,042.01
		30,749.58	**25,222.11**
(2) Current assets			
(a) Current investments	16	34.25	19.19
(b) Inventories	17	6,927.08	6,268.91
(c) Trade receivables	18	20,702.49	20,698.26
(d) Cash and Bank Balances	19	2,222.85	3,424.92
(e) Short-term loans and advances	20	4,317.58	1,384.64
(f) Other current assets	21	305.90	225.81
		34,510.15	**32,021.73**
Total		**65,259.73**	**57,243.84**
Significant Accounting Policies	1		

The Notes referred to above form an integral part of the Financial Statements

Per our Report of even date annexed

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

For and on behalf of Board of Directors

Raj H Eswaran
Managing Director

Rakesh Garg
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Consolidated Statement of Profit and Loss for the year ended 31st March 2013

Rs Lacs

	Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
1	Revenue from operations	22	28,816.77	32,214.43
2	Other income	23	2,580.17	2,307.22
3	**Total Revenue (1+2)**		**31,396.94**	**34,521.65**
4	**Expenses**			
	(1) Cost of Materials Consumed	24	17,108.21	22,017.26
	(2) Change in Inventory	25	714.82	(233.67)
	(3) Employee benefits expense	26	4,790.87	4,671.70
	(4) Finance costs	27	2,342.49	2,207.50
	(5) Depreciation and amortization expense		2,302.07	1,464.06
	(6) Other expenses	28	4,306.81	4,821.90
	Total expenses		**31,565.27**	**34,948.75**
5	**Profit before exceptional and extraordinary items and tax (3-4)**		**(168.34)**	**(427.10)**
6	Exceptional items		-	-
7	**Profit before extraordinary items and tax (5-6)**		**(168.34)**	**(427.10)**
8	Extraordinary Items		-	-
9	**Profit before tax (7- 8)**		(168.34)	(427.10)
10	**Tax expense:**			
	(1) Current tax		41.65	250.00
	(2) Deferred tax		147.35	135.87
	(3) MAT Credit Availment		-	(87.72)
11	**Profit after tax for the year (9-10)**		(357.34)	(725.25)
	(-) Minority Interest		27.62	809.14
	(+) Minority Interest Reserve		(27.62)	(809.14)
	(-) Share of Loss of Associates			24.34
12	**Profit after tax for the year**		**(357.34)**	**(700.91)**
13	**Earnings per equity share (in Rs)**			
	(1) Basic (Face Value Rs.2 each)		(1.72)	(3.37)
	(2) Diluted (Face Value Rs.2 each)		(1.72)	(3.37)

Significant Accounting Policies 1

The Notes referred to above form an integral part of the Financial Statements

Per our Report of even date annexed

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

For and on behalf of Board of Directors

Raj H Eswaran
Managing Director

Rakesh Garg
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

ERL

Consolidated Cash flow statement for the year ended 31st March,2013 Pursuant to Clause 32 of the Listing Agreement

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
A Cash flow from operating activities:		
Net profit before tax and extraordinary items	**(168.34)**	**(427.10)**
Adjusted for:		
Depreciation	2,302.07	1,464.06
(Profit)/Loss on Sale of Assets	(1,749.35)	(829.37)
Interest Expense	2,342.49	2,384.32
Income from Mutual Funds	-	(364.00)
Interest Income	(219.51)	(246.87)
Unreliased Loss/ (Gain) on FCCB	-	255.60
Transfer to ESOP Amortization Expenses	-	17.81
Unrealised Forex fluctuations in Drs and Crs	(90.90)	(77.21)
Operating profit before Working Capital changes	**2,416.46**	**2,177.24**
Loans, Advances, Trade and other receivables	(1,380.76)	353.83
Inventories	(658.17)	2,615.79
Trade Payables and other Current Liabilities	5,208.66	(3,141.33)
Unrealised foreign exchange fluctuation	825.06	922.85
Cash generated from operations	6,411.26	2,928.38
Direct Taxes	(85.69)	(107.74)
Net cash from operating activities	**6,325.57**	**2,820.64**
B Cash flow from Investing activities:		
Purchase of Fixed Assets	(11,429.82)	(7,382.23)
Sale of Investment In Mutual Fund	-	5,264.43
Dividend income from mutual funds	-	364.00
(Increase) / Decrease in capital work in progress	2,783.90	(1,148.91)
Interest received	219.51	246.87
Margin Money Accounts and Deposits	1,031.77	(2,282.59)
Sale of Fixed Assets	1,840.48	970.00
Decrease / (Increase) in Investment	-	301.61
Net cash from Investing activities	**(5,554.17)**	**(3,666.82)**
C Cash flow from financing activities:		
Issue of Share Capital	-	0.71
FCCB Redemption	(1,040.75)	-
Increase in Term Loans	662.20	3,127.14
Increase / (Decrease) in Short Term Borrowings	1,849.72	(1,558.46)
Dividend paid	(41.61)	(290.66)
Interest paid	(2,342.49)	(2,384.32)
Net Cash from financing activities	**(912.93)**	**(1,105.59)**
Increase / (Decrease) in cash and cash equivalent	(141.53)	(1,951.77)
Cash and cash equivalent at the beginning of the year	390.63	2,342.40
Cash and cash equivalent at the close of the year	**249.10**	**390.63**

1. The above Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2. Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current year's presentations.

Per our Report of even date annexed

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

For and on behalf of Board of Directors

Raj H Eswaran
Managing Director

Rakesh Garg
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

1 . Significant Accounting Policies:

a) Basis of Accounting

The financial statements are prepared under the historical cost conventions in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued under the Companies (Accounting standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company. Revenues are recognized and expenses are accounted on their accrual, including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the year.

b) Revenue recognition

Sale of goods and services is recognized on dispatch to customers or when the service has been provided. Income from turnkey projects is recognized on the Gross Billing exclusive of applicable sales/service taxes and based on work certified. Interests on deposits are recognized on time proportion basis taking into account the amount of deposit and interest. Export incentives such as DEPB benefits are recognized on exports of goods. In respect of subsidiary company, Interest income is recognized on effective interest rates.

c) Translation of Foreign Currency Statements

The Translation of foreign operations is done in accordance with Accounting Standard 11 (revised) "The Effects of Changes in Foreign Exchange Rates". Accordingly, the financials of non-integral operations has been translated at the rates prevailing on the date of Balance Sheet. The resulting exchange difference arising on conversion are accumulated under "Foreign Currency Translation Reserve".

d) Principles of Consolidation

(i) Consolidated Financial Statements related to Easun Reyrolle Limited, Chennai and its Subsidiary companies.

(ii) The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Company and its subsidiary (Group) have been prepared on a line by line consolidation by adding the Book value of like items of Assets, Liabilities, Income and Expenses as per respective audited financial statements of the respective companies in accordance with Accounting Standard 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statement.
- Intragroup balances, intragroup transactions and resulting unrealised profits have been eliminated.

iii) Minority interests are that part of the net results of operations and of net assets of a subsidiary attributable to interest which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority interests in a subsidiary exceed the minority interests in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority interests are attributed to the equity holders of the Company, unless the minority interests have a binding obligation to, and are able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minority interests' share of losses previously absorbed by the equity holders of the company have been recovered.

(iv) The Subsidiary Companies considered in the Consolidated Financial Statement are:

Name of the Company	Country of Incorporation	Proportion of ownership interest / voting power	Reporting date	Difference in reporting date	Remarks
1. ERL International Pte Ltd.	Singapore	100%	31-Mar-13	-	Direct subsidiary
2. ERL Phase Power Technologies Ltd	Canada	100%	31-Mar-13	-	Subsidiary of ERL International Pte. Ltd
3. ERL Marketing International FZE	Sharjah, UAE	100%	31-Mar-13	-	Subsidiary of ERL International Pte. Ltd
4. ERL Switchcraft Pte Ltd	Singapore	80%	31-Mar-13	-	Subsidiary of ERL International Pte. Ltd
5. Switchcraft Limited	Hongkong, China	80%	31-Mar-13	-	Subsidiary of ERL Switchcraft Pte. Ltd
6. Switchcraft Europe GMBH	Germany	80%	31-Mar-13	-	Subsidiary of ERL Switchcraft Pte. Ltd

v) The group applies a policy of treating transactions with minority interest as transactions with parties external to the Group. Disposals to minority interests, which result in gains and losses for the Group, are recorded in the income statement. The difference between any consideration paid to minority interests for purchases of additional equity interest in a subsidiary and the incremental share of the carrying value of the net assets of the subsidiary is recognized as goodwill.

vi) The Financial Statements of the Subsidiaries used in the Consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March.

vii) The loss attributable to the Minority Shareholders is restricted to their Equity and the excess loss has been provided in the books of accounts.

e) Fixed assets, Intangibles and Depreciation

- Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition.

- Intangible Asset relating to Deferred Development expenditure of Subsidiary will be amortised over the estimated useful life upon completion of the individual projects.

- Depreciation is provided under Straight Line method as per the amended Schedule XIV of the Companies Act, 1956 or based on the management's estimate of the useful lives of the assets. In the case of subsidiary companies depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives.

f) Other Significant Accounting Policies

These are set out in the Notes to the Accounts of the Financial Statements of the Company and its Subsidiary.

g) Inventories

In the case of subsidiary company, Raw materials and supplies are stated at the lower of cost and replacement cost. Cost is primarily determined on First-in first-out basis. Finished goods are stated at lower of average cost and net realizable value.

h) Taxation

Current taxes is determined as the amount payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal of in one or more subsequent periods. In the case of subsidiary companies, tax liability is recognized in accordance with the applicable local laws.

i) Provisions

In the case of Subsidiary companies, provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of the money and the risks specific to the obligation. The increase in provision due to passage of time is recognized in the income statement as interest expense.

2. Share Capital

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Authorised Share Capital:		
7,50,00,000 (7,50,0000) Equity Shares of Rs.2/- each	1,500.00	1,500.00
50,00,000 (50,00,000) Preference Shares of Rs.10/- each	500.00	500.00
Issued Share Capital:		
2,08,07,864 (2,08,07,864) Equity Shares of Rs.2 each	416.16	416.16
Subscribed and Paid up Capital:		
2,08,07,014 (2,08,07,014) Equity Shares of Rs.2 each fully paid up	416.14	416.14
Total	**416.14**	**416.14**

2.1 Reconciliation of number of shares

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	Amount	No. of Shares held	Amount
Balance at the beginning of the year	20,807,014	416.14	20,771,605	415.43
Add: ESOP shares issued during the year	-	-	35,409	0.71
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	20,807,014	416.14	20,807,014	416.14

2.2 Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Re 2 par share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

2.3 Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Easun Products of India Pvt Ltd	2,267,557	10.90%	2,267,557	10.90%
Easun Engineering Company Ltd	1,632,500	7.85%	1,632,500	7.85%
Power Ventures Holdings (India) Pvt. Ltd.,	1,628,088	7.82%	1,628,088	7.82%
Sowraj Investments Pvt Ltd	1,458,060	7.01%	1,458,060	7.01%
Sundaram Mutual Fund A/C Sundaram Smile Fund	11,02,257	5.29%	788216	3.79%

2.4 Shares Reserved for issue under Options and Contracts/Commitments for sale of Shares

a) Employee Stock Option Scheme

During 2009-10, the Company established "Easun Reyrolle Employee Stock Option Plan 2009" under which 10,00,000 options have been allocated for being granted to the employees and non promoter directors . The Company has obtained in-prinicple approval from National Stock Exchange Limited , Mumbai (NSE) and Bombay Stock Exchange Limited, Mumbai (BSE) for listing upto a maximum of 10,00,000 shares pursuant to exercise of options granted under the Scheme. Each option comprises one underlying Equity Shares of Rs.2/- each. This scheme has been formulated in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999. As per the Scheme, the Compensation Committee grants options to senior employees and non promoter directors. The options are granted at a price, which shall not be less than the par value of equity shares of the Company and shall not be more than the Market price as defined in the Guidelines.

b) Issue of Share Warrants

During 2010-11, the Company had issued 20,00,000 Convertible Equity Warrants at Rs.133.76 per warrant in terms of the extant guidelines of SEBI on preferential issue. The Company has received Rs.6,68,80,000 towards 25% of the warrant as advance money, each warrant was convertible into one equity shares of Rs.2 each within 18 months from the date of allotment, as the same was not executed, amount so received have been forfeited during the year.

3 Reserves and Surplus

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Capital Reserve		
Opening Balance	45.54	45.54
Add: Amount transferred on Share warrant	668.80	-
Less: Deductions	-	-
Closing Balance	714.34	45.54
Government Subsidy	**40.42**	**40.42**
Securities Premium Account		
Opening Balance	10,884.47	10,842.25
Add: Amount transferred on allotment of ESOPs	-	42.22
Less: Premium on redemption of FCCB	1,040.75	-
Closing Balance	9,843.72	10,884.47
General Reserve		
Opening Balance	9,546.39	9,446.39
Add: Transfer From Statement of Profit and Loss	-	100.00
Less: Deductions	-	
Closing Balance	9,546.39	9,546.39
Employee Stock Options Outstanding Account		
Opening Balance	-	48.82
Add: ESOP Granted	-	-
Less: Transfer to Share Premium A/c on options exercised	-	42.22
Less: Transfer to ESOP Amortisation expenses on expired options	-	6.60
Closing Balance	-	-
Foreign Currency Translation Reserve		
Opening Balance	836.79	(86.06)
Add: Reserve for the year	825.06	922.85
Closing Balance	1,661.85	836.79
Surplus in Statement of Profit and Loss		
Opening Balance	(1,787.75)	(938.50)
Add: Profit for the year	(357.35)	(700.89)
Less: Proposed dividend	-	41.61
Less: Tax on Proposed dividend	-	6.75
Less: Transfer to General Reserve	-	100.00
Less: Minority Interest	27.62	809.14
	(2,172.72)	(2,596.89)
Less: Minority Interest Reserve	(27.62)	(809.14)
	(2,145.10)	(1,787.75)
Total	**19,661.62**	**19,565.86**

4. Long Term Borrowings

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Secured Loans		
Foreign Currency Term loans From Banks		
Standard Chartered Bank External Commericial Borrowing	2,739.13	3,389.96
DBS Bank External Commericial Borrowing	2,033.66	2,704.04
External Commercial Borrowings	**4,772.79**	**6,094.00**
Rupee Term Loans From Banks		
Axis Bank	287.48	515.60
Hire Purchase Loan		
Long Term Maturities of vehicle loans	-	8.70
Total (A)	**5,060.27**	**6,618.30**
Unsecured Loans		
Sales Tax Deferral Scheme (Refer 10.1)	-	74.53
Intercorporate Deposits	4,129.76	1,835.00
Total (B)	**4,129.76**	**1,909.53**
Total (A+B)	**9,190.03**	**8,527.83**

4.1 The details of Long Term Borrowings are as follows

Particulars	Repayment Start Date	O/s Amt as on 31st March 2013	Current Maturitie	Interest Rate	Instalment Amount
Rupee Term Loans					
Axis Bank Ltd (Repayable in 16 Quarterly instalments)	Feb-12	475.00	172.73	13.25%	43.18
External Commercial Borrowings (Fully Un-Hedged)					
Standard Chartered Bank (Repayable in 8 Half yearly Instalments) O/s on 31.03.13 (USD - 7.5 million)	Aug-12	4,109.46	1,370.33	4.35%	685.17
External Commercial Borrowings (Fully Hedged)					
DBS Bank Ltd (Repayable in 10 Half yearly Instalments) O/s on 31.03.13 (USD - 6 million)	Aug-12	2,711.02	677.36	11.60%	338.68
Total		7,295.47	2,220.42		1,067.03

4.2 Unsecured Loans

a) During the year 2007-08 the company raised funds through issue of Zero Coupon Foreign currency Convertible Bond aggregating to USD 35 million (Rs.13,846 lakhs) with an option to the investor to convert the FCCBs into equity shares of the company at an initial conversion price of Rs.400 per share at a fixed rate of exchange on conversion Rs.39.45=USD 1, at any time after December 5, 2007 and prior to November 28, 2012 and 34,51,875 shares would be issuable on November 28, 2012 unless previously converted, redeemed, repurchased and cancelled, the balance FCCBs redeemed on December 05, 2012 at 142.56% of their principal amount. Out of the aforesaid FCCBs, there were no FCCBs converted to equity shares as at the year end.

b) During the year 2009-10, the company has bought back and cancelled 310 Nos of 5 years FCCB of the face value of USD 100,000 each, as per the notification of Reserve Bank of India, at a discount to the face value. Consequent to this the company is absolved of its liability towards the bond holders whose bonds are cancelled.

c) During the financial year, the Company has redeemed the balance 40 numbers of 5 years Foreign Currency Convertible Bonds of the face value of USD 100,000 each with premium of 42.56%. Conseqent to this, the Company is fully obsolved of its liability towards the bond holders to whom Foreign Currency Convertible Bonds were issued.

5. Deferred Tax Liabilities

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liabilities		
- On account of Timing differences related to Fixed Assets	517.37	360.27
Deferred Tax Assets		
- Disallowances under Income Tax Act 1961	87.60	77.85
Total	**429.77**	**282.42**

6. Other Long Term Liabilities

Particulars	As at 31.03.2013	As at 31.03.2012
Trade payables		
- Other Enterprises	1,175.14	640.40
Total	**1,175.14**	**640.40**

7. Long-term provisions

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for employee benefits		
- Leave Encashment	67.41	66.12
- Gratuity	55.51	
Total	**122.92**	**66.12**

8. Short-term borrowings

Particulars	As at 31.03.2013	As at 31.03.2012
Secured		
From Banks		
- Cash Credits facilities availed	10,162.39	7,589.88
- Buyers credit	389.92	391.71
Total	**10,552.31**	**7,981.59**

9. Trade Payables

Particulars	As at 31.03.2013	As at 31.03.2012
Micro, Small and Medium Enterprises	302.87	409.66
Other Enterprises	19,296.52	11,575.52
Total	**19,599.39**	**11,985.18**

10. Other Current Liabilities

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Current Maturities of Long Term Borrowings		
(a) Foreign Currency Term loans from Banks		
Standard Chartered External Commericial Borrowing	1,370.33	1,130.00
DBS Bank External Commericial Borrowing	634.35	677.36
(b) Rupee Term Loans from Banks		
Axis Bank	181.32	234.40
Current Maturities of Long Term Debt (a+b)	**2,186.00**	**2,041.76**
Sales Tax Deferral Scheme (Refer 10.1)	74.53	-
Current Maturities of Hire Purchase Loans	6.39	13.84
Current Maturities of FCCB's	-	2,061.20
Interest Accrued and not due on borrowings	43.01	82.49
Interest Accrued and due on borrowings	6.20	8.30
Other Payables		
Employee Related	186.30	80.32
Expenses, Service & Contract Payables	396.03	1,723.15
Unpaid Dividend Payable	37.41	41.92
Statutory Dues Payables	663.72	459.69
Total	3,599.59	6,512.67

10.1 The company has been sanctioned to avail interest free sales tax deferral scheme for an aggregate amount of Rs.74.53 lakhs by the department of Sales tax, Government of Tamilnadu. The underlying deferred sales tax payable by the company from the financial year commencing from 2013-14.

11. Short Term Provisions

Particulars	As at 31.03.2013	As at 31.03.2012
Provision for Employee Benefits		
Leave Encashment	8.17	8.89
Gratuity	9.12	-
Other Provisions		
Warranty Claim Reserve	170.79	188.15
Provision for FBT (Net of advance tax)	9.21	9.19
Dividend Payable	-	41.61
Other provisions	315.53	348.99
Total	512.82	596.83

12. Fixed Assets

Rs Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1-Apr-12	Additions	Deductions	As at 31-Mar-13	As at 1-Apr-12	For the year	Deletion	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
(a) Tangible Assets										
Land	55.19	-	52.86	2.33	-			-	2.33	55.19
Land - Leasehold	998.98	-		998.98	-			-	998.98	998.98
Land - Hosur Residential Plots	4.29	-		4.29	-			-	4.29	4.29
Buildings	941.96	3,234.99		4,176.95	212.67	111.77		324.44	3,852.51	729.29
Buildings - Leasehold	5.26	-		5.26	1.81	0.18		1.99	3.27	3.45
Plant and Machinery	713.63	2,585.03		3,298.66	303.43	116.89		420.32	2,878.33	410.19
Electrical installation	267.67	304.20		571.87	160.76	57.77		218.53	353.34	106.91
Office equipments	488.07	22.65		510.72	342.05	21.55		363.60	147.12	146.02
Furniture	507.04	78.81		585.85	202.45	33.81		236.26	349.59	304.59
Vehicles	132.11	26.00	12.43	145.68	104.55	14.99	12.43	107.11	38.57	27.56
Computers	776.67	43.00		819.67	257.89	163.11		421.00	398.67	518.78
Research And Development										
Buildings	173.23			173.23	38.51	5.79		44.30	128.93	134.72
Plant and Machinery	445.94			445.94	135.30	21.10		156.40	289.54	310.64
Electrical installation/Fittings	27.01			27.01	20.06	3.17		23.23	3.78	6.95
Office equipments	88.64			88.64	83.51	3.84		87.35	1.29	5.13
Computers	1.46	0.42		1.88	0.57	0.62		1.19	0.69	0.89
Subsidiary Assets										
Equipments	1,423.21	61.11		1,484.32	314.74	275.69		590.43	893.89	1,108.47
Furniture & Fixtures	120.12		13.44	106.68	22.86	0.46	1.39	21.93	84.75	97.27
Office Equipments	312.45		28.47	283.98	31.59	4.56		36.15	247.83	280.86
Vehicles	39.66	3.49		43.15	25.41	8.58	1.48	32.51	10.64	14.24
Total	**7,522.57**	**6,359.70**	**107.20**	**13,775.07**	**2,258.15**	**843.88**	**15.30**	**3,086.74**	**10,688.33**	**5,264.41**
(b) Intangible										
Technology Know-how	550.44			550.44	547.17	3.27		550.44	0.00	3.27
Non-compete fees	100.00			100.00	100.00			100.00	-	-
Intangiable Asset - Product devel	719.66	285.40		1,005.06	296.20	155.58		451.78	553.28	423.46
Computer Software	11.69			11.69	3.71	3.90		7.61	4.08	7.98
Subsidiary Assets										
Goodwill	3,129.36		91.13	3,038.23	-	-		-	3,038.23	3,129.36
Computer Software	216.45	77.56		294.01	78.55	50.00		128.55	165.46	137.90
Intellectual property rights	4,787.07	697.04		5,484.11	-		-	-	5,484.11	4,787.07
Intangible Development costs	4,624.46	4,208.45		8,832.91	1,561.08	1,245.44		2,806.52	6,026.39	3,063.38
Total	**14,139.12**	**5,268.45**	**91.13**	**19,316.44**	**2,586.71**	**1,458.19**	**-**	**4,044.90**	**15,271.55**	**11,552.41**
(c) Capital Work in Progress										
Capital Work in progress (including project related expenditure)	2,783.90		2,783.90	-	-	-	-	-	-	2,783.90
Total	**2,783.90**	**-**	**2,783.90**	**-**	**-**	**-**	**-**	**-**	**-**	**2,783.90**
Grand Total	24,445.59	11,628.15	2,982.23	33,091.51	4,844.86	2,302.07	15.30	7,131.64	25,959.87	19,600.73
Previous Year	(15,656.09)	(9,396.66)	(608.17)	(24,444.58)	(3,848.35)	(1,464.06)	(467.55)	(4,844.86)	(19,599.72)	(11,807.74)

13. Non-current investments

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Non Trade Investments - Unquoted (At Cost)		
Investment in Associates	-	30.62
(-) Share of loss of associates	-	-24.34
Total	-	6.28
Aggregate amount of : quoted investments		
: market value	-	-
Aggregate amount of unquoted investments	-	6.28

14. Long-term loans and advances

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, Considered Good unless otherwise stated		
Capital Advances	-	2,813.18
Security Deposits and Earnest Money Deposits	181.42	271.08
Prepaid Expenses	121.43	110.14
Other Deposits	25.18	23.44
Testing Charges to be amortised	18.31	33.27
Income Tax & TDS (Net)	399.82	321.99
Total	**746.16**	**3,573.10**

15. Other non-current assets

Particulars	As at 31.03.2013	As at 31.03.2012
Long Term Trade Receivables		
Unsecured, Considered Good	3,322.54	2,042.01
Total	3,322.54	2,042.01

16. Current Investments

Particulars	As at 31.03.2013	As at 31.03.2012
Non Traded - UnQuoted (At Cost)		
Other investments	34.25	19.19
Total	34.25	19.19

17. Inventory

Particulars	As at 31.03.2013	As at 31.03.2012
(Lower of Cost and estimated Net Realisable Value)		
Raw Materials and Components	3,935.00	3,828.59
Work In Progress	287.28	647.16
Finished Goods	1,342.70	950.54
Packing Materials	10.19	-
Stock in Transit - Raw Materials	1,336.64	811.70
Stores and Spares	15.27	30.92
Total	**6,927.08**	**6,268.91**

18. Trade Receivables

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured, Considered Good unless otherwise stated		
Outstanding for a period exceeding six months	11,647.01	5,800.60
Other Receivables	9,055.48	14,897.66
Total	**20,702.49**	**20,698.26**

19. Cash and Bank Balances

Particulars	As at 31.03.2013	As at 31.03.2012
Cash and cash equivalents		
Cash on Hand	193.54	20.87
Balances with banks in Current Accounts	55.56	369.76
Other Bank Balances*		
Bank Deposits with maturity more than 3 months but less than 12 months	1,031.77	2173.38
Balances in Earmarked Accounts		
Unpaid Dividend Accounts	37.82	42.63
Margin Money Deposits	904.16	818.28
Total	**2,222.85**	**3,424.92**

** Under lien with DBS Bank and Standard Chartered Bank*

20. Short-term loans and advances

Particulars	As at 31.03.2013	As at 31.03.2012
Advances recoverable in cash or in kind or for value to be received (Unsecured, Considered Good unless otherwise stated)		
(a) Advance to suppliers	1,177.59	665.37
(b) Advance to Employees	64.66	47.76
(c) Rental Advance	73.37	70.08
(d) Prepaid Expenses	193.73	111.26
(e) Other Receivables	1,210.76	250.64
(f) VAT and CENVAT Credit (Net)	663.41	239.53
(g) Loans & Advances from related parties	934.06	-
Total	**4,317.58**	**1,384.64**

21. Other current assets

Particulars	As at 31.03.2013	As at 31.03.2012
(a) Interest Accrued on Short term deposit	18.11	10.69
(b) Interest Accured on Bank Guarantee Margin	287.79	215.12
Total	**305.90**	**225.81**

22. Revenue from Operations

Rs Lacs

Particulars	As at 31.03.2013	As at 31.03.2012
Sale of products (Refer Note 22.1)	26,962.54	32,992.12
Sale of services	562.52	1,438.38
Other operating revenues	2,614.07	1.71
	30,139.13	34,432.21
Less: Excise duty	1,322.36	2,217.78
Total	28,816.77	32,214.43

22.1 Sale of Products(net of Excise Duty) comprises of the following

Particulars	As at 31.03.2013	As at 31.03.2012
Relays, Recorders and Control Panels	14,928.22	18,520.42
Meters	143.08	737.58
Switchgears and RMU's	2,475.10	2,213.46
Projects	8,093.77	9,240.13
Wind Energy Produced	-	62.75
Total	**25,640.18**	**30,774.34**

23. Other Income

Particulars	As at 31.03.2013	As at 31.03.2012
Interest Income	219.51	246.87
Profit on Sale of Fixed Assets	1,749.35	829.37
Dividend Income from Mutual Fund	-	364.00
Realisation of Debts written off in earlier years	8.44	2.36
Foreign Exchange Gains	426.00	401.01
Trade Incentives	18.94	7.14
Miscellaneous Income	157.93	456.47
Total	**2,580.17**	**2,307.22**

24. Cost of Material Consumed

Particulars	As at 31.03.2013	As at 31.03.2012
Opening Stock		
Raw Materials and Components	7,194.69	4,373.95
Reinstatement of Opening Inventory	-	3,185.57
Add: Purchases	13,848.52	18,598.82
	21,043.21	26,158.34
Less: Closing Stock		
Raw Materials and Components	3,935.00	4,141.08
Total	**17,108.21**	**22,017.26**

25. Change in Work in Progress and Finished Goods

Particulars	As at 31.03.2013	As at 31.03.2012
Opening Stock		
Finished Goods	1,839.55	1,093.64
Work in Progress	505.25	3,130.00
Reinstatement of Opening Inventory	-	(3,185.57)
(A)	2,344.80	1,038.07
Less: Closing Stock		
Finished Goods	1,342.70	950.54
Work in Progress	287.28	321.20
(B)	1,629.98	1,271.74
Total (A+B)	**714.82**	**(233.67)**

Rs Lacs

26. Employee Benefits Expense

Particulars	As at 31.03.2013	As at 31.03.2012
Salaries and Wages	4,384.48	4,241.01
Contribution to provident and ESI funds	95.86	91.74
Gratuity	80.04	20.44
Leave encashment	0.57	26.11
Staff Welfare Expenses	229.92	292.40
Total	4,790.87	4,671.70

27. Finance Costs

Particulars	As at 31.03.2013	As at 31.03.2012
Interest		
Term Loans	781.70	339.09
Buyers Credit and Others	243.91	222.78
Working Capital Loans	1,148.69	899.43
Inter Corporate Deposits	-	85.95
Other borrowing costs	168.19	660.25
Total	**2,342.49**	**2,207.50**

28. Other Expenses

Particulars	As at 31.03.2013	As at 31.03.2012
Consumption of Stores and Spares	145.36	242.70
Power & Fuel	89.70	72.81
Rent	365.90	343.04
Repairs to : Buildings	48.14	69.94
: Machinery	1.40	1.79
: Others	331.19	409.59
Insurance	103.83	97.25
Rates and taxes (excluding taxes on income)	91.77	123.20
Travel and Conveyance Expenses	710.43	863.75
Postage, Telephone and Telegram	114.00	134.48
Selling Expenses	334.78	690.52
Audit Fees : Audit	15.00	15.00
: Tax matters	1.50	0.75
: For other services	16.26	17.90
: Out of Pocket Expenses	3.77	3.73
Professional Charges	266.85	354.47
Electricity Charges	27.48	27.61
Security Charges	54.35	48.01
Bad Debts	27.79	7.03
Advertisement Expenses	95.31	152.25
Printing & Stationery	87.30	98.43
Bank Charges	319.98	276.46
Tools Written off	15.91	21.11
Service Charges	19.78	41.36
Other expenses	1,019.03	708.72
Total	**4,306.81**	**4,821.90**

29. Disclosure of AS 18 for the Year 2012-13

a) Details of transactions during year 2012-13

Rs Lacs

Sl No	Particulars	Eswaran & Sons Engineers Ltd	Sowraj Investments	Easun Products of India P Ltd	Key Mgt Personnel	ERLPhase Power Technologies Ltd	Grand Total
1	Sale of Goods			447.74		-	447.74
						(2.57)	(2.57)
2	Purchase of Goods			-			-
							-
3	Rendering of Services						-
4	Availing of Services						-
	Reimbursement of Expenses			-			-
				(50.35)			(50.35)
	Loan borrowed		3,353.50	4,195.00			7,548.50
		(1,935.00)					1,935.00)
	Loan repayment	1,835.00		2,971.00			4,806.00
		(100.00)					(100.00)
	Interest on Loan borrowed	-					-
		(85.95)					(85.95)
5	Directors remuneration				48.00		48.00
					(5.72)		(5.72)

b) Details of outstandings in respect of Related Parties

Sl No	Names of Related Parties	Outstanding as on	Maximum Amount	Outstanding as on	Maximum Amount
		31/03/2013	due during the year	31/03/2012	due during the year
1	Eswaran & Sons Engineers Ltd.	NIL	1,835.00 Cr	1,835.00 Cr	1,935.00 Cr
2	Easun Products of India P Ltd	795.45 Cr	1979.36 Cr	50.23 Cr	50.23 Cr
3	Sowraj Investment P Ltd	3365.76 Cr	3365.76 Cr	NIL	NIL
4	ERL Thailand P. Ltd	NIL	72.29 Dr	370.91 Dr	443.20 Dr
5	Directors :				
	Hari Eswaran	19.99 Cr	19.99 Cr	19.99 Cr	19.99 Cr
	Raj H Eswaran	5.32 Cr	5.32 Cr	5.32 Cr	5.32 Cr
	Dr W S Jones	3.03 Cr	3.03 Cr	3.03 Cr	3.03 Cr
	Rakesh Garg	5.64 Cr	5.64 Cr	5.64 Cr	5.64 Cr
	J D N Sharma	NIL	NIL	NIL	NIL

30. Contingent Liabilities and Commitments

Rs Lacs

A. Contingent Libilities	2013	2012
(a) Letters of Credit opened by Bank for purchase of raw materials and components	2,728.26	3,736.97
(b) Bills Discounted with bank	70.70	39.84
(c) Counter Guarantee given to bankers in respect of Guarantees given by them	17,002.08	14,183.85
Counter Guarantee given to bankers in respect of Standby LC given by them	1,253.66	-
(d) Bonds executed in favour of President of Inda for import of material at concessional rate of duty	8.95	8.95
(e) Sales effected under CST - liability towards submission of C Forms	2,735.04	2,785.36
(f) Disputed amounts of Income Tax paid		
Assessment year		
2001-02 - Paid	30.02	30.02
2003-04 - Paid	47.85	47.85
2004-05 - Paid	26.13	26.13
2005-06 - Paid	70.28	70.28
2006-07 - Paid	55.42	55.42
2008-09 - Paid	306.33	306.33
2010-11 - Unpaid	178.18	-
(g) Disputed amounts of Sales Tax, Karnataka for the FY 2007-08 paid	63.65	63.65
(h) Disputed amounts of Sales Tax, Karnataka for the FY 2008-09 paid	41.78	41.78
(i) Disputed Customs Duty paid under protest	66.38	66.38
(j) Disputed VAT Demand of West Bengal for FY 2009-10 - Unpaid	**7.99**	**7.99**
(k) Disputed amount of Provident Fund	**59.37**	-
B. Capital Commitment		
(a) Estimated amount of capital commitment on account of Fixed Assets	470.30	695.21

31. Operating Lease

The Company has entered into operating lease arrangements for its office facilities. These leases are for a period ranging from 1 to 5 years with an option to the Company for renewing at the end of the initial term. Rental expenses for operating leases included in the income statement for the year is Rs.117.86 lakhs (Rs.89.81 lakhs)

The future minimum lease payments for non-cancellable operating leases are

Break-up of dues	2013	2012
Within one year	27.30	33.92
Due in a period between 1 to 5 years	NIL	NIL
Due after 5 years	NIL	NIL

32. Financial Lease

The company has acquired Vehicles on Hire rental basis; the minimum hire rentals outstanding as of 31st March 2013 in respect of these assets are as follows:

Rs Lacs

Break-up of dues	Total minimum Hire Rentals Outstanding	Future Interest on Outstanding	PV of Minimum Hire rentals
Within one year	6.39	0.67	5.72
Later than one year	-	-	-
Total	6.39	0.67	5.72

33. Earnings Per Share

The earnings considered in ascertaining Earning per share comprise the profit after tax. The number of shares used in computing Basic Earning per share is the weighted average number of shares outstanding during the year as follows:

Particulars	**2013**	**2012**
Profit after tax	(357.34)	(700.91)
Number of Weighted average equity shares		
Basic	20,807,014	20,789,310
Effect of dilutive equity shares equivalent		
Share Warrants Outstanding	-	2,000,000
Foreign Currency Convertiable Bond	-	394,500
	20,807,014	**23,183,810**
Face Value of Shares	2.00	2.00
Earings per share before exceptional items		
Basic	(1.72)	(3.37)
Diluted	(1.72)	(3.02)
Earings per share after exceptional items		
Basic	(1.72)	(3.37)
Diluted	(1.72)	(3.02)

Per our Report of even date annexed

For R SUBRAMANIAN & CO.
Chartered Accountants
Firm Regn No : 004137S

R Subramanian
Partner
Membership No: 8460

For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn No : 000511S

N Sri Krishna
Partner
Membership No: 26575

Place : Chennai
Date : 27th June 2013

For and on behalf of Board of Directors

Raj H Eswaran
Managing Director

Rakesh Garg
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Disclosure of Consolidated Financial Information relating to Subsidiary Companies as on 31.03.13 Rs Lacs

Name of the subsidiary	ERL International Pte Ltd., Singapore. [1]	ERLPhase Power Technologies Ltd., Canada. [1]	ERL Marketing Intl. FZE., Sharjah. [1]	ERL Switchcraft Pte. Ltd, Singapore. [1]	Switchcraft Europe GMBH, Germany. [2]	Switchcraft Limited, Hong Kong, China. [3]
Share Capital	17,536.00	3,836.00	570.52	839.78	3,173.40	14.14
Reserves & Surplus	2,038.82	(2,726.60)	(542.24)	(511.47)	(2,836.54)	(1,140.16)
Total Assets	22,223.96	6,049.70	658.63	7,558.36	4,963.78	2.80
Other Liabilities	2,649.14	4,940.30	630.35	7,230.05	4,626.92	1,128.81
Investments (excl. investments in Subsidiary Companies)	-	-	-	-	-	-
Turnover	489.67	4,114.69	611.02	308.78	2,909.90	-
Profit Before Tax	334.61	(403.52)	(203.66)	(173.40)	37.41	(1.46)
Provision for Taxation	-	-	-	-	1.74	-
Profit After Taxation	334.61	(403.52)	(203.66)	(173.40)	35.68	(1.46)
Proposed Dividend	-	-	-	-	-	-

Notes:-

Information on subsidiaries is provided in compliance with the circular no.2/2011 dated February 8, 2011 from Ministry of Corporate Affairs, Government of India. We undertake to make availbale the audited annual accounts and related information of subsidiaries, where applicable, upon request by any of our shareholders. The annual accounts will also be available for inspection during business hours at our Corporate office in Bangalore, India. The same will also be available on our website, www.easunreyrolle.com

1. Converted into Indian Rupees at the exchange rate, 1 USD = Rs.54.80 as on 31st March 2013.
2. Converted into Indian Rupees at the exchange rate, 1 EUR = Rs.70.23 as on 31st March 2013.
3. Converted into Indian Rupees at the exchange rate, 1 HKD = Rs.7.06 as on 31st March 2013.

Easun Reyrolle Limited

Regd.Office.: "Temple Tower", VI Floor, 672, Anna Salai, Nandanam, Chennai-600 035

PROXY FORM

I/We

of

being a member / members of the above named Company, hereby appoint,

Mr / Mrs.....

of.....

or failing him / her Mr / Mrs .....

as my / our proxy to attend and vote for me / us on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Thursday, 26th September, 2013 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai – 600 008 and at any adjournment thereof.

Member's Folio No.

Signed..... Revenue Stamp Re.1 .....

Note : 1. Proxy Forms must reach the Company's Registered Office not less than 48 hours before the Meeting.
2. A Proxy need not be a shareholder of the Company.

.....

Easun Reyrolle Limited

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Name of the Shareholder :	
Member's Folio Number :	No. of Shares held :
Name of Proxy (in Block Letters) (To be filled in if the Proxy attends instead of Member)	

I hereby record my presence at the ANNUAL GENERAL MEETING held on 26th September, 2013.

.....

Member's / Proxy's Signature

Notes:

1. Shareholders / Proxies wishing to attend the meeting MUST bring the admission slip to the meeting and handover at the entrance duly signed.
2. Shareholders / Proxies attending the meeting are requested to be present at the auditorium at least 15 minutes before the commencement of the meeting to facilitate registration.

ERL's PRIDE

State-of-the-art production facility at Harohalli Factory Bangalore, manufacturing Ring Main Units and Vacuum Circuit Breaker Panels with German Technology

EASUN REYROLLE LTD
Registered Office: 6th Floor, "Temple Tower",
672, Anna Salai, Nandanam, Chennai - 600 035, India.
www.easunreyrolle.com