

Form - A

1.	Name of the company	Easun Reyrolle Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation (Matter of Emphasis / Un-qualified)	<p>Matter of Emphasis:</p> <p>a) Sale of fixed assets during the previous financial year 2012-13 amounting to Rs 1800 Lacs with profit on sale of such asset recognized amounting to Rs. 1747.12 Lacs is subject to no objection from its charge holders and still is pending conveyance. (Page No.32 of Annual Report)</p> <p>b) (1) In respect of projects under Turnkey basis undertaken by the company, we have relied upon the management's estimates in respect of stage of completion, costs to completion including provisions made for supplies to be effected and installation activities and on the projections of revenues expected from projects and realisability of the work in progress and project receivables, whether confirmed or otherwise owing to the technical nature of such estimates, on the basis of which profits/losses have been accounted. (Page No.32 of Annual Report)</p> <p>b) (2) The liquidated damages recovered by the customers Turnkey ongoing projects from running bills amounting to Rs.1012.27 Lacs, is under negotiations with customers seeking waiver of the same. Pending the outcome of the same the Liquidated damages so levied has not been provided for. (Page No.32 of Annual Report)</p> <p>c) the value of inventory pertaining to the "Metering Business" amounting to Rs.215.41 Lacs is continued to be carried at cost even though there is no active business for considerable period, pending ascertainment alternative markets for utilizing the inventories,</p>

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	<p>the realizable value has not been ascertained, consequently the impact on the financial statements is not quantifiable. (Page No.32 of Annual Report)</p> <p>d) In respect of certain turnkey contracts which have been terminated by the customers resulting in encashment of bank guarantees given by the company amounting to Rs.134.82 Lacs (Net) has been shown recoverable from parties in respect of which negotiations with the customers are stated to be in progress. Pending the outcome of negotiations the no adjustment in the financial statements has been made. (Page No.32 of Annual Report)</p> <p>e) The balances due from and due by the company towards debtors and creditors including debit balances in creditor accounts, in respect of which confirmations have not been received. Pending receipt of confirmation of balances and consequent reconciliations if any and the resultant impact on the financial statements including the operating results is not ascertainable. (Page No.32 of Annual Report)</p> <p>f) There have been instances of delay in deposit of the undisputed statutory dues of Provident Fund, Excise Duty, Employee State Insurance, Dividend Distribution Tax and Income Tax including Tax Deducted at Source, Sales Tax (VAT, CST) and Service Tax with appropriate authorities, during the year. (Page No.35 of Annual Report)</p> <p>g) Following Statutory dues outstanding for a period of more than six months from the date they become payable:</p> <ul style="list-style-type: none">i) Fringe Benefit Tax of Rs.9.21 lacs,ii) Service Tax of Rs.79.93 lacs,iii) VAT of Rs 1.88 Lacs,iv) Income Tax of Rs 59.15 Lacs (requested the department to adjust with refund of 144.64 Lacs against AY 2013-14) (Page No.32 of Annual Report)
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4.	Frequency of observation	Rare
5.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	Managing Director CFO Auditors of the Company Audit Committee Chairman

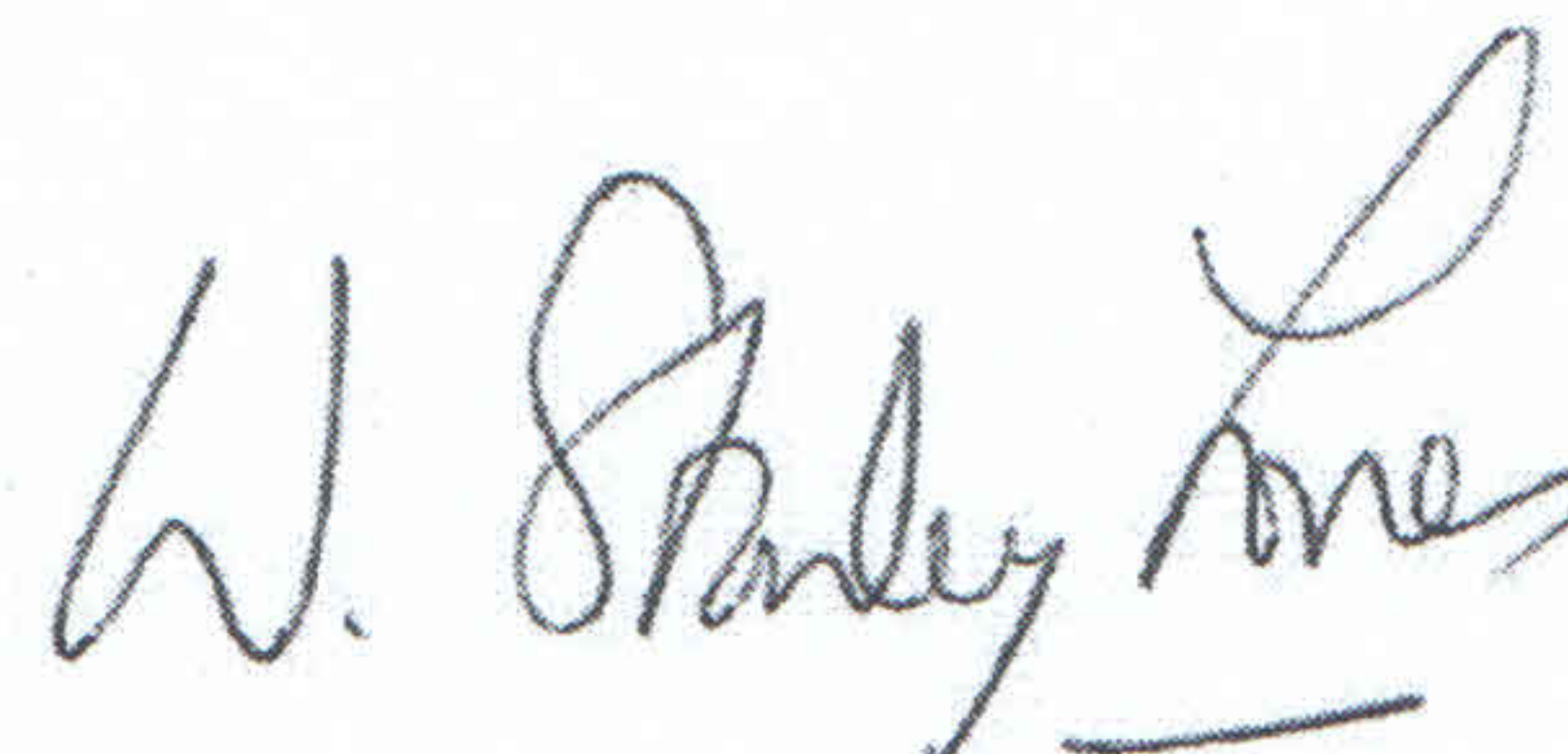
Signed by:



Mr Raj H Eswaran
Managing Director



P Chandrasekaran
Chief Financial Officer



William Stanley Jones
Chairman of Audit
Committee



R Subramanian
Statutory Auditor
Membership No.8460



N Srikrishna
Statutory Auditor
Membership No.26575


Date: 12th September, 2014



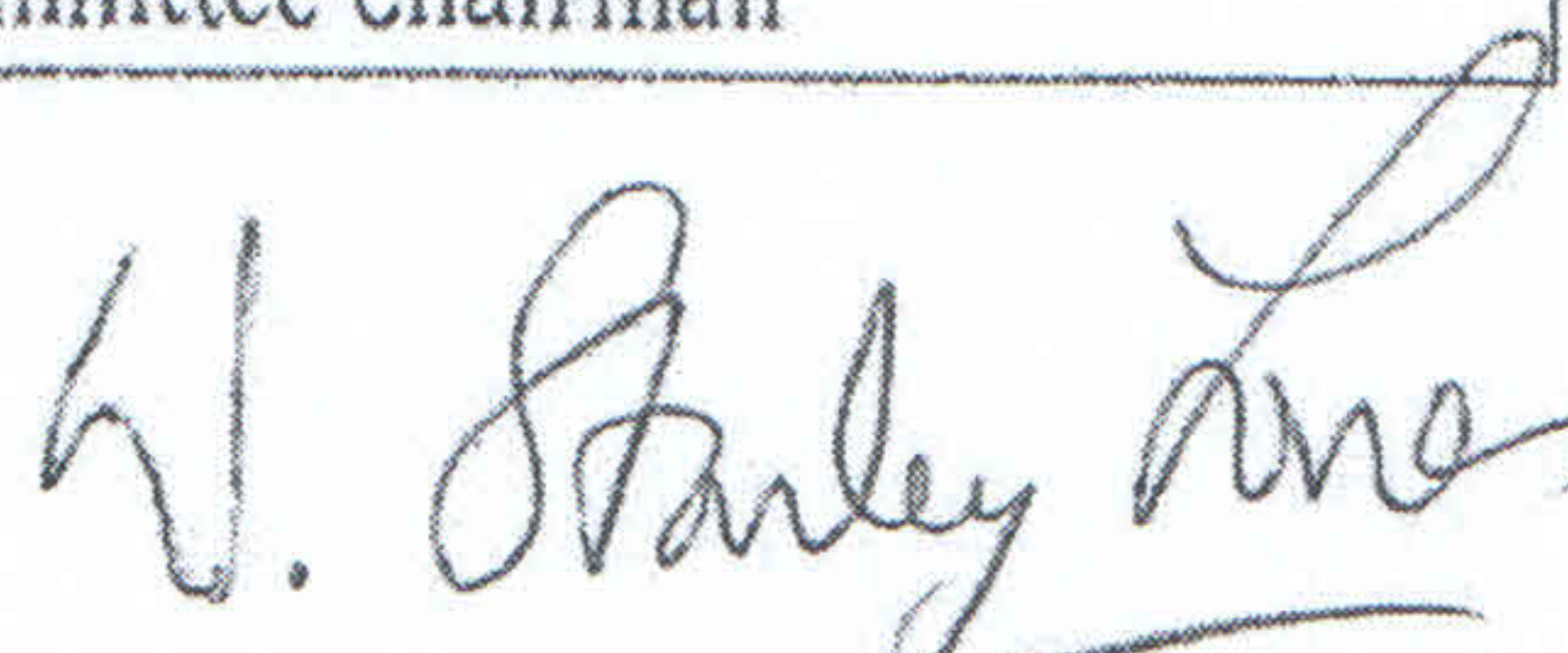
FORM B


1.	Name of the Company:	Easun Reyrolle Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit qualification	Qualification
4.	Frequency of qualification	Appeared first time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Qualification: Consequent to superannuation of existing company secretary who retired from service on 01st December 2013, the company has not appointed any other full time company secretary in the vacancy caused accordingly the provisions of section 383A of the companies Act 1956 have not been complied with. (Page No.31 of Annual Report)</p> <p>Management Response: Consequent to superannuation of the existing Company Secretary, the Company is in process of appointing a new Company Secretary.</p>
6.	Additional comments from the board/audit committee chair:	-
7.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman" 	Managing Director CFO Auditors of the Company Audit Committee Chairman

Signed by:


Mr Raj H Eswaran
Managing Director


P Chandrasekaran
Chief Financial Officer


William Stanley Jones
Chairman of Audit Committee


R Subramanian
Statutory Auditor
Membership No.8460



N Srikrishna
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Date: 12th September, 2014

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