37TH ANNUAL REPORT 2011-2012

EASUN REYROLLE LIMITED

Easun Reyrolle Limited

37th Annual Report, 2011-2012

Chairman	:	Hari Eswaran
Managing Director	:	Raj H Eswaran
Directors	:	W S Jones Rakesh Garg 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, Bannerghatta Road, **Bangalore 560 076**, Karnataka.
Factories	:	1. Plot No.98, Sipcot Industrial Complex, **Hosur – 635 126,** Krishnagiri Dt., Tamilnadu. 2. 17/3, Arakere Village, Bannerghatta Road, **Bangalore – 560 076** 3. Plot No.147/148 Harohalli Industrial Area, 2nd Phase Madamaranahalli Village Harohalli Hobli, Kanakapura Taluk, Ramanagara Dt. Karnataka.
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

37th Annual Report – 2011-12

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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 Thirtyseventh Annual General Meeting of the Members of Easun Reyrolle Limited will be held on Wednesday, 26th September, 2012 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai 600008, to transact the following business :

Ordinary Business

1. To consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March 2012, the Balance Sheet as at 31st March 2012 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 Hari 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.

Special Business

6. To appoint a Director in place of Mr J D N Sharma who was appointed as Additional Director by the Board. He is eligible for re-appointment. The Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. J D N Sharma as Director of the Company.
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a ***Ordinary Resolution***:

   RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, consent of the Company be and is hereby accorded for the appointment of Mr. Raj H Eswaran as Managing Director of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company for a period of 5 (five) years with effect from 1st April 2012, and for payment of remuneration to him, on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding

the limits specified under Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER that for the services agreed to be rendered by Mr. Raj H Eswaran, he shall be remunerated in the manner following subject to overall ceiling of 5% of net profit of the Company in terms of Section 198, 309 and Schedule XIII to the Act, computed in the manner laid down in Section 349 and 350 of the Act.

(i) Salary: Rs.4,25,000 per month.

(ii) Commission on profit, perquisites and other terms of contract:

(a) Commission at 1% (*one percent*) of net profit of the Company in addition to salary. The amount of commission payable based on the net profits of the Company in a particular year shall be subject to the overall ceiling laid down in Section 198 and Section 309 of the Companies Act, 1956.

(b) The Company would provide to the Managing Director a car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

(c) The Managing Director shall not be paid any sitting fee for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.

RESOLVED FURTHER that in the event of the Company incurring loss or inadequacy of profits if any during the tenure of service of the financial year, the payment of salary, commission and perquisites to Mr Raj H Eswaran, Managing Director shall be regulated by payment of minimum remuneration prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER that the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time.

RESOLVED FURTHER that as Managing Director of the Company, Mr Raj H Eswaran shall, subject to the supervision, control and directions of the Board of Directors of the Company, exercise substantial powers of management and manage the business and affairs of the Company.

RESOLVED FURTHER that subject to the provisions of the Act, and Article 102 of the Articles of Association of the Company, Mr. Raj H Eswaran, Managing Director shall not while he continues to hold office

of the Managing Director be subject to retirement by rotation of Directors and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors on in fixing the number of Directors to retire.

RESOLVED FURTHER that for purpose of giving effect to the foregoing resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

By Order of the Board

for **Easun Reyrolle Limited**

Place: Chennai
Date: 14th August 2012

K N Nagesha Rao
Secretary and VP (Corporate Finance)

Notes:

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

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

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

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

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

6. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th September 2012 to 26th September, 2012 (both days inclusive).

7. The dividend, if any, declared at the Meeting will be payable on and after 26th September, 2012 to those Members whose names appear on the Register of Members of the Company on 17th September 2012.

8. 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.

9. 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.

10. 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
For **Easun Reyrolle Limited**

Place: Chennai
Date: 14th August 2012

K N Nagesha Rao
Secretary and VP (Corporate Finance)

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice of the Annual General Meeting of the Company to be held on 26th September, 2012 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai – 600 008.

Item No.6 – Appointment of Mr. J D N Sharma as Director of the Company.

Mr. J D N Sharma has retired as the Chief Executive of the Company on 31st March 2012. Considering his vast experience and long association with the Company, the Board of Directors in their Meeting held on 31.03.2012 appointed Mr. J D N Sharma as Additional Director of the Company, pursuant to Article 95 of Articles of Association of the Company. Mr. J D N Sharma holds office as Additional Director up to the date of ensuing Annual General Meeting and is eligible for re-appointment.

Mr. J D N Sharma, aged 67 years, has done his Engineering from IIT Kharagpur. With a haul of rich and multi-disciplinary experience of over 45 years covering, manufacturing and technical functions, techno-commercial functions and top management functions, Mr. J D N Sharma has held key managerial positions in professional and multinational organizations. He has served Easun Reyrolle Limited for 16 years as Chief Executive till 31st March 2012. He is an active member of IEEMA Southern Region Council and Institute of Electrical Engineers. As Director he is on Board of the Company's subsidiaries, viz., ERL Phase Power Technologies Limited, Canada, ERL International Pte. Ltd., Singapore, ERL Marketing International FZE, Sharjah, Switchcraft Europe GmbH, Germany and Switchcraft Limited, Hong Kong.

The background of Mr. J D N Sharma is furnished in the Corporate Governance disclosure accompanying the Directors' Report.

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

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

Except Mr. J D N Sharma none of the other Directors of the Company is in any way concerned or interested in the Resolution.

Item No.7 – Appointment of Mr. Raj H Eswaran as Managing Director of the Company

The Board of Directors of the Company at their meeting held on 31st March 2012 has, subject to the approval of the members, appointed Mr. Raj H Eswaran as Managing Director with effect from 1st April, 2012 for a period of 5 (five) years, including payment of remuneration.

Mr. Raj H Eswaran, 43 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. Mr. Raj H Eswaran is on the Board of Easun Reyrolle Limited for over 12 years. He has been on the Board of several Companies, including all subsidiaries of Easun Reyrolle Limited. He is associated with many trade and industries associations; he is the Vice President of Industrial Electrical and Electronic Members Association and a Member of Indo-German Chamber of Commerce and Executive Committee. Mr. Raj H Eswaran was holding 2,80,100 equity shares of Rs.2 each in Easun Reyrolle Limited as on 31.03.2012.

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

Except Mr. Hari Eswaran Chairman and Mr. Raj H Eswaran, Managing Director none of the other Directors of the Company is in any way concerned or interested in the Resolution.

Members' approval is sought by way of ordinary resolution for appointing Mr. Raj H Eswaran as Managing Director for a period of 5 years with effect from 1st April, 2012 and payment of remuneration including commission as set out in the resolution.

Financial Highlights for 10 years

[Rs in lacs]

Sl. No.	Particulars	Year ended 31st March									
		2012	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
1	Sales & Other Income	34,522	30,255	26,289	17,232	20,762	13,521	10,817	5,233	4,194	3,855
2	Operating Expenditure	31,101	28,500	25,262	15,863	16,606	10,393	8,356	4,445	3,636	3,405
3.	Earning/Profit before interest, depreciation and tax (EBIDTA)	3,421	1,755	1,027	1,369	4,156	3,128	2,461	788	558	450
4	Less: Interest	2,384	990	604	489	408	194	136	100	86	151
5	Less: Depreciation	1,464	1,082	766	514	385	277	254	150	70	68
6	Profit/(Loss) before tax	(427)	(317)	(343)	366	3,363	2,657	2,071	538	402	231
7	Exceptional Items	-	-	5,955	-	-	-	-	-	-	-
8	Less: Current tax	162	222	1,101	96	805	830	715	200	133	20
9	Less: Deferred tax	136	183	-	18	6	22	21	(19)	(5)	18
10	Less: Fringe benefit tax	-	-	-	24	24	38	27	-	-	-
11	Profit/(Loss) after tax	(725)	(722)	4,511	228	2,528	1,767	1,308	357	274	193
12	Less: Share of minority interest Share of Associates Companies	- (24)	- -	15 -	(43) -	- -	- -	- -	- -	- -	- -
13	Net Profit/(Loss) after share in minority interest	(701)	(722)	4,496	271	2,528	1,767	1,308	357	274	193
14	Add: Balance brought forward	(939)	173	649	1,114	202	100	77	86	59	37
15	Profit available for appropriation	(1,639)	(549)	5,145	1,385	2,730	1,867	1,385	443	333	230
16	Less: Proposed dividend on equity shares	42	249	831	415	510	333	200	102	86	63
17	Less: Interim dividend on equity shares	-	-	-	-	102	67	50	-	11	-
18	Less: Tax on dividends	7	41	141	71	104	65	35	14	-	8
19	Less: Transfer to General Reserve	100	100	4,000	250	1,500	1,200	1,000	250	150	100
20	Surplus carried to balance sheet	(1,788)	(939)	173	649	515	202	100	77	86	59

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

Directors' Report

To the Members

The Directors present the 37th Annual Report of your Company together with the audited accounts for the financial year ended 31st March 2012

1. Financial Performance

The standalone and consolidated audited financial results for the year ended 31st March 2012 are as follows:

[Rs in lacs]

Particulars	Standalone		Consolidated	
	2011-2012	2010-2011	2011-2012	2010-2011
Sales and Other Income	29,602	26,983	34,522	30,255
Earnings before interest, Depreciation and Tax (EBIDTA)	3,340	2,508	3,421	1,755
Depreciation	521	468	1,464	1,082
Interest	1,805	894	2,384	990
Profit/(Loss) before tax & Exceptional Items	1,014	1,146	(427)	(317)
Exceptional Items	-	-	-	-
Profit/(Loss) before tax	1,014	1,146	(427)	(317)
Provision for tax	84	312	298	405
Share of Loss / Profit of Associates	-	-	(24)	-
Net Profit/(Loss)	930	834	(701)	(722)

2. Dividend

After making significant investments over the last few years in globalising the Company's business and also in creating a global manufacturing base in India, your company now needs to focus on successfully taking its entire range of new products to various markets and on ramping up the volumes. Hence there is a need to balance, conserve the resources of the company and to satisfy the shareholders expectations. Keeping in mind these factors your Directors have proposed to pay a dividend of 10% on Equity Shares at Re.0.20 per share of Rs.2 each for the financial year 2011-12 and are hopeful of returning to more substantial dividend payouts in the future.

3. Operations Review

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

Particulars	Easun Reyrolle Limited, India (Rs. in Lacs)		ERL Phase Power Technology, Canada (,000 USD)		ERL Marketing Int., Sharjah (,000 USD)		Switchcraft Europe GmbH, Germany (,000 Euro)		Switchcraft Ltd Hongkong (,000 USD)	
	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11
Sales	29,602	26,983	8,200	5,564	6,011	2,706	715	166	136	91
EBIDTA	3,340	2,508	347	(1,092)	179	2	(849)	(581)	(43)	(698)
PBT	1,014	1,146	192	(1,245)	77	(70)	(2,151)	(1,147)	(141)	(763)
PAT	930	834	192	(1,245)	77	(70)	(2,471)	(1,150)	(141)	(763)

As can be seen from the above figures, on a standalone basis, the company has achieved a growth of 10% on sales and other income and 5% on the Post tax profit. All the company's subsidiaries in Canada, Sharjah and Germany has shown substantial improvement in their sales and other income and except for Switchcraft (Germany and Hong Kong), all other subsidiaries have moved into profit zone.

4. Management Discussions and Analysis

Macro Economic Picture (India and Global)

During the past couple of years, the Electrical Industry in India has been showing some signs of a lull, though the long term outlook remains optimistic and bright. With weakened investment climate and tightened capital market, the growth of electrical industry has further slowed down during the year under review.

The Industrial growth slowed significantly in 2011-2012 on account of weakened domestic demand and lower GDP growth, accompanied by high interest rates, worldwide recession, and consequently a subdued investment climate. Surplus capacities in several sectors resulted in low utilization and resulted in severe margins pressure. Delays in achieving financial closure of various infrastructure projects and continued poor financial position of most of the electrical utilities in India has impacted the performance of electrical industry resulting in carrying higher receivables working capital and higher interest expense, cost overruns in project operations.

Globally, the scenario is more or less the same with subdued growth, tight money conditions and uncertain economic scenario.

Performance analysis of the company:

Your company has achieved a modest growth in India, in spite of various economic factors as detailed above and maintained its market share in most of its business verticals. It continued to keep pace in the technological development of its product line which will lead to reducing its dependence on third party products and improving its margins. While the EBIDTA has grown substantially (33%), substantial long term borrowings towards capital investments have resulted in higher interest costs, affecting the pre-tax profits; lower tax implication has resulted in a marginal increase at the PAT level.

During the year under review, your company has completed construction of a world class facility at Harohalli (Bangalore) as a Global manufacturing base to address the needs of the new products to be introduced from its German subsidiary and also facilitating the backward integration of its manufacturing process in India. The Harohalli Factory has commenced commercial production effective from 1st July, 2012. Another milestone achieved is receipt of a large order (Rs. 167 crores) from Madhya Pradesh Electricity Distribution Companies.

ERL Phase Power Technologies Ltd, Canada, has shown an impressive growth in sales (47%) during the year and also for the first time achieved positive bottom line. It has completed the development of a range of Protection relays aimed at the transmission segment on a state-of-the-art platform and these products have been introduced to the North and Latin American markets during the year. They are expected to be introduced into the Indian and the global markets from the first quarter of the next financial year.

The German Subsidiary, Switchcraft Europe GmbH has made significant progress in developing new range of Switchgear products. The Company has introduced the Ring Main Units into various global markets successfully and is looking to achieve significant business volumes in the financial year 2012-13. The company has successfully completed all critical tests for the 24kv Switchgear market as required, and is in the process of completion of tests for the 36kv Switchgear

market. This Product is a leader in its segment and the company has high hopes of achieving significant breakthrough in the market.

ERL MINT has more than doubled its business volumes during the year and has moved into the profit zone. It has a large number of offers under active consideration from its customers and is hopeful of achieving a substantial growth in top line and in profits during the financial year 2012-13. Availability of number of new technology products at overseas markets in the near future underscores the potential for substantial business growth in the coming years.

While the Indian economy and the power sector in particular are currently showing lack luster growth, your company will be focusing on improving internal efficiencies, reduction of debtors and reducing the input costs and expenses, as well as safeguarding market share in various business segments. Commencement of commercial operations of global manufacturing facilities is expected to bring a substantial impact in this direction.

While EBIDTA margins will improve as a result of various initiatives underway, it has to be borne in mind that the company will have to bear the additional interest and depreciation costs from the current financial year. However, these will be offset by the growth in the business volumes – both in India and internationally.

5. Preparation of Financial Statements in consonance with revised Schedule VI of the Companies Act, 1956

Company has prepared and presented the Financial Statements for the year under review in accordance with the revised Schedule VI of the Companies Act, 1956, as notified by the Ministry of Corporate Affairs. Accordingly, previous year's figures have been regrouped / re-stated wherever necessary to conform to the classification in the current year.

6. Subsidiary Companies and Consolidated Financial Statements

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

In accordance with the Statement of Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India, Financial Statements of Company's subsidiaries have been considered in the accompanying Consolidated Financial Statements of the Company. As per guidance given in the circular issued by Ministry of Corporate Affairs, the Board of Directors has consented for sending annual financial accounts of the company without attaching the Balance Sheets of the subsidiary companies. Shareholders who wish to have a copy of the full report and accounts of the subsidiary companies will be provided on receipt of a written request from them. The above documents will also be available for inspection by any shareholder at the registered office of the Company as well as registered office of the subsidiary company, on any working day during the business hours.

7. Human Resource Development

During the year under review, your Company continued to have cordial relations with all employees at all the units. The Company recognizes the importance of human capital and strives to enrich professional and technical skills within the organization. Your Directors recognize the team's valuable contribution and place on record their appreciation for the employees across the organization.

Employee strength as on 31st March 2012 was 398 as compared to 432 in the previous year.

8. Employee Stock Option Scheme

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

Details of the stock options granted under the Employee Stock Option Scheme, 2009 are disclosed in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock

Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and set out in Annexure A of this Report.

9. Fixed Deposits

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

10. Corporate Governance Report

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

11. Directors

Mr. Hari Eswaran, Chairman and Dr W S Jones, Director retire by rotation and being eligible, have offered themselves for re-appointment. A brief background of both the Directors is given in the Corporate Governance Report.

The Board of Directors, at its meeting held on 31st March, 2012, appointed, subject to the approval of the Members at the Annual General Meeting, Mr. Raj H Eswaran as the Managing Director of the Company, on a 5-year-term with effect from 1st April, 2012. Members may please refer Item No.7 in the accompanying Notice of the Annual General Meeting for the terms of appointment and remuneration of Mr. Raj H Eswaran.

Mr. J D N Sharma, after serving your Company as Chief Executive for 16 years, retired on 31st March 2012. Directors place on record his significant contributions made towards the progress of the Company. To take advantage of his knowledge gained during the last 16 years the Board invited Mr. J D N Sharma to become a Director and he has accepted to join the Board as Additional Director. Mr. J D N Sharma vacates office as Additional Director and is eligible for appointment as Director at the ensuing General Meeting.

12. Directors' Responsibility Statement

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

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

(ii) that the Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year under review;

(iii) that the Directors, have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and

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

13. Auditors

The Statutory Auditors of the Company, M/s Brahmayya & Co., Chartered Accountants and M/s R Subramanian & Co., Chartered Accountants retire at the ensuing Annual General Meeting

and have confirmed their eligibility for re-appointment in terms of Section 224 (1B) of the Companies Act, 1956.

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

14. Particulars of Employees

The information required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are annexed to this Report, and they form part of this Report. Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Reports together with Accounts, are being sent to the members of the Company, excluding statement of Particulars of Employees under Section 217(2A) of the Act. Any Member interested in receiving copy of the Particulars of Employees, may write to the Company at the Registered Office

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

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

16. Acknowledgement

The Directors accept and convey their sincere appreciation to all employees of the Company for their continued commitment towards achieving company's goal. The Directors also acknowledge and are grateful to the Bankers, Shareholders, Vendors and other Stakeholders for their continued confidence, co-operation and support.

For and on behalf of Board of Directors

Place: Chennai
Date: 14th August 2012

Hari Eswaran
Chairman

Annexure to the Directors' Report for the year ended 31st March 2012

Annexure - A

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

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

Employees Stock Option Scheme – 2009

(a)	Options Granted	1,97,245 Equity Shares of Rs.2 each	
(b)	The Pricing formula	The Exercise Price is decided by the Compensation Committee, which shall not be less than the par value of equity share of the Company and shall not be more than the Market price (closing price of the shares of the Company on a day preceding the date of grant of options). The Compensation Committee fixed the Exercise Price as under: No. of options granted at par (Rs.2) : 39,449 No. of options granted at market value as at 28th Sept 10 (Rs.125.75) : 1,57,796 Total : 1,97,245	
(c)	Options Vested	102,995	
(d)	Options Exercised	35,409	
(e)	Total number of shares arising as a result of exercise of option	35,409	
(f)	Options lapsed	Nil	
(g)	Variation of terms of Options	Nil	
(h)	Money realized by exercise of Options	Rs. 70,818	
(i)	Total number of options in force – Vested Unvested Total	 1,02,995 94,250 **1,97,245**	
(j)	Employee wise options granted to – (i) Senior Managerial Personnel.	Name and Designation	No. of Options Granted
		1. Dr. W S Jones, Director	14,790
		2. Mr. Rakesh Garg, Director	14,790
		3. Mr. J D N Sharma, Director	32,325
		4. Mr. S. Ravichander, Executive Vice President	12,120
		5. Mr. K N Nagesha Rao, Secretary & VP (Corporate Finance)	12,120
		6. Mr. G Premnath, President, Power Automation and Smart Grid	12,120
	(ii) Any other employee who receives a grant in any one year of Options amounting to 5% or more of Options granted during that year.	None	
	(iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) Company at the time of grant.	None	

(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standards-AS20 'Earning Per Share'.	Rs. 4.01
(l)	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on EPS.	Profit would have been lower by Rs. 1,38,723 Basic EPS would have been lower by Rs. 0.01 and Diluted EPS would have been lower by Rs. 0.01
(m)	Weighted average exercise price and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price – Rs. 101 per option Weighted average fair value – Rs. 134 per option
(n)	Fair Value (Price Earning Capacity Value)	Rs. 133.79 per option

For and on behalf of Board of Directors

Place: Chennai
Date: 14th August 2012

Hari Eswaran
Chairman

Annexure to Directors' Report for the year ended 31st March 2012

Annexure-B

Corporate Governance Disclosure

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

1. Company's philosophy on code of governance

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

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

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

2. Board of Directors

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

Sl. No.	Name	Category	Attendance Particulars		Member of Directorship/ Committee Membership/ Chairmanship		
			Board Meetings	Last Annual General Meeting	Director-ship	Committee Membership	Chairman-ship
1.	Mr. Hari Eswaran	Promoter Director (Chairman)	5 of 5	Attended	3	-	9
2.	Dr. W S Jones	Independent Director	4 of 5	Not Attended	5	2	-
3.	Mr. Raj H Eswaran	Promoter Director	5 of 5	Attended	11	2	-
4.	Mr. Rakesh Garg	Independent Director	5 of 5	Attended	9	-	-
5.	Mr. J D N Sharma	Additional Director	1 of 5	Not Applicable	6	-	-

Note: 1. Mr Raj H Eswaran is the son of Mr Hari Eswaran
2. Except Mr. Raj H Eswaran, Managing Director, all the Directors on the Board are non-executive Directors.

No. of Board Meetings held during the Financial Year 2011-12: 5 (Five)

Dates of Board Meeting held during the Financial Year 2011-12

Board Meeting Number	Date of Board Meetings
1.	01.06.2011
2.	25.07.2011
3.	14.11.2011
4.	25.01.2012
5.	31.03.2012

Mr. Hari Eswaran, Dr W S Jones, Directors and Mr. J D N Sharma, Additional Director retire by rotation and are eligible for re-appointment.

The brief background of Mr. Hari Eswaran, Dr W S Jones and Mr. J D N Sharma are furnished below:

Brief Background of Directors being re-appointed

a) Mr. Hari Eswaran

Mr. Hari Eswaran, 75 years, is one of the founder Directors of Easun Reyrolle Limited. Presently, he is non-executive Chairman on the Company's Board. He is a Fellow of the Institution of Electrical Engineering, U.K. Mr. Hari Eswaran, a pioneer in the electrical engineering industry, has been associated with various industry and trade associations. He is the past Chairman of the following bodies;

1. Indian Electrical and Electronics Manufacturers Association
2. Madras Chamber of Commerce and Industry
3. Association of Indian Engineering Industry (Southern Region), now known as CII
4. Employers Federation of Southern India

Mr. Hari Eswaran is a Member of Associated Chamber of Commerce and Industry and on the Board of the following Companies.

1.	Easun Engineering Company Limited	– Chairman
2.	Eswaran and Sons Engineers Limited	– Chairman
3.	Easun-MR Tap Changers Pvt. Limited	– Chairman
4.	ERL Phase Power Technologies Limited, Canada	– Chairman
5.	ERL International Pte. Limited, Singapore	– Chairman
6.	ERL Marketing International FZE, Sharjah	– Chairman
7.	Switchcraft Europe GmbH, Germany	– Chairman
8.	Switchcraft Limited, Hongkong	– Chairman
9.	ERL Switchcraft Pte. Limited, Singapore	– Chairman
10.	Sowraj Investments (P) Limited	– Director
11.	Easun Products of India Pvt. Limited	– Director
12.	ERL (Thailand) Company Limited	– Director

Mr. Hari Eswaran is holding 79,755 Equity Shares of Rs.2 each in Easun Reyrolle Limited as on 31.03.2012.

b) Dr W S Jones

Dr W S Jones, 70 years, 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 W S 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 the last 20 years.

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

1. BNES Limited
2. NI Enterprises Limited
3. Switchcraft Europe GmbH, Germany
4. Switchcraft Limited, Hong Kong
5. ERL Marketing International FZE., Sharjah

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

Dr W S Jones was holding 2,958 Equity Shares of Rs.2 each in Easun Reyrolle Limited as on 31.03.2012.

c) Mr J D N Sharma

Mr. J D N Sharma , 67 years, has done his Engineering from IIT Kharagpur. With a haul of rich and multi-disciplinary experience of over 45 years covering, manufacturing and technical functions, techno commercial functions, and top management functions, Mr. J D N Sharma has held key managerial positions in professional and multinational organizations. He has served Easun Reyrolle Limited for 16 years as Chief Executive till 31st March 2012.

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

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

1. ERL Phase Power Technologies Limited, Canada,
2. ERL International Pte. Ltd., Singapore,
3. ERL Marketing International FZE, Sharjah,
4. Switchcraft Europe GmbH, Germany,
5. Switchcraft Limited, Hong Kong and
6. Hosur Sipcot Development Association (Hosida)

Mr. J D N Sharma was holding 33,875 Equity Shares of Rs.2 each in Easun Reyrolle Limited as on 31.03.2012.

3. Audit Committee

The Audit Committee of the Company comprise 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 2011-12, 4 (Four) 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, Chairman	4	4
2.	Mr. Raj H Eswaran, Member	4	4
3.	Mr. Rakesh Garg, Member	4	4

4. Subsidiary Companies

Subsidiary:

The Company has 7 subsidiaries, a list of which is given in the note to accounts.

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

5. Shareholders' / Investors' Grievance Committee

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

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

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

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

During the year 2011-12 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 Senior Executives of the Company for each financial year.

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

Name	Category	Number of Meetings during the year 2011-12	
		Held	Attended
Dr. W S Jones	Independent, Non-Executive	1	1
Mr. Rakesh Garg	Independent, Non-Executive	1	1
Mr. Raj H Eswaran	Promoter, Non-Executive	1	1

(iv) Remuneration Policy

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

During the year 2011-12, the Company paid Sitting Fees of Rs.3,000 per meeting to its Directors and Members for attending meetings of Board and Committee.

(v) Details of Remuneration to Non-Executive Director for the year ended 31st March 2012

(a) Non-Executive Directors:

Name	Commission (Rs. Lacs)	Sitting Fee (Rs. Lacs)
Mr. Hari Eswaran, Chairman	2.86	0.30
Dr. W S Jones	0.96	-
Mr. Raj H Eswaran	0.95	0.39
Mr. Rakesh Garg	0.95	0.42
Mr. J D N Sharma	-	0.03

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
2009	Hotel Ambassador Pallava, 53, Montieth Road. Chennai – 600 008	11.09.2009	3 p.m.	3
2010		29.09.2010	3 p.m.	Nil
2011		29.08.2011	3 p.m.	Nil

8. Postal Ballot

No resolution was passed through Postal Ballot during 2011-12

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.30 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 2011-12, it complied with mandatory reporting requirement of Corporate Governance. The Company did not adopt any of the non-mandatory reporting requirements mentioned in Clause 49 of the Listing Agreement.

10. Means of Communication

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

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

11. General Shareholder information

(a) Annual General Meeting for 2012:

a) Date : 26th September, 2012
b) Time : 3.00 p.m.
c) Venue : Hotel Ambassador Pallava at 53, Montieth Road, Chennai

(b) Financial calendar:

Results for the quarter ended 30th June, 2012	Second week of August 2012
Results for the quarter ended 30th September, 2012	Second week of November 2012
Results for the quarter ended 31st December, 2012	Second week of February 2013
Results for the quarter ended 31st March, 2013	Second week of May 2013

(c) Book closure date:

The Register of Members and the Share Transfer Books of the Company will remain closed from 17th September, 2012 to 26th September, 2012 (both days inclusive).

(d) Dividend payment:

On or after 26th September, 2012.

(e) Listing Stock Exchanges:

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

(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	INE268C01029
Corporate Identification Number	L31900TN1974PLC006695

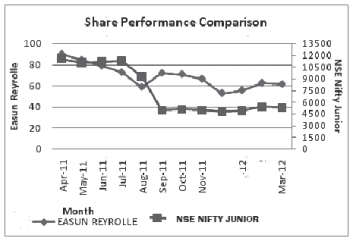
(g) Market Price Data:

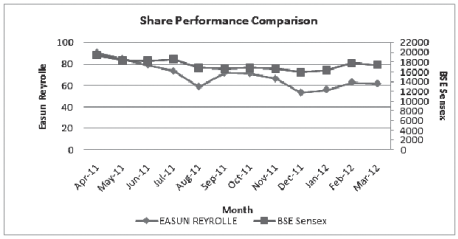
Highlights of Market Price of the Company's shares traded on National Stock Exchange and Bombay Stock Exchange during 2011-12.

Period	NSE		BSE	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
Apr-11	94.30	86.10	94.15	86.70
May-11	88.00	81.95	88.25	82.15
Jun-11	84.50	74.70	84.00	74.85
Jul-11	76.00	64.65	76.20	64.70
Aug-11	65.40	54.90	65.00	55.15
Sep-11	77.00	59.25	76.80	59.95
Oct-11	71.95	69.50	72.70	69.00
Nov-11	71.70	59.35	71.70	58.95
Dec-11	58.90	48.60	59.50	48.90
Jan-12	60.75	49.50	61.00	50.10
Feb-12	71.65	57.65	72.40	58.00
Mar-12	67.90	53.10	68.00	53.05

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

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





(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: 28140801 to 28140803 Email: corpserv@integratedindia.in

(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) Dematerialization of Shares and Liquidity:

95.83 % of the paid up capital has been dematerialized as at 31st March, 2012. 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 2011-12 is given below:

Sl.No.	Name of the Stock Exchange	No. of Shares	Value of Share Rs.
1.	The National Stock Exchange of India Ltd	13,136	70.89
2.	Bombay Stock Exchange Limited	5,671	65.72

(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 as on 31.03.2012.

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:

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

(n) Address for Correspondence:

i) For transfer/dematerialization of shares and other queries relating to Company's shares.	Integrated Enterprises (India) Limited, 2nd floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017. Email: corpserv@integratedindia.in
ii) Any query on payment of dividend: or Annual Report.	Easun Reyrolle Ltd. 389, "Rasukumaki" Hulimavu, Begur Hobli, Bannerghatta Road, Bangalore – 560 076. Email: subhamangala@easunreyrolle.com

(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 2003-2004	60,770	518	1,67,236	08.11.2011

The Company will be transferring the Unpaid Final Dividend for the Financial Year 2004-05 declared on 21th September, 2005 to the Investor Education and Protection Fund during October, 2012.

(p) Shareholding pattern as at 31st March 2012:

Sl. No.	Category	No. of Shares held	Percentage of Share holding
1.	**Promoters' Holding**		
	Indian Promoters		
	Mr Hari Easwaran & Associates	60,37,286	29.02%
2.	**Non-promoters' Holding**		
	a) Bank	-	-
	b) Others		
	- Mutual Fund	7,88,216	3.79%
	- Private Corporate Bodies	35,12,627	16.88%
	- Foreign Institutional Investors	5,000	0.02%
	- NRIs/OCBs	1,67,796	0.81%
	- Depository Participants	-	-
	c) Indian Public	1,02,96,089	49.48%
	Total	**2,08,07,014**	**100.00%**

q) Distribution of Shares as on 31st March 2012:

Sl. No.	Distribution of Shareholding	No. of Shareholders	% to total	No. of Shares	% to total
1.	Up to 500 Shares	12,638	81.41%	18,39,592	8.84%
2.	501 – 1000 Shares	1,410	9.08%	11,62,183	5.59%
3.	1001 – 2000 Shares	737	4.75%	11,32,811	5.44%
4.	2001 – 3000 Shares	286	1.84%	7,40,703	3.56%
5.	3001 – 4000 Shares	108	0.70%	3,90,693	1.88%
6.	4001 – 5000 Shares	74	0.48%	3,50,344	1.68%
7.	5001 – 10000 Shares	135	0.87%	9,67,118	4.65%
8.	More than 10000 Shares	136	0.88%	1,42,23,570	68.36%
	Total	**15,524**	**100.00%**	**2,08,07,014**	**100.00%**

Note: Total number of shares includes 3,766 shares admitted on BSE/NSE for listing beyond 31st March 2012.

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 2012, 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: 14th August 2012

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 2012, 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

For R. SUBRAMANIAN & CO.,
Chartered Accountants
Firm Regn No: 004137S
R. SUBRAMANIAN
Partner
Membership No.8460

Place: Chennai
Date: 14th August 2012

Annexure to Directors' Report for the year ended 31st March, 2012

Annexure C

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

A. Conservation of Energy	
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.	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.
d. Total energy conservation	Disclosure requirement is not applicable to the Company.
B. Technology Absorption i) **Research and Development** 1) Specific areas in which R & D is carried out by the Company	a) Protective Relays b) Energy Meters/Smart Meters c) Substation Automation and Control Products d) Automatic Meter Reading Solution
2) Benefits derived as a result of the above efforts	a) Indigenous IP, hence no royalty payable. b) Improved brand name as a technology company. c) New product lines for the existing business, hence entry into new market segments. d) Adaptation of products and creation of variants to meet International and domestic markets.
3) Future plan of action	a) To add additional variants of the Sub-Transmission and Distribution segment Protection Relays. b) To develop products like Data Concentrators, and advanced switches with IEEE 1588 Compliance for use in Sub-Station Automation c) To develop SCADA compatible products such as Field Remote Terminal Device and Fault Passage Indicators

4) Expenditure on R & D a. Capital b. Recurring c. Total d. Total R & D expenditure as a percentage of total turnover	 Rs. 67.71 Lacs Rs. 121.36 Lacs Rs. 189.09 Lacs 0.68%
ii) Technology absorption, adaptation and innovation. 1) Efforts, in brief, made towards technology absorption, adaptation and innovation.	a) Use of Multi-core processor designs and re-use of software across products, reduce the product development Cycle. b) Integration of product development across global development teams and use of configuration and other tools.
2) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development substitution, etc.	a) Use of Multi-core processor designs cut down the product cost by 30% to 40% b) The absorption/Re-use of Algorithms, Software has reduced the Product development cycle by 8-10 Man Years The development of substation Automation Products has resulted in reduction of Import cost and provide product upgrades to Customers
3) In case of imported technology. (imported during the last five years reckoned from the beginning of the financial year, following information may be furnished)	
a) Technology imported	Programmable Logic Control Technology
b) Year of import	2007 and 2008
c) Has technology been fully absorbed	Technology has been absorbed
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	Software design is absorbed
C. Foreign Exchange Earnings and Outgo	
a. i) Efforts made in Technology absorption. ii) Initiatives taken to increase exports iii) Development of new export markets for products and services iv) Export plans	Participating in Tenders and product demonstrations in Overseas Market
b. i) Total foreign exchange used	Rs. 7,383.95 lacs
ii) Total foreign exchange earned	Rs. 2,749.79 lacs

On behalf of the Board of Directors

Place: Chennai
Date: 14th August 2012

Hari Eswaran
Chairman

Auditor's Report

Auditor's Report to the Members of Easun Reyrolle Limited

1. We have audited the attached Balance Sheet of Easun Reyrolle Limited ("The Company"), as at 31st March 2012, and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow statement dealt with by this Report are in agreement with the Books of Account;
   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement 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 applicable;

e) On the basis of explanations and information given to us and written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012, 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 financial statements, 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, 2012;

(b) in the case of the Statement of Profit and Loss, 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

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

R. SUBRAMANIAN
Partner
Membership No.8460

Place: Chennai
Date: 14th August 2012

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 outstanding at the year end amounting to Rs 604.31 lacs other than this the Company has not granted any loans, secured / unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The terms of advance given are not prima facie prejudicial to the interests of the company. In the absence of any specific terms as regards the term of advance and repayment of the advances given, we are unable to comment on the same.

b) As referred to in Note no 30, During the year except for a sum of Rs.1,835 lacs the Company has not taken any unsecured loans, from companies, firms or other parties listed in the register required to be maintained under section 301 of the Companies Act, 1956, the terms and conditions of the loan borrowed are not, primafacie, prejudicial to the interests of the company. In the absence of any specific terms for repayment of loan, we are unable to comment on the same

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 generally 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 though there have been instances of delays in depositing Tax deducted at source, VAT, Service Tax and Income Tax.

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, 2012 for a period of more than six months from the date they became payable *except for the service tax payable amounting to Rs.146.29 lacs which has not been paid till date.*

c) According to the records of the company and the information and explanations given to us, the following dues have not been deposited with the appropriate authorities on account of dispute.

Name of the statute	Assesment year to which the matter pertains	Forum where the matter is pending	Amount (In Rs)
Income Tax Act	2001-02	CIT (Appeals)	30,02,382
Income Tax Act	2003-04	CIT (Appeals)	* 47,85,258
Income Tax Act	2004-05	CIT (Appeals)	* 26,12,561
Income Tax Act	2005-06	CIT (Appeals)	71,58,509
Income Tax Act	2006-07	CIT (Appeals)	55,41,946
Income Tax Act	2008-09	CIT (Appeals)	* 3,06,33,157
Sales Tax	2007-08	VAT (Appeals)	** 32,00,000
Sales Tax	2008-09	CIT (Appeals)	** 21,00,000
Customs Duty	2011-12	CESTAT	66,37,675

* adjusted against refund

** covered under Bank Guarantee

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 *except for a delay in repayment of term loan instalment of Rs.46.88 lacs* which has since been paid.

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. According to the information and explanations given by the management, 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 on an overall basis, pending utilization certain loan funds were held as bank balances till the stated end use.

xvii. In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company and after placing reliance on the reasonable assumptions made by the company for classification of long term and short term usages of funds, primafacie, we report that no funds raised on short term basis have 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. During the course of examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such cases by the Management, except for an instance of suspected fraud by some of the employees (since relieved from services), amounting to Rs.3.21 lacs against which management has lodged a complaint and the matter is under investigation, pending the same, the amount involved is charged off during the year.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn No: 000511S
N. SRI KRISHNA
Partner
Membership No.26575

For R. SUBRAMANIAN & CO.,
Chartered Accountants
Firm Regn No: 004137S
R. SUBRAMANIAN
Partner
Membership No.8460

Place: Chennai
Date: 14th August 2012

EERL Balance Sheet as at 31st March 2012

Rs Lacs

Particulars	Note	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	416.14	415.43
(b) Reserves and Surplus	3	22,544.39	21,669.33
(c) Money received against share Warrants	2.4(b)	668.80	668.80
		23,629.33	**22,753.56**
2. Non-Current Liabilities			
(a) Long-term Borrowings	4	6,690.52	6,466.82
(b) Deferred tax Liabilities (Net)	5	282.42	360.36
(c) Other Long term Liabilities	6	1,179.27	1,849.41
(d) Long-term Provisions	7	75.31	52.40
		8,227.52	**8,728.99**
3. Current Liabilities			
(a) Short-term Borrowings	8	9,566.08	11,375.05
(b) Trade Payables	9	11,083.13	8,419.44
(c) Other Current Liabilities	10	5,634.86	2,170.04
(d) Short-term Provisions	11	245.41	502.24
		26,529.48	**22,466.77**
Total		**58,386.33**	**53,949.32**
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	12		
(i)Tangible Assets		3,763.57	4,165.18
(ii)Intangible Assets		434.71	390.59
(iii) Capital Work in Progress		2,783.90	1,634.99
		6,982.18	6,190.76
(b) Non-Current Investments	13	15,502.10	10,355.28
(c) Long-term Loans and Advances	14	4,301.49	6,314.34
(d) Other Non-Current Assets	15	2,042.01	1,045.68
		28,827.78	**23,906.06**
2. Current Assets			
(a) Current Investments	16	-	5,264.43
(b) Inventories	17	4,975.91	4,562.78
(c) Trade Receivables	18	20,036.28	17,024.42
(d) Cash and Bank Balances	19	3,168.17	1,139.21
(e) Short-term Loans and Advances	20	1,152.38	1,879.37
(f) Other Current Assets	21	225.81	173.05
		29,558.55	**30,043.26**
Total		**58,386.33**	**53,949.32**
Significant Accounting Policies	1		

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

Per our Report of even date annexed

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

N. Srikrishna
Partner
Membership Number: 26575

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

R. Subramanian
Partner
Membership Number: 8460

Place: Chennai
Date: 14th August 2012

For and on behalf of Board of Directors

Hari Eswaran
Chairman

J D N Sharma
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Statement of Profit and Loss for the year ended 31st March 2012

Rs Lacs

	Particulars	Note	April 2011 - March 2012	April 2010 - March 2011
1	Revenue from operations	22	27,670.84	26,853.94
2	Other income	23	1,931.29	128.68
3	**Total Revenue**		**29,602.13**	**26,982.62**
4	**Expenses**			
	(1) Cost of Materials Consumed	24	21,284.53	19,853.69
	(2) Change in Inventory	25	(58.16)	(119.90)
	(3) Employee Benefit Expenses	26	2,171.46	1,858.15
	(4) Finance Costs	27	1,805.29	893.90
	(5) Depreciation and Amortization Expenses	12	520.62	467.52
	(6) Other Expenses	28	2,864.01	2,882.95
	Total expenses		**28,587.75**	**25,836.31**
5	**Profit before exceptional and extraordinary items and tax (3-4)**		**1,014.38**	**1,146.31**
6	Exceptional items		-	-
7	**Profit before extraordinary items and tax (5-6)**		**1,014.38**	**1,146.31**
8	Extraordinary Items		-	-
9	**Profit before tax (7- 8)**		**1,014.38**	**1,146.31**
10	**Tax expense:**			
	(1) Current tax		250.00	304.31
	(2) Deferred tax		(77.93)	90.16
	(3) MAT Credit Availment		(87.72)	(82.60)
11	**Profit after tax for the year (9-10)**		**930.03**	**834.44**
12	**Earnings per equity share (in Rs)**			
	(1) Basic (Face Value Rs.2 each)		4.47	4.02
	(2) Diluted (Face Value Rs.2 each)		4.01	3.60

Significant Accounting Policies 1

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

Per our Report of even date annexed

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

N. Srikrishna
Partner
Membership Number: 26575

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

R. Subramanian
Partner
Membership Number: 8460

For and on behalf of Board of Directors

Hari Eswaran
Chairman

J D N Sharma
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Place: Chennai
Date: 14th August 2012

Easun Reyrolle Limited
Cash flow Statement for the year ended 31.03.2012
Pursuant to Clause 32 of the Listing Agreement

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
A Cash flow from operating activities:		
Net profit before tax and extraordinary items	**1,014.38**	**1,146.31**
Adjusted for:		
Depreciation	520.62	467.52
(Profit)/Loss on Sale of Assets	(829.38)	(0.01)
Interest Expense	1,805.29	893.90
Income from Mutual Funds	(364.00)	(33.89)
Interest Income	(246.19)	(64.42)
Unrealised Loss/(Gain) on FCCB	255.60	(17.60)
Unrealised Forex Fluctuation in Drs & Crs	(77.21)	(5.15)
Transfer to ESOP Amortization Expenses	17.81	24.41
Operating profit before Working Capital changes	2,096.91	2,411.06
Trade and other receivables	(4,008.18)	(5,341.94)
Inventories	(413.13)	(1,040.18)
Loans and Advances	2,685.31	(4,103.04)
Trade Payables	1,379.42	4,226.95
Cash generated from operations	1,740.33	(3,847.14)
Direct Taxes	(107.74)	(217.58)
Net cash from operating activities	**1,632.60**	**(4,064.72)**
B Cash flow from Investing activities:		
Purchase of Fixed Assets	(303.74)	(1,507.11)
Investment In Mutual Fund	5,264.43	676.57
Dividend income from Mutual Funds	364.00	33.89
Increase in Capital Work In Progress	(1,148.91)	(2,686.68)
Interest received	246.19	64.42
Margin Money Accounts	(2,359.47)	(217.99)
Sale of Fixed Assets	970.00	-
Investment in ERL International Pte Ltd*	(5,146.82)	-
Net cash from Investing activities	**(2,114.33)**	**(3,636.89)**
C Cash flow from financing activities:		
Issue of Share Capital	0.71	-
Increase in Term Loans	4,055.41	9,985.10
Decrease in Short Term Borrowings	(1,808.97)	(21.07)
Dividend paid	(290.66)	(972.07)
Interest paid	(1,805.29)	(893.90)
Net Cash from financing activities	**151.20**	**8,098.06**
Increase / (Decrease) in cash and cash equivalent	**(330.53)**	**396.45**
Cash and cash equivalent at the beginning of the year	**464.40**	**67.95**
Cash and cash equivalent at the close of the year	**133.87**	**464.40**

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

Per our Report of even date annexed

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

N. Srikrishna
Partner
Membership Number: 26575

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

R. Subramanian
Partner
Membership Number: 8460

Place: Chennai
Date: 14th August 2012

For and on behalf of Board of Directors

Hari Eswaran
Chairman

J D N Sharma
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

1 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

Use of Estimates

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

B. Revenue Recognition

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

C. Fixed Assets and Intangibles

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

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

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

D. Depreciation

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

a) Technical Know how is depreciated at the rate applicable under the provisions of Income 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 over the lease period.

g) Fixed Furniture in leasehold Property is depreciated over the lease period.

h) SAP implementation cost is depreciated @ 16.21% under the Straight Line Method.

E. Inventories

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

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

F. Foreign Currency Transactions

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

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

G. Employee Benefits

The company's contributions to provident fund, a defined contribution scheme is charged to Statement of profit and loss 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 Statement of Profit and Loss. The retirement benefit obligation recognised in the balance sheet represents the present value of defined benefit obligations adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reduction in future combinations to the scheme.

Superannuation Liabilities have been covered by Master Policies of Life Insurance Corporation of India under irrevocable trust. Annual premium on accrual basis are charged to Statement of Profit and Loss.

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

H. Investments

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

I. Expenditure

Subject to Note No.33 below, Revenue expenditure is charged as an expense in the year in which it is incurred. Capital Expenditure is included in fixed assets and depreciated at applicable rate.

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

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

J. Warranty Claims and Liquidated Damages

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

K. Taxes on Income

Current taxes including Fringe Benefits Tax is determined as the amount payable in respect of taxable income for the period. Deferred tax is 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.

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

L. Customs and Excise duty

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

M. Cash Flow Statement

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

N. Provisions and Contingencies

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

O. Impairment of Fixed Assets

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

P. Earnings per Share

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

Note to the Financial Statements

2 Share Capital

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Authorised Share Capital:		
7,50,00,000 (7,50,0000) Equity Shares of Rs.2/- each	1,500.00	1,500.00
50,00,000 (50,00,000) Preference Shares of Rs.10/- each	500.00	500.00
Issued Share Capital:		
2,08,07,864 (2,07,72,455) Equity Shares of Rs.2/- each	416.16	415.45
Subscribed and Paid up Capital:		
20,807,014 (20,771,605) Equity Shares of Rs.2/- each fully paid up	416.14	415.43
Total	416.14	415.43

2.1 Reconciliation of number of shares

Particulars	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	Amount	No. of Shares held	Amount
Balance at the beginning of the year	2,07,71,605	415.43	2,07,71,605	415.43
Add: ESOP shares issued during the year (Refer Note no 31)	35,409	0.71	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	2,08,07,014	416.14	2,07,71,605	415.43

2.2 Rights, preferences and restrictions attached to shares

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

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

Particulars	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Easun Products of India Pvt Ltd	22,67,557	10.90%	22,02,912	10.61%
Easun Engineering Company Ltd	16,32,500	7.85%	16,32,500	7.86%
Power Ventures Holdings (India) Pvt. Ltd.,	16,28,088	7.82%	16,24,088	7.82%
Sowraj Investments Pvt Ltd	14,58,060	7.01%	14,58,060	7.02%

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

(a) Employee Stock Option Scheme

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

(b) Issue of Share Warrants

During 2010-11, the Company has issued 20,00,000 Convertible Equity Warrants at Rs.133.76 per warrant in terms of the extant guidelines of SEBI on preferential issue. Each warrant is convertible into one equity shares of Rs.2 each within 18 months from the date of allotment. The Company has received Rs.668.80 Lacs towards 25% of the warrant as advance money. The balance amount is payable at the time of exercise of the option i.e., on 31st July 2012.

2.5 For the year 2011-12, the Board of Directors have recommended a dividend of Rs.0.20 per share, which is subject to the approval by shareholders. During the previous year 2010-11, the Company had declared and distributed a dividend of Rs.1.20 per share.

3. Reserves and Surplus

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Capital Reserve	45.54	45.54
Government Subsidy	40.42	40.42
Securities Premium Account		
Opening Balance	10,842.25	10,842.25
Add: Amount transferred on allotment of ESOPs	42.22	-
Less: Deductions	-	-
Closing Balance	10,884.47	10,842.25
General Reserve		
Opening Balance	9,446.39	9,346.39
Add: Transfer From Statement of Profit and Loss	100.00	100.00
Less: Deductions	-	-
Closing Balance	9,546.39	9,446.39
Employee Stock Options Outstanding Account		
Opening Balance	48.82	-
Add: ESOP Granted	-	48.82
Less: Transfer to Share Premium A/c on options exercised	42.22	-
Less: Transfer to ESOP Amortisation expenses on expired options	6.60	-
Closing Balance	-	48.82
Surplus in Statement of Profit and Loss		
Opening Balance	1,245.91	802.13
Add: Profit for the year	930.03	834.44
Less: Proposed dividend	41.61	249.26
Less: Tax on Proposed dividend	6.75	41.40
Less: Transfer to General Reserve	100.00	100.00
	2,027.57	1,245.91
Total	**22,544.39**	**21,669.33**

4. Long Term Borrowings

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Secured Loans		
Foreign Currency Term loans From Banks		
External Commercial Borrowings (Refer Note 4.1 i)	6,094.00	3,818.20
Rupee Term Loans From Banks		
Axis Bank (Refer Note 4.1 i)	515.60	757.49
Hire Purchase Loan		
Long Term Maturities of vehicle loans (Refer Note 4.1 ii)	6.39	11.00
Total (A)	**6,615.99**	**4,586.69**
Unsecured Loans		
Sales Tax Deferral Scheme (Refer Note 4.3 a)	74.53	74.53
Foreign Currency Convertible Bonds (Refer Note 4.3 b)	-	1,805.60
Total (B)	**74.53**	**1,880.13**
Total (A+B)	**6,690.52**	**6,466.82**

4.1 Security Clause

i) Term Loans

Banks	Properties			
	Hosur Factory: Land, Building and Plant & Machinery	Jigani Industrial Land	Land and Wind Mill assets at Arulvoimozhi, Perungudi and Pazhavoor Villages	Industrial Land and building at Harohalli, Kanakapura Taluk, Ramanagaram District
Axis Bank	Second Charge@	Second Charge@	Second Charge@	First Charge#
DBS Bank	Second Charge@	Second Charge@	Second Charge@	First Charge#
Standard Chartered	Second Charge@	Second Charge@	Second Charge@	First Charge#

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

ii) Hire Purchase Loans

Loans taken under hire purchase arrangements are secured against hypothecation of specific assets.

4.2 The details of Long Term Borrowings are as follows

Particulars	Repayment Start Date	O/s Amt as on 31.03.2012	Current Maturities	Interest Rate	Instalment Amount
Rupee Term Loans					
Axis Bank Ltd- (Repayable in 16 Quarterly instalments) $	Feb-12	750.00	234.40	13.25%	46.88
External Commercial Borrowings (Fully Hedged)					
Standard Chartered Bank Ltd (Repayable in 8 Half yearly Instalments)	Aug-12	4,519.96	1,130.00	11.45%	565.00
DBS Bank Ltd (Repayable in 10 Half yearly Instalments)	Aug-12	3,381.40	677.36	11.60%	338.68
Zero Coupon Foreign Currency Convertible Bonds*	Dec-12	2,061.20	2,061.20	-	2,061.20
Total		**10,712.56**	**4,102.96**		**3,011.76**

$ Delay in repayment of instalment which has been paid after 31st March 2012

** Amount varies as per the exchange rate on the date of repayment*

4.3 Unsecured Loans

(a) The company has been sanctioned to avail interest free sales tax deferral scheme for an aggregate amount of Rs.74.53 lacs 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.

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

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

Rs Lacs

5. Deferred Tax Liabilities

Particulars	As at 31.03.2012	As at 31.03.2011
Deferred Tax Liabilities		
- On account of Timing differences related to Fixed Assets	360.27	399.29
Deferred Tax Assets		
- Disallowances under Income Tax Act 1961	77.85	38.93
Total	**282.42**	**360.36**

6. Other Long Term Liabilities

Trade payables		
- Micro, Small and Medium Enterprises (Refer Note (a))	23.57	14.34
- Other Enterprises	561.00	1,695.82
Service & Contract Payables	594.70	139.25
Total	**1,179.27**	**1,849.41**

(a) Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors, the relevant particulars as at 31st March 2012 are furnished below

Particulars	2012	2011
Principal Amount Due to Suppliers	409.66	249.25
Interest Accrued and due to the suppliers under MSMED Act, on the above amount	3.97	1.50
Payment made to suppliers (other than interest) beyond the appointed date	725.01	1,263.72
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	12.95	22.09
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	16.92	23.58

7. Long-term Provisions

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Provision for employee benefits		
- Leave Encashment	66.11	43.21
Other Provisions		
- FBT (Net of Advance tax)	9.20	9.20
Total	**75.31**	**52.41**

8. Short-term Borrowings

Particulars	As at 31.03.2012	As at 31.03.2011
A. Secured		
From Banks (Refer note 8.1)		
- Cash Credits facilities availed	7,339.37	10,856.46
- Buyers credit	391.71	518.59
Total (A)	**7,731.08**	**11,375.05**
B. Unsecured		
Loans and advances from related parties		
- Intercorporate Deposits(Refer note no 8.2)	1,835.00	-
Total (B)	**1,835.00**	**-**
Total (A+B)	**9,566.08**	**11,375.05**

8.1 Security Clause

Working Capital

a. Primary Security

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

b. Collateral Security

Banks	Properties			
	Hosur Factory: Land, Building and Plant & Machinery	Jigani Industrial Land	Land and Wind Mill assets at Arulvoimozhi, Perungudi and Pazhavoor Villages	Industrial Land and building at Harohalli, Kanakapura Taluk, Ramanagaram District
Axis Bank	Second Charge@	Second Charge@	Second Charge@	First Charge#
DBS Bank	Second Charge@	Second Charge@	Second Charge@	First Charge#
Standard Chartered Bank	Second Charge@	Second Charge@	Second Charge@	First Charge#
State Bank of India	First Charge	First Charge	First Charge	Second Charge

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

8.2 The intercorporate deposits are repayable with in 6 months/12 months from the date of the acceptance and carry an interest rate in the range of 13.5% - 14.5% p.a

9. Trade Payables

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Micro, Small and Medium Enterprises (Refer Note 6 (a))	386.10	234.92
Other Enterprises	10,697.03	8,184.52
Total	11,083.13	8,419.44

10. Other Current Liabilities

Particulars	As at 31.03.2012	As at 31.03.2011
Current Maturities of Long Term Debt	2,041.76	-
Current Maturities of Hire Purchase Loans	13.84	29.49
Current Maturities of FCCB's	2,061.20	-
Interest Accrued and not due on borrowings	82.49	141.06
Interest Accrued and due on borrowings	8.30	-
Other Payables		
Employee Related Payable	80.32	75.20
Expenses, Service & Contract Payable	852.10	1,408.52
Unpaid Dividend Payable	41.92	37.30
Statutory Dues Payable	452.93	478.47
Total	5,634.86	2,170.04

11. Short-term Provisions

Particulars	As at 31.03.2012	As at 31.03.2011
Provision for Employee Benefit		
Leave Encashment	8.91	5.85
Other Provisions		
Warranty Claim Reserve (Refer Note 11.1)	188.14	205.73
Dividend Payable	41.61	249.26
Dividend Distribution Tax	6.75	41.40
Total	245.41	502.24

11.1

Particulars	As at 31.03.2012	As at 31.03.2011
At the beginning of the year	205.73	101.11
(+)Created during the year	29.68	111.22
(-) Utilised during the year	47.27	6.60
At the end of the year	188.14	205.73

Provision for warranties is estimated on past experience and technical estimates

12. Fixed Assets

Rs Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1-Apr-11	Additions	Deductions	As at 31-Mar-12	As at 1-Apr-11	For the year	Deletion	As at 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
(a) Tangible Assets										
Land	117.59	-	62.40	55.19	-	-	-	-	55.19	117.59
Land - Leasehold	998.98	-	-	998.98	-	-	-	-	998.98	998.98
Land - Hosur Residential Plots	4.29	-	-	4.29	-	-	-	-	4.29	4.29
Buildings	943.72	-	1.76	941.96	182.65	30.70	0.68	212.67	729.29	761.07
Buildings - Leasehold	5.26	-	-	5.26	1.63	0.18	-	1.81	3.45	3.63
Plant and Machinery	1,213.82	14.61	514.80	713.63	691.70	55.55	443.82	303.43	410.19	522.12
Electrical installation/Fittings	296.26	-	28.59	267.67	150.69	32.76	22.70	160.76	106.91	145.57
Office equipments	474.24	14.06	0.22	488.07	309.48	32.79	0.22	342.05	146.02	164.76
Furniture	506.52	0.52	-	507.04	171.05	31.40	-	202.45	304.59	335.47
Vehicles	120.86	11.34	0.08	132.11	77.66	26.97	0.08	104.55	27.56	43.19
Computers	708.83	68.14	0.31	776.67	116.83	141.11	0.05	257.89	518.78	592.00
Research And Development	-	-	-		-	-	-			
Buildings	173.23	-	-	173.23	32.72	5.79	-	38.51	134.72	140.50
Plant and Machinery	426.30	19.64	-	445.94	114.82	20.48	-	135.30	310.64	311.48
Electrical installation/Fittings	27.01	-	-	27.01	16.90	3.17	-	20.06	6.95	10.11
Office equipments	88.64	-	-	88.64	74.94	8.57	-	83.51	5.13	13.69
Computers	0.99	0.48	-	1.46	0.25	0.33	-	0.57	0.89	0.74
Total	**6,106.51**	**128.78**	**608.17**	**5,627.13**	**1,941.34**	**389.77**	**467.55**	**1,863.56**	**3,763.57**	**4,165.18**
Previous Year	**(4,258.76)**	**(1,927.36)**	**-**	**(6,106.51)**	**(1,551.62)**	**(389.68)**	**-**	**(1,941.34)**	**(4,165.18)**	**(2,707.14)**
(b) Intangible Assets										
Technology Know-how	550.44	-	-	550.44	541.35	5.82	-	547.17	3.27	9.09
Non-compete fees	100.00	-	-	100.00	100.00	-	-	100.00	-	-
Intangible Asset - Product development	550.69	168.97	-	719.66	174.85	121.36	-	296.20	423.46	375.84
Computer Software	5.69	6.00	-	11.69	0.04	3.67	-	3.71	7.98	5.66
Total	**1,206.82**	**174.97**	**-**	**1,381.79**	**816.23**	**130.85**	**-**	**947.08**	**434.71**	**390.59**
Previous Year	**(977.47)**	**(229.35)**	**-**	**(1,206.82)**	**(738.39)**	**(77.84)**	**-**	**(816.23)**	**(390.59)**	**(239.08)**
(c) Capital Work in Progress										
Capital Work in progress (including project related expenditure)	1,634.99	1,148.91	-	2,783.90	-	-	-	-	2,783.90	1,634.99
Total	**1,634.99**	**1,148.91**	**-**	**2,783.90**	**-**	**-**	**-**	**-**	**2,783.90**	**1,634.99**
Previous Year	**(881.37)**	**(1,403.22)**	**(649.60)**	**(1,634.99)**	**-**	**-**	**-**	**-**	**(1,634.99)**	**(881.37)**
Grand Total	**8,948.33**	**1,452.65**	**608.17**	**9,792.81**	**2,757.57**	**520.62**	**467.55**	**2,810.64**	**6,982.18**	**6,190.76**
Previous Year	**(6,117.61)**	**(3,559.94)**	**(649.60)**	**(8,948.33)**	**(2,290.01)**	**(467.52)**	**-**	**(2,757.57)**	**(6,190.76)**	**(3,827.60)**

13. Non-Current Investments

Rs Lacs

Particulars	No. of Shares	As at 31.03.2012	As at 31.03.2011
Non Trade Investments - Unquoted (At Cost)			
In ERL International Pte Ltd- Singapore			
Equity Shares of USD 1 each fully paid up	300,000	118.68	118.68
7.5% Non cumulative redeemable convertible Preference Shares of USD 1 each fully paid up (Refer Note a)	9,700,000	5,146.82	-
Non cumulative redeemable convertible Preference Shares of USD 1 each fully paid up	22,000,000	10,236.60	10,236.60
Total		**15,502.10**	**10,355.28**
Aggregate amount of : Quoted Investments		-	-
: Market Value		-	-
Aggregate amount of Unquoted Investments		**15,502.10**	**10,355.28**

Notes

a) During the year the company has converted a portion of its advances of USD 9.7 million into preference shares of ERL International Pte ltd ., a wholly owned overseas subsidiary.

14. Long-term Loans and Advances

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured, Considered Good unless otherwise stated		
Capital Advances	2,813.18	1,363.10
Security Deposits and Earnest Money Deposits	271.08	266.80
Loans and advances to related parties	604.31	4,089.91
Prepaid Expenses	110.13	33.98
Other Deposits	23.44	21.85
Testing Charges to be amortised	33.27	38.08
Income Tax and TDS	446.07	500.62
Total	**4,301.48**	**6,314.34**

14.1 Particulars	As at 31.03.2012	As at 31.03.2011
Advance Income Tax	4,820.15	4,624.70
Less: Provision for income tax	4,374.08	4,124.08
Total	**446.07**	**500.62**

15. Other Non-Current Assets

Particulars	As at 31.03.2012	As at 31.03.2011
Long Term Trade Receivables		
Unsecured, Considered Good	2,042.01	1,045.68
Total	**2,042.01**	**1,045.68**

16. Current Investments

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Non Trade - Quoted		
Investments in Mutual Funds	-	5,264.43
Total	-	5,264.43

Name of the Mutual Fund	Units	2012	2011
a) Reliance Regular Savings Fund - Debt - Insti - Growth Daily Dividend Reinvestment of Rs.10 each	1184993.246	(150.00)	150.00
b) Reliance Regular Savings Fund - Debt - Insti - Growth Daily Dividend Reinvestment of Rs.10 each	1182359.201	(150.00)	150.00
c) Reliance Regular Savings Fund - Debt - Insti - Growth Daily Dividend Reinvestment of Rs.10 each	2051187.416	(260.99)	260.99
d) Reliance Regular Savings Fund -Debt Plan-GP Daily Dividend Reinvestment of Rs.10 each	1996990.207	(254.44)	254.44
e) Templeton India Income Opportunities Fund -GP Face value Rs. 10 per unit	32024006.701	(3,299.00)	3,299.00
f) Templeton India Income Opportunities Fund - Growth Face value Rs. 10 per unit	4880429.478	(500.00)	500.00
g) Templeton India Income Opportunities Fund - Growth Face value Rs. 10 per unit	1843147.198	(189.00)	189.00
h) Templeton India Income Opportunities Fund - Growth Face value Rs. 10 per unit	592814.313	(61.00)	61.00
i) Templeton India Income Opportunities Fund - Growth	3876119.229	(400.00)	400.00
		(5,264.43)	5,264.43

17. Inventory

Particulars	As at 31.03.2012	As at 31.03.2011
(Lower of Cost and estimated Net Realisable Value)		
Raw Materials	2,734.27	2,871.98
Work In Progress and Semi Finished Goods	510.01	449.04
Finished Goods	889.02	963.78
Stock in Transit - Raw Materials	811.70	239.66
Stores and Spares	30.91	38.32
Total	4,975.91	4,562.78

18. Trade Receivables

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured, Considered Good unless otherwise stated		
Outstanding for a period exceeding six months from due date	5,800.67	5,790.75
Other Receivables	14,235.61	11,233.67
Total	**20,036.28**	17,024.42

19. Cash and Bank Balances

Particulars	As at 31.03.2012	As at 31.03.2011
Cash and cash equivalents		
Cash on Hand	20.76	25.70
Balances with banks in Current Accounts	113.13	438.71
Other Bank Balances*		
Bank Deposits with maturity more than 3 months but less than 12 months	2,173.38	21.80
Balances in Earmarked Accounts		
Unpaid Dividend Accounts	42.62	40.64
Margin Money Deposits	818.28	612.36
Total	**3,168.17**	**1,139.21**

* Under lien with DBS Bank and Standard Chartered Bank

20. Short-term Loans and Advances

Particulars	As at 31.03.2012	As at 31.03.2011
Advances recoverable in cash or in kind or for value to be received (Unsecured, Considered Good unless otherwise stated)		
(a) Advance to Suppliers	639.24	625.46
(b) Advance to Employees	47.76	39.86
(c) Rental Advance	70.08	67.28
(d) Prepaid Expenses	31.73	120.32
(e) Other Receivables	124.04	345.22
(f) VAT and CENVAT Credit	239.53	681.23
Total	**1,152.38**	**1,879.37**

21. Other Current Assets

Particulars	As at 31.03.2012	As at 31.03.2011
(a) Dividend Income Accrued	-	15.12
(b) Interest Accrued on Short term deposit	10.69	-
(c) Interest Accured on Bank Guarantee Margin	215.12	157.93
Total	**225.81**	**173.05**

Rs Lacs

22. Revenue from Operations

Particulars	April 2011-March 2012	April 2010-March 2011
Sale of Products (Refer Note 22.1)	28,448.52	27,912.16
Sale of Services	1,438.38	563.29
Other Operating Revenues	1.71	21.57
	29,888.61	28,497.02
Less: Excise Duty	2,217.77	1,643.08
Total	**27,670.84**	**26,853.94**

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

Particulars	April 2011-March 2012	April 2010-March 2011
Relays and Control Panels	16,222.36	14,371.53
Meters	2,606.64	737.58
Switchgear	3,044.01	1,857.10
Projects	4,291.27	9,240.13
Wind Energy Produced	66.48	62.75
Total	**26,230.76**	**26,269.09**

23. Other Income

Particulars	April 2011-March 2012	April 2010-March 2011
Interest Income	246.19	64.42
Profit on Sale of Fixed Assets	829.38	0.01
Dividend Income from Mutual Fund	364.00	33.89
Realisation of Debts written off in earlier years	2.37	7.87
Foreign Exchange Gains	401.01	0.51
Trade Incentives	7.14	20.81
Miscellaneous Income	81.20	1.17
Total	**1,931.29**	**128.68**

24. Cost of Material Consumed

Particulars	April 2011-March 2012	April 2010-March 2011
Opening Stock		
Raw Materials and Components	3,260.76	2,378.71
Add: Purchases	21,070.53	20,735.74
	24,331.29	23,114.45
Less: Closing Stock		
Raw Materials and Components	3,046.76	3,260.76
Total	**21,284.53**	**19,853.69**

24.1 Cost of Material Consumed Comprises of the following

Rs Lacs

Particulars	April 2011-March 2012	April 2010-March 2011
Metals	2,965.25	2,655.15
Ferrous Metals	741.31	663.79
Non Ferrous Metals	1,037.84	929.30
Moulded Components	1,495.23	1,204.69
Other Materials	15,044.90	14,400.76
Total	**21,284.53**	**19,853.69**

25. Change in Work in Progress and Finished Goods

Particulars	April 2011-March 2012	April 2010-March 2011
Opening Stock		
Finished Goods	963.78	690.95
Work in Progress	51.13	204.07
(A)	1,014.91	895.02
Less: Closing Stock		
Finished Goods	889.02	963.78
Work in Progress	184.05	51.14
(B)	1,073.07	1,014.92
Total (A+B)	**(58.16)**	**(119.90)**

26. Employee Benefit Expenses

Particulars	April 2011-March 2012	April 2010-March 2011
Salaries and Wages	1,722.95	1,385.49
Contribution to Provident Fund and ESI	91.74	77.50
Gratuity	20.43	28.90
Leave Encashment	26.11	-
ESOP Amortisation Expenses	17.81	24.41
Staff Welfare Expenses	292.42	341.85
Total	**2,171.46**	**1,858.15**

27. Finance Costs

Particulars	April 2011-March 2012	April 2010-March 2011
Interest		
Term Loans	339.09	156.34
Buyers Credit and Others	222.78	23.18
Working Capital Loans	899.43	564.87
Inter Corporate Deposits	85.95	16.09
Other borrowing costs	258.04	133.42
Total	**1,805.29**	**893.90**

28. Other Expenses

Rs Lacs

Particulars	April 2011-March 2012	April 2010-March 2011
Consumption of Stores and Spares	242.70	181.39
Power & Fuel	72.81	67.02
Rent	89.81	88.06
Repairs to : Buildings	0.05	3.24
: Machinery	1.79	4.76
: Others	319.29	306.17
Insurance	51.65	49.54
Rates and taxes (excluding taxes on income)	119.93	103.61
Audit Fees : Audit	7.50	7.50
: Tax matters	0.75	0.75
: For other services	1.50	1.00
: Out of Pocket Expenses	3.73	2.60
Travel and Conveyance Expenses	536.26	474.24
Postage, Telephone and Telegram	86.36	87.29
Selling Expenses	403.83	413.74
Professional Charges	38.45	70.39
Electricity Charges	27.61	21.60
Security Charges	48.01	38.79
Bad Debts	7.03	56.02
Advertisement Expenses	74.59	29.15
Printing & Stationery	50.35	40.18
Bank Charges	99.64	215.91
Tools Written off	21.11	25.10
Liquidated Damages	182.30	120.27
Service Charges	41.36	7.04
Miscellaneous expenses	335.60	467.58
Total	**2,864.01**	**2,882.95**

29. Gratuity and Leave for AS 15 Disclosure

A. Defined Benefit Plan:

(i) Gratuity (Funded)

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

(ii) Leave Encashment (Unfunded)

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

B. Defined Contribution Plan (Funded)

Provident Fund

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

Defined Benefit Plans - As per Actuarial Valuations

Rs Lacs

Particulars	Leave Encashment		Gratuity	
	2011-12	2010-11	2011-12	2010-11
1 Assumptions				
Interest rate	8.50%	8.00%	8.00%	8.00%
Salary Escalation	8.50%	8.00%	7.00%	7.00%
2 Change in benefit obligations				
Obligations at period beginning - Current	5.85	-	-	-
Obligations at period beginning - Non-current	43.22	61.49	276.62	230.91
Service Cost	23.06	5.17	22.50	14.61
Interest on Defined benefit obligation	4.17	4.21	22.13	18.47
Benefits settled	-	(17.62)	(23.86)	(9.11)
Actuarial (gain)/loss	(1.29)	(4.19)	(6.65)	21.74
Obligations at period end	**75.01**	**49.06**	**290.74**	**276.62**
Current Liability (within 12 months)	**8.89**	**5.85**	-	-
Non Current Liability	**66.12**	**43.21**	-	-
3. Change in plan assets				
Plans assets at period beginning, at fair value	-	-	325.00	280.86
Expected return on plan assets	-	-	29.25	25.87
Actuarial gain/(loss)	-	-	-	-
Contributions	-	(17.62)	18.75	27.38
Benefits settled	-	17.62	(23.86)	(9.11)
Plans assets at period end, at fair value	-	-	**349.14**	**325.00**
4. Table showing fair value of plan assets				
Fair value of plan assets at beginning of year	-	-	325.00	280.86
Actual return on plan assets	-	-	29.25	25.87
Contributions	-	-	18.76	27.38
Benefits Paid	-	-	(23.86)	(9.11)
Fair value of plan assets at the end of year	-	-	349.14	325.00
Funded status	-	-	349.14	324.99
5. Actuarial Gain/Loss recognized				
Actuarial (gain)/ loss on obligations	-	-	(3.39)	21.74
Actuarial (gain)/ loss for the year - plan assets	-	-	Nil	Nil
Total (gain)/ loss for the year	-	-	(6.65)	21.74
Actuarial (gain)/ loss recognized in the year	-	-	(6.65)	21.74
6. The amounts to be recognized in the Balance Sheet				
Present value of obligations as at the end of year	-	-	290.74	276.62
Fair value of plan assets as at the end of the year	-	-	349.14	325.00
Funded status	75.01	49.06	58.40	48.38
Net asset/(liability) recognized in balance sheet	(75.01)	(49.06)	58.40	48.38
7 Expenses recognised in the Statement of Profit and Loss for the year ended				
Service cost	23.06	5.16	22.51	14.61
Interest cost	4.17	4.21	22.13	18.47
Expected return on plan assets	-	-	(29.25)	(25.87)
Actuarial (gain)/loss	(1.29)	(4.19)	(6.65)	21.74
Expenses recognised in the Statement of Profit and Loss	**25.95**	**5.19**	**8.73**	**28.95**

30. Disclosure of AS 18 for the Year 2011-12

a) Details of transactions during year 2011-12

Rs Lacs

Sl No	Particulars	Eswaran & Sons Engineers Ltd	Easun Products of India P Ltd	Key Mgt Personnel	ERL International Pte Ltd	ERLPhase Power Technologies Ltd	Switchcraft Ltd	Switchcraft GMBH	ERL Marketing Intl. FZE	ERL Thailand P. Ltd	Grand Total
1	Sale of Goods					6.87 (0.67)		123.81 (12.51)	794.74 (552.91)	2.57 (443.20)	**927.98** **(1,009.30)**
2	Purchase of Goods					135.94 (58.47)	- (4.35)	71.27 (3.66)	1,752.51		**1,959.71** **(66.48)**
3	Rendering of Services										**-**
	Reimbursement of Expenses (incl. exchange fluctuation)				837.31 (217.89)	42.18 (39.46)		-	57.43 (69.82)		**936.91** **(327.17)**
	Un-Secured Loan	-			2,490.51 (3,742.60)						**2,490.51** **(3,742.60)**
	Interest on Loan advanced	-			- (2.68)						**-** **(2.68)**
4	Availing of Services										**-**
	Reimbursement of Expenses		50.35 (6.00)		229.48				- (14.98)		**279.83** **(20.98)**
	Loan borrowed	1,935.00 (900.00)									**1,935.00** **(900.00)**
	Loan repayment	100.00 (900.00)			1,521.33						**1,621.33** **(900.00)**
	Interest on Loan borrowed	85.95 (16.09)									**85.95** **(16.09)**
5	Directors remuneration			5.72 (35.45)							**5.72** **(35.45)**

b) Details of outstandings in respect of Related Parties

Rs Lacs

S.No.	Names of Related Parties	Outstanding as on 31.03.2012	Maximum Amount due during the year	Outstanding as on 31.03.2011	Maximum Amount due during the year
1	Eswaran & Sons Engineers Ltd.	1,835.00 Cr	1,935.00 Cr	Nil	900.00 Cr
2	Easun Mr Tap Changers P Ltd	NIL	NIL	NIL	NIL
3	ERL Phase Power Technologies Ltd	86.89 Cr	100.76 Dr	46.89 Cr	46.89 Cr
4	ERL International Pte Ltd	1,577.00 Dr	1,577.21 Dr	3,998.35 Dr	3,998.35 Dr
5	ERL Marketing International FZE	900.34 Cr	390.21 Cr	288.33 Dr	288.33 Dr
6	ERL Thailand P. Ltd	72.29 Dr	443.20 Dr	443.20 Dr	443.20 Dr
7	Easun Products of India P Ltd	50.23 Cr	50.23 Cr	NIL	4.50 Dr
8	Switchcraft Ltd	NIL	NIL	NIL	NIL
9	Switchcraft Gmbh	52.54 Dr	92.34 Dr	0.34 Dr	8.39 Dr
10	Directors:				
	Hari Eswaran	19.99 Cr	19.99 Cr	17.72 Cr	17.72 Cr
	Raj H Eswaran	5.32 Cr	5.32 Cr	5.90 Cr	5.90 Cr
	Dr W S Jones	3.03 Cr	3.03 Cr	5.90 Cr	5.90 Cr
	Rakesh Garg	5.64 Cr	5.64 Cr	5.90 Cr	5.90 Cr
	J D N Sharma	NIL	NIL	NIL	NIL

31. Employee Stock Option Scheme

31.1 During the year 2010-11 the Compensation Committee has granted 1,97,245 options to its senior employees and non-promoter directors. The options granted vest over a period of 1 to 2 years; and can be exercised over a maximum period of 6 months from the date of vesting. The difference between the market price of the share underlying the value of options granted on the date of grant and the exercise price of the option are expensed over the vesting period as per the SEBI guidelines. The net impact of the movement in option granted during the period resulted in a charge of Rs.17.81 lacs (Previous Year- Rs.24.41 Lacs) to the Statement of Profit and Loss during the year.

31.2 **Method Used for Accounting for Share Based Payment Plan:**

The Company has used Intrinsic Value Method to account for the compensation cost of stock option to employees of the Company. Intrinsic Value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option.

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

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

Particulars	31.3.2012		31.3.2011	
	No. of Shares	Weighted Average Exercise Price	No. of Shares	Weighted Average Exercise Price
Outstanding at the beginning of the year	1,97,245	101	Nil	Nil
Granted during the year	0	Nil	1,97,245	101
Forfeited during the year	0	Nil	Nil	Nil
Exercised during the year	35,409	101	Nil	Nil
Expired during the year	26,664	101	Nil	Nil
Outstanding at the end of the year	1,35,172	101	1,97,245	101
Exercisable at the end of the year	67,586	101	Nil	Nil

Had the Company applied the fair value (as per Black Scholes Method) for determining compensation cost, the impact on net income and earnings per share is provided below:

Particulars	Year Ended 31 Mar 12 (Rs. lacs)	Year Ended 31 Mar 11 (Rs.lacs)
Net Income - As reported	930.03	834.44
Add: ESOP Cost under Intrinsic Value Method	17.81	24.41
	947.84	858.85
Less : ESOP Cost under Fair Value Method (Black Scholes)	19.20	25.80
Net Income – Proforma	928.64	833.05
Earnings per Share:		
Basic - As Reported	4.47	4.02
- Proforma	4.46	4.01
Diluted - As reported	4.01	3.94
- Proforma	4.00	3.93

The Fair Value of each share is estimated on the date of grant using the Black -Scholes model with the following assumptions

Expected Term	1.5 years
Risk Free Interest Rate	8%
Volatility	37.40%

32. Contingent Liabilities and Commitments Rs Lacs

A. Contingent Libilities	2012	2011
(a) Letters of Credit opened by Bank for purchase of raw materials and components	3,736.97	5,308.56
(b) Bills Discounted with bank	39.84	516.40
(c) Counter Guarantee given to bankers in respect of Guarantees given by them	14,183.85	13,020.01

Rs Lacs

	2012	2011
(d) Bonds executed in favour of President of Inda for import of material at concessional rate of duty	8.95	49.98
(e) Sales effected under CST - liability towards submission of C Forms	2,785.36	2,555.68
(f) **Disputed amounts of Income Tax paid**		
Assessment year		
2001-02	30.02	30.02
2003-04	47.85	47.85
2004-05	26.13	26.13
2005-06	70.28	70.28
2006-07	55.42	55.42
2008-09	306.33	306.33
(g) Disputed amounts of Sales Tax, Karnataka for the FY 2007-08	63.65	63.65
(h) Disputed amounts of Sales Tax, Karnataka for the FY 2008-09	41.78	41.78
(i) Disputed Customs Duty paid under protest	66.38	66.38
(j) VAT Demand of West Bengal for FY 2009-10	7.99	-
B. Capital Commitment		
(a) Estimated amount of capital commitment on account of Fixed Assets	695.21	1,809.51

33. The Company has incurred expenditure aggregating to Rs.168.97 lacs during the year (Rs.229.35 lacs) 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 2012. Based on the process of establishing the technical and economic feasibility of the product, the management is confident that the products developed would be commercially viable and there is no uncertainty regarding the establishment of feasibility of the product. Management believes that the expenditure capitalized is in the nature of development costs and can be capitalized as per AS 26 " Intangible Assets".

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

35. Personnel expenses and other expenses are net off recovery of overheads from direct and indirect overseas subsidiaries amounting to Rs.188.17 lacs (Rs.327.17 lacs) and net off product development expenses Rs.168.97 lacs (Rs.229.35 lacs).

36. Expenditure incurred on account of borrowing costs amounting to Rs.593.81 lacs (Rs.263.79 lacs) is capitalized towards new projects and disclosed under Capital Works in Progress.

Rs Lacs

37. Operating Lease

The Company has entered into operating lease arrangements for its office facilities. These leases are for a period ranging from 1 to 5 years with an option to the Company for renewing at the end of the initial term. Rental expenses for operating leases included in the income statement for the year is Rs.89.81 lacs (Rs.88.06 lacs)

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

Break-up of dues	2012	2011
Within one year	33.92	91.63
Due in a period between 1 to 5 years	NIL	22.20
Due after 5 years	NIL	NIL

38. Financial Lease

The company has acquired Vehicles on Hire rental basis; the minimum hire rentals outstanding as of 31st March 2012 in respect of these assets are as follows:

Break-up of dues Minimum	Total minimum Rentals Outstanding	Hire Future Interest on Outstanding	PV of Hire rentals
Within one year	13.84	1.09	12.75
Later than one year	6.38	0.67	5.71
Total	**20.22**	**1.76**	**18.46**

39. Valuation of Imports on CIF Basis

Particulars	2012	2011
Components and Spare parts including in-transit	7,344.93	5,062.10

40. Expenditure in Foreign Currencies

Particulars	2012	2011
Travelling expenses and others	39.03	44.73

41. Earnings in Foreign Exchange on account of Export on

Particulars	2012	2011
FOB Value Basis	2,750	1,138

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

Particulars	2012		2011	
	Amount	% to Total Consumption	Amount	% to Total Consumption
Indigenous	14,671.81	68.93	14,837.17	74.73
Imported	6,612.72	31.07	5,016.52	25.27
Total	**21,284.53**	**100.00**	**19,853.69**	**100.00**

43. 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	2012	2011
Profit after tax (Rs.in lacs)	930.03	834.44
Number of Weighted average equity shares		
Basic	2,07,89,310	2,07,71,605
Effect of dilutive equity shares equivalent		
Share Warrants Outstanding	20,00,000	20,00,000
Foreign Currency Convertible Bond	394,500	394,500
Employees Stock Option Outstanding	-	7,852
	2,31,83,810	**2,31,73,957**
Face Value of Shares (Rs.)	2.00	2.00
Earnings per share before exceptional items(Rs.)		
Basic	4.47	4.02
Diluted	4.01	3.60
Earnings per share after exceptional items(Rs.)		
Basic	4.47	4.02
Diluted	4.01	3.60

44. Derivative Instruments and Unhedged Foreign Currency Exposure

Forward Contract Outstanding Rs Lacs

Particulars	Currency	31-Mar-12	31-Mar-11	Purpose
Sell	USD	-	340.00	Hedge of Loan receivable
Buy	USD	175.00	175.00	Hedge of Loan Payable

Unhedged Foreign Currency Exposure

Particulars	Currency	31-Mar-12	31-Mar-11
Payable	AUD	0.20	0.11
Payable	CHF	-	0.02
Payable	EURO	-	0.69
Payable	GBP	0.11	1.76
Payable	SGD	-	0.00
Payable	USD	38.04	29.34
Receivable	AUD	0.17	0.08
Receivable	EURO	0.28	-
Receivable	GBP	0.55	1.63
Receivable	THB	257.63	-
Receivable	USD	13.52	18.35
Advance Receivable	USD	4.73	7.85

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

46. The company has recognised Rs.87.72 lacs as on 31st March 2012 as Minimum Alternate Tax (MAT) credit entitlement (Previous Year - Rs.82.60 lacs), which represents the portion of MAT Liability, the credit which would be available based on the provisions of Sec 115 JAA of the Income Tax Act, 1961.

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

48. The Financial Statements for the year ended 31st March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act,1956. Consequent to the Notification of Revised Schedule VI under the Companies Act,1956, the Financial Statements for the year ended 31st March 2012 are prepared as per Revised Schedule VI. Accordingly, previous year's figures have also been reclassified to confirm to this year's classification.

Per our Report of even date annexed

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

N. Srikrishna
Partner
Membership Number: 26575

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

R. Subramanian
Partner
Membership Number: 8460

Place: Chennai
Date: 14th August 2012

For and on behalf of Board of Directors

Hari Eswaran
Chairman

J D N Sharma
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Auditors' Report on the Consolidated Financial Statements

1. We have examined the attached Consolidated Balance Sheet of Easun Reyrolle Limited ("the Company), its subsidiaries and associate companies as at 31st March 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended on that date annexed thereto. 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.
2. 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.
3. We did not audit the financial statements of the subsidiaries whose financial statements reflect total Assets (net) of Rs. 583.29 Lacs as at 31st March 2012 and total Revenues of Rs.7,402.18 Lacs and net cash flows amounting to (Rs.49.38 Lacs). Further we did not audit the financial statements and other financial information of an associate company considered in the consolidated financial statements, whose financial statements reflect the groups share of net loss of Rs.24.34 lacs for the year ended 31st March 2012 (after adjustments on consolidation). These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Company's management, and our opinion, so far as it relates to these step-down subsidiaries and an associate is based solely on the report of their auditors.
4. The financial statements of subsidiary company of ERL International Pte Ltd and its subsidiaries (a) Switchcraft Europe GMBH, (b) ERL Switchcraft Pte Ltd whose financial statements reflect total assets (net) of Rs.18,859.81 lacs as at 31st March 2012, total revenues of Rs.7,509.83 lacs and net cash flows amounting to (Rs.2007.75 lacs) are incorporated in the consolidated financial statements solely based on the managements estimates and are not audited by their auditors.
5. 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, and AS 23- Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standard) Rules, 2006.
6. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited/unaudited financial statements of the Easun Reyrolle Limited, its subsidiaries and associate companies, 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 its subsidiaries and associates companies as at 31st March 2012
    - ii) In the case of the Consolidated Statement of Profit and Loss, of the loss of the Company, its subsidiaries and associate companies 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, its subsidiaries and associate companies for the year then ended.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn No: 000511S
N. SRI KRISHNA
Partner
Membership No.26575

For R. SUBRAMANIAN & CO.,
Chartered Accountants
Firm Regn No: 004137S
R. SUBRAMANIAN
Partner
Membership No.8460

Place: Chennai
Date: 14th August 2012

EERL Consolidated Balance Sheet as at 31st March 2012

Rs Lacs

Particulars	Note	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	416.14	415.43
(b) Reserves and Surplus	3	19,565.87	19,398.35
(c) Money received against Share Warrants	2.4(b)	668.80	668.80
		20,650.81	**20,482.58**
2. Minority Interest		-	-
3. Non-current Liabilities			
(a) Long-term Borrowings	4	6,692.83	6,474.56
(b) Deferred Tax Liabilities (Net)	5	282.42	467.08
(c) Other Long-term Liabilities	6	1,258.67	1,838.83
(d) Long-term Provisions	7	75.31	52.41
		8,309.23	**8,832.88**
4. Current Liabilities			
(a) Short-term Borrowings	8	9,816.59	11,375.05
(b) Trade Payables	9	11,961.62	14,518.90
(c) Other Current Liabilities	10	5,911.21	2,170.04
(d) Short-term Provisions	11	718.46	502.24
		28,407.88	**28,566.23**
Total		**57,367.92**	**57,881.69**
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		5,264.41	5,043.43
(ii) Intangible Assets		11,552.42	5,130.33
(iii) Capital Works in Progress		2,783.90	1,634.99
		19,600.73	11,808.75
(b) Non-Current Investments	13	6.28	27.64
(c) Long-term Loans and Advances	14	3,697.18	6,109.36
(d) Other Non Current Assets	15	2,042.01	1,045.68
		25,346.20	**18,991.43**
2. Current Assets			
(a) Current Investments	16	19.19	5,610.23
(b) Inventories	17	6,268.91	8,884.69
(c) Trade Receivables	18	20,698.26	17,877.00
(d) Cash and Bank Balances	19	3,424.91	3,094.09
(e) Short-term Loans and Advances	20	1,384.64	3,251.20
(f) Other Current Assets	21	225.81	173.05
		32,021.72	**38,890.26**
Total		**57,367.92**	**57,881.69**
Significant Accounting Policies	1		

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

Per our Report of even date annexed

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

N. Srikrishna
Partner
Membership Number: 26575

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

R. Subramanian
Partner
Membership Number: 8460

Place: Chennai
Date: 14th August 2012

For and on behalf of Board of Directors

Hari Eswaran
Chairman

J D N Sharma
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Consolidated Statement of Profit and Loss for the year ended 31st March 2012

Rs Lacs

	Particulars	Note	April 2011 - March 2012	April 2010 - March 2011
1	Revenue from operations	22	32,214.43	29,872.97
2	Other income	23	2,307.23	381.69
3	**Total Revenue**		**34,521.66**	**30,254.66**
4	**Expenses**			
	(1) Cost of Materials Consumed	24	22,017.26	21,149.62
	(2) Change in Inventory	25	(233.67)	(1,565.94)
	(3) Employee Benefit Expenses	26	4,671.70	4,220.27
	(4) Finance Costs	27	2,384.32	989.95
	(5) Depreciation and Amortization Expenses	12	1,464.06	1,081.51
	(6) Other Expenses	28	4,645.06	4,696.06
	Total expenses		**34,948.73**	**30,571.47**
5	**Profit before exceptional and extraordinary items and tax (3-4)**		**(427.07)**	**(316.81)**
6	**Exceptional items**		-	-
7	**Profit before extraordinary items and tax (5-6)**		**(427.07)**	**(316.81)**
8	**Extraordinary Items**		-	-
9	**Profit before tax (7- 8)**		**(427.07)**	**(316.81)**
10	**Tax expense:**			
	(1) Current tax		250.00	304.31
	(2) Deferred tax		135.87	182.98
	(3) MAT Credit Availment		(87.72)	(82.60)
11	**Profit after tax for the year (9-10)**		**(725.22)**	**(721.50)**
	(-) Minority Interest		(809.14)	(355.03)
	(+) Minority Interest Reserve		809.14	355.03
	(-) Share of Loss of Associates		(24.34)	-
12	**Profit after tax for the year**		**(700.88)**	**(721.50)**
13	**Earnings per equity share (in Rs)**			
	(1) Basic (Face Value Rs.2 each)		(3.37)	(3.47)
	(2) Diluted (Face Value Rs.2 each)		(3.02)	(3.11)

Significant Accounting Policies 1

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

Per our Report of even date annexed

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

N. Srikrishna
Partner
Membership Number: 26575

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

R. Subramanian
Partner
Membership Number: 8460

For and on behalf of Board of Directors

Hari Eswaran
Chairman

J D N Sharma
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

Place: Chennai
Date: 14th August 2012

Easun Reyrolle Limited

Consolidated Cash flow Statement for the year ended 31.03.2012

Pursuant to Clause 32 of the Listing Agreement

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
A Cash flow from operating activities:		
Net profit before tax and extraordinary items	**(427.07)**	**(316.81)**
Adjusted for:		
Depreciation	1,464.06	1,081.50
(Profit)/Loss on Sale of Assets	(829.38)	47.53
Interest Expense	2,384.32	7.96
Income from Mutual Funds	(364.00)	(33.89)
Interest Income	(246.87)	-
Transfer to ESOP Amortization Expenses	17.81	24.41
Unrealised Loss/(Gain) on FCCB	255.60	(17.60)
Unrealised Forex Fluctuation on Drs & Crs	(77.21)	(6.81)
Operating profit before Working Capital changes	2,177.26	786.30
Loans, Advances and Trade Receivables	353.83	(6,902.12)
Inventories	2,615.79	(3,023.91)
Current Liabilities and Provisions	(3,141.35)	4,217.97
Cash generated from operations	2,005.54	(4,921.76)
Direct Taxes	(107.74)	(252.11)
Net cash from operating activities	**1,897.80**	**(5,173.87)**
B Cash flow from Investing activities:		
Purchase of Fixed Assets	(7,382.23)	(3,091.92)
Sale of Investment In Mutual Fund	5,264.43	676.57
Dividend income from Mutual Funds	364.00	33.89
Increase in Capital Work In Progress	(1,148.91)	(2,686.68)
Investment In Mutual Fund	-	(373.44)
Interest received	246.87	-
Margin Money Accounts	(2,282.59)	(155.54)
Sale of Fixed Assets	970.00	-
Receipt of Investment	301.61	-
Net cash from Investing activities	**(3,666.83)**	**(5,597.12)**
C Cash flow from financing activities:		
Issue of Share Capital	0.71	-
Increase in Term Loans	4,049.98	9,967.23
Movement in Short Term Borrowings	(1,558.46)	(38.67)
Dividend paid	(290.66)	(972.07)
Interest paid	(2,384.32)	(7.96)
Net Cash from financing activities	**(182.75)**	**8,948.53**
Increase / (Decrease) in cash and cash equivalent	**(1,951.77)**	**(1,822.46)**
Cash and cash equivalent at the beginning of the year	**2,342.40**	**4,164.86**
Cash and cash equivalent at the close of the year	**390.63**	**2,342.40**

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

Per our Report of even date annexed

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

N. Srikrishna
Partner
Membership Number: 26575

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

R. Subramanian
Partner
Membership Number: 8460

Place: Chennai
Date: 14th August 2012

For and on behalf of Board of Directors

Hari Eswaran
Chairman

J D N Sharma
Director

K N Nagesha Rao
Secretary & VP (Corporate Finance)

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

b) Revenue recognition

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

c) Translation of Foreign Currency Statements

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

d) Principles of Consolidation

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

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

- The Financial Statements of the Company and its subsidiary (Group) have been prepared on a line by line consolidation by adding the Book value of like items of Assets, Liabilities, Income and Expenses as per respective audited financial statements of the respective companies in accordance with Accounting Standard 21 - "Consolidated Financial Statements" notified persuant to Companies (Accounting Standard) Rules, 2006.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statement.
- Intragroup balances, intragroup transactions and resulting unrealised profits have been eliminated.

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

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

Name of the Company	Country of Incorporation	Proportion of ownership interest / voting	Reporting Date	Difference in reporting date	Remarks
1. ERL International Pte Ltd.	Singapore	100%	31-Mar-12	-	Direct subsidiary
2. ERLPhase Power Technologies Ltd	Canada	100%	31-Mar-12	-	Subsidiary of ERL International Pte. Ltd
3. ERL Marketing International FZE	Sharjah, UAE	100%	31-Mar-12	-	Subsidiary of ERL International Pte. Ltd
4. ERL Switchcraft Pte Ltd	Singapore	80%	31-Mar-12	-	Subsidiary of ERL International Pte. Ltd
5. Switchcraft Limited	Hongkong, China	80%	31-Mar-12	-	Subsidiary of ERL Switchcraft Pte. Ltd
6. Switchcraft Europe GMBH	Germany	80%	31-Mar-12	-	Subsidiary of ERL Switchcraft Pte. Ltd

v) ERL Switchcraft Pte Limited, Singapore was incorported during the year which purchased the entire assets and liabilities of Switchcraft Group LLC since cancelled and dissolved.

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

vii) 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.

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

e) Fixed assets, Intangibles and Depreciation

- Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition.
- Intangible Asset relating to Deferred Development expenditure of Subsidiary will be amortised over the estimated useful life upon completion of the individual projects.
- Depreciation is provided under Straight Line method as per the amended Schedule XIV of the Companies Act, 1956 or based on the management's estimate of the useful lives of the assets. In the case of subsidiary companies depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives.

f) Other Significant Accounting Policies

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

g) Inventories

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

h) Taxation

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

i) Provisions

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

Notes to the Financial Statements

2 Share Capital

Rs Lacs

Particulars	As at 31st March 2012	As at 31st March 2011
Authorised Share Capital:		
7,50,00,000 (7,50,0000) Equity Shares of Rs.2/- each	1,500.00	1,500.00
50,00,000 (50,00,000) Preference Shares of Rs.10/- each	500.00	500.00
Issued Share Capital:		
2,08,07,864 (2,07,72,455) Equity Shares of Rs.2/- each	416.16	415.45
Subscribed and Paid up Capital:		
2,08,07,014 (2,07,71,605) Equity Shares of Rs.2/- each fully paid up	416.14	415.43
Total	**416.14**	**415.43**

2.1 Reconciliation of number of shares

Particulars	As at 31st March 2012		As at 31st March 2011	
	No. of shares held	Amount	No. of shares held	Amount
Balance at the beginning of the year	2,07,71,605	415.43	2,07,71,605	415.43
Add: ESOP shares issued during the year	35,409	0.71	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	**2,08,07,014**	**416.14**	**2,07,71,605**	**415.43**

2.2 Rights, preferences and restrictions attached to shares

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

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

Particulars	As at 31st March 2012		As at 31st March 2011	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Easun Products of India Pvt Ltd	22,67,557	10.90%	22,02,912	10.61%
Easun Engineering Company Ltd	16,32,500	7.85%	16,32,500	7.86%
Power Ventures Holdings (India) Pvt. Ltd.,	16,28,088	7.82%	16,24,088	7.82%
Sowraj Investments Pvt Ltd	14,58,060	7.01%	14,58,060	7.02%

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

a) Employee Stock Option Scheme

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

b) Issue of Share Warrants

During 2010-11, the Company has issued 20,00,000 Convertible Equity Warrants at Rs.133.76 per warrant in terms of the extant guidelines of SEBI on preferential issue. Each warrant is convertible into one equity shares of Rs.2 each within 18 months from the date of allotment. The Company has received Rs.668.80 lacs towards 25% of the warrant as advance money. The balance amount is payable at the time of exercise of the option i.e., on 31st July, 2012.

2.5 For the year 2011-12, the Board of Directors have recommended a dividend of Rs.0.20 per share, which is subject to the approval by shareholders. During the previous year 2010-11, the Company has declared and distributed a dividend of Rs.1.20 per share

3. Reserves and Surplus

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Capital Reserve	45.54	45.54
Government Subsidy	40.42	40.42
Securities Premium Account		
Opening Balance	10,842.25	10,842.25
Add: Amount transferred on allotment of ESOPs	42.22	-
Less: Deductions	-	-
Closing Balance	10,884.47	10,842.25
General Reserve		
Opening Balance	9,446.39	9,346.39
Add: Transfer From Statement of Profit and Loss	100.00	100.00
Less: Deductions	-	-
Closing Balance	9,546.39	9,446.39
Employee Stock Options Outstanding Account		
Opening Balance	48.82	-
Add: ESOP Granted	-	48.82
Less: Transfer to Share Premium A/c on options exercised	42.22	-
Less: Transfer to ESOP Amortisation expenses on expired options	6.60	-
Closing Balance	-	48.82
Foreign Currency Translation Reserve		
Opening Balance	(86.06)	68.90
Add: During the year	922.85	(154.96)
Closing Balance	836.79	(86.06)
Surplus in Statement of Profit and Loss		
Opening Balance	(938.50)	173.12
Add: Profit for the year	(700.87)	(721.49)
Less: Proposed dividend	41.61	249.26
Less: Tax on Proposed dividend	6.74	41.40
Less: Transfer to General Reserve	100.00	100.00
Less: Minority Interest	(809.14)	(355.03)
	(978.59)	(583.96)
Less: Minority Interest Reserve	809.14	355.03
Total	19,565.87	19,398.35

4. Long Term Borrowings

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Secured Loans		
Foreign Currency Term loans From Banks		
External Commercial Borrowings	6,094.00	3,818.20
Rupee Term Loans From Banks		
Axis Bank	515.60	757.48
Hire Purchase Loan		
Long Term Maturities of vehicle loans	8.70	18.75
Total (A)	**6,618.30**	**4,594.43**
Unsecured Loans		
Sales Tax Deferral Scheme (Refer Note 4.2 a)	74.53	74.53
Foreign Currency Convertible Bonds (Refer Note 4.2 b)	-	1,805.60
Total (B)	**74.53**	**1,880.13**
Total (A+B)	**6,692.83**	**6,474.56**

Notes

Security Clause

a) Loans taken under hire purchase arrangement are secured against hypothecation of specific assets

4.1 The details of Long Term Borrowings are as follows

Particulars	Repayment Start Date	O/s Amt as on 31.03.2012	Current Maturities	Interest Rate	Instalment Amount
Rupee Term Loans					
Axis Bank Ltd- (Repayable in 16 Quarterly instalments) $	Feb-12	750.00	234.40	13.25%	46.88
External Commercial Borrowings (Fully Hedged)					
Standard Chartered Bank Ltd (Repayable in 8 Half yearly Instalments)	Aug-12	4,519.96	1,130.00	11.45%	565.00
DBS Bank Ltd (Repayable in 10 Half yearly Instalments)	Aug-12	3,381.40	677.36	11.60%	338.68
Zero Coupon Foreign Currency Convertible Bonds *	Dec-12	2,061.20	2,061.20	0.00%	2,061.20
Total		**10,712.56**	**4,102.96**		**3,011.76**

$ Delay in repayment of instalment which has been paid after 31st March 2012

** Amount varies as per the exchange rate on the date of repayment*

4.2 Unsecured Loans

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

b) During the year 2007-08 the company raised funds through issue of Zero Coupon Foreign currency Convertible Bond aggregating to USD 35 million (Rs.13846 lacs) with an option to the investor to convert the FCCBs into equity shares of the company at an initial conversion price of Rs400 per share at a fixed rate of exchange on conversion Rs.39.45 =USD 1, at any time after December 5, 2007 and prior to November 28, 2012 and 34,51,875 shares would be issuable on November 28, 2012.Unless previously converted, redeemed, repurchased and cancelled, the balance FCCBs 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 lacs. Out of the aforesaid FCCBs, there were no FCCBs converted to equity shares as at the year end.

During the year 2009-10, the company has bought back and cancelled 310 Nos of 5 years FCCB of the face value of USD 100000 each, as per the notification of Reserve Bank of India, at a discount to the face value. Consequent to this the company is absolved of its liability towards the bond holders whose bonds stands cancelled.

5. Deferred Tax Liabilities

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Deferred Tax Liabilities		
- On account of Timing differences related to Fixed Assets	360.27	506.01
Deferred Tax Assets		
- Disallowances under Income Tax Act 1961	77.85	38.93
Total	**282.42**	**467.08**

6. Other Long Term Liabilities

Particulars	As at 31.03.2012	As at 31.03.2011
Trade payables		
- Micro, Small and Medium Enterprises	23.57	14.34
- Other Enterprises	640.40	1,685.24
Service & Contract Payables	594.70	139.25
Total	**1,258.67**	**1,838.83**

7. Long-term Provisions

Particulars	As at 31.03.2012	As at 31.03.2011
Provision for Employee Benefits		
Leave Encashment	66.11	43.21
Other Provisions		
FBT (Net of advance tax)	9.20	9.20
Total	**75.31**	**52.41**

8. Short-term Borrowings

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
A. Secured		
From Banks		
- Cash Credits facilities availed	7,589.88	10,856.46
- Buyers credit	391.71	518.59
Total (A)	**7,981.59**	11,375.05
B. Unsecured		
Loans and advances from related parties		
- Intercorporate Deposits	1,835.00	-
Total (B)	**1,835.00**	-
Total (A+B)	**9,816.59**	**11,375.05**

9. Trade Payables

Particulars	As at 31.03.2012	As at 31.03.2011
Micro, Small and Medium Enterprises	386.10	234.92
Other Enterprises	11,575.52	14,283.98
Total	**11,961.62**	**14,518.90**

10. Other Current Liabilities

Particulars	As at 31.03.2012	As at 31.03.2011
Current Maturities of Long Term Debt	2,041.76	-
Current Maturities of Hire Purchase Loans	13.84	29.49
Current Maturities of FCCB's	2,061.20	-
Interest Accrued and not due on borrowings	82.49	-
Interest Accrued and due on borrowings	8.30	-
Other Payables		
Employee Related Payables	80.32	75.20
Expenses, Service & Contract Payables	1,128.45	1,549.58
Unpaid Dividend Payables	41.92	37.30
Statutory Dues Payables	452.93	478.47
Total	**5,911.21**	**2,170.04**

11. Short-term Provisions

Particulars	As at 31.03.2012	As at 31.03.2011
Provision for Leave Encashment	8.89	5.85
Warranty Claim Reserve (Refer note 11.1)	188.15	205.73
Dividend Payable	41.61	249.26
Dividend Distribution Tax	6.75	41.40
Provision for Payables	124.07	-
Other payables	348.99	-
Total	**718.46**	**502.24**

11.1 Particulars	As at 31.03.2012	As at 31.03.2011
At the beginning of the year	205.73	101.11
(+) Created during the year	29.68	111.22
(-) Utlised during the year	47.26	6.60
At the end of the year	**188.15**	**205.73**

Provision for warranties is estimated on past experience and technical estimates

12. Fixed Assets

Rs lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1-Apr-11	Additions	Deductions	As at 31-Mar-12	As at 1-Apr-11	For the year	Deletion	As at 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
(a) Tangible Assets										
Land	117.59	-	62.40	55.19	-	-	-	-	55.19	117.59
Land - Leasehold	998.98	-	-	998.98	-	-	-	-	998.98	998.98
Land - Hosur Residential Plots	4.29	-	-	4.29	-	-	-	-	4.29	4.29
Buildings	943.72	-	1.76	941.96	182.65	30.70	0.68	212.67	729.29	761.07
Buildings - Leasehold	5.26	-	-	5.26	1.63	0.18	-	1.81	3.45	3.63
Plant and Machinery	1,213.82	14.61	514.80	713.63	691.70	55.55	443.82	303.43	410.19	522.12
Electrical installation/Fittings	296.26	-	28.59	267.67	150.69	32.76	22.70	160.76	106.91	145.57
Office equipments	474.24	14.06	0.22	488.07	309.48	32.79	0.22	342.05	146.02	164.76
Furniture	506.52	0.52	-	507.04	171.05	31.40	-	202.45	304.59	335.47
Vehicles	120.86	11.34	0.08	132.11	77.66	26.97	0.08	104.55	27.56	43.19
Computers	708.83	68.14	0.31	776.67	116.83	141.11	0.05	257.89	518.78	592.00
Research And Development	-	-	-		-	-	-			
Buildings	173.23	-	-	173.23	32.72	5.79	-	38.51	134.72	140.50
Plant and Machinery	426.30	19.64	-	445.94	114.82	20.48	-	135.30	310.64	311.48
Electrical installation/Fittings	27.01	-	-	27.01	16.90	3.17	-	20.06	6.95	10.11
Office equipments	88.64	-	-	88.64	74.94	8.57	-	83.51	5.13	13.69
Computers	0.99	0.48	-	1.46	0.25	0.33	-	0.57	0.89	0.74
TOTAL	**6,106.51**	**128.78**	**608.17**	**5,627.13**	**1,941.34**	**389.77**	**467.55**	**1,863.56**	**3,763.57**	**4,165.18**
Subsidiary Assets										
Equipments	826.12	597.09	-	1,423.21	127.44	187.30	-	314.74	1,108.47	698.68
Furniture & Fixtures	86.28	33.84	-	120.12	21.44	1.42	-	22.85	97.27	64.85
Office Equipments	109.96	202.49	-	312.45	18.42	13.17	-	31.58	280.86	91.54
Vehicles	36.70	2.96	-	39.65	13.51	11.90	-	25.41	14.24	23.18
TOTAL	**1,059.06**	**836.38**	**-**	**1,895.44**	**180.81**	**213.79**	**-**	**394.59**	**1,500.85**	**878.25**
(b) Intangible Assets										
Technology Know-how	550.44	-	-	550.44	541.35	5.82	-	547.17	3.27	9.09
Non-compete fees	100.00	-	-	100.00	100.00	-	-	100.00	-	-
Intangible Asset - Product development	550.69	168.97	-	719.66	174.85	121.36	-	296.20	423.46	375.84
Computer Software	5.69	6.00	-	11.69	0.04	3.67	-	3.71	7.98	5.66
TOTAL	**1,206.82**	**174.97**	**-**	**1,381.79**	**816.23**	**130.85**	**-**	**947.08**	**434.71**	**390.59**
Subsidiary Assets										
Goodwill	2,757.11	372.25	-	3,129.36	-	-	-	-	3,129.36	2,757.11
Computer Software	153.11	63.34	-	216.45	76.44	2.11	-	78.55	137.90	76.67
Intellectual property rights	-	4,787.07	-	4,787.07	-	-	-	-	4,787.07	-
Intangible Development costs	2,739.49	1,884.97	-	4,624.46	833.53	727.55	-	1,561.07	3,063.38	1,950.96
TOTAL	**5,649.71**	**7,107.62**	**-**	**12,757.33**	**909.97**	**729.65**	**-**	**1,639.62**	**11,117.71**	**4,784.74**
(c) Capital Work in Progress										
Capital Work in progress (including project related expenditure)	1,634.99	1,148.91	-	2,783.90	-	-	-	-	2,783.90	1,633.99
TOTAL	**1,634.99**	**1,148.91**	**-**	**2,783.90**	**-**	**-**	**-**	**-**	**2,783.90**	**1,633.99**
Grand Total	**15,657.09**	**9,396.65**	**608.17**	**24,445.58**	**3,803.34**	**1,464.06**	**467.55**	**4,844.85**	**19,600.73**	**11,808.75**
Previous Year	**(11,396.52)**	**(4,910.17)**	**(649.60)**	**(15,657.09)**	**(2,766.83)**	**(1,081.51)**	**-**	**(3,848.34)**	**(11,808.75)**	**(8,629.69)**

** Subsidiary Assets addition is inclusive of foreign exchange translation difference of (Rs.616.59 lacs)

13. Non-Current Investments

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Non Trade Investments - Unquoted (At Cost)		
Investment in Associates	30.62	27.64
(-) Share of loss of associate	(24.34)	-
	6.28	27.64
Aggregate amount of : Quoted Investments	-	-
: Market Value	-	-
Aggregate amount of Unquoted Investments	6.28	27.64

14. Long-term Loans and Advances

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured, Considered Good unless otherwise stated		
Capital Advances	2,813.18	1,363.10
Security Deposits and Earnest Money Deposits	271.08	266.80
Loans and advances to related parties	-	3,038.87
Prepaid Expenses	110.14	854.36
Other Deposits	23.44	47.53
Testing Charges to be amortised	33.27	38.08
Income Tax & TDS	446.07	500.62
Total	3,697.18	6,109.36

14.1 Particulars	As at 31.03.2012	As at 31.03.2011
Advance Income Tax	4,820.15	4,624.70
Less: Provision for income tax	4,374.08	4,124.08
Total	446.07	500.62

15. Other Non-Current Assets

Particulars	As at 31.03.2012	As at 31.03.2011
Long Term Trade Receivables		
Unsecured, Considered Good	2,042.01	1,045.68
Total	2,042.01	1,045.68

16. Current Investments

Particulars	As at 31.03.2012	As at 31.03.2011
Non Trade - Quoted		
Investments in Mutual Funds	-	5,264.43
Non Trade - Unquoted (At Cost)		
Other Investments	19.19	345.80
Total	19.19	5,610.23

Rs Lacs

Name of the Mutual Fund	Units	2012	2011
a) Reliance Regular Savings Fund			
- Debt - Insti - Growth	1184993.246	(150.00)	150.00
Daily Dividend Reinvestment of Rs.10 each			
b) Reliance Regular Savings Fund			
- Debt - Insti - Growth	1182359.201	(150.00)	150.00
Daily Dividend Reinvestment of Rs.10 each			
c) Reliance Regular Savings Fund			
- Debt - Insti - Growth	2051187.416	(260.99)	260.99
Daily Dividend Reinvestment of Rs.10 each			
d) Reliance Regular Savings Fund			
-Debt Plan-GP	1996990.207	(254.44)	254.44
Daily Dividend Reinvestment of Rs.10 each			
e) Templeton India Income Opportunities Fund			
-GP	32024006.701	(3,299.00)	3,299.00
Face value Rs. 10 per unit			
f) Templeton India Income Opportunities Fund			
- Growth	4880429.478	(500.00)	500.00
Face value Rs. 10 per unit			
g) Templeton India Income Opportunities Fund			
- Growth	1843147.198	(189.00)	189.00
Face value Rs. 10 per unit			
h) Templeton India Income Opportunities Fund			
- Growth	592814.313	(61.00)	61.00
Face value Rs. 10 per unit			
i) Templeton India Income Opportunities Fund			
- Growth	3876119.229	(400.00)	400.00
		(5,264.43)	(5,264.43)

17.Inventory

Particulars	As at 31.03.2012	As at 31.03.2011
(Lower of Cost and estimated Net Realisable Value)		
Raw Materials	3,828.59	3,985.16
Work In Progress and Semi Finished Goods	647.16	3,527.91
Finished Goods	950.54	1,093.64
Stock in Transit - Raw Materials	811.70	239.66
Stores and Spares	30.92	38.32
Total	6,268.91	8,884.69

18.Trade Receivables

Rs Lacs

Particulars	As at 31.03.2012	As at 31.03.2011
Unsecured, Considered Good unless otherwise stated		
Outstanding for a period exceeding six months from due date	5,800.60	5,790.75
Other Receivables	14,897.66	12,086.25
Total	**20,698.26**	**17,877.00**

19. Cash and Bank Balances

Particulars	As at 31.03.2012	As at 31.03.2011
Cash and cash equivalents		
Cash on Hand	20.87	25.70
Balances with banks in Current Accounts	369.76	2,316.70
Other Bank Balances*		
Bank Deposits with maturity more than 3 months but less than 12 months	2,173.38	98.69
Unpaid Dividend Accounts	42.62	40.64
Margin Money Deposits	818.28	612.36
Total	**3,424.91**	**3,094.09**

* Under lien with DBS Bank and Standard Chartered Bank

20. Short-term Loans and Advances

Particulars	As at 31.03.2012	As at 31.03.2011
Advances recoverable in cash or in kind or for value to be received (Unsecured, Considered Good unless otherwise stated)		
(a) Advance to Suppliers	665.37	1,988.56
(b) Advance to Employees	47.76	39.87
(c) Rental Advance	70.08	67.28
(d) Prepaid Expenses	111.26	129.04
(e) Other Receivables	250.64	345.22
(f) VAT and CENVAT Credit	239.53	681.23
Total	**1,384.64**	**3,251.20**

21. Other Current Assets

Particulars	As at 31.03.2012	As at 31.03.2011
(a) Dividend Income Accrued	-	15.11
(b) Interest Accrued on Short term deposit	10.69	-
(c) Interest Accured on Bank Guarantee Margin	215.12	157.94
Total	**225.81**	**173.05**

Rs Lacs

22. Revenue from Operations

Particulars	April 2011-March 2012	April 2010-March 2011
Sale of Products (Refer Note 22.1)	32,992.12	30,775.51
Sale of Services	1,438.38	653.81
Other Operating revenues	1.71	21.57
	34,432.21	31,450.62
Less: Excise Duty	2,217.78	1,577.65
Total	**32,214.43**	**29,872.97**

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

Particulars	April 2011-March 2012	April 2010-March 2011
Relays and Control Panels	16,222.36	17,300.03
Meters	2,606.63	737.58
Switchgear	3,044.01	1,857.10
Projects	4,291.27	9,240.13
Wind Energy Produced	66.48	62.75
Total	**26,230.75**	**29,197.59**

23. Other Income

Particulars	April 2011-March 2012	April 2010-March 2011
Interest Income	246.87	65.96
Profit on Sale of Fixed Assets	829.38	0.01
Dividend Income from Mutual Fund	364.00	33.89
Realisation of Debts written off in earlier years	2.36	7.86
Foreign Exchange Gains	401.01	208.92
Trade Incentives	7.14	20.81
Miscellaneous Income	456.47	44.24
Total	**2,307.23**	**381.69**

24. Cost of Material Consumed

Particulars	April 2011-March 2012	April 2010-March 2011
Opening Stock		
Raw Materials and Components	4,373.95	2,954.20
Restatement of Opening Inventory	3,185.57	-
Add: Purchases	18,598.82	22,569.37
	26,158.34	25,523.57
Less: Closing Stock		
Raw Materials and Components	4,141.08	4,373.95
Total	**22,017.26**	**21,149.62**

24.1 Cost of Material Consumed Comprises of the following

Rs Lacs

Particulars	April 2011-March 2012	April 2010-March 2011
Metals	2,965.25	2,655.15
Ferrous Metals	741.31	663.79
Non Ferrous Metals	1,037.84	929.30
Moulded Components	1,495.23	1,204.69
Other Materials	15,777.63	15,696.69
Total	**22,017.26**	**21,149.62**

25. Change in Work in Progress and Finished Goods

Particulars	April 2011-March 2012	April 2010-March 2011
Opening Stock		
Finished Goods	1,093.64	815.22
Work in Progress	3,130.00	1,842.48
Restatement of Opening Inventory	(3,185.57)	-
	1,038.07	2,657.70
Less: Closing Stock		
Finished Goods	950.54	1,093.64
Work in Progress	321.20	3,130.00
	1,271.74	4,223.64
Total	**(233.67)**	**(1,565.94)**

26. Employee Benefit Expenses

Particulars	April 2011-March 2012	April 2010-March 2011
Salaries and Wages	4,223.20	3,747.61
Contribution to Provident Fund and ESI	91.74	77.50
Gratuity	20.44	28.90
Leave encashment	26.11	-
ESOP Amortisation Expenses	17.81	24.41
Staff Welfare Expenses	292.40	341.85
Total	**4,671.70**	**4,220.27**

27. Finance Costs

Particulars	April 2011-March 2012	April 2010-March 2011
Interest		
Term Loans	339.09	156.34
Buyers Credit and Others	222.78	23.18
Working Capital Loans	899.43	658.18
Inter Corporate Deposits	85.95	16.09
Other borrowing costs	837.07	136.16
Total	**2,384.32**	**989.95**

28. Other Expenses

Rs Lacs

Particulars	April 2011-March 2012	April 2010-March 2011
Consumption of Stores and Spares	242.70	181.38
Power & Fuel	72.81	67.02
Rent	343.01	335.54
Repairs to : Buildings	69.94	3.24
: Machinery	1.79	4.76
: Others	409.59	426.15
Insurance	97.25	80.09
Rates and taxes, excluding, taxes on income	123.20	103.85
Audit Fees : Audit	31.40	7.50
: Tax matters	0.75	0.75
: For other services	1.50	1.00
: Out of Pocket Expenses	3.73	9.53
Travel and Conveyance Expenses	863.75	809.41
Postage, Telephone and Telegram	134.48	106.69
Selling Expenses	690.52	681.01
Professional Charges	354.47	204.51
Electricity Charges	27.61	21.60
Security Charges	48.01	38.79
Write Off Bad Debts	7.03	59.23
Advertisement Expenses	152.25	532.07
Printing & Stationery	98.43	100.71
Bank Charges	99.64	215.91
Tools Written off	21.11	25.10
Liquidated Damages	182.30	120.27
Service Charges	41.36	7.04
Miscellaneous expenses	526.42	552.91
Total	4,645.06	4,696.06

29. Disclosure of AS 18 for the Year 2011-12

a) Details of transactions during year 2011-12

Rs Lacs

Sl No	Particulars	Eswaran & Sons Engineers Ltd	Easun MR Tap Changers P ltd	Easun Products of India P Ltd	Key Mgt Personnel	ERL Thailand P. Ltd	Grand Total
1	Sale of Goods	-	-	-	-	2.57 (443.20)	**2.57** **(443.20)**
2	Purchase of Goods	-	-	-	-	-	**-**
3	Rendering of Services	-	-	-	-	-	**-**
4	Availing of Services						**-**
	Reimbursement of Expenses	-	-	50.35 (6.00)	-	-	**50.35** **(6.00)**
	Loan borrowed	1,935.00 (900.00)	-	-	-	-	**1,935.00** **(900.00)**
	Loan repayment	100.00 (900.00)	-	-	-	-	**100.00** **(900.00)**
	Interest on Loan borrowed	85.95 (16.09)	-	-	-	-	**85.95** **(16.09)**
5	Directors remuneration	-	-	-	5.72 (35.45)	-	**5.72** **(35.45)**

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

Rs Lacs

S.No.	Names of Related Parties	Outstanding as on 31.03.2012	Maximum Amount due during the year	Outstanding as on 31.03.2011	Maximum Amount due during the year
1	Eswaran & Sons Engineers Ltd.	1,835.00 Cr	1,935.00 Cr	NIL	900.00 Cr
2	Easun Mr Tap Changers P Ltd	NIL	NIL	NIL	NIL
3	ERL Thailand P. Ltd	72.29 Dr	443.20 Dr	443.20 Dr	443.20 Dr
4	Easun Products of India P Ltd	50.23 Cr	50.23 Cr	NIL	4.50 Dr
5	Directors :				
	Hari Eswaran	19.99 Cr	19.99 Cr	17.72 Cr	17.72 Cr
	Raj H Eswaran	5.32 Cr	5.32 Cr	5.90 Cr	5.90 Cr
	Dr W S Jones	3.03 Cr	3.03 Cr	5.90 Cr	5.90 Cr
	Rakesh Garg	5.64 Cr	5.64 Cr	5.90 Cr	5.90 Cr
	J D N Sharma	NIL	NIL	NIL	NIL

30. Contingent Liabilities and Commitments

Rs Lacs

A. Contingent Libilities	2012	2011
(a) Letters of Credit opened by Bank for purchase of raw materials and components	3,736.97	5,308.56
(b) Bills Discounted with bank	39.84	516.40
(c) Counter Guarantee given to bankers in respect of Guarantees given by them	14,183.85	13,020.01
(d) Bonds executed in favour of President of Inda for import of material at concessional rate of duty	8.95	49.98
(e) Sales effected under CST - liability towards submission of C Forms	2,785.36	2,555.68
(f) Disputed amounts of Income Tax paid		
Assessment year		
2001-02	30.02	30.02
2003-04	47.85	47.85
2004-05	26.13	26.13
2005-06	70.28	70.28
2006-07	55.42	55.42
2008-09	306.33	306.33
(g) Disputed amounts of Sales Tax, Karnataka for the FY 2007-08	63.65	63.65
(h) Disputed amounts of Sales Tax, Karnataka for the FY 2008-09	41.78	41.78
(i) Disputed Customs Duty paid under protest	66.38	66.38
(j) VAT Demand of West Bengal for FY 2009-10	7.99	-
B. Capital Commitment		
(a) Estimated amount of capital commitment on account of Fixed Assets	695.21	1,809.51

31. Operating Lease

Rs Lacs

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.89.81 lacs (Rs.88.06 lacs)

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

Break-up of dues	2012	2011
Within one year	33.92	91.63
Due in a period between 1 to 5 years	NIL	22.20
Due after 5 years	NIL	NIL

32. Financial Lease

The company has acquired Vehicles on Hire rental basis; the minimum hire rentals outstanding as of 31st March 2012 in respect of these assets are as follows:

Break-up of dues Minimum	Total minimumHire Rentals Outstanding	Future Interest on Outstanding	PV of Hire rentals
Within one year	13.84	1.09	12.75
Later than one year	6.38	0.67	5.71
Total	**20.22**	**1.76**	**18.46**

33. Earnings Per Share

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

Particulars	2012	2011
Profit after tax (Rs. in lacs)	(700.87)	(721.50)
Number of Weighted average equity shares		
Basic	2,07,89,310	2,07,71,605
Effect of dilutive equity shares equivalent		
Share Warrants Outstanding	20,00,000	20,00,000
Foreign Currency Convertiable Bond	394,500	394,500
Employees Stock Option Outstanding	-	7,852
	2,31,83,810	**2,31,73,957**
Face Value of Shares (Rs.)	2.00	2.00
Earnings per share before exceptional items(Rs.)		
Basic	(3.37)	(3.47)
Diluted	(3.02)	(3.11)
Earnings per share after exceptional items(Rs.)		
Basic	(3.37)	(3.47)
Diluted	(3.02)	(3.11)

34. The Financial Statements for the year ended 31st March 2011 had been prepared as per the then applicable, pre-revised Schedule VI under the Companies Act,1956. Consequent to the Notification of Revised Schedule VI under the Companies Act,1956, the Financial Statements for the year ended 31st March 2012 are prepared as per Revised Schedule VI. Accordingly, previous year's figures have also been reclassified to confirm to this year's classification.

Disclosure of Consolidated financial information relating to Subsidiary Companies as on 31st March 2012

Rs Lacs

Name of the Subsidiary	ERL International Pte Ltd., Singapore [1]	ERL Phase Power Technologies Ltd., Canada [1]	ERL Marketing International FZE, Sharjah [1]	ERL Switchcraft Pte.Ltd, Singapore 1	Switchcraft Europe GmbH, Dinslaken, Germany [2]	Switchcraft Limited, Hong Kong, China [3]
Share Capital	16,490.00	3,607.00	536.00	790.00	2,964.00	13.00
Reserves & Surplus	1,603.00	(2,184.00)	(318.00)	(318.00)	(2,669.00)	(1,071.00)
Total Assets	18,721.00	5,267.00	731.00	4,997.00	2,879.00	3.00
Other Liabilities	628.00	3,844.00	513.00	4,525.00	2,584.00	1,061.00
Investments [excluding investments in subsidiary companies]	-	-	-	-	-	-
Turnover	781.00	4,225.00	3,107.00	876.00	5,649.00	70.00
Profit before Tax	438.00	99.00	40.00	(257.00)	(1,479.00)	(73.00)
Provision for Taxation	-	-	-	-	(220.00)	-
Profit after Taxation	438.00	99.00	40.00	(257.00)	(1,699.00)	(73.00)
Proposed Dividend	-	-	-	-	-	-

@ERL Switchcraft Pte Limited, Singapore was incorported during the year which purchased the entire assets and liabilities of Switchcraft Group LLC since cancelled and dissolved.

Notes:-

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

1. Converted into Indian Rupees at the exchange rate, 1 USD = Rs.51.53 as at 31st March 2012
2. Converted into Indian Rupees at the exchange rate, 1 Euro = Rs.68.73 as at 31st March 2012
3. Converted into Indian Rupees at the exchange rate, 1 HKD = Rs.6.63 as at 31st March 2012

Easun Reyrolle Limited

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

PROXY FORM

I/We

of

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

Mr/Mrs.....

of.....

or failing him/her Mr/Mrs.....
as my/our proxy to attend and vote for me/us on my/our behalf at the **ANNUAL GENERAL MEETING** of the Company to be held on Wednesday, 26th September 2012 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai – 600 008 and at any adjournment thereof.

Member's Folio No.

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

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

.....

Easun Reyrolle Limited

ATTENDANCE SLIP

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

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

I hereby record my presence at the ANNUAL GENERAL MEETING held on 26th September 2012.

.....
Member's/Proxy's Signature

Notes:

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

ERL SWITCHCRAFT

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manufacturing Ring Main Units and Vacuum Circuit Breaker Panels
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