

35th Annual Report
2009-2010

EASUN REYROLLE LIMITED





Easun Reyrolle Limited

35th Annual Report, 2009-2010

- Chairman : Hari Eswaran
- Directors : W S Jones
Raj H Eswaran
Rakesh Garg
S Ramani (Up to 11.09.2009)
- Chief Executive : J D N Sharma
- 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, Bannerhatta Road,
Bangalore 560 076, Karnataka
- Factories : 1. Plot No.98, Sipcot Industrial Complex,
Hosur – 635 126
Krishnagiri Dt., Tamilnadu
2. 17/3, Arakere Village,
Bannerhatta Road,
Bangalore – 560 076
- Bankers : State Bank of India
ICICI Bank Limited
- Registrar and Transfer Agents : Integrated Enterprises (India) Ltd.
2nd Floor, “Kences Towers”
No.1, Ramakrishna Street,
North Usman Road,
Chennai – 600 017

Easun Reyrolle Limited
35th Annual Report – 2009-10

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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 Thirtyfifth Annual General Meeting of the Members of Easun Reyrolle Limited will be held on Wednesday, the 29th day of September, 2010 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, 2010, the Balance Sheet as at 31st March, 2010 and the reports of Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Dr W S Jones who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr Raj H Eswaran who retires by rotation and is eligible for re-appointment.
5. 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.

By Order of the Board
for Easun Reyrolle Limited

Place : Chennai
Date : 21st August, 2010

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.
3. Members holding shares in demat form may inform the change in address or other particulars to their Depository Participants.
4. 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.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2010 to 29th September, 2010 (both days inclusive).
6. The dividend, if any, declared at the Meeting will be payable on and after 29th September, 2010 to those Members whose names appear on the Register of Members of the Company on 16th September, 2010.
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.
8. With respect to payment of dividend, the Company provides the facility of Electronic Clearing Service (ECS) to all Shareholders, holding shares in electronic form and residing in the following places: Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram.
9. The Company has also made arrangements for payment of dividend by way of Dividend Warrants to shareholders who hold shares in physical form through all Branches of HDFC Bank situated in the length and breadth of the Country.

By order of the Board

Place : Chennai
Date : 21st August, 2010

K N Nagesha Rao
Secretary and VP (Corporate Finance)

Financial highlights for 10 years

[Rupees in lacs]

Sl. No.	Particulars	Year ended 31 st March									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
1	Sales & Other Income	26,289	17,232	20,762	13,521	10,817	5,233	4,194	3,855	3,610	3,274
2	Operating Expenditure	25,262	15,863	16,606	10,393	8,356	4,445	3,636	3,405	3,434	2,898
3	Earning/Profit before interest, depreciation and tax (EBIDTA)	1,027	1,369	4,156	3,128	2,461	788	558	450	176	376
4	Less: Interest	604	489	408	194	136	100	86	151	184	221
5	Less: Depreciation	766	514	385	277	254	150	70	68	70	66
6	Profit / (Loss) before Exceptional Items	(343)	366	3,363	2,657	2,071	538	402	231	(78)	89
7	Exceptional Items	5,955	-	-	-	-	-	-	-	-	-
8	Profit / (Loss) before tax	5,612	366	3,363	2,657	2,071	538	402	231	(78)	89
9	Less: Current tax	1,120	96	805	830	715	200	133	20	-	20
10	Less: Deferred tax - Liability(Asset)	(19)	18	6	22	21	-19	(5)	18	(26)	-
11	Less: Fringe benefit tax	-	24	24	38	27	-	-	-	-	-
12	Profit / (Loss) after tax	4,511	228	2,528	1,767	1,308	357	274	193	(52)	69
13	(Less) / Add : Share of minority interest	(15)	43	-	-	-	-	-	-	-	-
14	Net profit / (Loss) after share in minority interest	4,496	271	2,528	1,767	1,308	357	274	193	(52)	69
15	Add: Balance brought forward	649	1,114	202	100	77	86	59	37	89	60
16	Profit available for appropriation	5,145	1,385	2,730	1,867	1,385	443	333	230	37	129
17	Less: Dividend on equity shares (including Dividend Tax)	972	486	716	465	285	116	97	71	-	34
18	Less: Transfer to General Reserve	4,000	250	1,500	1,200	1,000	250	150	100	-	5
19	Surplus carried to balance sheet	173	649	515	202	100	77	86	59	37	89

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

Your Directors are pleased to present the Annual Report along with the Audited Financial Statements for the period from 1st April 2009 to 31st March 2010.

1. Financial Results

Highlight of Financial Results for the year are as under:

[Rupees in lacs]

Particulars	2009-10		2008-09	
	Standalone	Consolidated	Standalone	Consolidated
Sales	21,585	25,717	13,840	16,042
Other Income	388	572	804	1,190
Total Income	21,973	26,289	14,644	17,232
Total Expenditure	20,217	25,262	12,912	15,863
Profit before depreciation, interest and Exceptional Items	1,756	1,027	1,732	1,369
Depreciation	455	766	364	514
Interest	581	604	467	488
Profit / (Loss) before Exceptional Items	720	(343)	901	366
Exceptional Items				
(i) Surplus on FCCB Buyback	6,113	6,113	-	-
(ii) Net Foreign Exchange Fluctuation	(158)	(158)	-	-
Profit before Tax	6,674	5,612	901	366
Provision for Taxation	1,084	1,101	148	138
Adjustment for Minority Interest	-	(15)	-	43
Net Profit	5,590	4,496	753	271
Add: Balance Brought forward	184	649	167	1,113
Profit available for Appropriation	5,774	5,145	920	1,385
Less: Proposed dividend on equity shares	831	831	415	415
Less: Tax on dividends	141	141	71	71
Less: Transfer to General Reserve	4,000	4,000	250	250
Surplus carried to Balance Sheet	802	173	184	649

2. Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a dividend of Rs.4 per share (200% on the par value of Rs.2) for the financial year, out of which Rs.3 per Equity Shares is one-time special dividend on account of exceptional items. The total cash outflow of dividend including dividend tax on equity shares of the company for the year 2009-10 would aggregate to Rs.972 lacs.

3. Performance:

During the year under review, the Company has achieved consolidated revenue at Rs.25,717 lacs compared to previous year's revenue of Rs.16,042 lacs. The profit after tax including extraordinary items is Rs.4,496 lacs compared to Rs.271 lacs for the previous year. The Earnings before interest and Depreciation (EBIDTA) from the consolidated operations, excluding other income is Rs.455 lacs as compared to Rs.209 lacs the previous year. As a result of the significant investments made in the subsidiary companies, the other income has dropped to Rs.572 lacs from Rs.1,190 lacs in the earlier year and also resulted increased depreciation and interest costs, leading to a loss of Rs.343 lacs in consolidated accounts as against a profit of Rs.366 lacs during the last year.

4. Management Discussions and Analysis

(i) Industry Environment and outlook for the future:

The first half of the year 2009-10 continued to remain sluggish. The actual addition to the capacity in Power Generation continued to be substantially below the budget, as was the case with the projected investments in transmission and distribution segments. However, during the second half of the year there was general improvement in the industry sentiment and the Government has initiated a serious effort to catch up on the lost time and maximize the capacity addition and investments during the balance of the current five-year plan.

The improving trend witnessed particularly in the last quarter of 2009-10 is continuing in the current financial year 2010-11. The projects under the revised APDRP Scheme (RAPDRP), Part-A, got off the ground and during the financial year 2010-11 many of the Projects are likely to be decided. Part-B of the RAPDRP Scheme, with substantially heavy investment outlays, would come on stream towards the last quarter of 2010-11 and projects decisions would be completed during 2011-12. Greater emphasis on Transmission and Distribution investment (other than through RAPDRP Scheme) is also expected during the period 2010 to 2012. Thus overall outlook for the electrical industry in India has turned significantly brighter. Globally also, significant investments are slated in improving the operational efficiency and grid stability, curtailing Transmission and Distribution losses, and demand management under "Smart Grids" programme particularly in North America and Europe. These initiatives are expected to provide significant business opportunities to your Company.

(ii) Operations:

The Indian Operations of the Company have grown significantly compared to the previous year, both in terms of Sales as well as Profits. Since major improvement in the industry environment was seen in the last quarter of 2009-10, and the order book of the Company is satisfactory, further improvement is expected during the year 2010-11. However, anticipating this increased demand, additional capacities have been created which is still putting pressure on the bottom line. ERLPhase, Canada and ERL Marketing International, Sharjah have gathered significant steam during the year 2009-10. The Company continued to make substantial investment in ERLPhase during this year. As a result of this investment, coupled with significant investments made in India towards R&D efforts, a completely new range of Protection, Control and Automation Products, with state-of-the-art technology and conforming to global standards, are expected to be available to the market during 2nd half of 2010-11. This development will enhance your Company's competitive advantage in the Indian and global markets.

The Company has also made substantial investments in Switchcraft Europe GmbH in Germany towards development of an exciting new range of Medium Voltage Switchgear Products including "Solid Insulated Switchgear". This product has won the award for "The Best Product" displayed by either an Indian or International Exhibitor, during the prestigious Elecrama Exhibition at Mumbai in January, 2010. The new range of Products from Switchcraft are expected to enter the market from the last quarter of 2010-11 and are expected to gain traction during 2011-12.

ERL Marketing International FZE (ERLMINT) has also made significant progress in establishing ERL brand in Middle East, West Asia, Africa, Far East, South East Asia and SAARC Countries. ERLMINT is expected to contribute substantial business from these areas during 2010-11 and thereafter.

With a view to cater to the expected demand growth in India and globally through its various subsidiaries and keeping in mind the competitive advantage India enjoys in the field of engineering and manufacturing, your Company has decided to establish a Global Manufacturing Facility (GMF) with the projected investment of Rs.120 crores over a period of three years. This facility will have world class manufacturing facilities and is being established on 16.5 acres at Harohalli, near Bangalore.

(iii) New Global Identity:

With a view to propagate a unified Global Identity across all its Companies, a new global identity has been launched and the same is reflected on the Cover of this Annual Report. All products of the Company will carry this identity irrespective of the place of manufacture and the new Logo will be the common global corporate identity of your Company.

5. Repurchase of Foreign Currency Convertible Bonds (FCCBs).

During the year, the Company has, in line with the guidelines of Reserve Bank of India, bought back 310 Zero Coupon FCCBs each of US\$ 1,00,000 aggregating to Rs.159.22 crore (US \$ 31 million). This reduction of debts raised for projects / investments has resulted in surplus of Rs.61.13 Crores, which is non-recurring and not forming part of regular operational income and hence reflected as exceptional item. Consequent upon such buy back and cancellation, the Company's obligations to convert the said Bonds into Shares, (if so claimed by the Bondholders) and / or to redeem the same in foreign currency, has come to an end *vis-à-vis* the cancelled Bonds. The amount of now outstanding FCCBs is only US\$ 4 million.

6. Subsidiary Companies and Consolidated Financial Statements:

In compliance with the Listing Agreement, a consolidated financial statement of the Company and all its subsidiaries is enclosed. The Consolidated Financial Statement has been prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

The Company has obtained from Central Government exemption under Section 212 of the Companies Act, 1956, from attaching to its Balance Sheet, the individual detailed Annual Reports of its subsidiary companies. A statement containing brief financial information of the Company's subsidiaries for the year ended 31st March, 2010 is included in the Annual Report. The Annual Accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies investors seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept for inspection by any investor at the Company's Head Office and that of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any Shareholder on demand.

7. Human Resource Development

Management of human resources is a key element of your Company's strategy to drive growth and organizational competitiveness. Your Company continues to lay strong emphasis on training both at the induction level and through refresher programs. On the industrial relations front, your Company has had a cordial relationship with its employees and union. Your Company had a total employee strength of 428 as at 31st March 2010.

8. Fixed Deposit

The Company has not accepted any public deposit and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

9. Corporate Governance Report

A report on Corporate Governance prepared in pursuance to Listing Agreement with the Stock Exchanges is attached to this Report.

10. Directors

Dr W S Jones and Mr Raj H Eswaran, Directors retire by rotation and being eligible have offered themselves for re-appointment. A brief background of both these directors is given in the 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 that :

- (i) in the preparation of Annual Accounts for the year, applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently, and made judgements 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) 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) 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, who are the statutory auditors of your company, retire at the ensuing Annual General Meeting. They are eligible for re-appointment.

13. Particulars of Research and Development, Conservation of Energy, Technology Absorption, etc:

Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the annexure to this Report.

14. Particulars of Employees

The information required to be furnished under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is set out in the annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1) (b) (iv) of the Companies Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may write to the Company at the registered office.

15. Acknowledgement

Your Directors express their appreciation for assistance and co-operation received from Bankers, Government Authorities, Customers, Vendors and Members during the year. They place on record their sense of appreciation for the committed services by executives, staff and workers of the Company.

For and on behalf of Board of Directors

Place : Chennai
Date : 21st August, 2010

Hari Eswaran
Chairman

Annexure to Directors' Report for the year ended 31st March, 2010



Annexure-I 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 stakeholders' 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.

SI No	Name	Category	Attendance Particulars		Member of Directorship / Committee Membership / Chairmanship		
			Board Meetings	Last Annual General Meeting	Directorship	Committee Membership	Chairmanship
1	Mr. Hari Eswaran	Promoter Director (Chairman)	8 of 8	Attended	1	-	9
2	Dr. W S Jones	Independent Director	6 of 8	Not Attended	5	2	-
3	Mr. Raj H Eswaran	Promoter Director	7 of 8	Attended	11	-	-
4.	Mr.Rakesh Garg	Independent Director	8 of 8	Not Attended	3	-	-
5.	Dr. S Ramani	Independent Director	1 of 8	Attended	-	-	-

Note: Mr Raj H Eswaran is the son of Mr Hari Eswaran

No. of Board Meetings held during the financial year 2009-10 : 8 (Eight)

Dates of Board Meetings held during the Financial Year 2009-10					
1	21.04.2009	2	28.06.2009	3	31.07.2009
4	30.10.2009	5	01.12.2009	6	11.12.2009
7	29.01.2010	8	31.03.2010		

Note: All the Directors on the Board are non-executive Directors.

Dr W S Jones and Mr. Raj H Eswaran retire by rotation and are eligible for reappointment. The brief background of Dr W S Jones and Mr. Raj H Eswaran are furnished below:

Brief Background of Directors being re-appointed:

a) Dr.W S Jones

Dr W S Jones 68 years old is an Electronic Engineering Graduate and holds a Doctorate Degree. He is a Fellow of the Royal Academy of Engineers and the Institution of Engineers and Technicians, UK. He has been conferred with the title “Order of British Empire”. He retired as Joint Managing Director of VA TECHs Transmission and Distribution operation worldwide. He served NEI Control Systems as Managing Director. In addition, he was appointed Managing Director of Reyrolle Limited. Dr Jones also served as worldwide Managing Director of Rolls-Royce Transmission and Distribution Limited. He served on the Boards of many corporate, social and community bodies. He has been Director on the Board of Easun Reyrolle Limited for 18 years.

Dr W S Jones is a Director on the Board of the following Companies.

1. BNES Limited
2. NI Enterprises Limited
3. Switchcraft Group LLC., USA
4. Switchcraft Europe GmbH, Germany
5. Switchcraft Limited, Hong Kong

Dr W S Jones is also a Member of the Audit Committee of Institution of Engineers & Technicians and Inst. Nuclear Engineers.

b) Mr Raj H Eswaran

Mr Raj H Eswaran, 41 years, is a qualified Electrical Engineer and holds Post Graduate Degree in Business Administration from London Business School. He has a wide and varied managerial experience both in India and abroad. He has been on the Board of several Companies and associated with many trade and industries associations. Mr Raj H Eswaran is on the Board of Easun Reyrolle Limited for over 10 years.

Mr Raj H Eswaran is a Member of Indo-German Chamber of Commerce and Executive Committee Member of Industrial Electrical & Electronic Members Association.

Mr Raj H Eswaran is a Director on the Board of the following Companies.

1. Eswaran and Sons Engineers Limited
2. Easun-MR Tap Changers (P) Limited
3. Easun Switchgear (P) Limited
4. Sowraj Investments (P) Limited
5. Easun Products of India (P) Limited
6. Easun Holding (P) Limited
7. ERL Phase Power Technologies Limited, Canada
8. ERL International Pte. Limited, Singapore
9. Switchcraft Group LLC., USA
10. Switchcraft Europe GmbH, Germany
11. Switchcraft Limited, Hongkong

Mr. Raj H Eswaran is holding 2,80,000 equity shares of Rs.2 each (1.35%) in Easun Reyrolle Limited as on 31.03.2010

3. Audit Committee:

The Audit Committee of the Company comprised of three Members namely, Dr W S Jones, Mr Raj H Eswaran and Mr Rakesh Garg. 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 2009-10, 6 (Six) Audit Committee Meetings were held.

The attendance of Members during the year was as below:

Sl.No.	Name and Position of the Member	No. of Meetings	
		Held	Attended
1.	Dr W S Jones, Member	6	5
2.	Mr Raj H Eswaran, Member	6	4
3.	Mr Rakesh Garg, Member	6	6
4.	Dr S Ramani*	6	1

**ceased to be Director with effect from 11th September, 2009*

4. Subsidiary Companies :

The Company has 6 subsidiaries, a list of which is given in the notes 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 oversee 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 2009-10 the Company received 8 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 Chief Executive and President 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 during the year 2009-10	
		Held	Attended
Dr W S Jones	Independent, Non-Executive	The Committee was formed on 27 th July 2010.	
Mr Rakesh Garg	Independent, Non-Executive		
Mr Raj H Eswaran	Non-Executive		

(i) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual policy 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 2009-10, the Company paid Sitting Fees of Rs.3000 per meeting to its Directors for attending meeting of Board and Committee Meetings of the Board. The Members have at the Annual General Meeting of the Company on 11th September, 2009 approved payment of commission to the Non-Executive Directors within the ceiling of 3% of net profit of the Company as computed under the applicable provision of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

(ii) Details of Remuneration for the year ended March 31, 2010:

Non-Executive Directors:

(Rs. Lacs)

Name	Commission	Sitting Fee
Mr Hari Eswaran, Chairman	10.98	0.30
Dr.W S Jones	3.66	-
Mr Raj H Eswaran	3.66	0.39
Mr Rakesh Garg	3.66	0.42
Dr. S Ramani	-	0.06

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
2007	Hotel Ambassador Pallava, 53, Montieth Road. Chennai – 600 008	28.09.2007	04 p.m.	1
2008		29.09.2008	03 p.m.	Nil
2009		11.09.2009	03 p.m.	3

8. Postal Ballot :

No resolution was passed through Postal Ballot during 2009-10.

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.13 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 2009-10, 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, Economic Times, 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.easunreynolle.com the quarterly financial reports as well as presentations made to institutional investors / analysts.

11. General Shareholder information :

(a) Annual General Meeting for 2010:

- a) Date : 29th September, 2010
- b) Time : 3.00 p.m.
- c) Venue : Hotel Ambassador Pallava at 53, Montieth Road, Chennai.

(b) Financial calendar:

Results for the quarter ended 30 th June 2010	2 nd week of August 2010
Results for the quarter ended 30 th September 2010	2 nd week of November 2010
Results for the quarter ended 31 st December 2010	2 nd week of February 2011
Results for the quarter ended 31 st March 2011	Last week of May 2011

(c) Book closure date:

Book closure date : The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2010 to 29th September, 2010 (both days inclusive).

(d) Dividend payment:

On or after 29th September, 2010

(e) Listing Stock Exchanges:

National Stock Exchange of India Limited, Mumbai, Bombay Stock Exchange Limited, Mumbai and Singapore Stock Exchange Limited, Singapore.

Upto date listing fee has been paid to all the Stock Exchanges.

(f) 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	INE268C1029
Corporate Identification Number	L31900TN1974PLC006695

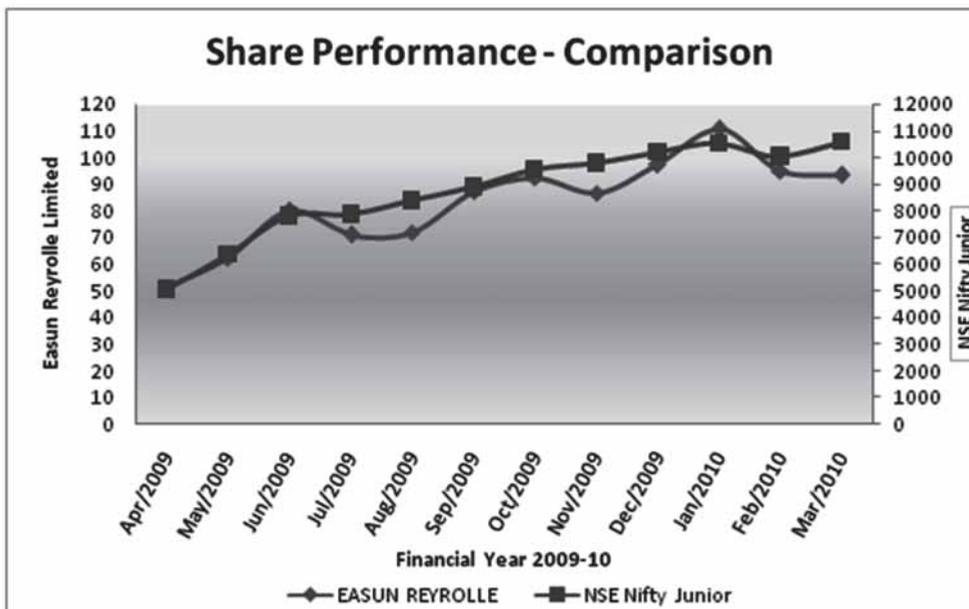
(g) Market Price Data :

Highlights of Market Price of the Company's Shares traded on National Stock Exchange during 2009-10

Period	NSE		BSE	
	High(Rs.)	Low(Rs)	High(Rs.)	Low(Rs)
Apr-09	57.90	46.90	58.05	46.95
May-09	82.90	50.10	82.70	49.95
Jun-09	93.10	67.55	93.35	67.10
Jul-09	78.65	58.80	78.20	57.60
Aug-09	75.85	67.70	75.45	68.00
Sep-09	103.15	74.60	102.70	74.15
Oct-09	103.90	84.20	104.60	83.60
Nov-09	99.05	80.20	99.05	79.80
Dec-09	104.20	88.50	104.20	88.45
Jan-10	116.75	100.15	117.00	99.80
Feb-10	103.70	85.85	103.65	85.85
Mar-10	97.05	89.70	96.95	89.25

(h) Share performance in comparison with NSE index:

Share Performance of the Company in comparison to National Stock Exchange Index (NSE Nifty Junior).



(i) 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: 28141001 to 28141003
 Email: corpserve@iepindia.com

(j) 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 25 days from the date of lodgment, if documents are complete in all respects.

(k) Dematerialisation of Shares and Liquidity

95.31 % of the paid up capital has been dematerialized as at 31st March 2010. 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 2009-10 is given below:

S1.No.	Name of the Stock Exchange	No. of Shares	Value of Share
01.	The National Stock Exchange of India Ltd	91,334	Rs. 93.30
02.	Bombay Stock Exchange Limited	58,096	Rs. 92.56

(l) 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 31.03.2010.
- 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.

(m) Plant Location :

<p>1.Hosur Plant: - Unit I Plot No.98, Sipcot Industrial Complex, Hosur-635126 Krishnagiri District, Tamilnadu</p>	<p>2.Bangalore Plant: - Unit II 17/3, Arakere Village, Bannerghatta Road, Bangalore - 560076 Karnataka</p>	<p>3.Bangalore Technology Development Centre 389, "Rasu Kumaki" Hulimavu Bannerghatta Road Bangalore-560 076 Karnataka</p>
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(n) Address for Correspondence :

- i) For transfer / dematerialisation : 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@iepindia.com
- ii) Any query on payment of dividend : or Annual Report

Easun Reyrolle Ltd.,
389, "Rasukumaki"
Hulimavu,
Begur Hobli,
Bannerghatta Road,
Bangalore – 560 076.

(o) 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 2001-2002	Does not apply, since no Dividend was declared for the financial year 2001-02			

p) Shareholding pattern as at 31st March, 2010:

Sl. No.	Category	No. of Shares held	Percentage of Share holding
1.	A. Promoters' Holding Indian Promoters Mr Hari Easwaran & Associates	56,68,242	27.29%
2.	Non-promoters' Holding a) Bank	53,791	0.26%
	b) Others		
	- Mutual Fund	5,98,819	2.88%
	- Private Corporate Bodies	-	-
	- Foreign Institutional Investors	10,000	0.05%
	- NRIs/OCBs	1,37,368	0.66%
	- Depository Participants	2,75,000	1.32%
	c) Indian Public	1,40,28,385	67.54%
	Total	2,07,71,605	100.00%

q) Distribution of Shares as on 31st March, 2010:

Sl. No.	Distribution of Shareholding	No. of Shareholders	% to total	No. of Shares held	% to total
01	Up to 500	13,649	81.53%	19,90,995	9.59%
02	501 – 1000	1,526	9.11%	12,65,018	6.09%
03	1001 – 2000	806	4.81%	12,36,833	5.95%
04	2001 – 3000	299	1.79%	7,73,808	3.73%
05	3001 – 4000	124	0.74%	4,47,009	2.15%
06	4001 – 5000	76	0.45%	3,58,685	1.73%
07	5001 – 10000	125	0.75%	9,04,298	4.35%
08	10001 & above	137	0.82%	1,37,94,959	66.41%
	Total	16,742	100.00%	2,07,71,605	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, 2010, 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 : 21st August, 2010

Hari Eswaran
Chairman

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 2010, 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 explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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 BRAHMAYYA & CO.,
Chartered Accountants.
Firm Regn No: 000511S

N.SRI KRISHNA
Partner
Membership No.26575

Place : Chennai
Date : 21st August, 2010

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

R. SUBRAMANIAN
Partner
Membership No.8460

Annexure to Directors' Report for the year ended 31st March, 2010



Annexure II

Information pursuant to the 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

<p>A. Conservation of Energy</p> <ul style="list-style-type: none"> a. Energy conservation b. Additional Investments and proposals if any, being implemented for reduction of consumption of energy c. Impact of the measures at (a) and consumption and consequent impact of the cost of production of goods d. Total energy conservation 	<p>By rationalising 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 optimise conservation of energy.</p> <p>Disclosure requirement is not applicable to the Company</p>
<p>B. Technology Absorption</p> <ul style="list-style-type: none"> i) Research and Development <ul style="list-style-type: none"> 1) Specific areas in which R & D is carried out by the Company 	<ul style="list-style-type: none"> a) Protective Relays b) Energy Meters / Smart Meters c) Optical CT & PT d) Substation Automation and Control Products e) Automatic Meter Reading Solution
<ul style="list-style-type: none"> 2) Benefits derived as a result of the above efforts 	<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 3) Future plan of action 	<ul style="list-style-type: none"> a) To add additional variants of the Sub-Transmission and Distribution segment Protection Relays. b) To enhance the features of Meters to be used as Smart Meters for the Home and Utility segments with DLMS communication Protocols. c) To develop products like Data Concentrators, and advanced switches with IEEE 1588 Compliance for use in Sub-Station Automation.

<p>4) Expenditure on R & D</p> <p>a. Capital</p> <p>b. Recurring</p> <p>c. Total</p> <p>d. Total R & D expenditure as a percentage of total turnover</p>	<p>Rs. 1,22,01,461.00</p> <p>Rs. 67,77,890.00</p> <p>Rs. 1,89,79,351.00</p> <p>0.86%</p>
<p>ii) Technology absorption, adaptation and innovation</p> <p>1) Efforts, in brief, made towards technology absorption, adaptation and innovation</p>	<p>a) Re-use of Multi processor designs and software across products, reduce the product development Cycle</p> <p>b) Integration of product development across global development teams and use of configuration and other tools.</p>
<p>2) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development substitution, etc.</p>	<p>The absorption/Re-use of Algorithms, Software has reduced the Product development cycle by 8-10 Man Years. The development of substation Automation Products has resulted in reduction of Import cost.</p>
<p>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)</p> <p>a) Technology imported</p> <p>b) Year of import</p> <p>c) Has technology been fully absorbed</p> <p>d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.</p>	<p>Programmable Logic Control Technology</p> <p>2007 and 2008</p> <p>Technology has been absorbed</p>
<p>C. Foreign Exchange Earnings and Outgo</p> <p>a. i) Efforts made in Technology absorption</p> <p>ii) Initiatives taken to increase exports</p> <p>iii) Development of new export markets for products and services</p> <p>iv) Export plans</p> <p>b. i) Total foreign exchange used</p> <p>ii) Total foreign exchange earned</p>	<p>By absorbing technology for manufacture of new Relays, the Company could save substantial foreign exchange</p> <p>Strengthening and Establishment of Marketing Division in Middle East and East</p> <p>Rs. 23,32,87,834</p> <p>Rs. 5,26,98,175</p>

On behalf of the Board of Directors

Place : Chennai

Hari Eswaran
Chairman

Date : 21st August, 2010

Auditor's Report

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

1. We have audited the attached balance sheet of M/s. Easun Reyrolle Limited, as at 31st March 2010, and also the profit and loss account and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of section (4A) of Section 227 of the Companies Act, 1956 (Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us we set out in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
 - b) In our opinion proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this Report are in agreement with the Books of Account.
 - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow statement read together with notes thereon and dealt with by this Report have been prepared in all material respects, in compliance with the Accounting Standards, referred to in Sec. 211(3C) of the Companies Act, 1956 to the extent;
 - e) On the basis of explanations and information given to us and written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2010, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon give the information required

by the Companies Act, 1956, 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 2010;
- (b) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on the date.

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

N.SRI KRISHNA
Partner
Membership No.26575

Place : Chennai
Date : 27th July 2010

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

R. SUBRAMANIAN
Partner
Membership No.8460

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

- i. The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. 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. Fixed Assets disposed off during the year were not substantial.
- ii.
 - 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 the year end by the Management.
 - b) The procedures of physical verification of inventories for the year under review followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stock as compared to the book records.
- iii.
 - a) During the year the company granted interest free advances to wholly owned overseas subsidiary 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 repayment of the advances given, we are unable to comment on the same. The details of the same are given in Note No. 13 in the notes forming part of accounts.
 - b) The Company has not taken loans, secured or unsecured, from companies, firms or other parties listed in the register required to be maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of Inventory, Fixed Assets and with regard to the Sale of goods and Services. During the course of audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v.
 - a) Based on audit procedures applied by us and according to the information and explanations provided by the Management, the transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - 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.
- vi. The company has not accepted any deposits from the public and consequently, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not attracted.
- vii. The company has an Internal Audit System, which in our opinion is commensurate with the size and nature of its business.

- viii. 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.
- ix. a) According to the records of the company, the company has been regular in depositing the undisputed statutory dues relating to Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Investor Education and Protection Fund, Customs Duty and Excise duty during the year with the appropriate authorities.
- b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and Customs Duty which are outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
- c) According to the records of the company and the information and explanations given to us, the following dues have been disputed and paid on protest. The company has preferred appeal with the appropriate authorities for refund.

Name of the statute	Financial year to which the matter pertains	Forum where the matter is pending	Amount (In Rs)
Income Tax Act, 1961	2001-02	CIT (Appeals)	30,02,382
Income Tax Act, 1961	2005-06	CIT (Appeals)	71,58,509
Income Tax Act, 1961	2006-07	CIT (Appeals)	55,41,946

- x. 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.
- xi. 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.
- xii. Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly Clause 4(xiii) of the order is not applicable.
- xiv. According to the information and explanations given by the management, the Company is not dealing in or trading in shares, securities, debentures and other investments except for investment in Mutual Funds. The Company has maintained proper records and timely entries have been made and the investments are held in the name of the Company.
- xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion, according to explanations and information given to us and on overall examination the Term Loans have been applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that funds raised on short term basis have not been used for long term investment.

- xviii. 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
- xix. According to the information and explanations given to us, the Company has not issued any Secured Debentures during the year.
- xx The company has not raised any money by public issue during the current year.
- xxi Based on information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the year

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

N.SRI KRISHNA
Partner
Membership No.26575

Place : Chennai
Date : 27th July 2010

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

R. SUBRAMANIAN
Partner
Membership No.8460

Balance Sheet as at 31st March 2010



	Schedule	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
I Sources of Funds			
1 Shareholders' Funds			
a. Share Capital	I	4,15,43,210	4,15,43,210
b. Reserves and Surplus	II	210,76,73,063	164,58,75,368
2 Loan Funds			
a. Secured Loans	III	59,72,08,665	42,45,10,100
b. Unsecured Loan	IV	19,52,84,471	178,62,05,080
3 Deferred Tax Liability (Net)		2,70,19,440	3,05,77,025
Total		<u>296,87,28,849</u>	<u>392,87,10,783</u>
II Application of Funds			
1 Fixed Assets	V		
a. Gross block		52,36,23,389	49,18,57,472
b. Less: Depreciation		22,90,04,433	18,67,75,562
c. Net Block		<u>29,46,18,956</u>	<u>30,50,81,910</u>
d. Capital Work-in-Progress		8,81,37,267	6,63,34,306
		<u>38,27,56,223</u>	<u>37,14,16,216</u>
2. Investments	VI	162,96,27,940	60,30,28,134
3 Current Assets, loans and advances	VII		
a. Inventories		35,22,60,476	36,89,43,776
b. Sundry debtors		127,28,17,014	74,35,08,168
c. Cash and bank balances		6,82,70,643	5,53,99,788
d. Loans and advances		69,45,12,862	256,27,10,848
		<u>238,78,60,995</u>	<u>373,05,62,580</u>
Less:			
Current Liabilities and Provisions	VIII		
a. Liabilities		93,42,94,335	43,96,77,651
b. Provisions		49,72,21,974	33,66,18,496
		<u>143,15,16,309</u>	<u>77,62,96,147</u>
Net current assets		<u>95,63,44,686</u>	<u>295,42,66,433</u>
Total		<u>296,87,28,849</u>	<u>392,87,10,783</u>
Notes on Accounts	XV		

Schedules and notes annexed hereto form part of the Annual Accounts.

K N Nagesha Rao
Secretary & V P (Corporate Finance)

Rakesh Garg
Director

Hari Eswaran
Chairman

Per our Report of even date annexed

For BRAHMAYYA & CO.
Chartered Accountants
N Srikrishna
Partner
Membership Number : 26575

For R.SUBRAMANIAN & CO.
Chartered Accountants
R Subramanian
Partner
Membership Number : 8460

Place : Chennai
Date : 27th July, 2010

Profit and Loss Account for the year ended 31st March 2010



	Schedule	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
Income			
Income from Operations		228,09,48,201	151,49,29,780
Less: Excise duty		12,24,80,593	13,08,86,091
		<u>215,84,67,608</u>	<u>138,40,43,689</u>
Other Income	IX	3,88,05,908	8,04,28,882
	(A)	<u>219,72,73,516</u>	<u>146,44,72,571</u>
Expenditure			
Materials	X	152,59,88,466	105,78,10,087
Personnel Expenses	XI	15,46,75,750	16,04,38,134
Interest	XII	5,81,09,842	4,67,25,727
Other Expenses	XIII	26,00,59,601	20,68,12,052
Depreciation		4,55,13,950	3,63,59,367
		<u>204,43,47,609</u>	<u>150,81,45,367</u>
(Increase) / Decrease in Finished Goods	XIV	8,09,71,296	(13,37,48,048)
	(B)	<u>212,53,18,905</u>	<u>137,43,97,319</u>
Profit before Taxes and exceptional items	(A-B)	7,19,54,611	9,00,75,252
Exceptional items			
Add : Surplus on buyback of FCCB		61,13,26,300	-
Less : Loss on Foreign Exchange Fluctuation		1,58,33,844	-
		<u>66,74,47,067</u>	<u>9,00,75,252</u>
Profit Before Taxes		66,74,47,067	9,00,75,252
Less: Provision for tax			
Current Tax		11,20,00,000	1,05,00,000
Fringe benefit Tax		-	24,25,000
Deferred Tax (Asset)/Liability		(35,57,585)	18,42,003
Profit after Taxation		<u>55,90,04,652</u>	<u>7,53,08,249</u>
Add: Profit brought forward from the previous year		1,84,15,473	1,67,10,703
Profit available for Appropriation		<u>57,74,20,125</u>	<u>9,20,18,952</u>
Appropriation :			
Transfer to General Reserve		40,00,00,000	2,50,00,000
Proposed Final Dividend -200% (Previous year 100%)		8,30,86,420	4,15,43,210
Tax on Dividend		1,41,20,537	70,60,269
Surplus Carried to Balance Sheet		8,02,13,168	1,84,15,473
		<u>57,74,20,125</u>	<u>9,20,18,952</u>
Notes on Accounts	XV		

Schedules and notes annexed hereto form part of the Annual Accounts.

K N Nagesha Rao
Secretary & V P (Corporate Finance)

Rakesh Garg
Director

Hari Eswaran
Chairman

Per our Report of even date annexed

For BRAHMAYYA & CO.
Chartered Accountants
N Srikrishna
Partner
Membership Number : 26575

For R.SUBRAMANIAN & CO.
Chartered Accountants
R Subramanian
Partner
Membership Number : 8460

Place : Chennai
Date : 27th July, 2010

**Schedule annexed to and forming part of the accounts
for the year ended 31.03.2010**



	As at 31.03.2010 RS.	As at 31.03.2009 RS.
I. SHARE CAPITAL		
AUTHORISED		
7,50,00,000 Equity Shares of Rs.2 each	15,00,00,000	15,00,00,000
50,00,000 Preference Shares of Rs.10 each	5,00,00,000	5,00,00,000
	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED SHARE CAPITAL		
2,07,72,455 (2,07,72,455) Equity Shares of Rs.2 each	4,15,44,910	4,15,44,910
SUBSCRIBED AND PAID-UP SHARE CAPITAL		
2,07,71,605 (2,07,71,605) Equity Shares of Rs.2 fully paid up including	4,15,43,210	4,15,43,210
a) During 1980 -4,50,000 equity shares of Rs 10 each fully paid, issued to the public		
b) During 1992- 4,50,000 equity shares of Rs 10 each fully paid, issued to the public as Rights 1:1		
c) During 1992- 22,500 equity shares of Rs 10 each fully paid, issued to the employees of the company		
d) During 1995- 6,45,715 equity shares of Rs 10 each fully paid issued to the public as Rights 7:10		
e) During 1997- 15,67,294, equity shares of Rs 10 each fully paid issued to the public as Bonus 1:1		
f) During 2005- 1,95,312 equity shares of Rs10 each fully paid, issued on preferential basis		
(Shares Split from Face value of Rs 10 each to Rs 2 each on 30.07.2007)		
g) During 2007-2008:		
i) 28,12,500 equity shares of Rs.2 each fully paid, issued as GDRs		
ii) 9,14,719 equity shares of Rs.2 each fully paid, issued on conversion of warrant to promoters and associates		
h) During 2008-2009: 3,90,281 equity shares of Rs.2 each fully paid, issued on conversion of warrant to promoters		
(allotment of 850 Equity Shares of Rs.2 each (including 675 Equity Shares on bonus and 175 equity shares of Rs. 2 each on rights during 1995) is held in abeyance pursuant to Section 206A of the Companies Act, 1956)	<u>4,15,43,210</u>	<u>4,15,43,210</u>

Schedules forming part of the Accounts



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.

II. Reserves and Surplus		
a. Government Subsidy	40,42,000	40,42,000
b. Capital Reserve	45,54,000	45,54,000
c. Share Premium		
Opening Balance	108,42,24,636	103,34,88,106
Add: Addition during year	-	5,07,36,530
	<u>108,42,24,636</u>	<u>108,42,24,636</u>
d. General Reserve		
Opening Balance	53,46,39,259	50,96,39,259
Add: Transfer from Profit and Loss Account	40,00,00,000	2,50,00,000
	<u>93,46,39,259</u>	<u>53,46,39,259</u>
e. Profit and Loss Account	8,02,13,168	1,84,15,473
Total Reserves	<u>210,76,73,063</u>	<u>164,58,75,368</u>
III. Secured Loans:		
Loans and advance from Banks:		
a. From Deutsche Bank Loan	15,95,30,073	-
b. From Bank-Cash Credit	43,06,80,121	42,25,07,665
Other Loans and advances:		
c. Hire Purchase	69,98,471	20,02,435
	<u>59,72,08,665</u>	<u>42,45,10,100</u>
IV. Un-Secured Loan:		
Foreign Currency Convertible Bonds (FCCB)	18,23,20,000	177,45,00,000
Banks Current Account	55,11,471	42,52,080
Sales Tax deferral -Interest Free Sales Tax Scheme	74,53,000	74,53,000
	<u>19,52,84,471</u>	<u>178,62,05,080</u>

SECURITY

Bank:

- a) Loan borrowed from Deutsche Bank against Mutal Fund Securities for Rs 15,95,30,073.
- b) All the Working Capital limits (sanctioned limit of Rs.4,500 Lacs) are secured against hypothecation/pledge of stock of rawmaterials, Components, work-in-progress, finished goods, stock-in-transit and book debts and secured by first charge subject to prior charge on term loan on the fixed assets of the company, both present and future.

Note:

Hire Purchase : Loans taken under Hire purchase arrangement are secured against hypothecation of specific assets.

Schedules forming part of the Accounts



V. Fixed Assets

Sl. No.	Particulars	Cost upto 31.03.2009 Rs.	Additions during the year Rs.	Deletion Rs.	Total cost upto 31.03.2010 Rs.	D E P R E C I A T I O N				Written down value as on 31.03.2010 Rs.	Written down value as on 31.03.2009 Rs.	
						Up to 31.03.2009 Rs.	For the Year ended 31.03.10 Rs.	Deletion Rs.	Total Depreciation Upto 31.03.2010 Rs.			
	Hour Works											
1	Land	11,758,692	-	-	11,758,692	-	-	-	-	11,758,692	11,758,692	11,200
2	Land - lease hold	111,200	-	-	111,200	-	-	-	-	111,200	111,200	428,770
3	Land - hour residential plots	428,770	-	-	428,770	-	-	-	-	428,770	428,770	81,849,717
4	Buildings	93,911,343	402,339	-	94,313,682	3,133,336	-	-	15,194,963	79,118,719	380,350	389,134
5	Buildings - Lease Hold	526,000	-	-	526,000	136,866	-	-	145,650	380,350	380,350	58,852,649
6	Plant and machinery	112,516,828	2,519,461	-	115,036,289	53,664,179	10,202,458	-	63,866,637	51,169,653	51,169,653	19,899,824
7	Electrical installations/ fittings	29,203,436	422,650	-	29,626,086	9,303,611	2,484,277	-	11,787,888	17,838,198	17,838,198	20,764,608
8	Office equipments	37,492,621	4,845,454	-	42,338,075	16,728,013	10,151,567	-	26,879,580	15,458,495	15,458,495	37,776,480
9	Furniture	48,542,240	506,147	-	49,048,387	11,363,759	2,998,231	-	14,361,990	34,686,397	34,686,397	2,157,822
10	Vehicles	7,751,049	8,047,200	3,719,467	12,078,782	5,593,227	2,443,936	3,285,078	4,752,085	7,326,697	7,326,697	15,207,375
11	Buildings	17,322,716	-	-	17,322,716	2,115,342	578,579	-	2,693,921	14,628,795	14,628,795	34,194,518
12	Plant and machinery	41,723,198	-	-	41,723,198	7,528,680	1,957,634	-	9,486,314	32,236,884	32,236,884	1,641,214
13	Electrical installation/ fittings	2,700,795	-	-	2,700,795	1,099,581	313,425	-	1,373,006	1,327,789	1,327,789	3,008,565
14	Office equipments	7,005,319	1,858,290	-	8,863,609	4,105,139	1,749,905	-	5,855,044	3,008,565	3,008,565	5,092,114
15	Technology Know-how	55,043,750	-	-	55,043,750	49,951,636	2,951,146	-	52,902,782	2,140,968	2,140,968	12,655,611
16	Non-Compete fees	10,000,000	-	-	10,000,000	10,000,000	-	-	10,000,000	-	-	22,998,782
17	Intangible assets -Product Development	15,819,514	16,885,843	-	32,705,357	3,183,903	6,540,672	-	9,704,575	22,998,782	22,998,782	305,081,910
	Total (A)	491,857,472	35,485,384	3,719,467	523,623,389	186,775,562	45,513,950	3,285,078	229,004,433	294,618,956	294,618,956	8,842,082
	Capital Work In Progress											
18	Preoperative Expenses- GMF		8,842,082	-	8,842,082	-	-	-	-	8,842,082	8,842,082	1,134,179
19	Work-in-progress- GMF(Plant & Machinery)		1,134,179	-	1,134,179	-	-	-	-	1,134,179	1,134,179	53,133,706
20	SAP Implementation	53,133,706	11,826,700	-	64,960,406	-	-	-	-	64,960,406	64,960,406	13,200,600
21	Technology Know-how	13,200,600	-	-	13,200,600	-	-	-	-	13,200,600	13,200,600	66,334,306
	Total (B)	66,334,306	21,802,961	-	88,137,267	-	-	-	-	88,137,267	88,137,267	371,415,216
	Total (A) + (B)	558,191,778	57,288,345	3,719,467	611,760,656	186,775,562	45,513,950	3,285,078	229,004,433	382,756,223	382,756,223	(289,693,898)
	Total(Previous Year)	(441,466,843)	(135,143,030)	(18,418,095)	(588,191,778)	(151,772,946)	(36,359,366)	(1,356,751)	(186,775,562)	(371,416,216)	(371,416,216)	

Schedules forming part of the Accounts



		As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
VI. Investments			
Long Term Investments- Un-quoted (At Cost)			
In Overseas Subsidiaries			
ERL International Pte Ltd - Singapore			
3,00,000 (3,00,000)	Equity shares of USD 1 each fully paid	1,18,67,940	1,18,67,940
ERL International Pte Ltd - Singapore			
2,20,00,000 (-)	Non-Cummulative Convertible Redeemable Preference Shares of USD 1 each fully paid	102,36,60,000	-
Total (A)		103,55,27,940	1,18,67,940
Current Investments- Others (At lower of Cost and fair Value)			
Units	Name of the Mutual Fund		
40,953	RELIANCE MONEY MGR FUND-INSTT.PLAN-DDP	4,10,00,000	
(-)	Daily Dividend Reinvestment of Rs.10 each		
11,84,993	RELIANCE REGULAR SAVINGS -DEBT PLAN-GROWTH PLAN	1,50,00,000	
(-)	Daily Dividend Reinvestment of Rs.10 each		
48,80,429	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	5,00,00,000	
(-)	Face value Rs 10 per unit		
18,43,147	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	1,89,00,000	
(-)	Face value Rs 10 per unit		
5,92,814	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	61,00,000	
(-)	Face value Rs 10 per unit		
48,71,110	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	5,00,00,000	
(-)	Face value Rs 10 per unit		
48,63,719	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	5,00,00,000	
(-)	Face value Rs 10 per unit		
48,59,275	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	5,00,00,000	
(-)	Face value Rs 10 per unit		
48,62,678	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	5,00,00,000	
(-)	Face value Rs 10 per unit		
29,05,717	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	2,99,00,000	
(-)	Face value Rs 10 per unit		
38,76,119	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	4,00,00,000	
(-)	Face value Rs 10 per unit		
11,84,565	ICICI Prudential- Flexible Income Plan	11,92,00,000	12,00,00,000
(1,14,21,625)	Daily Dividend Reinvestment Plan of Rs.100(Pr. year Rs.10 each)		
7,30,561	ICICI Prudential Flexible Income Plan	7,40,00,000	7,40,00,000
(70,43,336)	Daily Dividend Reinvestment Plan of Rs.100(Pr. year Rs.10 each)		
-	DWS Money Plus Fund Dividend		22,02,410
(2,24,983)	Daily Dividend Reinvestment of Rs.10 each		
-	Fortis Money Plus Fund-Institutional Plan		1,26,48,000
(12,70,894)	Daily Dividend Option (Compulsary Reinvestment)of Rs.10 each		
-	HDFC Cash Management Fund - Treasury Advantage Plan		7,00,00,000
(70,23,303)	Wholesale- Daily Dividend Reinvestment Plan of Rs.10 each		
-	IDFC- Money Manager Fund - Treasury Plan		7,00,00,000
(70,44,197)	Daily Dividend Reinvestment Plan of Rs.10 each		
-	HDFC Cash Management Fund - Treasury Adv Plan		12,23,09,784
(1,23,91,940)	Daily Dividend Reinvestment Plan of Rs.10 each		
-	IDFC Liquid Plus -TP-super inst Plan C		12,00,00,000
(1,20,75,766)	Daily Dividend Reinvestment Plan of Rs.10 each		
Total (B)		59,41,00,000	59,11,60,194
Total (A+B)		162,96,27,940	60,30,28,134

Schedules forming part of the Accounts



Movement during the year - Investments (Mutual fund) purchased and sold / redeemed

Units	Mutual Fund	Face Value (in Rs.)	Cost (in Rs.)
Purchase of Mutual Fund			
99,68,599	HDFC CASH MGT FUND-TREASURY ADV, PLAN - DLY DIV	Rs.10	10,00,00,000
71,97,328	HDFC CASH MGT FUND-TREASURY ADV, PLAN - DLY DIV	Rs.10	7,22,00,000
40,953	RELIANCE MONEY MANAGER FUND- INSTT. PLAN-DDP	Rs.1000	4,10,00,000
11,84,993	RELIANCE REGULAR SAVINGS - DEBT PLAN-GROWTH PLAN	Rs.12	1,50,00,000
11,82,359	RELIANCE REGULAR SAVINGS - DEBT PLAN-GROWTH PLAN	Rs.12	1,50,00,000
48,80,429	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	5,00,00,000
18,43,147	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	1,89,00,000
5,92,814	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	61,00,000
48,71,110	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	5,00,00,000
48,63,719	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	5,00,00,000
48,59,275	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	5,00,00,000
48,62,678	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	5,00,00,000
29,05,717	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	2,99,00,000
38,76,119	TEMPLETON INDIA INCOME OPP. FUND-GROWTH	Rs.10	4,00,00,000
	Total Purchase of Mutual Fund during the year		58,81,00,000
Sale / Redemption of Mutual fund			
2,27,273	DWS MONEY PLUS ADVANTAGE FUND	Rs.10	22,02,410
7,49,768	FORTIS MONEY PLUS FUND-IP-DLY DIV	Rs.10	75,00,000
5,34,793	FORTIS MONEY PLUS FUND-IP-DLY DIV	Rs.10	51,48,000
5,48,273	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	55,00,000
5,38,304	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	54,00,000
99,686	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	10,00,000
2,59,184	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	26,00,000
39,874	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	4,00,000
19,937	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	2,00,000
1,30,70,933	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	12,75,00,000
1,49,52,898	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	15,00,00,000
79,75,144	HDFC CASH MANAGEMENT FUND Treasury Advantage plan	Rs.10	7,19,09,785
2,837	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN*	Rs.100	3,00,000
4,729	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN*	Rs.100	5,00,000
23,59,646	IDFC MONEY MANAGER FUND - TP-SUPER INST-DAILY DIV	Rs.10	2,36,00,000
72,26,363	IDFC MONEY MANAGER FUND - TP-SUPER INST-DAILY DIV	Rs.10	7,00,00,000
1,00,24,548	IDFC MONEY MANAGER FUND - TP-SUPER INST-DAILY DIV	Rs.10	9,64,00,000
11,82,359	RELIANCE REGULAR SAVINGS-FUND-DEBT PLAN-INSTITUTIONAL	Rs.12	1,50,00,000
	Total Sale / Redemption of Mutual Fund during the year		58,51,60,194
	*Face value changed to Rs 100 Per unit		

Schedules forming part of the Accounts



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
VII. Current Assets, Loans and Advances		
A. Current Assets		
Inventories (as certified by the Management)		
Tools	59,40,647	49,32,027
Raw Materials and Components	23,78,71,325	13,19,98,109
Work-in-progress	2,04,06,545	6,53,75,050
Finished Goods	6,90,95,031	15,00,66,327
Stock in Transit	1,87,78,385	1,57,46,597
Consumable Stores, Spares, Packing materials etc.	1,68,543	8,25,666
Total Inventories	(1) <u>35,22,60,476</u>	<u>36,89,43,776</u>
Sundry Debtors: Unsecured considered good		
Debts due for a period exceeding 6 months	32,72,47,012	22,20,36,120
Other debts	94,55,70,002	52,14,72,048
Total Debtors	(2) <u>127,28,17,014</u>	<u>74,35,08,168</u>
Cash and bank balance:		
Cash on hand	12,74,614	21,39,473
Balance with Scheduled Banks		
In Current Accounts	55,20,478	39,08,682
In Margin Accounts	6,14,75,551	4,93,51,633
(Under Lien to banks towards Bank Guarantee obtained)		
Total Cash & Bank Balances	(3) <u>6,82,70,643</u>	<u>5,53,99,788</u>
Total Current Assets	(1+2+3) <u>169,33,48,133</u>	<u>116,78,51,732</u>
B. Loans and Advances		
(Unsecured-considered good, unless otherwise stated)		
i) Loans and advances to Subsidiary Companies	4,66,02,370	205,00,37,635
ii) Other advances recoverable in cash or in kind or for value to be received	64,64,18,817	51,02,28,290
iii) Deposits	14,91,675	24,44,923
	<u>69,45,12,862</u>	<u>256,27,10,848</u>
Total (A+B)	<u>238,78,60,995</u>	<u>373,05,62,580</u>

Schedules forming part of the Accounts



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
VIII. Current Liabilities and Provisions		
1. Sundry Creditors (Note No.16)	92,51,29,736	43,07,98,028
2. Investor Education and Protection Fund*		
Un-claimed Dividend	30,15,719	25,08,619
3. Provision for Gratuity	-	15,48,337
4. Provision for Leave Encashment	61,48,880	48,22,667
5. Provision for Taxation	39,02,37,017	27,82,37,017
6. Provision for Fringe Benefit Tax	97,78,000	97,78,000
7. Provision for Dividend	8,30,86,420	4,15,43,210
8. Dividend Tax	1,41,20,537	70,60,269
	143,15,16,309	77,62,96,147
* No amount is due outstanding to be credited to the fund		
Miscellaneous Expenditure to the extent not written off		
Deferred Revenue Expenditure as per last Balance Sheet	-	5,19,422
Add : Additions during the year	-	-
Total	-	5,19,422
Less: Written off during the year	-	5,19,422
	-	-
	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
IX. Other Income		
Interest received (Tax deducted at source Rs. 9,04,365 (Previous year Rs 8,30,820)	68,81,608	48,93,945
Sale of scrap	32,11,483	13,79,044
Profit on Sale of assets	9,44,458	3,42,658
Realisation of debts written off in earlier years	891,393	45,14,870
Unclaimed creditors written back	-	4,09,765
Trade Incentive	24,45,613	27,35,426
Miscellaneous receipts	28,745	98,22,585
Foreign Exchange Fluctuation	4,80,407	2,34,672
Dividend Income from Mutual Fund Investments	2,39,22,201	5,60,95,917
	3,88,05,908	8,04,28,882
X. Materials		
Opening Stock		
Raw Materials and Components	13,19,98,109	12,62,73,362
Work-in-Progress	6,53,75,050	5,12,57,152
	19,73,73,159	17,75,30,514
Add: Purchases	158,68,93,177	107,76,52,732
	(A) 178,42,66,336	125,51,83,246
Less: Closing stock		
Raw Materials and Components	23,78,71,325	13,19,98,109
Work-in-Progress	2,04,06,545	6,53,75,050
	(B) 25,82,77,870	19,73,73,159
Material Cost of Consumption	(A-B) 152,59,88,466	105,78,10,087

Schedules forming part of the Accounts



	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
XI. Personnel Expenses		
Salaries, Wages, Bonus and Exgratia	12,55,33,051	13,13,83,605
Company's Contribution to Superannuation, Provident Fund, E.S.I. etc.	97,44,492	90,50,533
Gratuity	5,65,033	62,81,243
Staff Welfare Expenses	1,88,33,174	1,37,22,753
	<u>15,46,75,750</u>	<u>16,04,38,134</u>
XII. Interest		
On Fixed Loans	5,81,905	66,22,041
Banks and Others	5,75,27,937	4,01,03,686
	<u>5,81,09,842</u>	<u>4,67,25,727</u>
XIII. Other Expenses		
Consumption of Stores and Spares	14,60,377	2,10,627
Consumption of Packing Materials	1,60,32,594	99,61,184
Power and Fuel	73,29,112	50,47,002
Professional Charges	53,09,544	54,03,884
Testing Charges	41,53,933	43,89,459
Electricity Charges	26,56,340	18,78,782
Rent	64,55,350	80,09,500
Auditors' Remuneration	10,96,940	6,37,892
Directors' Remuneration	21,96,190	-
Directors' Sitting Fees	1,17,000	81,000
Advertisement	64,84,353	42,14,192
Travelling and Conveyance	4,19,58,771	3,57,56,931
Directors' Travelling Expenses	10,96,724	13,86,198
Printing and Stationery	40,20,944	47,51,674
Postage, Telephone and Courier	1,12,30,353	96,78,712
Bank Commission	2,75,89,562	1,88,38,291
Rates and Taxes	2,45,92,310	42,95,098
Insurance	48,96,351	16,65,857
Service Charges	6,12,332	6,54,088
Selling Expenses	3,81,81,218	3,18,72,994
Guarantee Commission to Director	-	30,00,000
Repairs and Maintenance:		
Building	2,66,521	1,07,831
Machinery	5,55,847	3,95,763
Windmill	17,19,367	7,09,211
Factory	49,44,545	47,56,118
Other Assets	69,22,005	86,59,633
Tools Written Off	17,36,608	8,95,894
Liquidated Damages	88,78,595	59,46,522
Bad debts written off	28,95,039	50,41,039
Deferred Revenue Expenditure written off	-	5,19,422
Miscellaneous Expenses	1,89,37,379	1,88,46,216
Warranty Claims	54,96,177	89,14,565
Development Expenses	2,37,218	2,11,056
Loss on Sales of Assets	-	75,417
	<u>26,00,59,601</u>	<u>20,68,12,052</u>
XIV. (Increase) / Decrease In Finished Goods		
Opening Stock of finished goods	15,00,66,327	1,63,18,279
Closing stock of finished goods	6,90,95,031	15,00,66,327
Difference in Finished Goods	<u>8,09,71,296</u>	<u>(13,37,48,048)</u>

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.

b. 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.

c. Revenue recognition

Sale of goods and services is recognised on despatch 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.

d. 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.

e. 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 Tax Act., 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 the Straight line method.
- g) Fixed Furniture in leasehold Property is depreciated over the lease period.

f. 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.

g. 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.

h. 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 contribution 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.

i. 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.

j. Expenditure

Subject to Note No.4 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 pro rated over the life of the bank guarantee.

k. Deferred Revenue Expenditure

Deferred revenue expenditure is amortised over a predetermined period of time and comprises of the lump sum amount paid/accrued towards Voluntary Separation Scheme.

l. Warranty Claims & Liquidated Damages

Future liability towards warranty claims are estimated and provided for. Liquidated damages are recognised in the books of accounts at the time of dispatch.

m. Taxes on Income

Current taxes including Fringe Benefits Tax is determined as the amount of tax payable in

respect of taxable income for the period. Deferred tax is recognised 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.

n. 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.

o. 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.

p. 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 asset recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds the recoverable amount.

q. 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 for the year 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.

XV. NOTES TO ACCOUNTS :

1. Contingent Liabilities not provided for in the Accounts:

- a) Letters of credit opened by Bank for purchase of raw materials and components Rs.29,13,13,542 (Rs.12,96,05,782).
- b) Bills discounted with bank Rs.1,02,22,125 (Rs.7,19,88,700).
- c) Counter Guarantee given to bankers in respect of Guarantees given by them Rs 1,12,07,29,906 (Rs.45,96,12,936).
- d) Bonds executed in favour of President of India for payment of excise duty Rs Nil (Nil) and for import of material at concessional rate of duty Rs.78.68,647 (Rs.62,78,350).
- e) Estimated amount of Capital commitment on account of Fixed Assets (Net of advances) amount to Rs Nil (Rs.1,17,66,294)
- f) In respect of sales effected under CST towards submission of C-Forms- Rs.12,34,90,668 (Rs.10,57,30,573)

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

3. Foreign Currency Convertible Bonds

- a) During the year 2007-08 the company raised funds through issue of Zero Coupon Foreign currency Convertible Bond aggregating to USD 35 million (Rs13846 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.

- b) During the year, the company has bought back and cancelled 310 nos of 5 years FCCB of the face value of USD 1,00,000 each, as per the notification of Reserve Bank of India, at a discount to the face value. The company has achieved a reduction in liability of bonds aggregating Rs. 6113 lakhs which has been disclosed as an exceptional income. Consequent to this the company is absolved of its liability towards the bond holders whose bonds are cancelled.
- c) Unless previously converted, redeemed, repurchased and cancelled, the balance FCCBs will be redeemed on December 05, 2012 at 142.56% of their principal amount. The amount of premium on such redemption will be to the tune of Rs. 674 lakhs. Out of the aforesaid FCCBs, there were no FCCBs converted to equity shares as at the year end. The FCCBs pending conversion as at the year end aggregating to Rs. 1,582 lakhs (without considering exchange fluctuation) are grouped under “Unsecured Loans”.
- 4 The company has incurred expenditure aggregating to Rs. 1,68,83,843 during the year (Rs.1,58,19,514) 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 2010. 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 could be capitalized as per AS-26 “Intangible Assets”.
5. In respect of company’s operations which includes execution of the turnkey projects which 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.
6. Personnel expenses and other expenses are net off recovery of overheads from direct and indirect overseas subsidiaries amounting to Rs.2,47,67,949 (Rs.2,05,73,670) and net off product development expenses Rs.1,68,83,843 (Rs.1,58,19,514).
7. Expenditure incurred on account of borrowing costs amounting to Rs.46.863 is capitalized towards new projects and disclosed under Capital Works in Progress.
8. Managerial Remuneration:
Commission to Non-Executive Directors

Computation of Net profits under Sec 349 of the Companies Act, 1956

	Amount (in Rs)
Profit before tax	7,41,50,801
Add: Depreciation as per Companies Act	4,55,13,950
	<u>11,96,64,751</u>
Less: Profit on sale of Assets	9,44,458
Depreciation u/s 350 of Companies Act	4,55,13,950
Profit calculated as per Sec349	<u>7,32,06,343</u>
Commission @3% on net profits	21,96,190

9. Disclosure under AS-15, Employee Benefits

a. Defined Benefit Plan:

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 provides 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.

Leave Encashment Liability (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

Provident Fund

For all categories of employees the company makes contributions to Regional Provident Fund commissioners as per law.

10. The company has been sanctioned to avail interest free sales tax deferral scheme for an aggregate amount of Rs.74,53,000 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. The company is engaged in power transmission and distribution segment and the same is being reported.

12 Major components of Deferred Tax Liabilities and Assets as on 31/03/2010 are as follows :

(in Rupees)

Particulars	Year ended 31-03-2010	Year ended 31-03-2009
Deferred Tax Liability arising out of Depreciation	2,90,74,308	3,22,16,249
Deferred Tax Liability	2,90,74,308	3,22,16,249
Deferred Tax Asset arising out of - Provision for Unencashed leave	4,50,780	16,39,224
Provision for Bonus	7,49,649	-
Provision for Warranty Claims	8,54,439	-
Deferred Tax Asset	20,54,868	16,39,224

Gratuity and Leave For AS 15 Disclosure

Amount
Rs

	Gratuity		Leave	
	2009-10	2008-09	2009-10	2008-09
1. Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	7.00%	7.00%	6.00%	7.00%
2. Table showing changes in present value of obligations				
Present value of obligations as at beginning of year	2,17,54,554	1,58,11,870	48,22,667	41,56,154
Interest cost	16,14,999	12,64,950	3,85,813	2,65,540
Current Service Cost	14,79,491	14,94,085	10,76,435	12,30,647
Benefits Paid	(5,94,223)	10,86,475	-	(7,25,458)
Actuarial gain/(loss) on obligations	11,64,139	(42,70,124)	1,36,035	(1,04,216)
Present value of obligations as at end of year	2,30,90,682	2,17,54,554	61,48,880	48,22,667
3. Table showing changes in the fair value of plan assets				
Fair value of plan assets at beginning of year	1,54,73,311	1,12,38,115		
Expected return on plan assets	13,74,087	7,47,916		
Contributions	136,63,436	45,73,755	-	7,25,458
Benefits paid	5,94,223	10,86,475	-	(7,25,458)
Actuarial Gain/ (Loss) on Plan assets	NIL	NIL		
Fair value of plan assets at the end of year	2,99,16,611	1,54,73,311		
4. Table showing fair value of plan assets				
Fair value of plan assets at beginning of year	1,54,73,311	1,12,38,115	-	
Actual return on plan assets	13,74,087	7,47,916	-	
Contributions	136,63,436	45,73,755	-	
Benefits Paid	5,94,223	10,86,475	-	-
Fair value of plan assets at the end of year	2,99,16,611	1,54,73,311	-	
Funded status - Asset (Liability)	68,25,929	(62,81,243)	61,48,880	48,22,667
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)				
5. Actuarial Gain/Loss recognized				
Actuarial gain for the year - Obligation	11,64,139	(42,70,124)	-	(1,04,216)
Actuarial (gain)/Loss for the year - plan assets	NIL	NIL	-	NIL
Total gain for the year	11,64,139	(42,70,124)	-	(1,04,216)
Actuarial gain recognized in the year	11,64,139	(42,70,124)	-	(1,04,216)
6. The amounts to be recognized in the balance sheet and statements of Profit and Loss Account				
Present value of obligations as at the end of year	2,30,90,682	2,17,54,554	-	48,22,667
Fair value of plan assets as at the end of the year	2,99,16,611	1,54,73,311	-	-
Funded status	68,25,929	(62,81,243)	-	48,22,667
(Net liability) recognised in balance sheet	68,25,929	(62,81,243)	-	48,22,667
7. Expenses Recognised in the Profit & Loss and Account				
Current Service cost	14,79,491	14,94,085	10,76,435	12,30,647
Interest Cost	16,14,999	12,64,950	3,85,813	2,65,540
Expected return on plan assets	13,74,087	7,47,916	-	-
Net Actuarial gain (loss) recognised in the year	11,64,139	(42,70,124)	1,36,035	(1,04,216)
Expenses recognised in the Profit & Loss Account	5,56,264	62,81,243	13,26,213	16,00,403

Schedules forming part of the Accounts



13. Disclosures as AS 18 for the year 2009-10 Related Party Disclosures of Associate Companies

a) Details of transactions during the year 2009-10

Sl. No.	Particulars	Eswaran & Sons Engineers Ltd	Easun MR Tap Changers P Ltd	Easun Products of India P Ltd.	Key Mgt personnel	ERL International Pte Ltd	ERLPhase Power Technologies Ltd	Switchcraft Ltd, Hongkong	ERL Marketing Intl.FZE	Grand Total
1.	Sale of Goods	-	-	-	-	-	-	-	5,77,71,497 (1,10,68,198)	5,77,71,497 (1,10,68,198)
2.	Purchase of Goods	-	-	(1,00,04,171)	-	-	28,80,857 (86,24,860)	17,97,559	-	46,78,416 (1,86,29,031)
3.	Rendering of Services Reimbursement of Expenses	-	15,66,088	(5,00,000)	-	1,64,34,877 (1,10,60,572)	38,86,752 (52,17,732)	-	45,42,982 (42,95,366)	2,64,30,699 (2,10,73,670)
	Un-secured loan	-	-	-	-	(29,29,23,139)	-	-	-	(29,29,23,139)
4.	Availing of Services Reimbursement of Expenses	-	15,66,088	6,00,000 (6,00,000)	-	-	-	-	-	21,66,088 (16,00,000)
	Loan borrowed	(1,50,00,000)	-	-	-	-	-	-	-	(1,50,00,000)
	Loan repayment	(1,51,77,988)	-	-	-	(1,34,19,000)	-	-	-	(2,85,96,988)
5.	Guarantee Commission	-	-	-	(30,00,000)	-	-	-	-	(30,00,000)
6.	Directors' Remuneration	-	-	-	21,96,190	-	-	-	-	21,96,190
	Total	-	31,32,176	6,00,000	21,96,190	1,64,34,877	67,67,609	17,97,559	6,23,14,479	9,32,42,890
		(3,01,77,988)	-	(1,11,04,171)	(30,00,000)	(31,74,02,711)	(1,38,42,592)	-	(1,63,63,564)	(39,18,91,026)

b) Details of outstandings in respect of Associate Companies and Key Management Personnel (in Rupees)

Sl. No.	Names of Associate Companies/ Key Management Personnel	Outstanding as on 31-03-2010		Maximum amount due during the year	Outstanding as on 31-03-2009		Maximum amount due during the pr. year
1	Easwaran & Sons Engineers Ltd.	Nil		25,600 Cr	25,600	Cr	25,600 Cr
2	Easun MR Tap Changers P Ltd	Nil		10,130 Cr	10,130	Cr	10,130 Cr
3	ERL Phase Power Technologies Ltd	94,52,450	Dr	94,52,450 Dr	84,46,555	Dr	84,46,555 Dr
4	ERL International Pte Ltd	2,45,05,707	Dr	2,45,05,707 Dr	203,65,45,903	Dr	203,65,45,903 Dr
5	ERL Marketing International FZE	3,75,37,184	Dr	3,75,37,184 Dr	1,06,69,798	Dr	1,40,77,513 Dr
6	Easun Products of India P Ltd	Nil		19,98,411 Cr	19,98,411	Cr	99,98,411 Cr
7	Switchcraft Ltd	9,73,847	Dr	9,73,847 Dr	-		-
8	Directors:						
	Hari Eswaran	9,88,285	Cr	9,88,285 Cr	-		-
	Raj H Eswaran	3,59,296	Cr	3,59,296 Cr	-		-
	Dr W S Jones	3,29,494	Cr	3,29,494 Cr	-		-
	Rakesh Garg	3,29,494	Cr	3,29,494 Cr	-		-

14. Operating leases

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.64,55,350 (Rs.80,09,500)

The future minimum lease payments for non-cancelable operating leases were: (in Rupees)

Break-up of dues	31st Mar 10	31st Mar 09
Within one year	53,24,250	81,26,500
Due in a period between 1 year and 5 years	2,37,500	1,08,00,000
Due after 5 years	Nil	Nil

Schedules forming part of the Accounts



15. Financial Lease

The Company has acquired Vehicles on Hire rental basis; the minimum hire rentals outstanding as of 31st March 2010 in respect of these assets are as follows: (in Rupees)

Break-up of dues	Total Minimum Hire Rentals Outstanding as on 31.03.2010	Future Interest on Outstandings	Present Value of Minimum Hire Rentals
Within one year	29,49,401	5,55,226	23,94,175
Later than one year	40,49,070	2,63,413	37,85,657
Total	69,98,471	8,18,639	61,79,832

16. Sundry Creditors

(in Rupees)

a. Total outstanding dues of micro, small and medium enterprises (MSMEs)**	8,07,87,769
b. Total outstanding dues of creditors other than (MSMEs)**	84,43,41,967
Total	92,51,29,736

**Based on the information available with the company in respect of micro, small and medium enterprises (as defined in The Micro, Small and Medium Enterprises Development Act, 2006). The company is generally regular making payments of dues to such enterprises. Hence, the question of payments of interest or provision thereof towards belated payments does not arise.

17. Auditors' Remuneration

(in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Fees:		
a. Statutory Audit Fee	6,50,000	3,50,000
b. Income Tax Matters	75,000	60,000
c. Certification / Other Services	1,00,000	1,00,000
	8,25,000	5,10,000
Out of pocket expenses	2,71,940	1,27,892
Total	10,96,940	6,37,892

18. Capacities, Production and Stock of Goods Produced

Description	Licensed capacity per annum Qty. (Nos)#	Installed capacity per annum Qty. (Nos)	Actual production for the year Qty.(Nos)	Opening Stock		Closing Stock	
				Qty.(Nos)	Rs.	Qty.(Nos)	Rs.
1. Micro processor/ Non-Microprocessor Based Products and Systems for Relays, Meters, Control and Automation		9,49,200 (9,49,200)	86,826* (72,839)*	3,205 (914)	6,91,53,541 (1,18,32,460)	4,296 (3,205)	4,87,66,361 (6,91,53,541)
2. Switchgears	—	3,500 (3,500)	1,856 (1,018)	329 (28)	8,10,04,751 (43,04,424)	270 (329)	2,03,28,670 (8,10,04,751)
3. Wind Energy**	—	30,00,000 (30,00,000)	22,43,729* (21,06,331)*	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

* Including Micro processor / Non-Micro processor based Products - 25,773 (20,478) Wind Energy - 4,49,977(4,87,197) used for Captive Consumption

**Kilowatt/hour units

Details of Licensed capacity are not provided in view of de-licensing of Products.

19. Particulars of Turnover

Description	Qty.Nos/ Units	Sales Value (Rs.)
1. Micro processor/Non-Microprocessor Based Products and Systems for Relays, Meters, Control and Automation	85,735* (70,548)*	122,16,67,239 (102,76,68,004)
2. Switchgears	2,455 (717)	33,84,69,040 (19,27,75,621)
3. Project Items (including services)	—	69,29,96,619 (28,72,94,220)
4. Power Generation by Wind Energy	17,93,752* (21,06,331)*	63,89,844 (60,19,002)
5. Others - Parts and Accessories		2,14,25,459 (11,72,933)
Gross Turnover (A)		228,09,48,201 (151,49,29,780)
Less : Excise Duty and Cess (B)		12,24,80,593 (13,08,86,091)
Net Turnover (A+B)		215,84,67,608 (138,40,43,689)

* Including Micro processor / Non-Micro processor based Products - 25,773 (20,478) Wind Energy - 4,49,977 (4,87,197) used for Captive Consumption

20. Consumption of Raw Materials and Components

Particulars	Year ended 31.03.2010		Year ended 31.03.2009	
	Qty. M/t	Value Rs.	Qty. M/t	Value Rs.
Ferrous Materials	17.00	1,37,20,980	4.16	22,34,126
Non Ferrous Materials	38.00	60,72,290	24.12	35,39,731
Electrical Accessories and Sundry Materials including consumption for own manufactured components	-	150,61,95,196	-	105,20,36,230
		152,59,88,466		105,78,10,087

21 Valuation of Imports on CIF basis Components and spare parts (including in transit)	32,45,49,237		28,56,64,427
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22 Expenditure in Foreign Currency on Account of			
a. Royalty / Technology Transfer Fee (remitted)	3,47,625		1,22,31,222
b. Other matters-Travelling Expenses, and others	12,44,479		9,11,882
	15,92,104		1,31,43,104
Earnings in Foreign Exchange on account of Export on FOB Value basis	5,26,98,175		7,31,97,292

23 Value of Raw Materials, Spare Parts and Components Consumed				
Particulars	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
	Value Rs.		Percentage to Total Consumption	
Indigenous	111,99,05,165	72,54,04,798	73.39	68.58
Imported	40,60,83,301	33,24,05,289	26.61	31.42
	152,59,88,466	105,78,10,087	100.00	100.00

24 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				As at year ended 31.03.2010	As at year ended 31.03.2009
Profit after tax	(A)	Rs.		55,90,04,652	7,53,08,249
Number of Weighted average Equity Shares Basic	(B)	Nos.		2,07,71,605	2,05,76,465
Effect of dilutive equity shares equivalent Foreign Currency Convertible Bond	(C)	Nos.		3,94,500	34,51,875
	(D=B+C)			2,11,66,105	2,40,28,340
Face Value of shares		Rs.		2	2
Earnings per share before exceptional items Basic		Rs.		3.22	3.66
Diluted		Rs.		3.16	3.13
Earnings per share after exceptional items Basic	(E=A/B)	Rs.		26.91	3.66
Diluted	(F=A/D)	Rs.		26.41	3.13

25. Previous year's figures have been regrouped wherever necessary to conform to current year's classifications. Previous year's figures are shown in brackets.

26. Figures have been rounded off to the nearest rupee.

K N Nagesha Rao
Secretary & V.P (Corporate Finance)

Rakesh Garg
Director

Hari Eswaran
Chairman

Per our Report of even date annexed

For BRAHMAYYA & CO.
Chartered Accountants

For R.SUBRAMANIAN & CO.
Chartered Accountants

Place : Chennai
Date : 27th July, 2010

N Srikrishna
Partner
Membership Number : 26575

R Subramanian
Partner
Membership Number : 8460

Cash Flow Statement for the year 2009-2010 and 2008 - 2009

pursuant to clause 32 of the listing agreement



(Rs. in Lacs)

Particulars	31.03.2010		31.03.2009	
Cash Flow from Operating Activities				
Net Profit Before Tax and Extraordinary Items		6,674.47		900.75
Adjustments for Non cash items in P&L account				
Depreciation	455.14		363.59	
Unrealised loss / (gain) on Foreign Exchange	6.36		(2.35)	
Provision for leave encashment	13.26		(10.10)	
Provision for Gratuity	-		15.48	
Dividend Income	(239.22)		(560.96)	
Interest on Loans other than working capital borrowings	5.82		66.22	
(Profit) / Loss on sale of Fixed Assets	(9.44)		(2.67)	
Deferred Revenue Expenditure written off	-		5.19	
Operating profit before Working Capital Changes (1)	231.92	6,906.39	(125.60)	775.15
Adjustments for :				
Trade Receivables and others	(5,630.98)		263.30	
Loan to Subsidiary (Net)	20,034.35		(2,585.97)	
Inventories	166.83		(1,341.34)	
Trade Payables and others	4,932.90		(102.84)	
Cash Generated from Operations (2)	19,503.11		(3,766.85)	
Adjustments for :				
Direct Taxes Paid	(1,020.84)		(609.26)	
	(3)	(1,020.84)	(609.26)	
	(2)+(3)=(4)	18,482.27		(4,376.11)
Net Cash from Operating Activities (1)+(4)=(A)		25,388.66		(3,600.96)
Cash Flow from Investing activities				
Purchase of Fixed Assets	(572.88)		(1,183.77)	
Investment in Mutual Fund (Net)	(29.40)		1,873.11	
Margin Money accounts	(121.24)		(493.51)	
Investment in Subsidiary	(10,236.60)		-	
Sale of Fixed Asssets	13.79		8.69	
Dividend Received	239.22		510.51	
Net Cash used in Investing activities (B)	(10,707.11)	(10,707.11)	715.03	715.03
Cash Flow from Financing activities				
Issue of Share Capital	-		7.81	
Share Premium Received	-		507.36	
Long term Borrowings	1,726.99		2,644.92	
Unsecured Loans	12.59		-	
Amount received from forfeiture of shares	-		45.54	
Reduction in FCCB	(15,921.80)		-	
Dividend Paid	(486.03)		(715.35)	
Interest on Long term Borrowings	(5.82)		(66.22)	
Net Cash used in Financing activities (C)	(14,674.08)	(14,674.08)	2,424.06	2,424.06
Net Increase in Cash and Cash equivalents (A+B+C)		7.47		(461.88)
Opening balance of Cash & Cash Equivalents		60.48		522.36
Add: Net increase in Cash and Cash equivalents		7.47		(461.88)
Closing balance of Cash & Cash equivalents		67.95		60.48
Notes:				
1. Closing balance of Cash and Cash equivalents includes				
a) Cash and bank balances		68.19		58.13
b) Unrealised Loss / (gain) on Foreign currency		0.24		(2.35)
Total Cash and Cash equivalents		67.95		60.48
2. 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.				
3. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentations.				

K.N. Nagesha Rao
Secretary & V P (Corporate Finance)

Rakesh Garg
Director

Hari Eswaran
Chairman

We have verified the Cash Flow Statement for the year ended 31st March 2010 of Easun Reyrolle Limited with reference to the audited Annual Accounts for the said year and found the same in agreement there with.

For BRAHMAYYA & CO.
Chartered Accountants

For R. SUBRAMANIAN & CO.
Chartered Accountants

Place : Chennai
Date : 27th July, 2010

N Srikrishna
Partner
Membership Number 26575

R Subramanian
Partner
Membership Number 8460

Balance Sheet Abstract and Company's General Business Profile

Information Pursuant to Part IV of Schedule VI of the Companies Act, 1956

I. Registration Details:

Registration No :	6695	State Code	18
Balance Sheet Date	31.03.2010		

II. Capital Raised during the year (Rs. in thousands)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L
GDR Issue	N I L		

III. Position of Mobilisation of Funds (Rs. in thousands)

<u>Total Liabilities</u>	29,68,728	<u>Total Assets</u>	29,68,728
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Source of Funds

Paid-up Capital	41,543	Reserves and Surplus	21,07,673
Secured Loans	5,97,208	Deferred Tax Liability	27,019
Unsecured Loans	1,95,284		

Application of Funds

Net Fixed Assets	3,82,756	Deferred Tax Asset	NIL
Investments	16,29,627		
Net Current Assets	9,56,344	Misc.Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of the Company (Rs. in thousands)

Turnover	21,97,273	Total Expenditure	21,25,318
Profit/Loss Before Tax (+for profit,- for Loss)	71,954	Profit/Loss After tax	5,59,004
Earnings per Share (Rs.) (Weighted Annualised)	26.91	Dividend Rate %	200.00%

V. Generic Names of Three Principal Products/Services of Company

Item Code No.(ITC Code)	Product Description
85364900	Relays
85381010	Relay Test Sets, Tool Kits etc.
85371000	Control and Relay Panels
90283010	Energy Meters and Metering solutions
-	Automatic Meter reading
-	Sub-station Automation Solutions
85352121	Switchgears
-	Sub-station Turnkey Projects

Auditors' Report on the Consolidated Financial Statements

We have examined the attached Consolidated Balance Sheet of Easun Reyrolle Limited and its subsidiaries as at 31st March 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of Easun Reyrolle Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiaries whose financial statements reflect total Assets of Rs. 9728.40 Lacs and total Revenues of Rs.4923.28 Lacs and net cash flows amounting to Rs.6745.20Lacs for the year ended and as considered by the Company for the purpose of consolidation, our opinion, so far as it relates to these subsidiaries is based solely on the report of their auditors and further information and explanations provided to us and relied upon by us.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard AS-21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of above audited financial statements of Easun Reyrolle Limited and its subsidiaries and included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on few individual audited financial statements of the Easun Reyrolle Limited and its subsidiaries, we are of the opinion that said Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) In the case of Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at march 31, 2010
- ii) In the case of the Consolidated Profit and Loss Account, of the profit of the Company and its subsidiaries for the year ended on that date; and
- iii) In the case of the Consolidated Cash Flow Statement, of the consolidated Cash Flows of the Company and its subsidiaries for the year then ended.

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

N.SRI KRISHNA
Partner
Membership No.26575

Place : Chennai
Date : 27th July 2010

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

R. SUBRAMANIAN
Partner
Membership No.8460

Consolidated Balance Sheet as at 31st March 2010



	Schedule	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
I Sources of Funds			
1 Shareholders' Funds			
a. Share Capital	I	4,15,43,210	4,15,43,210
b. Reserves and Surplus	II	205,16,63,852	170,54,66,681
2 Minority Interest			
a. Share Capital		3,10,78,187	3,10,78,187
b. Reservers and Surplus		(3,10,78,187)	(3,17,23,091)
3 Loan Funds			
a. Secured Loans	III	59,80,08,823	42,45,10,100
b. Un-secured Loan	IV	19,52,84,471	178,62,05,080
4 Deferred Tax Liability (Net)		2,39,29,055	3,05,77,025
Total		<u>291,04,29,411</u>	<u>398,76,57,192</u>
II Application of Funds			
1 Fixed Assets	V		
a. Gross block		105,15,15,224	92,16,32,551
b. Less: Depreciation		<u>27,66,83,700</u>	<u>20,33,63,825</u>
c. Net Block		77,48,31,524	71,82,68,726
d. Capital Work-in-Progress		8,81,37,267	6,63,34,306
		<u>86,29,68,791</u>	<u>78,46,03,030</u>
2. Investments	VI	59,41,00,000	59,11,60,194
3 Current Assets, loans and advances	VII		
a. Inventories		58,60,78,082	50,25,54,855
b. Sundry debtors		132,07,02,253	79,06,71,008
c. Cash and bank balances		47,79,61,290	113,19,38,213
d. Loans and advances		67,81,38,573	117,00,52,582
		<u>306,28,80,198</u>	<u>359,52,16,658</u>
Less:			
Current Liabilities and Provisions	VIII		
a. Liabilities		110,74,92,233	64,65,78,154
b. Provisions		<u>50,20,27,345</u>	<u>33,67,44,536</u>
		160,95,19,578	98,33,22,690
Net current assets		145,33,60,622	261,18,93,968
Total		<u>291,04,29,411</u>	<u>398,76,57,192</u>
Notes on Accounts	XV		

Schedules and notes annexed hereto form part of the Annual Accounts.

K N Nagesha Rao

Secretary & V P (Corporate Finance)

Rakesh Garg

Director

Hari Eswaran

Chairman

Per our Report of even date annexed

For BRAHMAYYA & CO.

Chartered Accountants

N Srikrishna

Partner, Membership Number : 26575

For R.SUBRAMANIAN & CO.

Chartered Accountants

R Subramanian

Partner, Membership Number : 8460

Place : Chennai

Date : 27th July, 2010

Consolidated Profit and Loss Account for the year ended 31st March 2010



	Schedule	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
Income			
Income from Operations		269,41,73,892	173,51,21,744
Less: Excise duty		12,24,80,593	13,08,86,091
		<u>257,16,93,299</u>	<u>160,42,35,653</u>
Other Income	IX	5,72,56,388	11,90,01,339
	(A)	<u>262,89,49,687</u>	<u>172,32,36,992</u>
Expenditure			
Materials	X	171,45,45,205	116,96,64,820
Personnel Expenses	XI	32,12,96,469	24,25,83,694
Interest	XII	6,03,97,949	4,88,53,555
Other Expenses	XIII	41,52,99,866	30,66,04,913
Depreciation		7,66,04,952	5,14,22,540
		<u>258,81,44,441</u>	<u>181,91,29,522</u>
Add (Increase)/Less Decrease in Finished Goods	XIV	7,50,63,462	(13,25,02,450)
	(B)	<u>266,32,07,903</u>	<u>168,66,27,072</u>
Profit(Loss) before Taxes and exceptional items	(A-B)	(3,42,58,216)	3,66,09,920
Exceptional Items			
Add: Surplus on buyback of FCCB		61,13,26,300	-
Less: Net Foreign Exchange Fluctuation		1,58,33,844	-
		<u>56,12,34,240</u>	<u>3,66,09,920</u>
Profit before taxes			
Less : Provision for Tax			
Current Tax		11,20,00,000	95,31,427
Fringe benefit Tax		-	24,25,000
Deferred Tax (Asset)/Liability		(19,01,771)	18,42,003
Profit after Taxation		<u>45,11,36,011</u>	<u>2,28,11,490</u>
Add: Profit brought forward from the previous year		6,48,56,429	11,13,13,873
Less : Minority Interest		(83,30,298)	(43,34,545)
Less : Minority Interest reserve		98,01,436	-
Profit available for Appropriation		<u>51,45,21,302</u>	<u>13,84,59,908</u>
Appropriation :			
Transfer to General Reserve		40,00,00,000	2,50,00,000
Dividend			
Proposed Final Dividend - 200% (previous year 100%)		8,30,86,420	4,15,43,210
Tax on Dividend		1,41,20,537	70,60,269
Surplus Carried to Balance Sheet		1,73,14,345	6,48,56,429
		<u>51,45,21,302</u>	<u>13,84,59,908</u>

Notes on Accounts

XV

Schedules and notes annexed hereto form part of the Annual Accounts.

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Rakesh Garg
Director

Hari Eswaran
Chairman

Per our Report of even date annexed

For BRAHMAYYA & CO.
Chartered Accountants
N Srikrishna
Partner
Membership Number : 26575

For R.SUBRAMANIAN & CO.
Chartered Accountants
R Subramanian
Partner
Membership Number : 8460

Place : Chennai
Date : 27th July, 2010

Schedule annexed to and forming part of the Consolidated accounts for the year ended 31.03.2010



	As at 31.03.2010 RS.	As at 31.03.2009 RS.
I. SHARE CAPITAL		
AUTHORISED		
7,50,00,000 Equity Shares of Rs.2 each	15,00,00,000	15,00,00,000
50,00,000 Preference Shares of Rs.10 each	5,00,00,000	5,00,00,000
	<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED SHARE CAPITAL		
2,07,72,455 (2,07,72,455) Equity Shares of Rs.2 each	<u>4,15,44,910</u>	<u>4,15,44,910</u>
SUBSCRIBED AND PAID-UP SHARE CAPITAL		
2,07,71,605 (2,07,71,605) Equity Shares of Rs.2 fully paid up including	4,15,43,210	4,15,43,210
a) During 1980 -4,50,000 equity shares of Rs 10 each fully paid, issued to the public,		
b) During 1992- 4,50,000 equity shares of Rs 10 each fully paid, issued to the public as Rights 1:1		
c) During 1992- 22,500 equity shares of Rs 10 each fully paid, issued to the employees of the company.		
d) During 1995- 6,45,715 equity shares of Rs 10 each fully paid issued to the public as Rights 7:10		
e) During 1997- 15,67,294, equity shares of Rs 10 each fully paid issued to the public as Bonus 1:1		
f) During 2005- 1,95,312 equity shares of Rs10 each fully paid, issued on preferential basis		
(Shares Split from Face value of Rs 10 each to Rs 2 each on 30.07.2007)		
g) During 2007-2008:		
i) 28,12,500 equity shares of Rs.2 each fully paid, issued as GDRs		
ii) 9,14,719 equity shares of Rs.2 each fully paid, issued on conversion of warrant to promoters and associates.		
h) During 2008-2009:		
3,90,281 equity shares of Rs.2 each fully paid, issued on conversion of warrant to promoters (allotment of 850 Equity Shares of Rs.2 each (including 675 Equity Shares on bonus and 175 equity shares of Rs. 2 each on rights during 1995) is held in abeyance pursuant to Section 206A of the Companies Act, 1956)		
	<u>4,15,43,210</u>	<u>4,15,43,210</u>

Schedules forming part of the Consolidated Accounts



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
II. Reserves and Surplus		
a. Government Subsidy	40,42,000	40,42,000
b. Capital Reserve	45,54,000	45,54,000
c. Share Premium		
Opening Balance	108,42,24,636	103,34,88,106
Add: Addition during the year	-	5,07,36,530
	108,42,24,636	108,42,24,636
d. General Reserve		
Opening Balance	53,46,39,259	50,96,39,259
Add: Transfer from Profit and Loss Account	40,00,00,000	2,50,00,000
	93,46,39,259	53,46,39,259
e. Profit and Loss Account	1,73,14,345	6,48,56,429
f. Foreign currency Translation Reserve		
Opening Balance	1,31,50,356	(61,198)
Add: For the Year	(62,60,744)	1,32,11,555
	68,89,612	1,31,50,357
Total Reserves	205,16,63,852	170,54,66,681
III. Secured Loans:		
Loans and advance from Banks:		
a. From Deutsche Bank loan	15,95,30,073	-
b. From Bank-Cash Credit	43,06,80,121	42,25,07,665
Other Loans and advances:		
c. Hire Purchase	77,98,629	20,02,435
	59,80,08,823	42,45,10,100
IV. Un-Secured Loan:		
Foreign Currency Convertible Bonds (FCCB)	18,23,20,000	177,45,00,000
Banks Current Account	55,11,471	42,52,080
Sales Tax deferral - Interest Free Loan	74,53,000	74,53,000
	19,52,84,471	178,62,05,080

SECURITY

Bank:

- a) Loan borrowed from Deutsche Bank against Mutal Fund Securities for Rs 15,95,30,073.00
- b) All the Working Capital limits (sanctioned limit of Rs 4,500 Lacs) are secured against hypothecation/pledge of stock of rawmaterials, Components, work-in-progress, finished goods, stock-in-transit and book debts and secured by first charge subject to prior charge on term loan on the fixed assets of the company, both present and future.

Note:

Hire Purchase : Loans taken under Hire purchase arrangement are secured against hypothecation of specific assets

Schedules forming part of the Consolidated Accounts



V. Fixed Assets

Sl. No.	Particulars	Cost upto 31.03.2009 Rs.	Additions during the year Rs.	Deletion Rs.	Total cost upto 31.03.2010 Rs.	D E P R E C I A T I O N				Written down value as on 31.03.2010 Rs.	Written down value as on 31.03.2009 Rs.
						Up to 31.03.2009 Rs.	For the year Rs.	Deletion Rs.	Total Depreciation Upto 31.03.2010 Rs.		
1	Land	11,758,692	-	-	11,758,692	-	-	-	-	11,758,692	11,758,692
2	Land - lease hold	111,200	-	-	111,200	-	-	-	-	111,200	111,200
3	Land - hosur residential plots	428,770	-	-	428,770	-	-	-	-	428,770	428,770
4	Buildings	93,911,343	402,339	-	94,313,682	12,061,627	3,133,336	-	15,194,963	79,118,719	81,849,717
5	Buildings - Lease Hold	526,000	-	-	526,000	136,866	8,784	-	145,650	380,350	389,134
6	Plant and machinery	112,516,828	2,519,461	-	115,036,289	53,664,179	10,202,458	-	63,866,637	51,169,653	58,852,649
7	Electrical installations/ fittings	29,203,436	422,650	-	29,626,086	9,303,611	2,484,277	-	11,787,888	17,838,198	19,899,824
8	Office equipments	37,492,621	4,845,454	-	42,338,075	16,728,013	10,151,567	-	26,879,580	15,458,495	20,764,608
9	Furniture	48,542,240	506,147	-	49,048,387	11,363,759	2,998,231	-	14,361,990	34,686,397	37,178,480
10	Vehicles	7,751,049	8,047,200	3,719,467	12,078,782	5,593,227	2,443,936	3,285,078	4,752,085	7,326,697	2,157,822
	Research and development:										
11	Buildings	17,322,716	-	-	17,322,716	2,115,342	578,579	-	2,693,921	14,628,795	15,207,375
12	Plant and machinery	41,723,198	-	-	41,723,198	7,528,680	1,957,634	-	9,486,314	32,236,884	34,194,518
13	Electrical installation/fittings	2,700,795	-	-	2,700,795	1,059,581	313,425	-	1,373,006	1,327,789	1,641,214
14	Office equipments	7,005,319	1,858,290	-	8,863,609	4,105,139	1,749,905	-	5,855,044	3,008,565	2,900,181
15	Technology Know-how	55,043,750	-	-	55,043,750	49,951,636	2,951,146	-	52,902,782	2,140,968	5,092,114
16	Non-Compete Fees	10,000,000	-	-	10,000,000	10,000,000	-	-	10,000,000	-	-
17	Intangible assets -Product Development	15,819,514	16,883,843	-	32,703,357	3,163,903	6,540,672	-	9,704,575	22,998,782	12,655,611
	Total (A)	491,857,472	35,485,384	3,719,467	523,623,389	186,775,562	45,513,950	3,285,078	229,004,434	294,618,956	305,081,909
	Subsidiary Assets @										
18	Goodwill	324,545,403	(40,419,328)	-	284,126,075	-	-	-	-	284,126,075	324,545,403
19	Equipment	10,280,388	17,629,340	-	27,909,728	2,921,841	4,286,804	-	7,208,645	20,701,083	7,358,547
20	Computer Software	6,593,384	(607,180)	-	5,986,204	3,107,150	1,778,955	-	4,886,105	1,100,099	3,486,234
21	Intangible assets-Development cost	87,624,202	116,277,809	-	203,901,811	10,172,280	23,478,531	-	33,650,811	170,251,000	77,451,922
22	Furniture & Fixtures	73,1702	1,544,569	-	2,276,265	386,993	1,003,398	-	1,390,391	885,874	344,709
23	Vehicles	-	3,691,752	-	3,691,752	-	543,314	-	543,314	3,148,438	-
	Total (B)	429,775,079	98,116,756	-	527,891,835	16,588,264	31,091,002	-	47,679,266	480,212,569	413,186,815
	Capital Work in Progress										
24	Preoperative Expenses- GMF	-	8,842,082	-	8,842,082	-	-	-	-	8,842,082	-
25	Work-in- Progress Capital- GMF	-	1,134,179	-	1,134,179	-	-	-	-	1,134,179	-
26	SAP Implementation	53,133,706	11,826,700	-	64,960,406	-	-	-	-	64,960,406	53,133,706
27	Technology Know-how	13,200,600	-	-	13,200,600	-	-	-	-	13,200,600	13,200,600
	Total (C)	66,334,306	21,802,961	-	88,137,267	-	-	-	-	88,137,267	66,334,306
	Total (A) + (B) + (C)	987,966,857	155,405,101	3,719,467	1,139,662,491	203,363,826	76,604,952	3,285,078	276,683,700	862,968,791	784,603,030
	Total (Previous Year)	(613,531,068)	(392,853,884)	(18,418,095)	(987,966,857)	(153,298,036)	(51,422,540)	(1,356,751)	(203,363,825)	(784,603,030)	(460,233,032)

@ Subsidiary assets addition is inclusive of foreign exchange translation difference of (Rs.4,34,01,350)

Schedules forming part of the Consolidated Accounts



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
VI. Investment		
Current Investments		
(At lower of Cost and fair value)		
Investment in Mutual Fund	59,41,00,000	59,11,60,194
VII. Current Assets, Loans and Advances		
A. Current Assets		
Inventories (as certified by the Management)		
Tools	59,40,647	49,32,027
Raw Materials and Components	29,54,20,405	15,88,02,236
Work-in-progress	18,42,47,775	16,56,62,540
Finished Goods	8,15,22,327	15,65,85,789
Stock in Transit	1,87,78,385	1,57,46,597
Consumable Stores, Spares, Packing materials etc.	1,68,543	8,25,666
Total Inventories (1)	<u>58,60,78,082</u>	<u>50,25,54,855</u>
Sundry Debtors: Un secured considered good		
Debts due for a period exceeding 6 months	32,72,47,012	22,53,81,357
Other debts	99,34,55,241	56,52,89,651
Total Debtors (2)	<u>132,07,02,253</u>	<u>79,06,71,008</u>
Cash and bank balance:		
Cash on hand	12,74,614	1,97,825
Balance with Scheduled Banks		
In Current Accounts	55,20,478	58,50,330
In Deposit Accounts	-	-
With other Banks		
In Current Accounts	40,02,10,007	28,21,75,768
In Deposit Accounts	94,80,640	80,20,35,265
In Margin Accounts	6,14,75,551	4,16,79,025
(Under Lien to Banks towards Bank Guarantee obtained)		
Total Cash & Bank Balances (3)	<u>47,79,61,290</u>	<u>113,19,38,213</u>
Total Current Assets (1+2+3)	<u>238,47,41,625</u>	<u>242,51,64,076</u>
B. Loans and Advances		
Unsecured - considered good		
Advances recoverable in cash or in kind or for value to be received	67,61,35,583	116,75,49,607
Deposits	20,02,990	25,02,975
	<u>67,81,38,573</u>	<u>117,00,52,582</u>
Total (A+B)	<u>306,28,80,198</u>	<u>359,52,16,658</u>

Schedules forming part of the Accounts



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
VIII. Current Liabilities and Provisions		
1. Sundry Creditors	109,83,27,634	63,76,98,531
2. Investor Education and Protection Fund: Un-claimed Dividend	30,15,719	25,08,619
3. Provision for Gratuity	-	15,48,337
4. Provision for Leave Encashment	61,48,880	48,22,667
5. Provision for Taxation	39,50,42,388	27,83,63,057
6. Provision for Fringe Benefit Tax	97,78,000	97,78,000
7. Provision for Dividend	8,30,86,420	4,15,43,210
8. Dividend Tax	1,41,20,537	70,60,269
	<u>160,95,19,578</u>	<u>98,332,690</u>
Miscellaneous Expenditure to the extent not written off		
Deferred Revenue Expenditure as per last Balance Sheet	-	5,19,422
Add : Additions during the year	-	-
Total	-	5,19,422
Less: Written off during the year	-	5,19,422
	<u>-</u>	<u>-</u>
	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
IX. Other Income		
Interest received (Tax deducted at source Rs 9,04,365 (Previous year Rs. 8,30,820)	2,19,14,274	1,57,82,024
Sale of scrap	32,11,483	13,79,044
Profit on Sale of assets	9,44,458	3,42,658
Profit on Sale of Investments	-	50,70,000
Realisation of debts written off in earlier years	8,91,393	45,14,870
Unclaimed creditors written back	-	4,09,765
Trade Incentive	24,45,613	27,35,426
Miscellaneous receipts	34,46,559	1,11,01,541
Foreign Exchange Fluctuation	4,80,407	2,15,70,094
Dividend Income from Mutual Fund Investments	2,39,22,201	5,60,95,917
	<u>5,72,56,388</u>	<u>11,90,01,339</u>
X. Materials		
Opening Stock		
Raw Materials and Components	15,88,02,236	14,63,99,234
Work-in-Progress	16,56,62,540	5,12,57,152
	<u>32,44,64,776</u>	<u>19,76,56,386</u>
Add: Purchases	186,97,48,609	129,64,73,210
	<u>219,42,13,385</u>	<u>149,41,29,596</u>
Less: Closing stock		
Raw Materials and Components	29,54,20,405	15,88,02,236
Work-in-Progress	18,42,47,775	16,56,62,540
	<u>47,96,68,180</u>	<u>32,44,64,776</u>
Material Cost of Consumption	(A-B) <u>171,45,45,205</u>	<u>116,96,64,820</u>

Schedules forming part of the Consolidated Accounts



	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
XI. Personnel Expenses		
Salaries, Wages, Bonus and Exgratia	29,21,53,770	21,35,29,165
Company's Contribution to Superannuation, Provident Fund, E.S.I. etc.	97,44,492	90,50,533
Gratuity	5,65,033	62,81,243
Staff Welfare Expenses	1,88,33,174	1,37,22,753
	32,12,96,468	24,25,83,694
XII. Interest		
On Fixed Loans	5,81,905	66,22,041
Banks and Others	5,98,16,044	4,22,31,514
	6,03,97,949	4,88,53,555
XIII. Other Expenses		
Consumption of Stores and Spares	14,60,377	2,10,627
Consumption of Packing Materials	1,60,32,594	1,67,87,381
Power and Fuel	73,29,112	50,47,002
Professional Charges	4,55,69,452	1,82,87,413
Testing Charges	41,53,933	43,89,459
Electricity Charges	26,56,340	18,78,782
Rent	1,84,35,892	1,30,01,321
Auditors' Remuneration	58,04,956	12,74,126
Directors' Remuneration	21,96,190	-
Directors' Sitting Fees	1,17,000	81,000
Advertisement	2,08,54,142	88,03,607
Travelling and Conveyance	7,43,80,936	6,44,07,146
Directors' Travelling Expenses	10,96,724	13,86,198
Printing and Stationery	54,21,342	66,09,626
Postage, Telephone and Courier	1,74,71,523	1,30,07,116
Bank Commission	2,75,89,562	1,99,59,826
Rates and Taxes	2,49,21,903	44,40,354
Insurance	48,96,351	45,35,325
Service Charges	6,12,332	6,54,088
Selling Expenses	5,24,30,881	4,90,94,821
Guarantee Commission to Director	-	30,00,000
Repairs and Maintenance:		
Building	2,66,521	1,07,831
Machinery	5,55,847	3,95,763
Windmill	17,19,367	7,09,211
Factory	91,93,105	47,56,118
Other Assets	95,45,622	1,11,29,331
Tools Written Off	17,36,608	8,95,894
Liquidated Damages	88,78,595	59,46,522
Bad debts written off	28,95,039	50,41,039
Deferred Revenue Expenditure written off	-	5,19,422
Miscellaneous Expenses	2,73,87,339	2,61,80,123
Warranty Claims	54,96,177	89,14,565
Foreign Exchange Fluctuation	1,39,56,886	48,67,403
Development Expenses	2,37,218	2,11,056
Loss on Sales of Assets	-	75,417
	41,52,99,866	30,66,04,913
XIV. (Increase) / Decrease In Finished Goods		
Opening Stock of finished goods	15,65,85,789	2,40,83,339
Closing stock of finished goods	8,15,22,327	15,65,85,789
Difference in Finished Goods	7,50,63,462	(13,25,02,450)

XV NOTES ON ACCOUNTS

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 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. 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 "ERL International Pte Ltd, Singapore".

(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 accounts of ERL International Pte Ltd, Singapore have been audited by auditors qualified to conduct audit in accordance with the laws of that Country.
- 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) 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-10	-	Direct subsidiary
2. ERLPhase Power Technologies Ltd	Canada	100%	31-Mar-10	-	Subsidiary of ERL International Pte. Ltd
3. ERL Marketing International FZE	Sharjah, UAE	100%	31-Mar-10	-	Subsidiary of ERL International Pte. Ltd
4. Switchcraft Group LLC	USA	60%	31-Mar-10	-	Subsidiary of ERL International Pte. Ltd
5. Switchcraft Limited	Hongkong, China	60%	31-Mar-10	-	Subsidiary of Switchcraft Group LLC
6. Switchcraft Europe GmbH	Germany	60%	31-Mar-10	-	Subsidiary of Switchcraft Group LLC

- iv) 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.
 - 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 recognised 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 including Fringe Benefits Tax is determined as the amount payable in respect of taxable income for the period. Deferred tax is recognised 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.

Other Notes:

2. Contingent liabilities not provided for in the Accounts:

- a) Letters of credit opened by Bank for purchase of raw materials and components Rs.29,13,13,542 (Rs.12,96,05,782).
- b) Bills discounted with bank Rs.1,02,22,125 (Rs.7,19,88,700).
- c) Counter Guarantee given to bankers in respect of Guarantees given by them Rs 112,07,29,906 (Rs.45,96,12,936).
- d) Bonds executed in favour of President of India for payment of excise duty Rs Nil (Nil) and for import of material at concessional rate of duty Rs.78.68,647 (Rs.62,78,350).
- e) Estimated amount of Capital commitment on account of Fixed Assets (Net of advances) amount to Rs Nil (Rs.1,17,66,294)
- f) In respect of sales effected under CST towards submission of C-Forms- Rs.12,34,90,668 (Rs.10,57,30,573)

3. The Group is engaged in Power Transmission and Distribution segment and the same is being reported.

4. Note on Related Party Disclosures as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

Disclosure of AS 18 for the year 2009-2010

Related Party Disclosure of Associate Companies

a) Details of consolidated transactions during year 2009-2010

Sl No	Particulars	Eswaran & Sons Engineers Ltd	Easun MR Tap Changers P ltd	Easun Products of India P Ltd	Key Mgt Personnel	Grand Total
1	Purchase of Goods			- (10,004,171)		- (10,004,171)
2	Rendering of Services Reimbursement of Expenses		1,566,088 -	- (500,000)		1,566,088 (500,000)
3	Availing of Services Reimbursement of Expenses		1,566,088 -	600,000 (600,000)		2,166,088 (600,000)
	Loan borrowed	- (15,000,000)				- (15,000,000)
	Loan repayment	- (15,177,988)				- (15,177,988)
4	Guarantee Commission				- (3,000,000)	- (3,000,000)
5	Directors' Remuneration				2,196,190 -	2,196,190 -
	Total	- (30,177,988)	3,132,176 -	600,000 (11,104,171)	2,196,190 (3,000,000)	5,928,366 (44,282,159)

b) Details of outstandings in respect of Associate Companies and Key Management Personnel (in Rupees)

Sl. No.	Names of Associate Companies/ Key Management Personnel	Outstanding as on 31-03-2010		Maximum amount due during the year	Outstanding as on 31-03-2009		Maximum amount due during the pr.year
1	Easwaran & Sons Engineers Ltd.	NIL		25,600 Cr	25,600 Cr		25,600 Cr
2	Easun MR Tap Changers P Ltd	NIL		10,130 Cr	10,130 Cr		10,130 Cr
3	Easun Products of India P Ltd	NIL		19,98,411 Cr	19,98,411 Cr		99,98,411 Cr
4	Directors:						
	Hari Eswaran	9,88,285	Cr	9,88,285 Cr	-		-
	Raj H Eswaran	3,59,296	Cr	3,59,296 Cr	-		-
	Dr W S Jones	3,29,494	Cr	3,29,494 Cr	-		-
	Rakesh Garg	3,29,494	Cr	3,29,494 Cr	-		-

5 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			As at year ended 31.03.2010	As at year ended 31.03.2009
Profit after tax	(A)	Rs.	44,96,64,871	2,71,46,038
Number of Weighted average Equity Shares Basic	(B)	Nos.	2,07,71,605	2,05,76,465
Effect of dilutive equity shares equivalent				
Foreign Currency Convertible Bond	(C)	Nos.	3,94,500	34,51,875
	(D=B+C)		2,11,66,105	2,40,28,340
Face Value of share		Rs.	2	2
Earnings per share				
Basic	(E=A/B)		21.65	1.32
Diluted	(F=A/D)		21.24	1.13

6 Previous year's figures have been regrouped wherever necessary to conform to current year's classifications. Previous year's figures are shown in brackets.

7 Figures have been rounded off to the nearest rupee.

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Rakesh Garg
Director

Hari Eswaran
Chairman

Per our Report of even date annexed

For BRAHMAYYA & CO.
Chartered Accountants
N Srikrishna
Partner
Membership Number : 26575

For R.SUBRAMANIAN & CO.
Chartered Accountants
R Subramanian
Partner
Membership Number : 8460

Place : Chennai
Date : 27th July, 2010

Consolidated Cash Flow Statement for the year 2009-2010 and 2008-2009 pursuant to clause 32 of the listing agreement



(Rs. in Lacs)

Particulars	31.03.2010	31.03.2009	
Cash Flow from Operating Activities			
Net Profit Before Tax and Extraordinary Items	5,612.34		366.10
Adjustments for :			
Add :			
Depreciation	766.04	514.22	
Unrealised loss / (gain) on Foreign Exchange	6.36	(167.03)	
Dividend Income	(239.22)	(560.96)	
Interest on Loans other than working capital borrowings	5.82	66.22	
Provision For Leave Encashment	13.26	(10.10)	
Profit on sale of Fixed Assets	(9.44)	(2.67)	
Deferred Revenue Expenditure written off	-	5.19	
Operating profit before Working Capital Changes (1)	542.82	(155.13)	210.97
Adjustments for :			
Trade Receivables and Others	555.93	(6,133.61)	
Exchange fluctuation - AS 11	(62.61)	3,971.07	
Inventories	(835.23)	(2,456.36)	
Trade Payables	4,595.88	13,456.25	
Cash Generated from Operations (2)	4,253.97	(3,262.65)	
Adjustments for :			
Direct Taxes Paid (3)	(1,020.84)	(599.57)	
	(1,020.84)	(599.57)	
(2)+(3)=(4)	3,233.13		(3,862.23)
Net Cash from Operating Activities (1)+(4)=(A)	9,388.29		(3,651.26)
Cash Flow from Investing activities			
Purchase of Fixed Assets	(1,554.05)	(3,757.93)	
Investment in Mutual Fund	5,881.00	(14,965.84)	
Margin Money Account	(121.24)	0.26	
Sale of Fixed Assets	13.79	5.74	
Sale of Investment of Mutual Fund and Debt Securities	5,851.60	30,125.90	
Dividend Received	239.22	510.51	
Net Cash used in Investing activities (B)	(1,451.68)	(11,918.64)	11,918.64
Cash Flow from Financing activities			
Issue of Share Capital	0.00	7.81	
Minority interest (Net)	(8.26)	36.90	
Share Premium Received	0.00	507.36	
Long term Borrowings	1,734.99	3,113.92	
Repayment of Unsecured Loans	(15,909.21)	(469.00)	
Amount received from forfeiture of shares	0.00	45.54	
Dividend Paid	(486.03)	(715.35)	
Interest on Long term Borrowings	(5.82)	(66.22)	
Net Cash used in Financing activities (C)	(14,674.33)	2460.96	2460.96
Net Increase in cash and cash equivalents (A+B+C)	(6,737.73)		10,728.34
Opening balance of Cash & Cash Equivalents	10,902.59		174.25
Add: Net increase in cash and cash equivalents	(6,737.73)		10,728.34
Closing balance of Cash & Cash Equivalents	4,164.86		10,902.59
Notes:			
1. Closing balance of cash and Cash equivalents includes			
a) Cash and bank balances	4,164.62		11,069.62
b) Unrealised Loss / (gain) on Foreign currency	0.24		(167.03)
Total Cash and cash equivalents	4,164.86		10,902.59

- The above Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

K.N. Nagesha Rao
Secretary & V P (Corporate Finance)

Rakesh Garg
Director

Hari Eswaran
Chairman

We have verified the Cash Flow Statement for the year ended 31st March 2010 of Easun Reyrolle Limited with reference to the audited Annual Accounts for the said year and found the same in agreement there with.

For R. SUBRAMANIAN & CO.
Chartered Accountants

For BRAHMAYYA & CO.
Chartered Accountants

R Subramanian
Partner
Membership Number 8460

N Srikrishna
Partner
Membership Number 26575

Place : Chennai

Date : 27th July, 2010

Disclosure of consolidated financial information relating to subsidiary companies as on 31st March, 2010



[Rupees in lacs]

Name of the Subsidiary	ERL International Pte Ltd., Singapore	ERL Phase Power Technologies Ltd., Canada	ERL Marketing International FZE, Sharjah	Switchcraft Group LLC, Delaware, USA	Switchcraft Europe GmbH, Dinslaken, Germany	Switchcraft Limited, Hong Kong, China
Share Capital	10,164	3,191	19	678	501	12
Reserves & Surplus	1,018	(1,452)	(285)	(133)	(161)	(539)
Total Assets	11,517	3,357	718	2,947	2,696	182
Total Liabilities	11,517	3,357	718	2,947	2,696	182
Investments <i>(excluding investments in subsidiary companies)</i>	-	-	-	-	-	-
Turnover	224	2,637	1,044	70	1,049	107
Profit before Tax	(130)	(331)	(203)	(133)	94	(199)
Provision for Taxation	47	-	-	-	-	(30)
Profit after Taxation	(176)	(331)	(203)	(133)	94	(169)
Proposed Dividend	-	-	-	-	-	-

The Company has obtained exemption under Section 212 of the Companies Act, 1956, from annexing to this Report, the Annual Reports of the subsidiaries for the year ended 31st March, 2010 vide Approval Letter No.47/310/2010-CL-III dated 20th August, 2010 from Ministry of Corporate Affairs, Government of India.



ERL wins the Best Product Prize at ELECRAMA-2010 Exhibition, for its new product iSIS - Intelligent Solid Insulated Switchgear





**MoU signed with Government of Karnataka
for establishing Global Manufacturing Facility at Bangalore,
to produce Medium Voltage Switchgears with German Technology**



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