

To

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051

The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 023

18th November, 2019

NSE Scrip Code: EASUNREYRL / BSE Scrip Code: 532751

Dear Sirs,

Sub: Submission of Annual Report for the year 2018-19

* * *

Pursuant to Regulation 34(1) of SEBI - Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 we are submitting herewith the copy of printed Annual Report for the year 2018-19.

Please take the same on record.

Thanking you

Yours faithfully

for **Easun Reyrolle Limited**



P S Srinivasaraghavan
Company Secretary & Compliance Officer

Encl: As above

44th ANNUAL REPORT 2018 - 2019



EASUN REYROLLE LIMITED



Easun Reyrolle Limited

44th Annual Report, 2018-19

Chairman	:	Mr Hariharan Eswaran
Managing Director	:	Mr Raj Hari Eswaran
Directors	:	Dr W S Jones (upto 29.08.2018) Mr Rakesh Garg Ms Sweta Mandora Prajapati
Chief Financial Officer	:	Mr A Kamatchinathan
Company Secretary & Compliance Officer	:	Mr P S Srinivasaraghavan
Auditors	:	M/s K S Rao & Co., Chartered Accountants Flat No.4, 3rd Floor Parson Tower, B Block, No.52 Pantheon Road, Egmore, Chennai – 600 008
Registered Office	:	“Temple Tower”, 6th Floor 672, Anna Salai, Nandanam Chennai – 600 035
Corporate Office & Development Centre	:	No.98, Sipcot Industrial Complex Hosur – 635 126, Tamilnadu
Factories	:	1. Plot No.98 Sipcot Industrial Complex, Hosur – 635 126, Krishnagiri Dt., Tamilnadu 2. No.17/3, Arakere Village Bannerghatta Road, Bangalore – 560 076 3. Plot No.147/148, Harohalli Industrial Area, 2nd Phase, Madamaranahalli Village, Harohalli Hobli Kanakpura Taluk, Ramnagara Dt. Karnataka
Registrar and Transfer Agents	:	Integrated Registry Management Services Pvt Ltd., 2nd Floor, “Kences Towers” No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017

Easun Reyrolle Limited

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Easun Reyrolle Limited

CIN No.L31900TN1974PLC006695

Regd. Office: “Temple Tower”, VI Floor, 672, Anna Salai,
Nandanam, Chennai – 600 035

Ph: +91-44-24346425 / Fax No.+91-44-24346435

E-mail: sec@easunreyrolle.com

Notice to Shareholders

Notice is hereby given that the Forty Forth Annual General Meeting of the Members of Easun Reyrolle Limited will be held on 29th November, 2019 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai 600 008, to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2019, the Balance Sheet as at 31st March, 2019 (including audited consolidated financial statements) and the reports of Board of Directors and Auditors thereon
2. To appoint a Director in place of Mr Hariharan Eswaran, Non-Executive Chairman who retires by rotation and being eligible for re-appointment offers himself for re-appointment.

Special Business

3. To appoint Mr Raj Hari Eswaran (DIN No. 00195354) as Managing Director of the Company for a further period of 3 (Three) years w.e.f. 1st April, 2020 to 31st March, 2023 and in this regard to consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions under Sections 196, 197, 198, 200, 201, 203, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendment, modifications, or re-enactment thereof and subject to the approval of the Central Government if required, in this regard, and further subject to such other requisite approvals, as may be required, the consent of shareholders be and is hereby accorded for the re-appointment of Mr Raj Hari Eswaran (DIN No. 00195354) as Managing Director of the Company for a further period of 3 (Three) years w.e.f. 1st April, 2020 to 31st March, 2023 on the terms and conditions including remuneration payable to him for a period of 3 (Three) years w.e.f. 1st April 2020 to 31st March 2023 as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement which forms part of this resolution.

- i) Salary: Rs.4.25 lacs 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 197, 198 and Schedule V of Companies Act, 2013.
 - 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 where in any financial year during the currency of his tenure, the Company has no profit or inadequate profits, Managing Director shall be paid the minimum remuneration as may be determined by the Nomination and Remuneration Committee which shall also have the authority to decide on the quantum, composition and periodicity of payment. However that such minimum remuneration shall not exceed the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee including relating to remuneration, as it may at its discretion, deem fit, from time to time, provided that the remuneration is within the limit laid down in the subsisting provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

4. To appoint Mr Rakesh Garg (DIN No. 00240379) as an Independent Non-Executive Director of the Company for a Second Term of 5 years and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 152, and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon the recommendation of the Nomination and Remuneration Committee and Board of Directors, Mr Rakesh Garg (DIN: 00240379), Independent Non-Executive Director of the company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, Regulation

16(1) (b) of Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from the conclusion of this 44th AGM until the conclusion of 49th AGM of the Company.

5. To Appoint Ms Sweta Mandora Prajapati (DIN No. 06903165) as an Independent Non-Executive Director of the Company for a second term of 5 years and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 152, and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon the recommendation of the Nomination and Remuneration Committee and Board of Directors, Ms Sweta Mandora Prajapati (DIN: 06903165), Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, Regulation 16(1) (b) of Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from the conclusion of this 44th AGM until the conclusion of 49th AGM of the Company.

By Order of the Board
for Easun Reyrolle Limited

PS Srinivasaraghavan
Company Secretary & Compliance Officer

Place : Chennai

Date : 26th October, 2019

Notes:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), setting out material facts in respect of businesses under item Nos. 3 to 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking re-appointment / appointment at this AGM are also annexed.
2. 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. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
3. Members holding shares in physical form are requested to communicate change in their addresses, if any, and to update their Bank details with our Registrar and Share Transfer Agent, Integrated Registry Management Services Pvt Ltd., 2nd Floor, “Kences Towers”, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017, Telephone No.044-28140801-803, E-mail - corpserv@integratedindia.com

Please note that effective April 1, 2019, SEBI mandated that the securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail the benefits of dematerialisation, members holding shares in physical form are requested to dematerialize their shares immediately.

4. Members holding shares in demat form may inform the change in address or other particulars to their Depository Participants.
5. 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.
6. Electronic copy of the Notice of the 44th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 44th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report for the year 2018-19 will also be available on the Company’s website www.easunreyrolle.com for their download.
7. 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.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th November, 2019 to 29th November, 2019 (both days inclusive).
9. Members / Proxies are requested to bring the Attendance Slip with them duly filled in and handover the same at the entrance of the Meeting Hall. Members are requested to bring their copy of Annual Report to the Meeting.
10. Members of the Company had approved the appointment of M/s. K S Rao & Co, Chartered Accountants, (Firm Reg. No.003109S) as the Statutory Auditors at the 42nd AGM of the Company which is valid till 47th AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
11. The Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. Accordingly, all unclaimed / unpaid dividend for a period of seven years from the date they become due for payment, have been transferred to the IEPF Authority.
12. As per Section 124(6) of the Act read with IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account notified by the Authority. The Company after following the necessary procedures, has transferred the shares on which dividend remains unpaid or unclaimed for the financial years 2008-09, 2009-10 and 2010-11 to the IEPF Authority.

Hence, the Company urges all the Members to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 30th September, 2018 (date of last AGM) are available on the website of the Company <https://www.easunreynolle.com/investors.php> and on Ministry of Corporate Affairs' website. The Members whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
13. The route map to the venue of the meeting is furnished herewith and forms part of Annual Report.
14. Any person who becomes a member of the Company after the dispatch of the notice of the meeting and holding shares as on the cut-off date i.e 1st November, 2019 may write to helpdesk.evoting@ndslindia.com or to the Company at corpserv@integratedindia.com for User ID and password or follow the instructions in Note no. 15A for casting their vote. If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
15. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed there under, and as per Regulation 44 of the SEBI (LODR) Regulations, 2015 the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice:

- a) The facility for voting, through ballot paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- b) The “cut-off date” for determining the eligibility for voting either through electronic voting system or ballot is fixed as 22nd November, 2019.
- c) The e-voting period commences from 26th November, 2019 at 9.00 a.m. and ends on 28th November, 2019 at 5.00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period Shareholders’ of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., 22nd November, 2019 shall be entitled to avail the facility of remote e-voting.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i) Open the e-mail and also open PDF file namely “ERL- e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii) Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii) Click on Shareholder – Login.
 - iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi) The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii) Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii) Select “EVEN” (E-Voting Event Number) of Easun Reyrolle Limited. Now you are ready for e-voting as Cast Vote page opens.
 - ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xi) Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to erl.scrutinizer@gmail.com, with a copy marked to evoting@nsdl.co.in.

xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company / Depositories):

- i) Initial password is provided in the enclosed attendance slip: EVEN (E-Voting Event Number), user ID and password.
- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

C. Other Instructions: / Details

- i) Mr. G Ramachandran, FCS No.9687, COP No.3056, Practicing Company Secretary, M/s G Ramachandran & Associates, Chennai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- ii) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.easunreynrolle.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 44th Annual General Meeting of the Company, (i.e.) on or before 1st December, 2019 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By order of the Board
For Easun Reynrolle Limited

PS Srinivasaraghavan
Company Secretary & Compliance Officer

Place: Chennai

Date: 26th October, 2019

Corporate Identification Number: L31900TN1974PLC006695

Registered Office:

"Temple Tower" VI Floor
672, Anna Salai, Nandanam
Chennai – 600 035
Ph : +91 – 44 – 2434 6425
Fax : +91 – 44 – 2434 6435
Email : sec@easunreynrolle.com

Explanatory Statement pursuant to Section 102 (1) of Companies Act, 2013

The following Explanatory Statement sets out material facts relating to the Special Business mentioned in the accompanying Notice of the 44th Annual General Meeting of the Company to be held on 29th November, 2019 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai – 600 008.

Item No. 3

The members at 37th Annual General meeting held on 26th September, 2012 had approved the appointment of Mr Raj Hari Eswaran (DIN: 00195354) as the Managing Director with effect from 1st April, 2012 for a period of five years and payment of remuneration for three years upto 31st March, 2015. The members at the 40th Annual General Meeting held on 28th September, 2015 had approved payment of remuneration for the remaining duration of his appointment upto 31st March, 2017. In 41st Annual General Meeting held on 30th September, 2016 Members approved the Appointment and Remuneration from 1st April, 2017 upto 31st March, 2020.

His term of appointment will expire by efflux of time on 31st March, 2020 and it is proposed to re-appoint him for a further period of 3 (Three) years with effect from 1st April, 2020 to 31st March, 2023 and approve his remuneration for the period from 1st April, 2020 to 31st March, 2023. The proposed resolution is to approve his re-appointment as aforesaid on payment of minimum remuneration as prescribed under Section 196 and 197 read with Schedule V of the Companies Act, 2013. As a Promoter and Managing Director, Mr. Raj Hari Eswaran's leadership is essential for the development of the Company which is looking forward to a growth phase. In view of this, it is proposed to seek the approval of Members for the payment of remuneration including commission as set out in the resolution.

I. GENERAL INFORMATION:

- (1) Nature of industry: Electrical Transmission and Distribution products such as Relays, Control Panels, Switchgears, Ring Main Units (RMU's).
- (2) Date or expected date of commencement of commercial production: - N.A
- (3) Financial Performance based on given indicators: During the year ended 31st March, 2019 the Company achieved total Income of Rs.2061.29 lakhs, and loss of Rs.1800.73 lakhs. The detailed financial performance of the Company is discussed in the enclosed Annual Report for the year ended 31st March, 2019.
- (4) Foreign investments or Collaborators, if any:

The Company has the following subsidiaries

1. ERL International Pte. Ltd., Singapore
2. ERLPhase Power Technologies Ltd. Winnipeg, Canada,
3. ERL Marketing International FZE, Sharjah, UAE
4. ERL Switchcraft Pte. Limited, Singapore
5. Switchcraft Europe GmbH, Germany
6. Switchcraft Limited, Hong Kong
7. ERL Pacific Pty Ltd., Australia

II. INFORMATION ABOUT APPOINTEE AND OTHER INFORMATION:

(1) Background Details:

Mr. Raj Hari Eswaran (holding DIN No. 00195354) age 50 years, is the promoter of the Company. He is a qualified Electrical Engineer and holds Post Graduate Degree in Business Administration from London Business School. Mr. Raj H Eswaran has been the Managing Director of Easun Reyrolle Ltd., since 1st April, 2012. He has been non-Executive Director of Easun Reyrolle Ltd since 26th June, 2000. Mr Raj H Eswaran served as President of Executive Council at Indian Electrical & Electronics Manufacturers' Association and served as its Vice President of Executive Council since September 2012. He has wide and varied managerial experience both in India and abroad.

(2) Other Directorships:

1. Easun-MR Tap Changers (P) Limited - Director
2. Easun Products of India (P) Limited - Director
3. Sowraj Investments (P) Limited - Director
4. Easun Holdings (P) Limited - Director
5. Eswaran and Sons Engineers (P) Limited - Director

(3) Past Remuneration: Rs.4.25 lakhs per month (From April 2012 onwards)

(4) Recognition or awards: Nil.

(5) Job profile and suitability: Mr. Raj Hari Eswaran shall be responsible for the day to day operations and managing the affairs of the Company under the superintendence, guidance and control of the Board. He is functioning as Managing Director of the Company since 2012. He is an MBA graduate and has over 26 years of vast experience in the field of Finance, Capital Market and Business Administration.

(6) Remuneration proposed: As mentioned in resolution – item no. 3 of notice

(7) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Keeping in view the type of the industry, size of the Company, the responsibilities and profile of Mr. Raj Hari Eswaran, the proposed remuneration is competitive with the remuneration paid by other companies in similar line of business to such managerial personnel.

(8) Pecuniary relationship with the Company, or relationship with the managerial personnel:

Mr. Raj Hari Eswaran is a promoter of the Company and holds 3,03,558 equity shares of Rs.2 each (0.99% equity shares in the paid-up capital of the Company) as on 31st March, 2019. Mr. Hariharan Eswaran, Director, may be deemed to be interested in the Resolution pertaining to the re-appointment of, and remuneration payable to Mr. Raj Hari Eswaran as they are related to each other. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company is, in any way, concerned or interested in the Resolution.

III OTHER INFORMATION:

(1) Reasons of loss or inadequate profits: Losses for last three years is mainly attributable due to poor market conditions and competition and delay in commissioning of certain turnkey projects.

- (2) Steps taken / to be taken for improvement: The Company has taken vigorous steps to overcome this situation. The Company is in advanced discussions with debt funders and the bankers forum. There is no dearth of orders in this Industry as many state governments in India are enhancing the power infrastructure. Of course there is ample opportunity overseas for supply of Relays, Control Panels and Ring Main Units.
- (3) Expected increase in productivity and profits: The likelihood of Company receiving funding will certainly boost the prospects for the financial year 2020-21 and the management is optimistic of achieving improvement in its performance.

IV DISCLOSURES

The details required to be furnished under the Disclosures, is already provided wherever applicable under Explanatory Statement and Corporate Governance Report. Mr. Raj Hari Eswaran and Mr. Hariharan Eswaran are interested in the Resolution as set out in the Notice which pertains to his re-appointment and remuneration payable to him. Copy of the Draft letter of re-appointment would be available for inspection without any fee by the members at the Registered Office.

Item No. 4 & 5

Mr Rakesh Garg (DIN No.00240379) and Ms Sweta Mandora Prajapati (DIN No. 06903165) were appointed as Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and as per SEBI LODR Regulations, 2015.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the NRC, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr Rakesh Garg and Ms Sweta Mandora Prajapati would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, it is proposed to re-appoint Mr Rakesh Garg and Ms Sweta Mandora Prajapati as Independent Directors of the company, not liable to retire by rotation and to hold office for second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") inter alia prescribe that an independent director of the Company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of upto five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in its Board's Report. Section 149(11) provides that an independent director may hold office for upto two consecutive terms.

Mr Rakesh Garg and Ms Sweta Mandora Prajapati are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidate of Mr Rakesh Garg and Ms Sweta Mandora Prajapati for the office of Independent Directors of the Company.

The Company has also received declarations from Mr Rakesh Garg and Ms Sweta Mandora Prajapati that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI Listing Regulations.

In the opinion of the Board, Mr Rakesh Garg and Ms Sweta Mandora Prajapati fulfil the conditions for appointment as Independent Directors as specified in the Act and the SEBI Listing Regulations and are independent of the management.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4 and 5, are provided in the “Annexure” to the Notice pursuant to the provisions of SEBI Listing Regulations and the Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Mr Rakesh Garg and Ms Sweta Mandora Prajapati setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

None of the Directors or key managerial personnel of the company and their relatives, other than independent directors for their appointment, are concerned or interested financially or otherwise in these Resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 4 and 5 of the Notice, for approval by the members.



Annexure

Details of Directors retiring by Rotation/ seeking appointment / re-appointment at the ensuing Annual General Meeting.

(1) Mr Hariharan Eswaran – Non-Executive Chairman

Name of the Director	Mr Hariharan Eswaran
DIN No.	00196760
Date of Birth & Age	03/07/1937 - 82 years
Date of Appointment	29/08/1974
Qualification	BE- Electrical Engineering
Expertise in Specific functional areas	Mr Hariharan Eswaran is one of the founder Director of Easun Reyrolle Limited. He is a Fellow of the Institution of Electrical Engineering, U.K. Mr. Hariharan Eswaran, a pioneer in the electrical engineering industry, has been associated with various industry and trade associations. Presently, he is a Non-Executive Chairman on the Company’s Board.

Board Membership of other companies as on 31st March, 2019	<ol style="list-style-type: none"> 1. Easun Engineering Company (P) Limited – Chairman 2. Eswaran and Sons Engineers (P) Limited – Chairman 3. Easun-MR Tap Changers (P) Limited – Chairman 4. Easun Products of India (P) Limited – Director 5. Easun Holdings (P) Limited - Director 6. Sowraj Investments (P) Limited – Director
Chairmanship(s) / Membership(s) of committees of other Companies as on 31st March, 2019	Nil
Number of Shares held as on 31st March, 2019	39,755 Equity Shares of Rs.2 each

Note: Only Companies incorporated in India are considered.

(2) Mr Raj Hari Eswaran – Managing Director

Name of the Director	Mr Raj Hari Eswaran
DIN No.	00195354
Date of Birth & Age	31/10/1968 - 50 years
Date of Appointment	26/06/2000
Qualification	BE., MBA
Expertise in Specific functional areas	<p>Mr Raj Hari Eswaran is one of the promoter Director of the Company. He is a qualified Electrical Engineer and holds Post Graduate Degree in Business Administration from London Business School. Mr Raj Hari Eswaran has been non-Executive Director of Easun Reyrolle Ltd since 26th June, 2000 and Managing Director from 1st April, 2012 to till date.</p> <p>Mr Raj Hari Eswaran served as President of Executive Council at Indian Electrical & Electronics Manufacturers' Association and served as its Vice President of Executive Council from Sep 2012 - Sep 2014. He has wide and varied managerial experience both in India and abroad.</p>
Board Membership of other companies as on 31st March, 2019	<ol style="list-style-type: none"> 1. Easun-MR Tap Changers (P) Limited - Director 2. Easun Products of India (P) Limited - Director 3. Sowraj Investments (P) Limited - Director 4. Easun Holdings (P) Limited - Director 5. Eswaran and Sons Engineers (P) Limited - Director

Chairmanship(s) / Membership(s) of committees of other Companies as on 31st March, 2019	Nil
Number of Shares held as on 31st March, 2019	3,03,558 Equity Shares of Rs.2 each

Note: Only Companies incorporated in India are considered.

(3) Mr Rakesh Garg, Independent, Non-Executive Director

Name of the Director	Mr Rakesh Garg
DIN No.	00240379
Date of Birth & Age	03/09/1963 - 55 years
Date of Appointment	29/09/2014
Qualification	FCA, FCS
Expertise in Specific functional areas	Mr Rakesh Garg is Commerce Graduate from Punjab University, is a qualified Chartered Accountant and a Company Secretary. During the period from 1984 to 1992 he worked with various Public Limited Companies in senior level. During 1992, Mr Garg set up an independent consultancy firm and has 21 years' experience in the field of Audit and Taxation, Mergers and Acquisitions, feasibility and profitability studies, setting up standard costing system for manufacturing companies, secretarial advice, financial planning, etc., Mr Garg is a consultant to the major listed companies in the field of logistics.
Board Membership of other companies as on 31st March, 2019	1. Nexia Technology (P) Limited - Director 2. Solenco Infra (P) Limited - Director 3. Solenco Renewables (P) Limited - Director 4. Appeti Ventures (P) Limited - Director 5. Sovereign Advisors (P) Limited - Director 6. Eco Health Projects (P) Limited - Director
Chairmanship(s) / Membership(s) of committees of other Companies as on 31st March, 2019	Nil
Number of Shares held as on 31st March, 2019	2,958 Equity Shares of Rs.2 each

Note: Only Companies incorporated in India are considered.

(4) Ms Sweta Mandora Prajapati, Independent, Non-Executive Director

Name of the Director	Ms Sweta Mandora Prajapati
DIN No.	06903165
Date of Birth & Age	21/08/1978 - 41 years
Date of Appointment	30/09/2016
Qualification	CA
Expertise in Specific functional areas	<p>Ms Sweta Mandora Prajapati is Commerce Graduate and Qualified Chartered Accountant from Institute of Chartered Accountants of India.</p> <p>Ms Sweta Mandora is a talented and well accomplished Chartered Accountant with career spanning more than 16 years of experience in some of the leading Pharma Companies. During her career span she has successfully managed the finance function of some of the offshore subsidiaries of the Pharma Companies with combined turnover of more than US\$ 150 mn. She has demonstrated capabilities of planning, execution and leading from the front and developing strategies.</p>
Board Membership of other companies as on 31st March, 2019	<ol style="list-style-type: none"> 1. Nehas Trading (P) Limited – Director 2. Nehas Infotech (P) Limited - Director
Chairmanship(s / Membership(s) of committees of other Companies as on 31st March, 2019	Nil
Number of Shares held as on 31st March, 2019	Nil

Financial highlights for 10 years

(Rupees in lakhs)

Sl. No.	Particulars	Year ended 31st March									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
1	Sales & Other Income	8,810	7,904	8,990	9,967	12,658	26,557	31,397	34,522	30,255	32,244
2	Operating Expenditure	7,284	7,542	8,360	9,263	12,128	23,898	26,921	31,277	28,581	25,262
3	Earning / Profit before interest, depreciation and tax (EBIDTA)	1,526	362	630	704	530	2,659	4,476	3,244	1,674	6,982
4	Less: Interest	675	240	3,221	2,799	2,645	3,023	2,342	2,208	909	604
5	Less: Depreciation	1,885	1,682	1,822	1,942	2,051	2,623	2,302	1,464	1,081	766
6	Profit before tax	(1,034)	(1,560)	(4,413)	(4,037)	(4,166)	(2,987)	(168)	(427)	(316)	5,612
7	Exceptional Items	-	-	79	(802)	(601)	-	-	-	-	-
8	Less: Current tax	2	-	-	-	(430)	84	42	162	222	1,101
9	Less: Deferred tax	-	-	-	-	-	-	147	136	183	-
10	Less: Fringe benefit tax	-	-	-	-	-	-	-	-	-	-
11	Profit after tax	(1,036)	(1,560)	(4,492)	(4,839)	(4,336)	(3,070)	(357)	(725)	(722)	4,511
12	(Less) / Add : Share of minority interest	-	-	-	-	(288)	(40)	-	(24)	-	(15)
13	Net profit after share in minority interest	(1,036)	(1,560)	(4,492)	(4,839)	(4,049)	(3,110)	(357)	(701)	(722)	4,496
14	Add: Balance brought forward	(15,397)	(21,834)	(15,720)	(10,881)	(5,255)	(2,145)	(1,787)	(939)	173	649
15	Profit available for appropriation	(16,424)	(15,397)	(21,834)	(15,720)	(10,881)	(5,255)	(2,144)	(1,639)	(549)	5,145
16	Less: Proposed dividend on equity shares	-	-	-	-	-	-	-	42	249	831
17	Less: Tax on dividends	-	-	-	-	-	-	-	7	41	141
18	Less: Transfer to General Reserve	-	-	-	-	-	-	-	100	100	4,000
19	Surplus carried to balance sheet	(16,424)	(15,397)	(21,834)	(15,720)	(10,881)	(5,255)	(2,144)	(1,788)	(939)	173

Note : 1. Financial highlights shown are after consolidating the accounts of all subsidiary companies.

2. Figures prior to 2018 are as per revised schedule IV / schedule III format and hence are not comparable from 2018.

3. Figures from 2018 are as per Ind AS notified under the companies (Indian accounting standards) Rules, 2015.

Director's Report

To the Members

Your Directors are pleased to present the 43rd Annual Report, with the statement of the audited accounts for the financial year ended 31st March, 2018.

1. Financial Performance

The standalone and consolidated audited financial results for the year ended 31st March, 2019 are as follows:

[Rupees in lacs]

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Sales and Other Income	2,061	2,123	8,810	7,904
Earnings before interest, Depreciation and Tax (EBIDTA)	(716)	(1,467)	1,526	362
Depreciation	447	475	1,885	1,682
Interest	638	204	675	240
Profit / (Loss) before tax & Exceptional Items	(1,801)	(2,146)	(1,034)	(1,560)
Exceptional Items	-	-	-	-
Profit / (Loss) before Tax	(1,801)	(2,146)	(1,034)	(1,560)
Provision for Taxation	-	-	2	-
Net Profit / (Loss)	(1,801)	(2,146)	(1,036)	(1,560)
Other Comprehensive Income, Net of Income Tax	11	2,145	513	2,145
Total Comprehensive Income for the year	(1,790)	(1.33)	(523)	585

2. Company's Performance:

Your Company has been facing losses for the last five years which is mainly due to its operating cycle getting affected. However, the Company is mainly focusing on products business and taking necessary steps to improve the productivity and profitability in forthcoming years.

3. Share Capital

The paid up equity share capital of the Company as at 31st March, 2019 stood at Rs.615.88 lakhs comprising of 30,794,141 equity shares of Rs.2 each. The Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor issued any sweat equity shares during the year under review.

4. Dividend

Your Directors do not recommend payment of dividend for the year under review on equity shares in view of the loss incurred.

5. Management Discussions and Analysis:

a. Industry Overview and Developments.

The year 2018-19 continued to be quite difficult like the preceding three to four years due to low investment, slow execution of project and poor cash flow. Owing to the economic slowdown in the past years', the ratio of bad loans or NPAs in Indian market has increased exponentially, forcing RBI to tighten the liquidity and funding norms of banks limiting their exposure to industry and infrastructure projects.

While the financial year 2018-19 witnessed a slowdown in growth in the power sector, now the Government is moving forward and taken several steps to reform and strengthen the power sector as a whole including power generation, transmission and distribution. These also include not only achievements in capacity addition but also important reforms being undertaken on increasing energy efficiency and increasing accountability and transparency by launching application like PRAPTI (Payment Ratification and Analysis in Power procurement for bringing Transparency in Invoicing of generators), Ash Track etc.

The focus is now shifted to new and renewable energy systems at the grid level from Conventional Power by Ministry of Power and Central Electricity Authority slack-up the conventional power generation market. The expansion of old power generation plants and their upgrades have encouraged new opportunities in the transmission sector.

b. Opportunities and threats, Segment wise or Product wise performance

Government of India has now set a stage to achieve overall economic growth and has an ambition of \$5 trillion economy within the next ten years. Therefore, the demand for electricity is likely to grow steadily at a rate of 6.5% CAGR to 1630 Billion Units till 2023. It opens extensive opportunities in the transmission and distribution sector.

Under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) Government scheme, 100 per cent village electrification has been achieved. This will accelerate demand for T&D Products and Systems in the coming years.

State Electricity Board, DISCOMs are still facing financial problems which will indirectly affect the business environment.

c. Risks and Concerns

The economic environment, pricing competition and foreign exchange fluctuations negatively impact the business growth and operating results.

d. Internal control systems and their adequacy.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has in place adequate internal financial controls with reference to financial statements and other matters.

e. Discussion on financial performance with respect to operational performance.

On a standalone basis, the Company achieved revenue from operations of Rs.2,061 lacs and EBIDTA of (Rs.716) as against (Rs.2,123 Lacs) and (Rs.1,467 Lacs) respectively in the previous year. Net loss before other Comprehensive Income for the year is (Rs.1,801 lacs) as compared to net loss of (Rs.2146 Lacs) in the previous year.

Company is unable to meet out its target due to slow collection from the Government sector undertakings, the working capital cycle got affected due to the lack of working capital, the existing orders got backlog and delayed in executions.

On consolidated basis, the Group achieved revenue from operations of Rs.8,810 lakhs and EBIDTA of Rs.1,526 lakhs as against Rs.7,904 lakhs and Rs.362 lakhs respectively in the previous year. Net loss before other comprehensive income for the year is (Rs.1,036 lakhs) as compared to net loss of (Rs.1,560 lacs) in the previous year.

f. Material developments in Human Resources / Industrial Relations front, including number of people employed.

There is no increase in number of people except replacement of any resignation/ retirements. During the year no strikes or lock-outs and the industrial relations is cordial.

6. Human Resource Development

During the year, employee relations at all the Units remained cordial. This has helped your Company to build robust and motivated workforce in spite of adversities. The Company is continuously striving to improve employees skill sets through adequate training and development programs.

7. Material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2019 and 26th October, 2019 (date of the Report).

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2019) and the date of the Report (26th October 2019).

8. Internal Control Systems and their Adequacy

The Company has an Internal Control Framework which is commensurate with the size, scale and complexity of its operations. This framework ensures adequate safeguards and processes to address the evolving business requirements. Key controls have been identified along with risks and mitigation processes covering major areas. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

9. Subsidiary Companies and Consolidated Financial Statements

The Company has 8 subsidiaries, which includes 6 step-down subsidiaries as on 31st March, 2019. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

In accordance with the provisions of the Companies Act, 2013 ('the Act'), Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') and applicable Accounting Standards, the audited consolidated financial statements of the Company for the financial year 2018-19, together with Auditors Report thereon forms part of the Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries, (in Form AOC-1) is attached to the financial statements as **Annexure - D**.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

10. Deposits from public

The Company did not invite or accept any fixed deposit pursuant to provisions of Section 76 of the Companies Act, 2013. During the year no amount either on interest or principal, remained outstanding as on the date of the Balance Sheet.

11. Corporate Governance Report

As has been the ethos of the Company, it strives to maintain high standards of Corporate Governance practices.

Pursuant to regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reports on Management Discussion and Analysis and Corporate Governance have been included elsewhere in this Report as separate sections.

A Certificate from MD and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

A certificate from Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in regulation 34 (3) read with Schedule V of SEBI (LODR) Regulations, 2015 is attached to the report on Corporate Governance.

The report on corporate governance for the year ended March31, 2019 pursuant to Regulation 34 of the SEBI LODR Regulations is annexed hereto as **Annexure - A**.

12. Statutory Auditors and their Report.

M/s. K.S. Rao & Co., Chartered Accountants, (Firm Registration Number 003109S) Chennai, Statutory Auditors of the Company hold office till the conclusion of 47th Annual General Meeting of the Company. Pursuant to amendments to Section 139 of the Act, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from May 7, 2018.

The Auditors Report given by M/s. K S Rao & Co., Chartered Accountants on the financial statements of the Company for the year ended March 31, 2019 forms part of the Annual Report.

13. Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and pursuant to the Regulation 24A of SEBI LODR Regulations, 2015 your Company engaged the services of Mr. S. Viswanathan, Company Secretary in Practice, Bangalore to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2019. The Secretarial Audit Report (in Form MR-3) is attached as Annexure - C to this Report.

14. Management reply to the Statutory Auditor's & Secretarial Auditor's Report

The explanations and comments by the Board on Qualifications made by Statutory Auditor is attached as Annexure - G to this Report.

15. Extract of Annual Return

The extract of the Annual Return pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014 in the prescribed form MGT-9 as on 31st March, 2019 is annexed herewith as Annexure - F to this Report. The complete annual return is available on the Company's website, under the web link: (URL: www.easunreynolle.com/investors).

16. Directors and Key Managerial Personnel

- (a) As on 1st April 2018, the Board of Directors of the Company comprises of 5 Directors. During the year, Dr William Stanly Jones, (DIN No. 00196064) Independent Director stepped down from the Board and its Committees with effect from 29th August, 2018 due to advancing age. The Board wishes to place on record its appreciation for the valuable contributions made by him to the Board and the Company.

Subsequent to the resignation of Dr William Stanley Jones, the Board comprises of 4 Directors of which One Non-Executive Promoter Director, Chairman of the Board and One Promoter, Managing Director and two Independent Directors (including a Woman Director). The constitution of the Board of Directors of the Company is in accordance with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, as amended from time to time.

- (b) Mr Hariharan Eswaran, Director retires by rotation and being eligible and has offered himself for re-appointment. A brief background of Mr Hariharan Eswaran, Director is given in the Corporate Governance Report.

- (c) Members in their 41st Annual General Meeting held on 30th September, 2016 approved the Appointment of Mr Raj Hari Eswaran as Managing Director from 1st April, 2017 upto 31st March, 2020 with remuneration. His term of appointment will expire by efflux of time on 31st March, 2020 and your directors recommended to re-appoint him as Managing Director for a further period of 3 (Three) years with effect from 1st April, 2020 to 31st March, 2023. The necessary special resolution seeking your approval for appointment of Managing Director is included in the notice of the ensuing annual general meeting along with brief details about him.
- (d) Pursuant to provisions of Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement entered with the Stock Exchanges, and as per SEBI LODR Regulations, 2015, Mr Rakesh Garg was appointed as Independent Directors on the Board of the Company for a period of 5 (five) years w.e.f. 29th September, 2014 and Ms Sweta Mandora Prajapati was appointed as Independent Director on the Board of the Company for a period of 3 years w.e.f. 30th September, 2016.

Mr Rakesh Garg and Ms Sweta Mandora Prajapati have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and the Regulations. There has been no change in the circumstances which may affect their status appointed as Independent Directors during the year. Both had given their consent for re-appointment. Based on the evaluation of the performance of the independent directors, your directors recommend their re-appointment for another term of 5 consecutive years.

The Company has received notice(s) in writing under Section 160 of the Act proposing the appointment(s) of Mr Rakesh Garg and Ms Swetha Mandora Prajapati as Independent Directors. The necessary special resolution(s) seeking your approval for appointment of the above directors as Independent Directors are included in the notice of the ensuing annual general meeting along with brief details about them.

- (e) During the year under review, Mr P S Srinivasaraghavan has been appointed and Company Secretary cum Compliance Office, and KMP w.e.f. 28th August, 2018.

17. Declaration by Independent Directors

All the Independent Directors of your Company have made declaration to the Company that they meet all the criteria of independence laid down under section 149(6) of Companies Act, 2013 and regulation 16(1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. Familiarisation Programme for Independent Directors

Your Company, during the year under review has taken steps to apprise the Independent Directors on macro-economic environment, market scenario, regulatory updates, business operations, operations, financial statements, update on statutory and legal compliances for Board members, etc. The details of the familiarization programme are available on the Company's website www.easunreynolle.com

19. Policy on Directors' appointment and remuneration and other details

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Directors' Report.

A statement containing the details of the Remuneration of Key Management Personnel's as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in the Corporate Governance report, which forms part of the Directors' Report.

20. Number of Meetings of the Board

During the year, five (5) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming an integral part of this report.

21. Board evaluation

The Board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) LODR Regulations, 2015 under Regulation No.17(10).

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In addition, the Chairman was also evaluated on the key aspects of his role. In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive and non-executive directors.

22. Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, the Directors of the Company hereby state and confirm that:

- (i) in the preparation of Annual Accounts for the year, applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently, and made 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 and loss of the Company for the year under review;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- (iv) The Directors have prepared the Annual Accounts on a going concern basis.
- (v) That proper internal financial control was followed by the Company and that such internal financial control are adequate and were operating effectively.
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Committees of the Board

In compliance with the provisions of Sections 177, 178 of the Act, the Board constituted Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee (Committees). The details of composition of the Committees, their meeting and attendance of the members are given in the Corporate Governance Report forming an integral part of this report.

24. Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

25. Particulars of Employees

There are no employees whose remuneration exceeds the limits specified under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules.

26. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI LODR Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower and the same was hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of Audit Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of Audit Committee and that no complaints were received during the year. The policies have been uploaded on the Company's website, under the web link: (URL: www.easunreynolle.com/investors).

27. Related Party Transactions

In terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a Related Party Transactions Policy on dealing with Related Party Transactions. The policy may be accessed under the Corporate Governance section of the website (URL: www.easunreynolle.com/investors). All related party transactions during the year under review were on arm's length basis and in the ordinary course of business. There were no materially significant transactions with related party which could be considered material in accordance with Related Party Transactions Policy of the Company.

The details of related party transactions are set out in the notes to the financial statements as well as Form AOC-2 is attached as **Annexure – E** to this Report.

28. Risk Management Policy

In compliance with the requirement of the Companies Act, 2013, the Company has put in place Risk Minimization and Assessment Procedures. In order to effectively and efficiently manage risk and address challenges, the Company has formulated Risk Management Policy. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

29. Environment, Health and Safety

The Company follows all the laws on Environment, Health, Safety (EHS) in all its operations. Occupational injury frequency rate remained almost NIL during the year under review. No severe accident was recorded for your Company employees.

30. Corporate Social Responsibility

Your Company is not under the purview of Section 135 of the Companies Act, 2013 as Company having less Net worth or Turnover or Net profit as specified in the Section.

31. Policy on prevention of Sexual Harassment

The Company has in place a Policy for prevention of sexual harassment at workplace. This inter alia provides a mechanism for the resolution, settlement or prosecution of acts or instances of Sexual Harassment at work and ensures that all employees are treated with respect and dignity. During the year under review, there were no complaints received by the Company.

32. Disclosure requirements

As per Regulation 15(2) of SEBI (LODR) Regulations, 2015 Corporate Governance Report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Policy on dealing with related party transactions is available on the website of the Company (URL: www.easunreynolle.com/investors).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Act and Regulation 22 of SEBI LODR, Regulations, 2015 with stock exchanges (URL: www.easunreynolle.com/investors).

Due to some unforeseen reasons your Company could not hold the Annual General Meeting within the stipulated time. Therefore your Company has obtained approval from ROC, Minister of Corporate Affairs, Chennai for extension of time to conduct the Annual General Meeting on or before 30th November 2019. Accordingly Company's Annual General Meeting is scheduled to be held on 29th November 2019.

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

Information required under Section 134 of the Companies Act, 2013 read with Rule

8 (3) of the Companies (Accounts) Rules, 2014, is attached as **Annexure - B** and forms part of this Report.

34. Cautionary Statement

Statements in this report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

35. Change in nature of Business of the Company

There is no change in nature of Business during the year compared to previous year.

36. Reporting of Frauds

There was no instance of fraud during the year under review, which required the Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made there under.

37. Significant and Material Orders passed by Regulators or Courts

There were no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

38. Compliance of Secretarial Standards

The Company has complied with the Secretarial Standards with respect to Meetings of the Board of the Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

39. Investor Education And Protection Fund (IEPF)

In terms of Section 124 (5) of the Act, an amount of Rs.3,90,947 being unclaimed final dividend(s) pertaining to the financial year 2010-11 was transferred to IEPF on 25th October, 2018.

40. Concluding Remarks

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

For and on behalf of Board of Directors

Hariharan Eswaran
Chairman
(DIN No. 00196760)

Place: Chennai

Date: 26th October, 2019

Corporate Governance Disclosure

In compliance with Regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter also referred to as “Listing Regulations”], Company’s compliance on Corporate Governance provisions 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:

As on 31st March, 2019 the Board comprised of 4 Directors including Woman Director. The Composition of the Board is in conformity with Regulation 17 of the Listing Regulations and Section 149 read with the Rules of the Companies Act, 2013.

The number of Directorships, Committee Memberships / Chairmanships of all the Directors is within the respective limits prescribed under the Act and SEBI Listing Regulations. Necessary disclosures regarding Board and Committee Positions in other companies as on 31st March, 2019 have been made by all the Directors of the Company.

All independent Directors have confirmed that they meet the “Independence” Criteria as mentioned under regulation 16(1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013. Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

(a) Skills / Expertise / Competencies of the Board of Directors:

The Board composition of your Company encompasses right mix of skill and competencies, namely Directors having experience and expertise in general management, business strategy, corporate strategy, governance practices, etc. All the directors have the ability to make points succinctly and effectively at Board Meetings.

(b) Familiarisation Programme:

Company has disclosed the Director’s Familiarisation Programme on its website, www.easunreynolle.com/investors.

(c) Composition and Category 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 held in other Private Limited Companies			Member of Directorship / Committee Membership / Chairmanship held in other Public Limited / Listed Companies	No of Shares held by each Director
			Board Meetings	Last Annual General Meeting	Director Ships	Chairman-ships	Committee Membership		
1	Mr Hariharan Eswaran DIN: 00196760	Promoter Director (Chairman)	5 of 5	Attended	3	3	-	-	39,755
2	Dr W S Jones DIN: 00196064	Independent Director	1 of 2	Not Attended	-	-	-	-	-
3	Mr Raj Hari Eswaran DIN: 00195354	Promoter Director	5 of 5	Attended	5	-	-	-	3,03,558
4	Mr Rakesh Garg DIN: 00240379	Independent Director	5 of 5	Attended	6	-	-	-	2,958
5	Ms Sweta Mandora Prajapati DIN: 06903165	Independent Director	5 of 5	Not Attended	2	-	-	-	Nil

- Note:*
1. Mr Raj Hari Eswaran is the son of Mr Hariharan Eswaran
 2. Except Mr Raj Hari Eswaran, Managing Director, all the Directors on the Board are non-executive Directors.
 3. Dr William Stanley Jones, Independent Director stepped down from Board of the Company and in all the Committees of the Board where he is a member, w.e.f. 29th August, 2018 due to advancing age.

(d) Number of Board Meetings and Dates of Board Meeting held during the Financial Year 2018 - 19 is as below:

Five Board meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:

Number of Board Meeting	Date of Board Meeting
1	08.06.2018
2	27.08.2018
3	04.09.2018
4	14.11.2018
5	20.02.2019

(e) Brief Background of Directors being re-appointed

Mr Hariharan Eswaran

Mr Hariharan Eswaran, Director retire by rotation and is eligible for reappointment. The brief background of Mr Hariharan Eswaran, Director is furnished below:

Mr Hariharan Eswaran, 82 years, is one of the founder Director of Easun Reyrolle Limited. Presently, he is a Non-Executive Chairman on the Company's Board. He is a Fellow of the Institution of Electrical Engineering, U.K. Mr. Hariharan Eswaran, a pioneer in the electrical engineering industry, has been associated with various industry and trade associations. He was 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 Hariharan Eswaran is a Member of Associated Chamber of Commerce and Industry and on the Board of the following Companies.

1. Easun Engineering Company (P) Limited – Chairman
2. Eswaran and Sons Engineers (P) Limited – Chairman
3. Easun-MR Tap Changers (P) Limited – Chairman
4. Easun Products of India (P) Limited – Director
5. Easun Holdings (P) Limited - Director
6. Sowraj Investments (P) Limited – Director

Mr. Hariharan Eswaran is holding 39,755 Equity Shares of Rs.2 each in Easun Reyrolle Limited as on 31.03.2019.

Mr Raj Hari Eswaran, Managing Director:

Mr. Raj Hari Eswaran (holding DIN No. 00195354) aged 50 years, is the promoter of the Company. He is a qualified Electrical Engineer and holds Post Graduate Degree in Business Administration from London Business School.

Mr Raj Hari Eswaran has been Non-Executive Director of Easun Reyrolle Ltd since 26th June, 2000 and Managing Director from 1st April, 2012 to till date.

Mr Raj Hari Eswaran served as President of Executive Council at Indian Electrical & Electronics Manufacturers' Association and served as its Vice President of Executive Council from September 2012 to September 2014. He has wide and varied managerial experience both in India and abroad.

Mr Raj Hari Eswaran is a Director on the Board of the following Companies:

1. Easun-MR Tap Changers (P) Limited - Director
2. Easun Products of India (P) Limited - Director
3. Sowraj Investments (P) Limited - Director
4. Easun Holdings (P) Limited - Director
5. Eswaran and Sons Engineers (P) Limited - Director

Mr Raj Hari Eswaran is holding 3,03,558 Equity Shares of Rs.2 each in Easun Reyrolle Limited as on 31.03.2019.

Mr Rakesh Garg – Independent Director

Mr Rakesh Garg aged 51 years, Commerce Graduate from Punjab University, is a qualified Chartered Accountant and a Company Secretary. During the period from 1984 to 1992 he worked with various public limited companies in the senior level. During 1992, Mr Garg set up an independent consultancy firm and has 21 years experience in the field of Audit and Taxation, Mergers and Acquisitions, feasibility and profitability studies, setting up standard costing system for manufacturing companies, secretarial advice, financial planning, etc., Mr Garg is a consultant to the major listed companies in the field of logistics.

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

1. Nexia Technology (P) Limited - Director
2. Solenco Infra (P) Limited - Director
3. Solenco Renewables (P) Limited - Director
4. Appeti Ventures (P) Limited - Director
5. Sovereign Advisors (P) Limited - Director
6. Eco Health Projects (P) Limited - Director

Mr Rakesh Garg is holding 2,958 equity shares of Rs.2 each in Easun Reyrolle Limited as on 31st March, 2019.

Ms Sweta Mandora Prajapati – Independent Director

Ms Sweta Mandora Prajapati is Commerce Graduate and Qualified Chartered Accountant from Institute of Chartered Accountants of India.

Ms Sweta Mandora is a talented and well accomplished Chartered Accountant with career spanning more than 16 years of experience in some of the leading Pharma Companies. During her career span she has successfully managed the finance function of some of the offshore subsidiaries of the Pharma Companies with combined turnover of more than US\$ 150 mn. She has demonstrated capabilities of planning, execution and leading from the front and developing strategies.

Ms Sweta Mandora Parajapati is a Director on the Board of the following Companies:

1. Nehas Trading (P) Limited – Director
2. Nehas Infotech (P) Limited - Director

Ms Sweta Mandora Prajapati is not holding any Equity Shares of the Company

3. Audit Committee:

(a) Composition and Name of Committee Members

The Audit Committee of the Company comprises of three Members namely, Dr W S Jones, Mr Raj Hari Eswaran, and Mr Rakesh Garg. However, Dr W S Jones, Independent Director stepped down from the Board w.e.f. 29th August, 2018.

Subsequent to resignation of Dr W S Jones, as Director and Chairman of Audit Committee, Mr Rakesh Garg has been designated as Chairman of the Committee

and Ms Swetha Mandora Prajapati, Independent Director of the Company has been appointed as Member of Audit Committee w.e.f. 28th August, 2018.

(b) Terms of Reference

The Company has constituted a qualified and independent Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits. The Terms of reference specified by the Board to the Audit Committee are in conformity with the Regulation 18 of SEBI (LODR) Regulations, 2015.

(c) Meetings

During the year 2018-19, 5 (Five) Audit Committee Meetings were held.

The attendance of Members during the year are as below:

Sl. No.	Names and Position of the Member	Number of Meetings during the year 2018-19	
		Attended	Held
01.	Dr W S Jones, Member	2	2
02.	Mr Raj Hari Eswaran, Member	5	5
03.	Mr Rakesh Garg, Member	5	5
04.	Ms Swetha Mandora Prajapati	3	3

4. Nomination and Remuneration Committee

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

Name	Category	Number of Meetings during the year 2018-19	
		Attended	Held
Dr W S Jones	Independent, Non-Executive	1	1
Mr Rakesh Garg	Independent, Non-Executive	1	1
Mr Hariharan Eswaran	Promoter – Non-Executive Director	1	1

Subsequent to resignation of Dr W S Jones, as Director and Chairman of Nomination and Remuneration Committee, Mr Rakesh Garg has been designated as Chairman of the Committee and Ms Swetha Mandora Prajapati, Independent Director of the Company has been appointed as Member of Nomination and Remuneration Committee w.e.f. 28th August, 2018.

(b) Terms of reference of the Nomination and Remuneration Committee are as under:

- i. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management and to evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.
- ii. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
- iii. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive / Independent/ Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- v. To promote and develop a high performance workforce in line with the Company strategy and to determine the remuneration based on the Company's size and financial position and practices in the industry.

(c) Performance evaluation criteria for Directors

The Nomination and Remuneration Committee of the Board has laid down the criteria for performance evaluation of all the Directors of the Company. The Company's remuneration policy is driven by success and performance of the individual and the Company. Through its compensation policy, the Company endeavors to attract, retain, develop and motivate 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.

5. Remuneration to Directors

(a) Criteria for making payments to Non-Executive Directors

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees and profit related Commission based on the criteria laid down by the Nomination and Remuneration Committee and the Board.

Due to insufficient profits during the year, the Board has decided to pay only sitting fees for attending the Committee and Board Meetings to Non-Executive Directors.

(b) Details of Remuneration paid to Executive / Non-Executive Director for the year ended 31st March, 2019:

(i) Non-Executive Directors:

Name	Commission (Rs. Lacs)	Sitting Fee (Rs. Lacs)
Mr Hariharan Eswaran, Chairman	-	0.40
Dr W S Jones	-	0.20
Mr Rakesh Garg	-	0.55
Ms Sweta Mandora Prajapati	-	0.40

(ii) Executive Director:

Name	Salary (Rs. Lacs)	Commission (Rs. Lacs)	Sitting Fee (Rs. Lacs)
Mr Raj Hari Eswaran, Managing Director	48	Nil	Nil

(c) Details of Remuneration of KMP's Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Managerial Remuneration disclosure as per Companies Act, 2013				
Sl. No.	Name of the KMP	KMP Nature	Remuneration per annum (CTC) Rs. In Lacs	Ratio of Remuneration of each KPM to median remuneration of employees
01.	Mr Raj Hari Eswaran	Managing Director	48.00	1 : 9.54
02.	Mr A Kamatchinathan	Chief Financial Officer	21.00	1 : 4.17
03.	Mr PS Srinivasaraghavan*	Company Secretary & Compliance Officer	1.75	1 : 0.35

* Mr P S Srinivasaraghavan, Company Secretary & Compliance Officer has been appointed w.e.f. 28.08.2018. Since this information is for part of the year, the same is not comparable.

(d) Pecuniary relationships / transactions with non executive directors

During the year the company has received an amount of Rs.5,22,757/- as a loan from Mr Hariharan Easwaran (Promoter Director, Chairman).

6. Stakeholders' Grievance Committee

Composition and Name of Committee Members

The Stakeholders' Grievance Committee comprises of Mr Hariharan Eswaran and Mr Raj Hari Eswaran. Mr Hariharan Eswaran (a non-executive Director) is the Chairman of the Committee.

Name	Category	Number of Meetings during the year 2018-19	
		Attended	Held
Mr Hariharan Eswaran	Promoter – Non-Executive Director	2	2
Mr Raj Hari Eswaran	Executive Director	2	2

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 Hariharan Eswaran, Chairman, Mr Raj Hari Eswaran, Managing Director and Mr A Kamatchinathan, Chief Financial Officer.

Mr PS Srinivasaraghavan, Company Secretary is the Compliance Officer of the Company.

During the year 2018-19 the Company received 4 complaints from the Shareholders and all Complaints were resolved to the satisfaction of Shareholders. There were no Complaint pending as on 31st March, 2019.

7. General Body Meeting

a. 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
2016	Hotel Ambassador Pallava 53, Montieth Road. Chennai – 600 008	30.09.2016	10.00 a.m.	1
2017		30.09.2017	10.00 a.m.	2
2018		29.09.2018	10.00 a.m.	Nil

b. Postal Ballot

No Resolutions were passed through Postal Ballot during the year 2018-19.

8. Means of Communication:

- a. The Company has been publishing quarterly, half-yearly and yearly financial results in newspapers, namely, The Financial Express, and Makkal Kural (in Tamil). Quarterly and half-yearly financial results are not sent individually to the shareholders.
- b. The Company is posting in its website, www.easunreyrolle.com the quarterly financial results as well as presentations made to institutional investors / analysts.

9. General Shareholder information:**a) Annual General Meeting for 2019**

- a) Date : 29th November, 2019
- b) Time : 3.00 pm
- c) Venue : Hotel Ambassador Pallava 53, Montieth Road. Chennai – 600 008

b) Financial calendar:

Results for the quarter ended 30th June, 2019	Second week of August, 2019
Results for the quarter ended 30th September, 2019	Second week of November, 2019
Results for the quarter ended 31st December, 2019	Second week of February, 2020
Results for the quarter ended 31st March, 2020	Last week of May, 2020

c) Book Closure date:

The Register of Members and the Share Transfer Books of the Company will remain closed from 25th November, 2019 to 29th November, 2019 (both days inclusive).

d) Listing on Stock Exchanges:

The Company's shares have been listed on

- (1) National Stock Exchange of India Limited, Mumbai, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla, Complex, Bandra (E), Mumbai – 400 051
- (2) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400023.

Up to date listing fee has been paid to both the Stock Exchanges.

e) Stock Code:

National Stock Exchange Limited	EASUNREYRL
Bombay Stock Exchange Limited	532751
ISIN Number of the Company	INE268C01029
Corporate Identification Number	L31900TN1974PLC006695

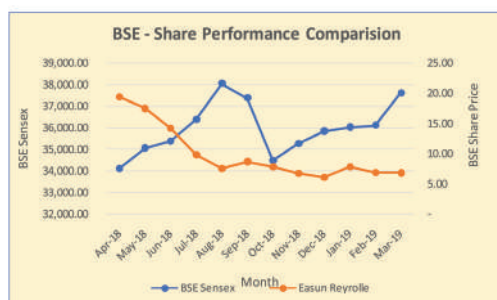
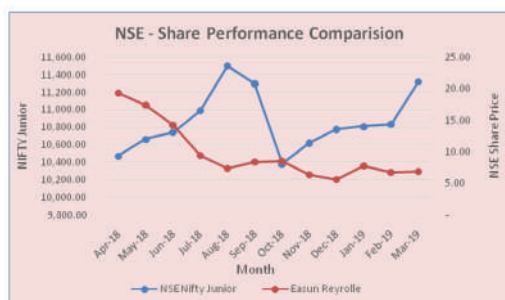
f) Market Price Data:

Highlights of Market Price of the Company's Shares traded on National Stock Exchange and Bombay Stock Exchange during 2018-19 are as follows:

Period	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2018	24.80	13.35	24.90	14.15
May, 2018	20.25	15.35	20.45	15.50
June, 2018	16.80	12.50	16.25	12.40
July, 2018	13.10	7.70	12.60	7.79
August, 2018	8.90	5.70	8.98	5.60
September, 2018	10.90	5.90	11.07	5.90
October, 2018	9.40	7.25	9.25	6.31
November, 2018	7.20	5.85	7.10	6.09
December, 2018	6.60	4.85	7.20	4.91
January, 2019	10.70	4.95	10.79	5.30
February, 2019	7.85	6.40	7.42	6.40
March, 2019	8.00	6.10	7.99	6.15

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

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



h) Registrars and Transfer Agents:

Integrated Registry Management Services Pvt Ltd.,
 2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
 North Usman Road, T Nagar, Chennai 600 017
 Telephone No: +91 044 28140801 to 28140803,
 Email: corpserve@integratedindia.in

i) Share Transfer System:

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

j) Shareholding pattern as on 31st March, 2019:

Sl. No.	Category	No. of Shares held	Percentage of Shareholding
1	A. Promoters' Holding		
	Mr Hariharan Eswaran & Associates	11,093,784	36.03%
2	B. Non-Promoters' Holding		
	Mutual Fund	364,150	1.18%
	Foreign Portfolio Investors	1,504,989	4.89%
	Individuals	14,884,625	48.34%
	NBFCs Registered with RBI	11,450	0.04%
	Bodies Corporate	2,486,001	8.07%
	NRI/OCBs	187,257	0.61%
	IEPF Authority	199,476	0.65%
	Others	62,409	0.20%
	Total	30,794,141	100.00%

k) Distribution of shares as on 31st March 2019

Sl. No.	Distribution of Shareholding	No. of Shareholders	% to total	No. of Shares	% to total
1	Upto 500 Shares	10,009	73.75%	1,449,084	4.71%
2	501 to 1000 Shares	1,504	11.08%	1,259,284	4.09%
3	1001 to 2000 Shares	918	6.76%	1,435,032	4.66%
4	2001 to 3000 Shares	361	2.66%	935,395	3.04%
5	3001 to 4000 Shares	159	1.17%	572,346	1.86%
6	4001 to 5000 Shares	155	1.14%	732,286	2.38%
7	5001 to 10,000 Shares	228	1.68%	1,732,312	5.63%
8	More than 10,000 Shares	238	1.75%	22,678,402	73.65%
	Total	13,572	100.00%	30,794,141	100.00%

l) Dematerialization of Shares and Liquidity

The Company's Shares are compulsorily traded in dematerialized form on NSE and BSE. 98.55% of the paid up capital has been dematerialized as at 31st March 2019.

Your Company confirms that the entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI.

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 2018-19 is given below:

Sl.No.	Name of the Stock Exchange	No. of Shares	Value per Share(Rs.)
01.	The National Stock Exchange of India Ltd	17,428	10.01
02.	Bombay Stock Exchange Limited	10,484	10.15

m) Outstanding GDRs / ADRs /Warrants, etc:

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

Outstanding GDRs/ADRs/Warrants: There are no outstanding GDRs/ADRs/ Warrants as on 31.03.2019.

Securities held in abeyance: Issue and allotment of 1,498 Equity Shares of Rs.2 each (675 Shares on Bonus Issue and 823 Shares on Rights Issue) which are subject to matter of suits filed in a court, is held in abeyance pursuant to Section 126 of the Companies Act, 2013.

n) Plant Location:

Hosur Plant: - Unit I Plot No.98, Sipcot Industrial Complex, Hosur-635 126 Krishnagiri District, Tamilnadu	Bangalore Plant: - Unit II 17/3, Arakere Village, Bannerghatta Road Bangalore –560076 Karnataka	Global Manufacturing Facility: Plot No.147/148 Harohalli Industrial Area 2nd Phase, Madamaranahalli Village Harohalli Hobli, Kanakpura Taluk, Ramnagara Dt.
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o) Address for Correspondence:

I	For transfer / dematerialization of shares and other queries relating to Company's shares	Integrated Registry Management Services Pvt Ltd., 2nd Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 Email: corpserve@integratedindia.in
II	Any query on payment of dividend or Annual Report	Easun Reyrolle Ltd. No.98, Sipcot Industrial Complex Hosur – 635 126 Email: sec@easunreyrolle.com

p) Transfer of unclaimed dividend to Investor Education and Protection Fund of the Central Government:

During the year 2018-19, the Company transferred the following Dividend to IEPF:

Dividend for the year ended	No. of Shareholders	Amount Rs.	Date of Transfer
Final Dividend for the year 2010 – 11	913	3,90,947.00	25.10.2018

q) Details of Shares transferred to IEPF Authority during 2018-19

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividends, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). In pursuance to the said rules, in 2017-18 Company has transferred 139,076 shares constituting 344 shareholders and in 2018-19 Company has transferred 60,400 Shares constituting 132 shareholders to IEPF Authority.

Unclaimed Shares pertains to FY	Shares Transferred to IEPF During FY	No. of Shareholder	No. of Shares
2008-09	2017-18	301	128,999
2009-10	2017-18	43	10,077
2010-11	2018-19	132	60400
	Total	476	1,99,476

The voting rights on the shares outstanding in the IEPF Authority as on 31st March, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

r) The Company will be transferring the following Unpaid Dividend to the Investor Education and Protection Fund in 2019-20 is as below:

Dividend for the year	Declared on	Transferring to IEPF during
Final Dividend for the year 2011-12	26th September, 2012	November, 2019

10. Other Disclosures

a. Related Party Transactions:

None of the transactions with any of the related parties was in conflict with the interest of the Company. The Policy on Related Party Transactions is hosted on the website of the Company under the web link: (URL: www.easunreynrolle.com/investors).

Details of the related party transactions are disclosed in Note No.42 of Notes on Accounts of the accompanying Annual Report.

b. Compliance(s) of matters relating to Capital Market (penalties or strictures)

The Company has complied with all applicable rules and regulations prescribed by stock exchanges (NSE / BSE), Securities and Exchange Board of India (SEBI) or any other statutory authority relating to the capital markets except the delay in Publication of Financial Results within the Stipulated time. No penalties or strictures have been imposed on the Company in the last 3 years whereas following are the fines imposed on the Company in the last 3 years.

Sl. No.	Financial Year	Amount (Rs.)	Reason
1.	2016-17	10,750.00	Delay in submission of Q1 Financial Results for the year 2016-17
2.	2017-18	31,89,748.00	Delay in submission of Financial Results
3.	2018-19	31,89,748.00	Delay in submission of Financial Results for the year 2017-18

c. Whistle Blower policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s) / employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Whistle Blower Policy has been disclosed on the Company's website under the web link (URL: www.easunreynolle.com/investors) and circulated to all the Directors / employees.

d. Compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all applicable mandatory requirements in terms of SEBI Listing Regulations (except the delay in submission of Financial Results as per Regulation 33). A report on the compliances on the applicable laws for the Company is placed before the Board on a quarterly basis for its review.

e. Subsidiary Companies

Your Company monitors performance of subsidiary companies. Your company formulated a policy on Material Subsidiary as required under Listing Regulations and the policy is hosted on the website of the Company under the web link : (URL: www.easunreynolle.com/investors).

f. Disclosure of commodity price risks and hedging activities

The Company is not undertaking any commodity hedging activities, hence there is no risk of commodity hedging to the Company. The Company has not entered into any forward contracts for any foreign exchange risks during the year under review.

g. The Company has complied with the requirements of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.

h. Compliance with Discretionary Requirements

None of the discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been adopted.

i. Disclosure on Compliance with Corporate Governance Requirements

The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

j. Disclosure in relation to Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, there were no complaints received, pursuant to the Provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

k. Details of fees paid to the statutory auditor(s) and all entities in the network firm/ network entity of which the each of the joint statutory auditor is a part for the financial year ended March 31, 2019

The Company has paid a sum of Rs.9.20 Lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm / entity of which the Statutory auditor is a part for the services rendered by them.

l. Certificate from a Company Secretary in practice with regard to disqualification of directors:

A certificate from Mr S Viswanathan, Practicing Company Secretary certifying that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority and certificate is annexed to this report as Annexure

m. Credit Rating

Company does not have any Credit Rating.

11. Details of recommendation of any committee of the Board which are not accepted by the Board

During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

12. Utilization of funds raised through preferential allotment or qualified institutions placement

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Independent Directors

Your Company appointed Independent Directors who are renowned people having expertise/experience in their respective field / profession. None of the Independent Directors are Promoters or related to Promoters. They do not have any pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

14. Meeting of Independent Directors

During the year, meeting of Independent Directors was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Independent Directors presented their views on matters relating to Board processes and the overall affairs of the Company to the full Board.

15. Code of Conduct

Your Company has adopted a Code of Conduct for members of the Board (incorporating duties of Independent Directors) and the Senior Management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. Your Company has received confirmations from all concerned regarding their adherence to the said Code.

Pursuant to Regulation 46, Managing Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management. The Policy on Code of Conduct is hosted on the Company's website under the web link (URL: www.easunreynolle.com/investors).

16. Code of Conduct for prohibition of insider trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992.

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. The Code of Conduct is available on the Company's web site.

I confirm that, in respect of the financial year ended 31st March, 2019, 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

Hariharan Eswaran
Chairman
(DIN No.00196760)

Place : Chennai

Date : 26th October, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Easun Reyrolle Limited
(CIN No.L31900TN1974PLC006695)
Temple Tower, VI Floor, 672, Anna Salai Nandanam, Chennai - 600035

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Easun Reyrolle Limited having CIN L31900TN1974PLC006695 and having registered office at Temple Tower, VI Floor, 672, Anna Salai, Nandanam, Chennai - 600035 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Date of Appointment in Company
01.	Mr Hariharan Eswaran	00196760	29.08.1974
02.	Mr Raj Hari Eswaran	00195354	26.06.2000
03.	Mr Rakesh Garg	00240379	29.09.2014
04.	Ms Swetha Mandora Prajapati	06903165	30.09.2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. Viswanathan
Practicing Company Secretary
ACS No: 5284CP No: 5284

Place : Bangalore
Date : 21st August, 2019

**Certificate from Managing Director and Chief Financial Officer
forming part of the Directors Report for the year ended 31st March, 2019**

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control systems for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are appraised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
- D. We have indicated to the auditors and the Audit committee, that:
1. there are no significant changes in internal control over financial reporting during the year;
 2. there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. there are no instances of significant fraud of which they have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

Raj Hari Eswaran
Managing Director
DIN No.00195354

A Kamatchinathan
Chief Financial Officer

Place: Chennai
Date: 26th October, 2019

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of Easun Reyrolle Limited

We have examined the compliance of conditions of Corporate Governance by Easun Reyrolle Limited ("the Company"), for the year ended 31st March 2019, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of management. The responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

Based on the examination of relevant records and according to the information and explanation given to us and the representation made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

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

For K S Rao & CO.,
Chartered Accountants
Firm Registration No. 003109S

M. Krishna Chaitanya, Partner
Membership No.231282

Place : Chennai
Date : 26th October, 2019

Annexure – B to the Director’s Report for the year ended 31st March, 2019

Information pursuant to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

A. Conservation of Energy	
(i) Energy Conversion	By rationalizing operations, the Company could save energy resulting in reduction in power consumption. The Company is continuously identifying areas where energy can be saved and appropriate measures are being taken to optimize conservation of energy.
(ii) Additional Investments and proposals if any, being implemented for reduction of consumption of energy	
(iii) Impact of the measures at (a) and consumption and consequent impact of the cost of production of goods.	
(iv) Total energy conservation	Disclosure requirement is not applicable to the Company.
B. Technology Absorption	
(i) Research and Development	
(1) Specific areas in which R&D is carried out by the Company	<p>(a) Launched Protection Relay Products namely: F-PRO298 : Feeder Management Relay with Vsync function.</p> <p>(b) Feature Enhancements done in all F-PRO relay variants: (i) DNP3.0 protocol implementation (ii) Added SNTP time synchronization (iii) Added Power Protection functions</p> <p>(c) Planning to release (i) Low Cost Platform - Feeder Protection Relay (F-PRO116) (ii) Motor Protection Relay(M-PRO249)</p>
(2) Benefits derived as a result of the above efforts	<p>(a) Indigenous IP, hence no royalty payable.</p> <p>(b) Improved brand name as a technology Company.</p> <p>(c) New product lines for the existing business, hence entry into new market segments.</p> <p>(d) Adaptation of products and creation of variants to meet International and domestic markets.</p>
(3) Future plan of action	To add additional variants of the Sub-Transmission and Distribution segment Protection Relays.
(4) Expenditure on R&D	NIL
(a) Capital	
(b) Recurring	
(c) Total	
(d) Total R&D expenditure as a percentage of total turnover	

(ii) Technology absorption, adaptation and innovation	
(1) Efforts, in brief, made towards technology absorption, adaptation and innovation.	The newly launched F-PRO298 relay is having the following additional features: (a) Increased the size of LCD screen (b) Added more External Inputs (c) Added more Digital Outputs (d) Added DNP3.0 Level 2 Protocol (e) Added more Protection Functions (f) Added more LED's
(2) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development substitution, etc.,	Products with enhanced features at a lower cost hardware platform improves the business margins and also enhance the chances of win. The development of Substation Protection Products has resulted in reduction of Import cost and provide product upgrades to Customers.
(3) In case of imported technology, (imported during the last five years reckoned from the beginning of the financial year, following information may be furnished) (a) Technology imported (b) Year of Import (c) Has technology been fully absorbed (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	NIL
C. Foreign Exchange Earning and Outgo	
(i) (a) Efforts made in Technology absorption. (b) Initiatives taken to increase exports (c) Development of new export markets for products and services (d) Export plans	Participating in Tenders and product demonstrations in Overseas Market.
(ii) (a) Total foreign exchange used (b) Total foreign exchange earned	Rs.437.18 lacs Rs.465.88 lacs

On Behalf of the Board of Directors

Hariharan Eswaran
Chairman
(DIN No.00196760)

Place : Chennai
Date : 26th October, 2019

Annexure – C to the Directors’ Report for the year ended 31st March, 2019

FORM MR-3

Secretarial Audit Report

For The Financial Year Ended 31st March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Easun Reyrolle Limited
CIN: L31900TN1974PLC006695
“Temple Tower”, VI Floor, 672,
Anna Salai, Nandanam,
Chennai – 600 035

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Easun Reyrolle Limited (CIN : L31900TN1974PLC006695) having its Registered Office at “Temple Tower”, VI Floor, 672, Anna Salai, Nandanam, Chennai – 600 035, Tamilnadu (hereinafter called **the Company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during audit period);**

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **NIL**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **NIL**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during audit period**);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NIL**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during audit period**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during audit period**);

I have also reviewed the systems and mechanisms established by the Company for ensuring compliances under other applicable Acts, Laws, Rules, Regulations, Guidelines applicable to the Company and categorized under the following major heads/groups:

- (a) Factories Act, 1948
- (b) Payment of Wages Act, 1936,
- (c) The Minimum Wages Act, 1948,
- (d) Employees' State Insurance Act, 1948,
- (e) Provident Fund Act 1952 & Employees' Pension Scheme 1995,
- (f) The Payment of Bonus Act, 1965,
- (g) Payment of Gratuity Act, 1972,
- (h) The Water (Prevention & Control of Pollution) Act, 1974, read with Water Prevention & Control of Pollution) Rules, 1975, Air Act
- (i) Tamil Nadu (Professional Tax) Act, Karnataka Professional Tax Act
- (j) Prevention of Child Labour Act,
- (k) Industries (Development & Regulations) Act 1971.
- (l) Trade Unions Act, 1926
- (m) Sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (n) Contracts Act,
- (o) Direct Tax and Indirect Tax laws.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Ltd., (NSE) and Bombay Stock Exchange Limited (BSE);
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the observations made below:

I further report that

The Board of Directors of the Company is duly constituted under Regulation 17(1(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority / unanimous decision is carried through while the dissenting member's views are captured and recorded as part of the minutes, where applicable. The Chairman of the meeting approves the minutes after making corrections considered necessary.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed by the Management, due to paucity of funds and liquidity problems, the Company has defaulted in timely remittance of Statutory dues and timely filing of returns under other Laws. However, there is scope for improvement in implementing compliance as per prescribed systems and processes.

I further report that,

- (1) *As per Regulation 33 of SEBI LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has failed to publish Unaudited Financial Results for the Three Quarters; viz., June 2018, December 2018 and March 2019 within due dates and subsequently June, 2018 and December, 2018 Financial Results have been published and complied with Regulation 33 of SEBI (LODR) Regulations 2015.*

The Company has been advised to avoid delay in submission of financial results and returns to SEBI / Stock Exchanges.

I further report that the Company has appointed Mr. P.S. Srinivasa Raghavan as full time Company Secretary w.e.f. 28th August 2018.

I further report that during the audit period specific events/actions took place as observed in the Statutory Auditors' Report which we rely upon, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

S.Viswanathan
Practicing Company Secretary
ACS No: 5284
CP No: 5284

Place: Bangalore

Date: 21st August, 2019

Encl: Annexure A

Annexure A

To

The Members
Easun Reyrolle Limited

My report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S. Viswanathan
Practicing Company Secretary
ACS No: 5284
CP No: 5284

Place: Bangalore
Date: 21st August, 2019

Annexure – D to the Directors' Report for the year ended 31st March, 2019

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.) (Rs. In Lacs)

Particulars											
Sl. No.	Name of the Subsidiary	ERL International, Singapore	ERLPhase Power Technologies Ltd., Canada	ERL Marketing International FZE, Sharjah	ERL Switchcraft Pte Ltd. Singapore	Switchcraft Europe GmbH, Germany	Switchcraft Ltd., Hongkong	ERL Pacific Pty Ltd., Australia	ER Protection and Automation Services Pvt. Ltd.,		
1	The date since when subsidiary was acquired	14.12.2007	15.06.2007	15.09.2008	13.09.2011	03.02.2009	03.02.2009	29.07.2013	27.10.2017		
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019		
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD	USD	USD	USD	USD	USD	USD			
4	RATE	69.1713	69.1713	69.1713	69.1713	69.1713	69.1713	69.1713			
5	Share capital	22,134.82	4,841.99	720.14	0.07	12.64	17.85	0.07	1.00		
6	Reserves & surplus	3,380.77	(3,094.27)	(161.47)	(1,073.48)	(539.48)	(1,416.08)	(334.98)	(0.75)		
7	Total Assets	29,158.66	6,357.93	967.74	10,899.76	5,212.41	3.52	113.09	0.45		
8	Total Liabilities	3,643.08	4,610.21	409.07	11,973.18	5,739.25	1,401.76	448.00	0.20		
9	Investments	5,562.27	-	-	5,353.22	-	-	-	-		
10	Turnover	15.47	7,098.97	455.49	2.79	-	-	0.05	-		
11	Profit before taxation	2.74	779.14	31.75	(15.93)	(30.52)	-	(0.01)	(0.19)		
12	Provision for taxation	-	2.34	-	-	-	-	-	-		
13	Profit after taxation	2.74	776.80	31.75	(15.93)	(30.52)	-	(0.01)	(0.19)		
14	Proposed Dividend	-	-	-	-	-	-	-	-		
15	Extent of shareholding (in %)	100%	100%	100%	80%	100%	100%	82%	99%		

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Date on which the Associate or Joint Venture was associated or acquired			
3. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extent of Holding%			
4. Description of how there is significant influence			
5. Reason why the associate/joint venture is not consolidated			
6. Net worth attributable to shareholding as per latest audited Balance Sheet			
7. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of Board of Directors

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

Place : Chennai
Date : 26th October, 2019

A Kamatchinathan
Chief Financial Officer

PS Srinivasaraghavan
Company Secretary

Annexure – E to the Directors’ Report for the year ended 31st March, 2019
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

There is no contracts or arrangements or transactions not at arm’s length basis

2. Details of contracts or arrangements or transactions at Arm’s length basis.

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangement / transaction	Duration of the contracts / arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
a)	ERLPhase Power Technologies Ltd., (Subsidiary)	Sales/ purchase transactions	There are routine and regular intra group transactions, which are carried out on a continuous basis. This was active throughout 2018-19	Transaction in ordinary course of business Purchase of Goods – Rs.334.82 Lacs Sales – Rs.241.58 Lacs	13.08.2014	–
b)	ERL Marketing International FZE., (Subsidiary)	Sales/ purchase transactions	There are routine and regular intra group transactions, which are carried out on a continuous basis. This was active throughout 2018-19	Transaction in ordinary course of business Purchase of goods Rs. Nil Sales of Goods Rs.195.37 Lacs	13.08.2014	–

On behalf of Board of Directors

Hariharan Eswaran
Chairman
(DIN No.00196760)

Place: Chennai

Date: 26th October, 2019

Annexure – F to the Directors’ Report for the year ended 31st March, 2019**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****for the financial year ended 31st March, 2019****[Pursuant to section 92(3) of Companies Act, 2013****And****Rule 12(1) of Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

i) CIN	L31900TN1974PLC006695
ii) Registration Date	29th August, 1974
iii) Name of the Company	Easun Reyrolle Limited
iv) Category / Sub-Category of the Company	Company limited by shares
v) Address of the registered office and contact details	Address of the registered office: “Temple Tower”, 6 th Floor, No. 672 (Old No.476), Anna Salai, Nandanam, Chennai – 600 035 Phone : +91- 44 – 24346425 Fax : +91-44 - 24346435 Email : sec@easunreyrolle.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Pvt Ltd., 2nd Floor, “Kences Towers”, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 Phone No : +91 44 28140801 to 28140803 E-mail : corpserv@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Relays and Control Panels	2710	98.70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	ERL International Pte. Ltd., 10, Jalan Besar, #10-12, SIM LIM Tower, Singapore 208 787	Foreign Company (WOS)	Subsidiary	100%	2(87)
2.	ERLPhase Power Technologies Ltd. 74 Scurfield Blvd. Winnipeg, MB R3Y 1G4, Canada	Foreign Company	Deemed Subsidiary	100%	2(87)
3.	ERLMarketing International FZE, No.39G-01, Hamriyah Free Zone, Sharjah, UAE	Foreign Company	Deemed Subsidiary	100%	2(87)
4.	ERL Switchcraft Pte. Limited, 10, Jalan Besar, #10-12, SIM LIM Tower, Singapore 208 787	Foreign Company	Deemed Subsidiary	80%	2(87)
5.	SWITCHCRAFT Europe GmbH, Thyssenstraße 93, D-46535 Dinslaken, Germany	Foreign Company	Deemed Subsidiary	100%	2(87)
6.	Switchcraft Limited Units B & C, Eton Building, 288 Des Voeux Road Central, Hong Kong	Foreign Company	Deemed Subsidiary	100%	2(87)
7.	ERL Pacific Pty Ltd., Unit 2, 158 South Pine Road, Enoggera, Qld, 4051. Box 39, Ferny Hills, Queensland, 4055, Australia	Foreign Company	Deemed Subsidiary	82%	2(87)
8.	ER Protection and Automation Services Pvt Ltd., No.672, Anna Salai, Nandanam, Chennai - 600 035, India	Indian Subsidiary	Subsidiary	99%	2(87)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding Pattern

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	557,618	-	557,618	1.81%	557,723	-	557,723	1.81%	-
b) Central Government/ State Governments	-	-	-	-	-	-	-	-	-
c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	10,461,061	-	10,461,061	33.97%	10,461,061	-	10,461,061	33.97%	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	11,018,679	-	11,018,679	35.78%	11,018,784	-	11,018,784	35.78%	-
(2) Foreign									
a) NRIs - Individuals	75,000	-	75,000	0.24%	75,000	-	75,000	0.24%	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	75,000	-	75,000	0.24%	75,000	-	75,000	0.24%	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	11,093,679	-	11,093,679	36.03%	11,093,784	-	11,093,784	36.03%	-
B. Public Shareholding									
1.Institutions									
a) Mutual Funds/UTI	1,881,452	-	1,881,452	6.11%	364,150	-	364,150	1.18%	-4.93%
b) Venture capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
f) Foreign Portfolio Investors	1,504,989	-	1,504,989	4.89%	1,504,989	-	1,504,989	4.89%	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	3,386,441	-	3,386,441	11.00%	1,869,139	-	1,869,139	6.07%	-4.93%
2. Central Government / State Government / President of India									
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
3. Non Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lac	10,610,402	428,137	11,038,539	35.85%	11,510,692	337,502	11,848,194	38.48%	2.63%
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lac	2,892,867	106,410	2,999,277	9.74%	2,930,021	106,410	3,036,431	9.86%	0.12%
b) NBFCs Registered with RBI	11,450	-	11,450	0.04%	11,450	-	11,450	0.04%	-
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any other									
1) Bodies Corporate	1,871,461	1,605	1,873,066	6.08%	2,484,396	1,605	2,486,001	8.07%	1.99%
2) Clearing Member	17,868	-	17,868	0.06%	51,234	-	51,234	0.17%	0.11%
3) Non-Resident Indians	221,490	-	221,490	0.72%	187,257	-	187,257	0.61%	-0.11%
4) Limited Liability Partnership	13,055	-	13,055	0.04%	9,855	-	9,855	0.03%	-0.01%
5) Trust	200	-	200	-	1,320	-	1,320	-	0.00%
6) IEPF Trust	139,076	-	139,076	0.45%	199,476	-	199,476	0.65%	0.20%
Sub-total (B)(3):	15,777,869	536,152	16,314,021	52.98%	17,385,701	445,517	17,831,218	57.90%	4.92%
B. Total Public Shareholding (B) = (B)(1)+ (B)(2) + (B)(3)	19,164,310	536,152	19,700,462	63.97%	19,254,840	445,517	19,700,357	63.97%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30,257,989	536,152	30,794,141	100.00%	30,348,624	445,517	30,794,141	100.00%	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1.	Easun Products of India Pvt Ltd.,	3,367,557	10.94	--	3,367,557	10.94	--	--
2.	Easun Engineering Company Limited	1,632,500	5.30	--	1,632,500	5.30	--	--
3.	Sowraj Investments P Ltd.,	5,449,954	17.70	--	5,449,954	17.70	--	--
4.	Mr. Raj Hari Eswaran	303,558	0.99	--	303,558	0.99	--	--
5.	Mrs. Visalam Hari Eswaran	156,295	0.51	--	156,295	0.51	--	--
6.	Mr. Hariharan Eswaran	39,755	0.13	--	39,755	0.13	--	--
7.	Mr. Vinod Subramaniam	75,000	0.24	--	75,000	0.24	--	--
8.	Ms. Sowmya Hari Eswaran	24,775	0.08	--	24,775	0.08	--	--
9.	Mrs. Sita Sankaran	200	0.00	--	305	0.00	--	0.00
10.	Mrs.Saraswathi Venkataraman	12,075	0.04	--	12,075	0.04	--	--
11.	Mr. E Raman	11,455	0.04	--	11,455	0.04	--	--
12.	Eswaran And Sons Engineers Limited	11,050	0.04	--	11,050	0.04	--	--
13.	Mrs.Meenakshi Subramaniam	9,505	0.03	--	9,505	0.03	--	--
	Total	11,093,679	36.03	--	11,093,784	36.03	--	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholding	No. of shares	% of total shares of the company
1.	At the beginning of the year	11,093,679	36.03
2.	Date wise Increase / (Decrease) in Promoters Shareholding during the year	105	0.00
3.	At the End of the year	11,093,784	36.03

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2018)		Shareholding at the end of the year (31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	East Spring Investments India Infrastructure Equity Open Limited	1,499,989	4.87	1,499,989	4.87
2.	ICICI Prudential Infrastructure Fund	1,439,672	4.68	364,150	1.18
3.	K. Balasubramanian	698,588	2.27	698,588	2.27
4.	HDFC Trustee Company Limited - HDFC Infrastructure Fund	441,780	1.44	-	-
5.	B. Bharathan Kanthimathinathan	200,129	0.65	200,129	0.65
6.	B. Janarthanan Kanthimathinathan	193,985	0.63	193,985	0.63
7.	Zen Securities Limited	166,274	0.54	49,569	0.16
8.	Karvy Stock Broking Ltd.,	11,566	0.03	-	-
9.	Neoworth Commercial Pvt. Ltd.,	388,220	1.27	437,379	1.42
10.	Naga Dhun Seri Group Ltd.,	204,257	0.66	713,344	2.31
11.	Manish Kumar Sumatilal Mehta (HUF)	259,884	0.84	123,734	0.40
12.	M S Rama Mohan Rao	169,500	0.55	169,500	0.55
13.	Partha Sarathi Kongara	160,922	0.52	160,922	0.52
14.	Jayanand Govindaraj	150,000	0.48	150,000	0.48
15.	K.Satish	138,700	0.45	138,700	0.45

Note: The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2018)		Shareholding at the end of the year (31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr Hariharan Eswaran – Director, Chairman	39,755	0.13%	39,755	0.13%
2.	Mr Raj Hari Eswaran – Managing Director	303,558	0.99%	303,558	0.99%
3.	Dr William Stanley Jones – Director	-	-	-	-
4.	Mr Rakesh Garg – Director	2,958	0.01%	2,958	0.01%
5.	Ms Swetha Mandora Prajapati – Director	-	-	-	-
6.	Mr A Kamatchinathan – CFO	-	-	-	-
7.	Mr PS Srinivasaraghavan – CS	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Rs in Lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,153.31	6,283.23	-	33,436.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	27,153.31	6,283.23	-	33,436.54
Change in Indebtedness during the financial year				
• Addition	-	113.15	-	113.15
• Reduction	9.84	-	-	9.84
Net Change	9.84	113.15	-	103.31
Indebtedness at the end of the financial year				
i) Principal Amount	27,163.15	6,396.38	-	33,559.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	27,163.15	6,396.38	-	33,559.53

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Key Managerial Personnel

Sl. No.	Particulars of Remuneration	Mr Raj Hari Eswaran, Managing Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 (c) Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	48.00 lacs - -	48.00 lacs
2.	Stock option	Nil	
3.	Sweat Equity	Nil	
4.	Commission - as % of profits - others	Nil	
5.	Others	Nil	
	Total A	48.00 lacs	48.00 lacs
	Ceiling as per the Act	60 lacs as per Schedule V	

B. Remuneration to other Directors:

Name of the Director	Particulars of Remuneration			Total Amount
	Fee for attending board / committee meetings (*)	Commission	Others	
1. Independent Directors				
Dr William Stanely Jones	20,000.00	-	-	20,000.00
Mr Rakesh Garg	55,000.00	-	-	55,000.00
Ms Swetha Mandora Prajapati	40,000.00	-	-	40,000.00
Total (1)	115,000.00	-	-	115,000.00
2. Other Non-Executive Directors				
Mr Hari Eswaran	40,000.00	-	-	40,000.00
Total (2)	40,000.00	-	-	40,000.00
Total (B) = (1)+(2)	155,000.00	-	-	155,000.00
Total Managerial Remuneration (**)				Nil
Overall Ceiling as per the Act	1% of the net Profit			

(*) *excluding reimbursement of travel and other expenses incurred for the Company's business / meetings.*

(**) Due to insufficient profits during the year, the Board has decided to pay only sitting fees for attending the Committee and Board Meetings to Non-Executive Directors.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Rs. in Lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr A Kamatchinathan CFO	Mr PS Srinivasa raghavan, Company Secretary*	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.00	1.75	22.75
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
(c)	Profit in lieu of salary u/s 17(3) of Income Tax At, 1961	-	-	-
2.	Stock option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profits - others	Nil	Nil	Nil
5.	Others	Nil	Nil	Nil
	Total	21.00	1.75	22.75

* Mr PS Srinivasaraghavan, KMP, Company Secretary and Compliance Officer joined the Organization w.e.f. 28.08.2018 and remuneration calculated accordingly.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Following are the penalties, punishment or compounding of offences during the year ended 31st March, 2019

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment			- Nil -		
Compounding					
C. Other officers in default					
Penalty					
Punishment					
Compounding					

Annexure – G to the Director’s Report for the year ended 31st March, 2019

Management reply on the qualifications made by the Statutory Auditor

1. Note 44 to the Financial Statements relating to balances due from and due by the company towards Long Term / Short Term borrowings, balances with banks, debtors including dues from various electricity boards and creditors for supplies and erections and execution of projects net off adjustments and including debit balances in creditor accounts and credit balances in debtors account, advances, other current assets and current liabilities in respect of which confirmations have not been received. Pending receipt of confirmation of balances and consequent adjustments arising on account of such reconciliations if any, including differences arising on account of netted off balances of certain debtors and creditors, if any and the resultant impact on the financial statements including the operating results is not ascertainable at this stage.

Management Reply: *Company was unable to get confirmation for few accounts from Banks as Company’s Accounts has been classified as Non-Performing Assets (NPA). Confirmation of Balance and Statements have not been received from Customers, Vendors etc. Since most of our customers are Government Departments, viz, State Electricity Boards, it is difficult to obtain confirmation of balance.*

2. Note 45 to the Financial Statements which explains the aspects relating to Projects under Turn-Key basis undertaken by the company. There are no confirmations from the customers on the status of the project. However, the management has provided its assertions and estimates in respect of stage of completion, costs to completion including provisions made for supplies to be effected and installation activities to be implemented and on the projections of revenues expected from projects and realisability of work in progress and project receivables, whether confirmed or otherwise. Therefore, owing to the technical nature of such estimates, on the basis of which profits / losses of such turnkey projects have been accounted, we are unable to express our view on the appropriateness of the management’s estimates including its assertions and its implications on the operations of the company.

Management Reply: *As the Turnkey Projects were undertaken for various Government Projects, it is difficult to obtain their confirmation / certification under different stage of Completion of Projects.*

3. Note 46 to the Financial Statements relating to Liquidated Damages recovered by the customers from running bills amounting to Rs.1,224.75 lakhs and encashment of bank guarantees given by the company amounting to Rs.7500.89 lakhs (net) shown recoverable from parties in respect of which negotiation with the customers are stated to be in progress and part of these recoverable are sub-judice. In the opinion of the management the levy of liquidity damages and encashment of bank guarantees for non-compliances of the contract terms by the customers is completely incorrect and the company envisages no obligation and in the opinion of the company no claim shall be entertainable. Pending the outcome of legal proceedings and negotiations with customers, the eventual impact is not quantifiable and the same is not provided for.

In the absence of current status of the ongoing proceedings and the negotiations, we are unable to express our opinion on the appropriateness of the management's assessment in this regard resulting in non-provisioning of the relevant receivables.

Management Reply: *The Company is taking necessary steps to recover an amount of Rs.1224.75 lakhs being the Liquidated Damages and Rs.7,500.89 lakhs against encashment of bank guarantees. Pending outcome of negotiations, no adjustment in the financial statements has been made.*

4. Note 47 of the Financial Statements relating to Company's borrowings from various lenders were classified as NPA (Non-Performing Assets). Consequently, the company made proposals for settlement of the dues with the lenders (for Term Loans and Demand Loans). Based on which no interest has been provided including for the current year. In the absence of any sanction from the lenders we are unable to express our opinion on the validity of the reversal of unpaid interest in the earlier years as well as non-provision of interest for the current year is dependent on the final outcome of the settlement proposals filed by the Company. The company has not quantified the impact of such non-provisioning of interest of debts outstanding.

Management Reply: *The Company is in the process of negotiating for settlement of its dues with financial lenders. Considering the ongoing negotiations, interest has not been provided including for the current year.*

5. Note 48 of the Financial Statements, the company's inventory amounting to Rs.6,880.56 lakhs mostly comprising slow moving and non-moving inventories (including inventory pertaining to 'Metering Business' amounting to Rs.350.51 lakhs for which the Company is pursuing alternate utilisation) which has not been tested for any potential impact on account of obsolescence. We are therefore unable to express our opinion on the appropriateness of the carrying value stated in the financial results.

Management Reply: *The Company is pursuing appropriate alternate usage for these stocks and confident of recovering the cost of inventories at the value stated therein.*

6. Note 49 of the Financial Statements, which explains that the company is in the process of reconciling and complying with required filings as required under the applicable laws. We are unable to comment on the possible implications in terms of penalties and other levies that could possibly be levied on the company which is not determined by the company at this time, and the implications of going concern ability on account of these non-compliances is also not determinable at this stage.

Management Reply: *The Company is in the process of filing appropriate forms / returns and remitting appropriate dues. Pending such identification and filing of forms / returns, the Company is not expecting any cash outflow.*

7. Note 50 to the Financial Statements which explains the advance to Vendors amounting to Rs.542.78 lakhs out of which amount due for more than three years is Rs.445.12 lakhs. The management explained that these advances are under negotiation for recovery or adjustment against dues. However, in the absence of any information to substantiate

the stated process we are unable to express our opinion on the appropriateness of the amount stated as Advances to Vendors in terms of their recoverability / adjustability.

Management Reply: *The Company is in the process of reconciling / adjusting Advance paid to Vendors and is also confident of recovering the overdues if any after adjusting the advance. The Company is not expecting any delinquency in recovery of advance paid to Vendors.*

8. Note 51 to the Financial Statements, the company is in the process of filings with appropriate authorities (as required under The Foreign Exchange Management Act, 1999) letters seeking regularisation of various delays in regard to (i) recovery of dues receivable from foreign customers amounting to Rs.590.75 lakhs; (ii) recovery of advances to associate enterprises to the extent of Rs.2928.69 lakhs, financial implications if any arising on account of such non-compliance is unascertainable at this stage.

Management Reply: *The Company has applied for extension of time limit under FEMA rules for receivables from Customers amounting to Rs.590.75 lakhs and steps being taken for getting necessary approvals for advances given to the associate enterprises amounting to Rs.2,928.69 lakhs.*

9. Note 52 relating to the Financial Statements, explaining the pending position of various litigations involving claims against and made by the company and the management assessment of these pending litigations indicate that there is no provision that is warranted at this stage. However, in the absence of any independent assessment by legal experts on the merits of the ongoing litigations the amount of provision that may be warranted is not quantifiable at this stage.

Management Reply: *Few Vendors has filed the cases against the Company and Company has also filed the cases on different matters and all these suits are pending with different judicial authorities. Based on the Management analysis on the ongoing litigations, the company is expecting favorable orders in all the suits filed by and against the Company and no financial implications is envisaged.*

On behalf of the Board of Directors

Hariharan Eswaran
Chairman
(DIN No.00196760)

Place : Chennai

Date : 26th October 2019

Independent Auditor's Report

To
Members of Easun Reyrolle Limited
Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of EasunReyrolle Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2019, and its loss including other comprehensive income, its changes in equity and cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Note 44 to the Financial Statements relating to balances due from and due by the company towards Long Term / Short Term borrowings, balances with banks, debtors including dues from various electricity boards and creditors for supplies and erections and execution of projects net off adjustments and including debit balances in creditor accounts and credit balances in debtors account, advances, other current assets and current liabilities in respect of which confirmations have not been received. Pending receipt of confirmation of balances and consequent adjustments arising on account of such reconciliations if any, including differences arising on account of netted off balances of certain debtors and creditors, if any and the resultant impact on the financial statements including the operating results is not ascertainable at this stage.
2. Note 45 to the Financial Statements which explains the aspects relating to projects under Turn-Key basis undertaken by the company. There are no confirmations from the customers on the status of the project. However, the management has provided its assertions and estimates in respect of stage of completion, costs to completion including provisions made for supplies to be effected and installation activities to be implemented and on the projections of revenues expected from projects and releasability of work in progress and project receivables, whether confirmed or otherwise. Therefore, owing to the technical nature of such estimates, on the basis of which profits / losses of such turnkey projects have been accounted, we are unable to express our view on the appropriateness of the management's estimates including its assertions and its implications on the operations of the company.
3. Note 46 to the Financial Statements relating to Liquidated Damages recovered by the customers from running bills amounting to Rs.1,224.75 lakhs and encashment of bank

guarantees given by the company amounting to Rs.7,500.89 lakhs (net) shown recoverable from parties in respect of which negotiation with the customers are stated to be in progress and part of these recoverable are sub-judice. In the opinion of the management the levy of liquidity damages and encashment bank guarantees for non-compliances of the contract terms by the customers is completely incorrect and the company envisages no obligation and in the opinion of the company no claim shall be entertainable. Pending the outcome of legal proceedings and negotiations with customers, the eventual impact is not quantifiable and the same is not provided for. In the absence of current status of the ongoing proceedings and the negotiations, we are unable to express our opinion on the appropriateness of the management's assessment in this regard resulting in non-provisioning of the relevant receivables.

4. Note 47 of the Financial Statements relating to company's borrowings from various lenders were classified as NPA (Non-Performing Assets). Consequently, the company made proposals for settlement of the dues with the lenders (for Term Loans and Demand Loans). Based on which no interest has been provided including for the current year. In the absence of any sanction from the lenders we are unable to express our opinion on the validity of the reversal of unpaid interest in the earlier years as well as non-provision of interest for the current year is dependent on the final outcome of the settlement proposals filed by the Company. The company has not quantified the impact of such non-provisioning of interest of debts outstanding.
5. Note 48 of the Financial Statements, the company's inventory amounting to Rs.6,880.56 lakhs mostly comprising slow moving and non-moving inventories (including inventory pertaining to 'Metering Business' amounting to Rs.350.51 lakhs for which the Company is pursuing alternate utilisation) which has not been tested for any potential impact on account of obsolescence. We are therefore unable to express our opinion on the appropriateness of the carrying value stated in the Financial Statements.
6. Note 49 of the Financial Statements, which explains that the company is in the process of reconciling and complying with required filings as required under the applicable laws. We are unable to comment on the possible implications in terms of penalties and other levies that could possibly be levied on the company which is not determined by the company at this time, and the implications of going concern ability on account of these non-compliances is also not determinable at this stage.
7. Note 50 to the Financial Statements which explains the Advance to Vendors amounting to Rs.542.78 lakhs out of which amount due for more than three years is Rs.445.12 lakhs. The management explained that these advances are under negotiation for recovery or adjustment against dues. However, in the absence of any information to substantiate the stated process we are unable to express our opinion on the appropriateness of the amount stated as Advances to Vendors in terms of their recoverability / adjustability.
8. Note 51 to the Financial Statements, the company is in the process of filings with appropriate authorities (as required under The Foreign Exchange Management Act, 1999) letters seeking regularisation of various delays in regard to (i) recovery of dues receivable from foreign customers amounting to Rs.590.75 lakhs; (ii) recovery of advances to associate enterprises to the extent of Rs.2928.69 lakhs, financial implications if any arising on account of such non-compliance is unascertainable at this stage.
9. Note 52 relating to the Financial Statements, explaining the pending position of various litigations involving claims against and made by the company and the management

assessment of these pending litigations indicate that there is no provision that is warranted at this stage. However, in the absence of any independent assessment by legal experts on the merits of the ongoing litigations the amount of provision that may be warranted is not quantifiable at this stage.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

Material Uncertainty Related to Going Concern

Note 53 to the Financial Statements, notwithstanding various unmitigated uncertainties explained above including (i) current liabilities in excess of current assets with unpaid financial obligations to lenders and dues to statutory authorities and non compliance under various statutes (ii) incurring operating losses continuously, poses significant uncertainty on the ability of the company to continue as going concern, however, pending the outcome of different proposals with lenders and other initiatives such as disposal of non core assets and infusion of additional capital by the promoters and taking into account the product range the company manufactures and their strong underlying demand, the management is confident of arriving at an implementable revival of operations to make the company sustainable in its operations hence the Financial Statements have been prepared on the basis of going concern. We are of the opinion that the appropriateness of assumption of going concern is significantly dependent upon Company's ability to reach an agreement with lenders and raise requisite additional finance and generate cash flows to meet its obligations including the increasing current ratio.

Our Opinion is not qualified in respect of this matter.

Emphasis of Matter

1. Note 54 to the Financial Statements relating to stock in Transit lying at Customs Bonded Warehouse for Rs.580.17 lakhs are subject to confirmation from customs department. Out of the above, inventory valuing Rs.255.66 lakhs pending clearance from Customs Warehouse for more than 3 years and in respect of which impairment if any is not ascertainable at this stage.
2. Note 55 to the Financial Statements, notwithstanding the erosion in the net worth of subsidiaries including overseas subsidiaries, no impairment is considered necessary in view of management's assessment that the investments are of long term strategic in nature and short-term aberrations if any are not considered.
3. Note 56 to the Financial Statements explains the recoverability of Earnest Money Deposit to be recoverable from the customers amounting to Rs.184.09 lakhs. The management asserts that it is in the process of negotiating with customers for recovery of these deposits on completion of certain warranty conditions. Pending the compliance with the

warranty conditions and based on the ongoing negotiations the amount of irrecoverability if any is unascertainable hence no provision is contemplated in this regard.

Our Opinion is not qualified in respect of these matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, except for the matter described in the Basis for Qualified Opinion paragraph and Material Uncertainty Related to Going Concern paragraph, we have determined that there are no other key audit matters to communicate in our Report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report and Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other Information is not made available to us at the date of this auditor's Report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) Except for the effects of the matters described in the Basis for Qualified Opinion Paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, 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, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e) The matter described in the Basis for Qualified Opinion Paragraph and Paragraph related to Material uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the company.
 - f) On the basis of written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.
 - h) With respect to the adequacy of the Internal financial control over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- i) With respect to the other matters to be included in the Auditors Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Companies Act 2013 and is not in excess of the limit laid down under this section.
- j) With respect to the other matters to be included Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 37 to the Standalone Financial Statements and Paragraph 9 of Basis for Qualified Opinion Section;
 - ii. The Company has disclosed the impact of material foreseeable losses on long term contracts including derivative contracts in Note 37, 45, 46, 47, 50, 52, 55 and 56 of Standalone Financial Statements;
 - iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For K S Rao & Co.
Chartered Accountants
Firm Registration No. 003109S

K. Krishna Chaitanya
Partner
Membership No. 231282

Place : Chennai
Date : 26th October 2019

Annexure “A” to the Independent Auditor’s Report

Referred to in Clause 1 of “Report on Other Legal and Regulatory Requirements” Paragraph of the Independent Auditors’ Report of even date the members of “EasunReyrolle Limited” on the Standalone Ind AS Financial Statements as of and for the year ended March 31, 2019.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals which however, in our opinion needs to be strengthened further having regard to the size of the company and nature of assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.
- (ii) (a) The Stock of Finished Goods, Stores and Spare Parts and Raw Materials except stock lying with sub-contractors and project sites for which confirmation have been sought for, have been physically verified by the Company at year end as per programme of verification drawn up by the management.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of the records examined by us and relying on the information provided to us, in our opinion, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the book record of inventories.
- (iii) The Company has granted interest free advances to wholly owned overseas subsidiary and two step down subsidiaries. The outstanding balance at year end amounted to Rs.2928.69 lakhs.
- (a) The terms of advance given are not prima facie prejudicial to the interests of the company.
- (b) In the absence of any specific terms as regards the terms of advance and terms of repayment of the advances given, we are unable to comment about the recovery of interest and principal due on those advances provided.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees given and securities given.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public during this year and does not have any unclaimed deposits as at March 31, 2019. Therefore, the provisions of clause (v) of the Companies (Auditor’s Report) Order, 2016 are not applicable to the company.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance

of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the records maintained by the company are to be augmented. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanation given to us, in respect of statutory dues:

- (a) The undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays.

Undisputed statutory dues payable in respect thereof, which were outstanding at the year- end for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Date of Payment
Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	348.02	November 2015 to March 2019	Yet to be remitted
	Interest payable	101.73	November 2015 to March 2019	Yet to be remitted
	Penalty payable	211.94	November 2015 to March 2019	Yet to be remitted
The Tamilnadu Panchayats Act, 1994	Professional Tax- Hosur	19.06	April 2015 to March 2019	Yet to be remitted
The Maharashtra State Tax on profession, trades, callings and employments Act, 1979	Professional Tax- Mumbai	0.11	April 2015 to March 2019	Yet to be remitted
The West Bengal State Tax on profession, trades, callings and employments Act, 1979	Professional Tax- Kolkata	0.45	April 2015 to March 2019	Yet to be remitted
Income Tax Act, 1961	Tax Deducted at Source (TDS)	168.16	April 2016 to March 2019	Yet to be remitted
	Interest payable	73.96	April 2016 to March 2019	
	Inspection/ Warehouse Charges/late filing	19.91	April 2016 to March 2019	
The Central Sales Tax Act, 1956	Central Sales Tax – Hosur	66.80	January 2015 to June 2016	Yet to be remitted

The Central Sales Tax Act, 1956	Interest payable	58.64	January 2015 to June 2016	Yet to be remitted
- do -	Central Sales Tax - MP	4.52	April 2015 to March 2019	- do -
- do -	Interest payable	0.36	April 2015 to March 2019	- do -
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax - Hosur	10.70	March 2013	Yet to be remitted
Chhattisgarh Value Added Tax Act, 2003	Value Added Tax - Chhattisgarh	3.99	March 2013 to February 2016	Yet to be remitted
- do -	Interest payable	2.17	March 2013 to February 2016	- do -
Chapter V of the Finance Act, 1994	Service Tax - Madhya Pradesh	91.36	April 2010 to March 2016	Yet to be remitted
- do -	Interest payable	103.33	April 2010 to March 2016	- do -
- do -	Late filing fee payable	1.40	April 2010 to March 2016	- do -
- do -	Service Tax - Maharashtra	2.26	April 2010 to September 2010	- do -
- do -	Interest payable	2.66	April 2010 to September 2010	- do -
- do -	Late filing fee payable	1.40	April 2010 to September 2010	- do -
- do -	Service Tax - Harohalli	0.90	October 2014 to March 2015	- do -
- do -	Interest payable	0.99	October 2014 to March 2015	- do -
- do -	Late filing fee payable	1.00	October 2014 to March 2015	- do -
- do -	Service Tax - Chhattisgarh	7.78	October 2013 to March 2015	- do -
- do -	Interest payable	9.03	October 2013 to March 2015	- do -
- do -	Late filing fee payable	1.40	October 2013 to March 2015	- do -
Goods and Services Tax Act, 2017	GST Hosur	72.36	Sept- 2017 - March -2019	Yet to be remitted
- do -	Interest payable	13.87	Sept- 2017 - March -2019	- do -
- do -	Late filing fee payable	1.35	Sept- 2017 - March -2019	- do -

- (b) According to the information and explanations given to us, the details of dues of Income tax which is not deposited on account of dispute as on March 31, 2019 is given below:

Nature of Statute	Nature of Dues	Tax Amount Disputed (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	*47.85	2002-03	Tribunal (Appeals)
Income Tax Act, 1961	Income Tax	*26.13	2003-04	Tribunal (Appeals)
Income Tax Act, 1961	Income Tax	#55.42	2005-06	CIT (Appeals)
Income Tax Act, 1961	Income Tax	59.72	2006-07	CIT (Appeals)
Income Tax Act, 1961	Income Tax	*306.33	2007-08	CIT (Appeals)
Income Tax Act, 1961	Income Tax	@57.59	2008-09	CIT (Appeals)
Income Tax Act, 1961	Income Tax	@2012.79	2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax	@108.86	2010-11	CIT (Appeals)
Income Tax Act, 1961	Income Tax	@63.81	2011-12	CIT (Appeals)
West Bengal Value Added Tax Act, 2003	Value Added Tax	@6.18	2009-10	VAT (Appeals)
Customs Act, 1962	Customs Tax	#66.38	2011-12	CESTAT
Tamil Nadu Value Added Tax Act, 2006	CST	&37.98	2006-07	-
Tamil Nadu Value Added Tax Act, 2006	CST	@8.38	2007-08	-
Tamil Nadu Value Added Tax Act, 2006	CST	@29.63	2008-09	-

Nature of Statute	Nature of Dues	Tax Amount Disputed (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tamil Nadu Value Added Tax Act, 2006	CST	@30.44	2009-10	-
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	@46.87	2008-09	Deputy Commissioner. of Sales Tax (Appeals)-1, Mumbai
The Central Sales Tax Act, 1956	Central Sales Tax	@125.13	2008-09	Deputy Commissioner. of Sales Tax (Appeals)-1, Mumbai
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	@42.92	2010-11	Deputy Commissioner Of State Tax, (MUM-VAT-E-810) Nodal Div.-2, Mumbai
The Central Sales Tax Act, 1956	Central Sales Tax	@194.33	2010-11	Deputy Commissioner Of State Tax, (MUM-VAT-E-810) Nodal Div.-2, Mumbai
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	@177.94	2011-12	Sales Tax Officer (C-813), Nodal Div.2, Mumbai-10
The Central Sales Tax Act, 1956	Central Sales Tax	@33.69	2011-12	Sales Tax Officer (C-813), Nodal Div.2, Mumbai-10
The Maharashtra Value Added Tax Act, 2002	Value Added Tax	@4.90	2012-13	Sales Tax Officer (C-813), Nodal Div.2, Mumbai-10
Chapter V of the Finance Act, 1994	Service Tax	@26.29	April 2011 to March 2014	Superintendent, (Service Tax) Office of the AC, Service Tax Div., Raipur (C.G)
Madhya Pradesh Value Added Tax Act, 2001	Value Added Tax	@256.89	1995 – 2000	Collector of Chennai - Lt. from Additional Collector/ Deputy Commissioner, CT, Bhopal Div.1, No.2308 Dated 01.09.2016

Nature of Statute	Nature of Dues	Tax Amount Disputed (Rs. In Lakhs	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	@1.20	2010- 11	Appellate Board, M.P. Commercial Tax, Bhopal
The Central Sales Tax Act, 1956	Central Sales Tax	@5.57	2010- 11	Appellate Board, M.P. Commercial Tax, Bhopal
The Central Sales Tax Act, 1956	Central Sales Tax	@3.79	2009 – 10	- do -
Madhya Pradesh Value Added Tax Act, 2001	Value Added Tax	@95.57	2012 - 13	Commercial Tax Officer & Additional Tahsildar, Office of AC, Commercial Tax Circle-6, Div-1, Bhopal, M.P.
Entry Tax Act, 1976	Entry Tax	@27.57	2012 - 13	- do -
The Central Sales Tax Act, 1956	Central Sales Tax	@27.57	2012 - 13	- do -
Madhya Pradesh Value Added Tax Act, 2001	Value Added Tax	@158.19	2013 - 14	- do -
The Central Sales Tax Act, 1956	Central Sales Tax	@41.35	2013 - 14	- do -
The Central Sales Tax Act, 1956	Central Sales Tax	@204.65	2013 - 14	- do -
Madhya Pradesh Value Added Tax Act, 2001	Value Added Tax	@46.05	2014 – 15	- do -
Entry Tax Act, 1976	Entry Tax	@7.87	2014 – 15	- do -
The Central Sales Tax Act, 1956	Central Sales Tax	@22.99	2014 – 15	- do -

paid

* Adjusted against refund

@ Unpaid

& Rs.5 Lakhs paid, Rs.14.21 Lakhs adjusted against refund and Balance not paid

- (viii) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders as on reporting date except

Bank/ Financial Institution	Nature of dues	Amount (Rs.in lakhs)	Due date	Actual date of payment
DBS Bank	External Commercial Borrowing	2593.92	Feb-15 to Feb-17	Yet to be paid
Standard Chartered Bank	External Commercial Borrowing	1729.28	27/06/2018	Yet to be paid
	Cash Credit	1651.83	24/07/2018	
	Working Capital Demand Loan	1714.00	24/07/2018	
	Packing Credit	816.00	24/07/2018	
State Bank of India	Cash Credit	11518.07	02/07/2018	Yet to be paid
Axis Bank	Cash Credit	1015.94	13/07/2018	Yet to be paid
	Letter of Credit/ Bank Guarantee devolved	2188.40	13/07/2018	
	Bills Discounting Facility	13.77	01/04/2018	
Canara Bank	Cash Credit	3921.93	07/06/2018	Yet to be paid

- (ix) According to the information and explanations given to us and based on the verification of records and documents, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us and based on the verification of examination of records of the Company carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the management of the company.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of Clause (xii) of Paragraph 3 of the Order are not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of Clause (xiv) of Paragraph 3 of the Order are not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Companies Act 2013. Therefore, the provisions of Clause (xv) of Paragraph 3 of the Order are not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of Clause (xvi) of Paragraph 3 of the Order is not applicable to the company.

For K S Rao & Co.
Chartered Accountants
Firm Registration No. 003109S

Place : Chennai
Date : 26th October 2019

K. Krishna Chaitanya
Partner
Membership No. 231282

Annexure “B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Easun Reyrolle Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on the reports issued on internal controls over financial reporting, certain material weakness have been identified as at March 31, 2019 concerning design and implementation of internal control components, which as represented by the management are in the process of being remediated. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or internal financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the possible effects of the material weaknesses described in the Basis for Qualified Opinion Paragraph, in all material respects, maintained adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K S Rao & Co.
Chartered Accountants
Firm Registration No. 003109S

Place : Chennai
Date : 26th October 2019

K. Krishna Chaitanya
Partner
Membership No. 231282

Balance Sheet as at March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Rs. in Lakhs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	8,285.81	8,728.14
Financial Assets			
Investments	5	15,503.10	15,503.10
Other financial assets	6	218.48	205.08
Total financial assets		15,721.58	15,708.18
Other non current assets	7	2,979.33	2,731.88
Total Non Current Assets		26,986.72	27,168.20
Current Assets			
Inventories	8	6,880.56	6,852.80
Financial Assets			
Trade receivables	9	14,860.68	16,687.89
Cash and cash equivalents	10	76.31	539.36
Bank balances	11	805.41	432.05
Total financial assets		15,742.40	17,659.30
Other current assets	12	8,340.99	9,085.87
Total Current Assets		30,963.95	33,597.97
Total Assets		57,950.67	60,766.17
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	615.88	615.88
Other Equity		15,855.95	17,645.92
Total Equity		16,471.83	18,261.80
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	14	-	-
Provisions	15	109.39	105.89
Total Non Current Liabilities		109.39	105.89

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Current Liabilities			
Financial Liabilities			
Borrowings	16	29,236.32	29,312.79
Trade payables	17		
Due to MSMEs		23.60	234.86
Due to Others		4,890.61	5,397.37
Other financial liabilities	18	6,599.65	5,486.09
Total Financial liabilities		40,750.18	40,431.11
Other current liabilities	19	576.17	1,930.56
Provisions	20	43.11	36.81
Total Current Liabilities		41,369.46	42,398.48
Total Equity and Liabilities		57,950.67	60,766.17

Summary of Significant Accounting Policies 1 - 3

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

For and on behalf of the board

As per our report of even date attached
For K S Rao & Co.
Chartered Accountants
(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

M Krishna Chaitanya
Partner
Membership.No.231282

A Kamatchinathan
Chief Financial Officer

PS Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October 2019

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Rs. in Lakhs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I Revenue from Operations	21	1,883.88	1,906.62
II Other Income	22	177.41	216.10
III Total Income (I + II)		2,061.29	2,122.72
IV EXPENSES			
Cost of Materials Consumed	23	976.45	1,129.31
Changes in inventories of finished goods, and stock in trade and work in progress	24	(25.27)	122.32
Manufacturing Expenses	25	205.40	257.42
Employee benefits expenses	26	1,071.83	1,233.16
Finance cost	27	637.68	204.62
Depreciation and Amortization expense	28	447.25	474.75
Excise Duty		-	31.99
Other expenses	29	548.68	815.48
Total Expenses (IV)		3,862.02	4,269.05
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		(1,800.73)	(2,146.33)
VI Exceptional Items		-	-
VII Profit / (Loss) before Tax (V - VI)		(1,800.73)	(2,146.33)
VIII Tax Expense		-	-
Total Tax Expense (VIII)			
IX Profit / (Loss) for the period from Continuing operations (VII - VIII)		(1,800.73)	(2,146.33)
X Profit / (Loss) for the Period (VIII + IX)		(1,800.73)	(2,146.33)
XI Other Comprehensive Income	30		
A Items that will not be reclassified to profit and loss		10.76	(15.01)
B Items that will be reclassified to profit and loss		-	2,160.01
XII Total Comprehensive Income for the period (X + XI)		(1,789.97)	(1.33)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
XIII Earnings Per Equity Share - (for Continuing & Discontinued operation)			
Basic (Rs.)		(5.85)	(6.97)
Diluted (Rs.)		(5.85)	(6.97)

Summary of Significant Accounting Policies 1 - 3

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

For and on behalf of the board

As per our report of even date attached
For K S Rao & Co.
Chartered Accountants
(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
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M Krishna Chaitanya
Partner
Membership.No.231282

A Kamatchinathan
Chief Financial Officer

PS Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October 2019

Statement of cash flows for the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Cash Flow From Operating Activities		
Profit before income tax	(1,789.97)	(2,146.33)
Adjustments for		
Depreciation and amortisation expense	447.25	474.75
(Profit)/ loss on sale of Property, Plant and Equipments (Net)	0.41	-
Net Loss on Foreign Exchange Fluctuations	-	-
Interest income	(49.79)	(84.14)
Finance costs	637.68	204.62
	<u>(754.42)</u>	<u>(1,551.10)</u>
Change in Working Capital		
(Increase)/ decrease in Other financial assets	(13.40)	500.78
(Increase)/ decrease in inventories	(27.76)	86.33
(Increase)/ decrease in trade receivables	1,827.21	266.28
(Increase)/ decrease in Other assets	497.43	(496.87)
Increase/ (decrease) in provisions and other liabilities	(868.72)	196.21
Increase/ (decrease) in trade payables	(718.02)	(1,389.07)
	<u>(57.69)</u>	<u>(2,387.44)</u>
Cash generated from operations	<u>(57.69)</u>	<u>(2,387.44)</u>
Less : Income taxes paid (net of refunds)	-	-
Net cash from operating activities (A)	<u>(57.69)</u>	<u>(2,387.44)</u>
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(6.63)	(3.64)
Sale proceeds of PPE (including changes in CWIP)	1.30	-
(Purchase) / disposal proceeds of Investments	-	(1.00)
(Investments in)/ Maturity of fixed deposits with banks	(373.36)	(409.75)
Interest received	49.79	87.08
	<u>(328.90)</u>	<u>(327.31)</u>
Net cash used in investing activities (B)	<u>(328.90)</u>	<u>(327.31)</u>
Cash Flows From Financing Activities		
Proceeds from/ (repayment of) short term borrowings	(76.47)	3,426.67
Finance costs	-	(204.62)
Net cash from/ (used in) financing activities (C)	<u>(76.47)</u>	<u>3,222.05</u>

Particulars	As at March 31, 2019	As at March 31, 2018
Net increase/decrease in cash and cash equivalents (A+B+C)	(463.05)	507.30
Cash and cash equivalents at the beginning of the financial year	539.36	32.06
Cash and cash equivalents at end of the year	76.31	539.36

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 “Statement of Cash Flows”.

2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	73.68	536.50
Cash on hand	2.63	2.86
	76.31	539.36

For and on behalf of the board

As per our report of even date attached
For K S Rao & Co.
Chartered Accountants
(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

M Krishna Chaitanya
Partner
Membership.No.231282

A Kamatchinathan
Chief Financial Officer

PS Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October 2019

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance at the beginning of April 1, 2017	615.88
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	615.88
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	615.88

(B) Other Equity

Particulars	Capital Reserve	"Securities Premium Reserve"	General Reserve	Other comprehensive income	Profit and Loss Account	Total
Balance as at April 1, 2017	714.34	15,505.77	9,546.39	-	(8,119.25)	17,647.25
Additions/ (deductions) during the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	2,145.00	(2,146.33)	(1.33)
Balance as at March 31, 2018	714.34	15,505.77	9,546.39	2,145.00	(10,265.58)	17,645.92
Current year Profit	-	-	-	10.76	(1,800.73)	(1,789.97)
Additions/ (deductions) during the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-
Balance as at March 31, 2019	714.34	15,505.77	9,546.39	2,155.76	(12,066.31)	15,855.95

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the board

For K S Rao & Co.
Chartered Accountants
(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

M Krishna Chaitanya
Partner
Membership.No.231282

A. Kamatchinathan
Chief Financial Officer

PS Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October 2019

1 Corporate Information

Easun Reyrolle Limited is a leader in the field of electrical power management, a vibrant and growing industry. Easun Reyrolle has distinguished itself with an enviable range of products, systems, solutions and services that find application in electrical power transmission and distribution. The strong customer-centric approach and 40 years of domain expertise have translated into products and technology that truly bring value to customers. Easun Reyrolle's Equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) in India.

2 Basis of preparation of financial statements**Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of preparation and presentation

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on October 21, 2019.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE/Intangible assets)

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date

Impairment of Non-financial assets (PPE / Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

3 Significant Accounting Policies**a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External

valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

The Company derives revenues primarily from sale of manufactured goods & rendering of services.

The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018.

Sale of Products

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer.

Customers obtain control as per the terms of the respective contracts. In determining the transaction price for sale of product, the Company considers the effects of variable consideration, if any.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer. Amounts disclosed in the revenue excludes GST.

Sale of Services

Services rendered includes Servicing, AMC and Erectioning and Commissioning services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividend

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

Export Incentives and GST Invoices

Export incentives receivable under various schemes are accounted on accrual basis. GST Incentives are accounted when the amount of incentive is certain to be received.

d) Property, plant and equipment and capital work in progress

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has

elected to fair value its land as the deemed cost as at the date of transition, viz., 1 April 2016 and applied Ind AS 16 retrospectively for all other classes of Property, Plant and Equipment.

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material / significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares / insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and / or independent technical evaluation carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion / disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost less accumulated depreciation. The company has elected to fair value its intangible assets as on the date of transition.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipments requirements for cost model. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation model. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method as follows:

- (i) **Raw materials, stock acquired for trading, packing materials and consumables:** At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.
- (ii) **Work-in-process and intermediates:** At material cost, conversion costs and appropriate share of production overheads
- (iii) **Finished goods:** At material cost, conversion costs and an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments other than equity instruments at amortised cost
- Financial instruments other than equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial instruments other than equity instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments other than equity instruments at amortised cost

The Company classifies a financial instruments other than equity instruments as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial instruments other than equity instruments at FVTOCI:

The Company classifies a financial instrument other than equity at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial instruments other than equity instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instruments other than equity instruments at FVTPL

The Company classifies all financial instruments other than equity instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments other than equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the

Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Financial instruments other than equity instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition

of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Sl. No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

k) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

l) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to

compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the “MAT Credit Entitlement” at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

n) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or

contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

o) Impairment of non financial assets (PPE and Intangibles)

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

p) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

Notes to Financial Statements for the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4. Property, Plant and Equipments

	Tangible Assets												
	Land	Land-leasehold	Land-Hosur Residential Plots	Buildings	Buildings-leasehold	Plant and Machinery	Electrical Installation	Office Equipments	Furniture	Vehicles	Computers	PPE at R & D Division	Total
Particulars													
Cost as at March 31, 2017	1,985.75	2,232.50	302.38	3,371.20	2.58	2,398.90	225.27	64.41	219.19	9.61	5.09	318.27	11,135.15
Additions	-	-	-	-	-	-	0.04	-	-	-	3.60	-	3.64
Disposals / reclassifications	-	(1,439.99)	-	-	-	-	-	-	-	-	-	-	(1,439.99)
Cost as at March 31, 2018	1,985.75	792.51	302.38	3,371.20	2.58	2,398.90	225.31	64.41	219.19	9.61	8.69	318.27	9,698.80
Additions								3.66	0.21		2.75		6.63
Disposals / reclassifications						(9.90)							(9.90)
Cost as at March 31, 2019	1,985.75	792.51	302.38	3,371.20	2.58	2,389.00	225.31	68.07	219.40	9.61	11.45	318.27	9,695.53
Depreciation / Amortisation													-
As at March 31, 2017	-	2.24	-	115.27	0.66	155.29	-	24.05	135.34	-	-	63.06	495.91
Charge for the year	-	2.24	-	136.50	0.34	212.07	39.73	1.20	43.51	2.82	1.08	35.26	474.75
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	4.48	-	251.77	1.00	367.36	39.73	25.25	178.85	2.82	1.08	98.32	970.66
Charge for the year		2.24		136.50	0.34	210.39	36.35	0.08	23.38	2.82	1.23	33.92	447.25
Disposals						(8.19)							(8.19)
As at March 31, 2019	-	6.72	-	388.27	1.34	569.56	76.08	25.33	202.23	5.64	2.31	132.24	1,409.72
Net Block													
As at March 31, 2018	1,985.75	788.03	302.38	3,119.43	1.58	2,031.54	185.58	39.16	40.34	6.79	7.61	219.95	8,728.14
As at March 31, 2019	1,985.75	785.79	302.38	2,982.93	1.24	1,819.44	149.23	42.75	17.17	3.97	9.13	186.03	8,285.81

Notes to Financial Statements for the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars		As at March 31, 2019	As at March 31, 2018
5 Non-current investments			
Investments at Cost Un-quoted			
(a) Investment in ERL International Pte Ltd, Singapore (Wholly Owned Subsidiary Company)			
3,00,000 Equity Shares of USD 1 each	118.68	118.68	
97,00,000 - 7.5% Non Cumulative Redeemable Convertible Preference Shares of USD 1 each	5,146.82	5,146.82	
2,20,00,000 - 7.5% Non Cumulative Redeemable Convertible Preference Shares of USD 1 each	10,236.60	10,236.60	
(b) Investment in ER Protection and Automotion Services Private Limited (Subsidiary Company)			
9,999 Equity Shares of Rs. 10 each	1.00	1.00	
Total Non Current Investments	15,503.10	15,503.10	
Aggregate cost of Unquoted Investments	15,503.10	15,503.10	
6 Other Financial Assets			
(Unsecured, considered Good)			
Security Deposits and Earnest Money Deposits	218.48	205.08	
	218.48	205.08	
7 Other Non Current Assets			
(Unsecured, considered Good)			
Advance Income Tax (Net of Provisions)	48.16	27.56	
Advances to related parties	2,928.69	2,696.35	
Prepaid Expenses	2.48	7.97	
	2,979.33	2,731.88	
8 Inventories			
Raw Materials	1,849.70	1,910.03	
Work in progress	465.48	461.38	
Finished Goods	379.61	358.44	
Land Held as Inventories	3,600.00	3,600.00	
Packing Materials	5.60	5.30	
Sub Total (A)	6,300.39	6,335.15	
Goods in transit			
Raw Materials	580.17	517.65	
Sub Total (B)	580.17	517.65	
Total (A + B)	6,880.56	6,852.80	

Particulars	As at March 31, 2019	As at March 31, 2018
Inventory Comprise of		
Raw Materials and Components		
Integrated Circuit and Perinted Circuit Board	430.66	465.66
Coil, Contact Tip, and lamination	219.20	205.09
L Pro, CSC and SEL Relays	240.00	242.33
Radio Metal	39.19	62.91
Insulators	41.90	42.02
GT4 proto and VCB	33.44	33.44
Others	845.31	858.58
	<u>1,849.70</u>	<u>1,910.03</u>
Finished Goods		
Meter	64.50	64.50
Relays	67.00	39.50
Panels	235.77	242.10
Switch Gears	1.39	1.39
Ring Main Unit	10.95	10.95
	<u>379.61</u>	<u>358.44</u>
Packing Materials		
Wooden Box	5.60	5.30
	<u>5.60</u>	<u>5.30</u>
9 Trade Receivables		
(Unsecured, Considered Good)		
Dues from other than related parties		
Outstanding for a period exceeding 6 Months		
from the date they are due for payment	13,029.65	15,135.75
Other Receivables	760.44	684.53
Due from related parties		
Outstanding for a period exceeding 6 Months		
from the date they are due for payment	835.66	865.51
Other Receivables	234.93	2.10
	<u>14,860.68</u>	<u>16,687.89</u>
10 Cash and Cash Equivalents		
Cash on Hand	2.63	2.86
Balances with Banks		
-In Current Accounts	73.68	536.50
	<u>76.31</u>	<u>539.36</u>

Particulars	As at March 31, 2019	As at March 31, 2018
11 Bank Balances		
In Deposit Accounts(held as Margin money Deposits)		
Having Maturity within 12 months from date of deposit	804.65	427.95
Unpaid Dividend Account	0.76	4.10
	<u>805.41</u>	<u>432.05</u>
The Margin Money Deposits are towards Letters of Credit and Bank Guarantee		
12 Other Current Assets		
(Unsecured, Considered Good)		
Advances to Suppliers		
Related Parties	-	624.19
Others	542.78	535.54
Rental Advance	0.84	11.84
Employee Advance	1.78	3.92
Statutory Receivables (Input Credits)	267.16	271.76
Receivables from Customers (Refer Note 52)	7,500.89	7,593.91
Interest Accrued on Deposits	21.65	29.38
Prepaid Expense	5.89	15.33
	<u>8,340.99</u>	<u>9,085.87</u>
13 Equity Share Capital		
Authorised Share Capital		
7,50,00,000 (March 31, 2018: 7,50,00,000 of Rs. 2/- each) Equity Shares of Rs. 2/- each	1,500.00	1,500.00
50,00,000 (March 31, 2018: 50,00,000 of Rs. 10/- each) Preference Shares of Rs. 10/- each	500.00	500.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued Share Capital		
3,07,95,639 Equity Shares of Rs.2 Each	615.90	615.90
	<u>615.90</u>	<u>615.90</u>
Subscribed and fully Paid-Up Equity Shares		
3,07,94,141 (March 31, 2018: 3,07,94,141 of Rs. 2/- each) Equity Shares of Rs. 2/- each	615.88	615.88
Total Equity Share Capital	<u>615.88</u>	<u>615.88</u>
Notes:		
(a) Reconciliation of number of equity shares subscribed		
Balance as at the beginning of the year	3,07,94,141	3,07,94,141
Add: Issued during the year	-	-
Balance at the end of the year	<u>3,07,94,141</u>	<u>3,07,94,141</u>

(b) Details of Shareholders holding more than 5% shares of the company:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Sowraj Investments Pvt. Ltd.,	54,49,954	17.70%	54,49,954	17.70%
Easun Products of India Pvt. Ltd.,	33,67,557	10.94%	33,67,557	10.94%
Easun Engineering company Pvt. Ltd.	16,32,500	5.30%	16,32,500	5.30%

(c) Rights, preferences and restrictions in respect of equity shares issued by the Company

The company has only one class of equity shares having a par value of Rs.2 each. The equity shares of the company having par value of Rs.2/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

14 Long Term Borrowings

	As at March 31, 2019	As at March 31, 2018
Foreign Currency Term Loans		
Secured		
From Banks	4,323.21	4,123.75
(Refer Note 19)	4,323.21	4,123.75
Amount disclosed under the head		
“Other financial liabilities”	4,323.21	4,123.75
Total	-	-

Particulars		As at March 31, 2019	As at March 31, 2018
15 Provisions			
Provision for Leave Encashment		29.05	38.31
Provision for Gratuity		80.34	67.58
		<u>109.39</u>	<u>105.89</u>
16 Short Term Borrowings			
Secured			
Cash Credits and Working Capital		22,839.94	23,029.56
Demand Loan from Banks			
Unsecured			
Inter Corporate Deposits		6,381.15	6,228.23
Loan from Directors		15.23	55.00
		<u>29,236.32</u>	<u>29,312.79</u>
17 Trade payables			
Dues to MSME (Refer Note Below)		23.60	234.86
Others		2,660.90	3,508.57
Related Parties		2,229.71	1,888.80
		<u>4,914.21</u>	<u>5,632.23</u>
Note : Dues to Micro Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises.Please refer note 37.			
18 Other financial liabilities			
Secured			
Current maturities of long-term debt (Refer Note 14)		4,323.21	4,123.75
Unsecured			
Employee Related Payables		864.74	711.07
Statutory Dues Payables		805.41	647.17
Unpaid Dividend		0.76	4.10
Interest Payable on Unpaid Statutory Dues		605.53	-
		<u>6,599.65</u>	<u>5,486.09</u>
19 Other liabilities			
Advance from Customers		551.65	1,930.56
Other Payables		24.52	-
		<u>576.17</u>	<u>1,930.56</u>
20 Provisions			
Provision for Leave Encashment		9.47	7.37
Provision for Gratuity		33.64	29.44
		<u>43.11</u>	<u>36.81</u>

Particulars	As at March 31, 2019	As at March 31, 2018
21 Revenue From Operations		
Sale of Products	1,883.88	1,906.62
	<u>1,883.88</u>	<u>1,906.62</u>
Details of Sale of Products		
Relay and control panels	1,859.38	1,862.86
Ring Main Units (RMU)	-	7.08
Switchgear	24.50	36.68
	<u>1,883.88</u>	<u>1,906.62</u>
22 Other Income		
Interest Income	49.79	84.14
Net Gain on Foreign Exchange Fluctuation	68.47	-
Miscellaneous Income	59.15	131.96
	<u>177.41</u>	<u>216.10</u>
23 Cost Of Materials Consumed		
Opening Inventory of Raw Materials	1,910.03	2,130.12
Add: Purchases	916.12	909.22
Less: Closing Inventory of Raw Materials	(1,849.70)	(1,910.03)
	<u>976.45</u>	<u>1,129.31</u>
24 Changes in inventories of work-in-progress and finished goods		
Opening Balance		
Work in progress	461.38	365.55
Finished Goods	358.44	331.95
	<u>819.82</u>	<u>697.50</u>
Closing Balace		
Work in progress	465.48	461.38
Finished Goods	379.61	358.44
	<u>845.09</u>	<u>819.82</u>
	<u>(25.27)</u>	<u>122.32</u>
25 Manufacturing Expenses		
Repairs, Operations and Maintenance	56.74	85.54
Security Charges	32.25	47.13
Labour Charges	27.23	18.46
Power and Fuel	53.73	60.17
Consumable Tools	0.41	0.41
Consumable Stores	6.93	1.28
Others	28.11	44.43
	<u>205.40</u>	<u>257.42</u>

Particulars	As at March 31, 2019	As at March 31, 2018
26 Employee Benefits Expenses		
Salaries, allowances and benefits to employees	939.13	1,086.58
Contribution to provident fund and other funds	71.54	63.37
Staff welfare expenses	60.15	83.21
Recruitment and Training Expenses	1.01	-
	<u>1,071.83</u>	<u>1,233.16</u>
27 Finance Cost		
Interest	618.51	140.15
Other Borrowing Cost	19.17	64.47
	<u>637.68</u>	<u>204.62</u>
28 Depreciation And Amortization Expense		
Depreciation on Property, Plant & Equipment	447.25	474.75
	<u>447.25</u>	<u>474.75</u>
Excise Duty	-	31.99
	<u>-</u>	<u>31.99</u>
29 Other Expenses		
Rent	22.45	32.86
Rates and taxes	61.75	297.85
Insurance	15.65	22.73
Printing and stationery	6.23	7.62
Postage,telephone Expenses	11.31	16.74
Selling Expenses	20.56	34.43
Consultancy and Professional Charges	62.08	75.39
Advertisement Charges	2.36	1.68
Liquidated Damages	173.91	29.39
Electricity charges	0.22	0.41
Net Loss on Foreign Exchange Fluctuations	-	89.82
Remuneration to auditor (Refer Note 29 (A))	9.15	11.11
Water Charges	3.72	5.03
Listing Fee	6.89	6.99
Travelling and conveyance	126.14	144.74
Service Charges	-	1.08
Miscellaneous expenses	26.26	37.61
	<u>548.68</u>	<u>815.48</u>
29A Payment to auditors		
As Statutory Audit Fee	6.00	6.00
As Tax Audit Fee	3.00	3.00
Out of Pocket Expenses	0.15	2.11
	<u>9.15</u>	<u>11.11</u>

Particulars	As at March 31, 2019	As at March 31, 2018
30 Other Comprehensive Income		
(A) Items that will not be reclassified to profit or loss		
Remeasurements of the defined employee benefit plans	10.76	(15.01)
(B) Items that will be reclassified to profit or loss		
Remeasurements of the PPE on conversion to Inventory	-	2,160.01
	<u>10.76</u>	<u>2,145.00</u>
31 Earnings per share		
Profit / (Loss) after tax	(1,800.73)	(2,146.33)
Weighted average number of Equity Shares for Basic EPS	307.94	307.94
Weighted average number of Equity Shares for Diluted EPS	307.94	307.94
Basic earnings per share (Rs)	(5.85)	(6.97)
Diluted earnings per share (Rs)	(5.85)	(6.97)
32 Earnings in foreign currency		
FOB Value Basis	465.88	156.02
	<u>465.88</u>	<u>156.02</u>
33 Expenditure in foreign currency		
Travelling Expenses	12.97	25.28
	<u>12.97</u>	<u>25.28</u>
34 CIF value of imports		
Components and Spare parts including in transit	437.18	698.41
	<u>437.18</u>	<u>698.41</u>

35 Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials				
Imported	433.08	46.00	523.47	46.00
Others	543.37	54.00	605.84	54.00
	976.45	100.00	1,129.31	100.00

36 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under*

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) The principal amount remaining unpaid at the end of the year	14.02	234.84
(b) Interest Accrued and due to the suppliers under MSMED Act, on the above amount	3.71	200.29
(c) The delayed payments of principal amount paid beyond the appointed date during the year	10.03	31.03
(d) Interest actually paid under Section 16 of MSMED Act	-	-
(e) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	5.87	0.29
(f) Total interest accrued during the year and remaining unpaid	9.58	200.58

* This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

37 Commitments and contingent liability

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contingent Liability		
Bank guarantee given	1432.81	1640.86
Disputed amounts of Sales Tax demands	1730.32	2143.58
Disputed amounts of Income Tax demands	2738.50	2738.50
Demand of fine payable to stock exchanges	11.20	31.90
Commitments		
Estimated amount of capital commitment on account of Fixed Assets	-	-

38 Operating Segments

The business of the Company falls under a single primary segment i.e., supply of Transmission and Distribution equipment in accordance with Ind AS 108 ‘Operating Segments’ and hence no segment reporting is applicable.

39 Operating lease arrangements

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As Lessor		
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 recognised in the Statement of Profit and Loss	22.45	32.86

40 Repayment terms and security details of long term borrowings

- External Commercial borrowings from Banks are availed for Business expansion and carries interest rate of 4.35% p.a. These term loans are repayable in 10 Equal half-yearly instalments. This facility is secured by first charge on industrial land and building at Harohalli, Kanakapura Taluk, Ramanagaram District and Second charge on Industrial Land and Building and Plant & Machinery at Hosur.
- Secured Cash Credit and Working Capital Demand loans are availed from banks to meet the working capital requirements of the company. These facilities carries interest rate ranging from 11% p.a. to 16% p.a. and is repayable on demand. This facility is secured by first charge on Industrial Land and Building and Plant & Machinery at Hosur and Second charge on industrial land and building at Harohalli, Kanakapura Taluk, Ramanagaram District. These facilities are also secured by way of Personal Gurantee of Mr. Raj Hari Eswaran and Corporate Gurantee of ERL International Pte. Limited, Singapore, ERL Switchcraft Europe GmbH, Germany and Eswaran & Sons Engineers Pvt. Ltd. These facilities further secured by Property belonging to Easun Holdings Private Limited at Mutukadu Village, Kanchipuram District.
- Inter Corporate Deposits are interest free loan and availed from companies. These unsecured deposits are repayable on demand and the proceeds are used for working capital requirements.
- Loans availed from directors are unsecured and interest free. These facilities are used for working capital purposes and is repayable on demand.

41 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Net debt to equity ratio:

	As at March 31, 2019	As at March 31, 2018
Debt	33,559.53	33,436.54
Less: Cash and bank balances	881.72	971.41
Net debt	32,677.81	32,465.13
Total equity	16,471.83	18,261.80
Net debt to equity ratio (%)	198.39%	177.78%

Categories of Financial Instruments

Financial Assets

a. Measured at amortised cost

Other non-current financial assets	218.48	205.08
Trade receivables	14,860.68	16,687.89
Cash and cash equivalents	76.31	539.36
Bank balances other than above	805.41	432.05

b. Mandatorily measured at fair value through profit or loss (FVTPL)

Investments	15,503.10	15,503.10
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Financial Liabilities

a. Measured at amortised cost

Other financial liabilities (Non Current)	-	-
Borrowings (non-current)	-	-
Borrowings (current)	29,236.32	29,312.79
Trade payables	4,914.21	5,632.23

b. Mandatorily measured at fair value through profit or loss (FVTPL)

Derivative instruments	-	-
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Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division wherever required, to mitigate the risks from such exposures.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2019

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	95.71	-	95.71	39.39	-	39.39	(56.33)
EUR	0.25	-	0.25	11.52	-	11.52	11.26
THB	-	-	-	-	-	-	-
AUD	0.51	-	0.51	-	-	-	(0.51)
GBP	0.10	-	0.10	-	-	-	(0.10)
In INR	6,674.90	-	6,674.90	3,619.30	-	3,619.30	(3,055.59)

As on March 31, 2018

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	104.74	-	104.74	56.66	-	56.66	(48.08)
EUR	0.48	-	0.48	10.75	-	10.75	10.27
AUD	0.76	-	0.76	0.19	-	0.19	(0.57)
THB	-	-	-	23.39	-	23.39	23.39
In INR	6,889.44	-	6,889.44	4,610.39	-	4,610.39	(2,279.05)

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee / letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved financial institutions/counterparty. Investments primarily include bank deposits, which have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	4,914.21	-	-	4,914.21
Borrowings	4,323.21	-	-	4,323.21
	9,237.42	-	-	9,237.42

March 31, 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	5,632.23	-	-	5,632.23
Borrowings	4,123.75	-	-	4,123.75
	9,755.98	-	-	9,755.98

As at
March 31, 2019

As at
March 31, 2018

Nil

Nil

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

42 Related Party Disclosure

a) List of parties having significant influence

Holding company	The Company does not have any holding company
Subsidiary companies	ERL International Pte. Limited, Singapore ERL Phase Power Technologies Ltd, Canada ERL Marketing International FZE, Sharjah ERL Switchcraft Pte. Ltd, Singapore ERL Pacific Pty Ltd, Australia Switchcraft Limited Hong Kong Switchcraft Europe GmbH, Germany ER Protection and Automation Services Private Limited, India
Entities in which directors are interested	Sowraj Investments Pvt. Ltd. Easun Products of India Pvt. Ltd. Eawaran & Sons Engineers Pvt. Ltd.

Key Management Personnel (KMP)

Mr. Hariharan Eswaran	Chairman
Mr. Raj Hari Eswaran	Managing Director
Dr W S Jones	Independent Director (Resigned w.e.f. 29.08.2018)
Mr. Rakesh Garg	Independent Director
Ms. Swethe Mandora Prajapathi	Independent Director
Mr. A Kamatchinathan	Chief Financial Officer
Mr. PS Srinivasaraghavan	Company Secretary & Compliance Officer (Appointed w.e.f. 28.08.2018)

b) Transactions during the year

S. No.	Nature of transactions	For the Year ended March 31, 2019	For the Year ended March 31, 2018
1	ERL Phase Power Technologies Ltd		
	Sale of Goods	241.58	4.22
	Purchase of Goods	334.82	328.27
	Others Services (Technical Supporting Fee)	26.73	-
	Advance Adjusted	1,298.54	-
2	ERL Marketing International. FZE.,		
	Sale of Goods	195.37	69.03
3	Sowraj Investments Pvt. Ltd.,		
	Unsecured loan availed	70.00	78.02
	Unsecured loan Repaid/Assigned	1,900.00	-
4	Easun Products of India Private Ltd		
	Unsecured loan availed	82.92	35.23
5	Eswaran & Sons Engineers Pvt Ltd		
	Unsecured loan availed	1,900.00	-
6	Mr Raj Hari Eswaran		
	Remuneration	48.00	48.00
	Unsecured Loan repaid	45.00	-
7	Mr Hariharan Eswaran		
	Unsecured loan availed	5.23	-
9	Mr A Kamatchinathan		
	Remuneration	21.00	21.00
9	Mr PS Srinivasaraghavan		
	Remuneration	1.75	-

c) Balances at the end of the year

S. No.	Nature of transactions	For the Year ended March 31, 2019	For the Year ended March 31, 2018
1	Advances provided		
	ERL International Pte. Limited, Singapore	2,167.38	2,082.53
	ERL Phase Power Technologies Ltd, Canada	-	-
	ERL Marketing International FZE, Sharjah	18.02	264.59
	Switchcraft Europe GmbH, Germany	743.30	787.36

S. No.	Nature of transactions	For the Year ended March 31, 2019	For the Year ended March 31, 2018
2	Advances availed ERL Phase Power Technologies Ltd, Canada	-	1,298.54
3	Loans availed Sowraj Investments Pvt. Ltd., Easun Products of India Private Ltd Eswaran & Sons Engineers Pvt Ltd Mr Hariharan Eswaran Mr Raj Hari Eswaran	1,031.88 3,321.26 1,900.00 5.23 10.00	2,952.16 3,144.01 - - 55.00
4	Other Amounts Payable to KMP's Mr Hariharan Eswaran Mr Raj Hari Eswaran	41.69 116.25	40.30 102.16
5	Trade Receivables Switchcraft Europe GmbH, Germany ERL Marketing International FZE, Sharjah ERL Phase Power Technologies Ltd, Canada	92.14 243.31 207.20	- - -
6	Trade Payable ERL Pacific Pty. Ltd., Australia ERL Phase Power Technologies Ltd, Canada	5.54 1,498.56	- -
7	Advance from Customer ERL Pacific Pty. Ltd., Australia ERL Marketing Internationals FZE, Sharjah ERLPhase Power Technologies Ltd Canada	20.07 10.38 127.12	- - -

43 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund.

In respect of the Defined Contribution Plan (Provident Fund), an amount of Rs. 48.38 lakhs (Previous Year March 31, 2018 Rs. 55.38 lakhs) has been recognised as expenditure in the statement of Profit And Loss.

In respect of State Plans (Employee State Insurance), an amount of Rs. 2.61 lakhs (Previous Year March 31, 2018 Rs. 4.22 lakhs) has been recognised as expenditure in the statement of Profit And Loss.

In respect of Leave Encashment, an amount of Rs. 7.16 lakhs (Previous Year March 31, 2018 expense of Rs. 0.47 lakhs) has been recognised as income in the statement of Profit And Loss.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.55%	7.70%
Rate of increase in compensation level	6.00%	6.00%
Rate of return on plan assets	7.55%	7.70%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	As at March 31, 2019	As at March 31, 2018
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:		
Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:		
Current service cost	20.39	16.73
Net interest expense	28.53	29.18
Return on plan assets (excluding amounts included in net interest expense)	(21.20)	(24.52)
Components of defined benefit costs recognised in profit or loss	<u>27.72</u>	<u>21.39</u>
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains) / losses recognised during the period	(10.99)	15.01
Components of defined benefit costs recognised in other comprehensive income	<u>(10.99)</u>	<u>15.01</u>
Total	<u>16.73</u>	<u>36.40</u>

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	401.62	393.36
Fair value of plan assets	(287.87)	(296.34)
Net liability / (asset) arising from defined benefit obligation	<u>113.75</u>	<u>97.02</u>
Funded	113.75	97.02
Unfunded	-	-
	<u>113.75</u>	<u>97.02</u>

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 15] and 'Provision for employee benefits- gratuity' (short-term provisions) [Refer note 20]

As at March 31, 2019	As at March 31, 2018
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Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	393.36	392.82
Current service cost	20.39	16.73
Interest cost	28.53	29.18
Actuarial (gains)/losses	(9.69)	(17.74)
Benefits paid	(30.97)	(27.63)
Closing defined benefit obligation	401.62	393.36

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	296.34	332.20
Return on plan assets	21.20	24.52
Benefits paid	(30.97)	(27.63)
Actuarial gains/(loss)	1.30	(32.75)
Closing fair value of plan assets	287.87	296.34

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

- 44 The company is in the process of reconciling the amount receivable and payable to various parties (including loan creditors, trade creditors, trade receivable, advance paid to vendors, advance received from customers). The company is also in the process of adjusting the advances receivable and payable against the respective parties. Pending such reconciliation the management of the company is of the opinion that the impact of such reconciliation / adjustment is not significant and will not have material impact on the financial statement.
- 45 Revenue from operations includes invoicing on customers towards execution of turnkey projects. These turnkey project invoicing is predominantly milestone associated and is independent of customer acceptance of agreement, Revenue recognised in this regard with appropriate provision for anticipated procurement / cost of manufacturing components, the outcome of eventual acceptability of the claims of the company is ascertainable at the closure of the respective project.

- 46 Certain customers encashed bank guarantees given by the company amounting to Rs. 7500.89 lakhs unilaterally. The company is in negotiation and taken appropriate actions (including legal proceedings) in this regard. Trade Receivables includes an amount of Rs.1224.75 lacs (Rs.1,224.75 lacs) being the Liquidated Damages recovered by certain customers. The Company is in the process of recovering the said amount and pending legal proceedings, no provision is considered as at the balance sheet date for the above claims of the customers.
- 47 The Company is in the process of negotiating with the lenders (for term loans and demand loans) for settlement of borrowings including interest payable on those borrowings. Pending conclusion of such negotiation with its lenders, the company has not accounted the interest payable on such borrowings.
- 48 As at 31st March, 2019 the company's total inventory valued at cost amounts to Rs.6880.56 lakhs. The company is actively pursuing options for utilising its inventories and is confident of recovering the entire carrying value. Pending such utilisation of inventory the company does not envisages any material impact on the carrying value of the inventory.
- 49 The company is in the process of reconciling and compiling with required filings as required under the applicable laws. Pending such compliance the company is not envisaging any material impact on the financial statement.
- 50 The company is in the process of negotiating with the vendors for recovery or adjustment against dues of Rs. 542.78 lakhs. Pending reconciliation / adjustment of advances to vendors, the company is not envisaging any material impact on financial statement.
- 51 The company is in the process of filing letters with appropriate authorities (as required under the Foreign Exchange Management Act of 1999) for regularising the receivables and payables in foreign currency (including (i) recovery of dues receivables from foreign customers amounting to Rs. 590.75 lakhs; (ii) recovery of advances to associate enterprises to the extent of Rs. 2928.69 lakhs). Pending such regularisation the company is not envisaging any financial impact on these account.
- 52 Pending outcome of suits filed by and against the company, no provision is considered necessary in the financial statements
- 53 These financial statements have been prepared under going concerned basis as the management is confident of generating future cash flows based on the orders in the pipe line and proposed restructuring of borrowings with lenders being under consideration.
- 54 The company imported certain materials amounting to Rs. 580.17 lakhs which are stored in customs bonded warehouse. The company is planning to clear these goods on need basis (including goods which are pending for clearance for more than 3 years amounting to Rs. 255.66 lakhs). Pending such utilisation and clearance of goods the company is not envisaging any financial impact on the financial statement.
- 55 The Company has made an investment of Rs.15,502.10 lacs in its wholly owned subsidiary company in Singapore and for onward investment into its wholly owned subsidiaries. Considering the long term nature of investment and future plans of the management, no provision towards any impairment in the value of the investment is considered necessary as the management is of the opinion that this investments represents appropriate carrying value.

- 56 The company is in the process of negotiating with the customers for recovery of Earnest Money Deposits amounting to Rs. 184.09 lakhs. Pending realisation / adjustment of earnest money deposit, the company is not envisaging any financial impact on this account.
- 57 Previous year figures have been regrouped / reclassified where ever necessary, to conform to those of the current year.
- 58 As allowed under Schedule III of the Companies Act, 2013, financials are prepared in lakhs and rounded off to two decimals. The amounts / numbers below thousand / fifty thousands are appearing as zero.

For and on behalf of the board

As per our report of even date attached
For K S Rao & Co.
Chartered Accountants
(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

M Krishna Chaitanya
Partner
Membership.No.231282

A Kamatchinathan
Chief Financial Officer

PS Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of EasunReyrolle Limited Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the Consolidated Financial Statements of EasunReyrolle Limited (hereinafter referred to as “the Holding Company” or “the Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

1. Note 49 to the Financial Statements relating to balances due from and due by the company towards Long Term / Short Term borrowings, balances with banks, debtors including dues from various electricity boards and creditors for supplies and erections and execution of projects net off adjustments and including debit balances in creditor accounts and credit balances in debtors account, advances, other current assets and current liabilities in respect of which confirmations have not been received. Pending receipt of confirmation of balances and consequent adjustments arising on account of such reconciliations if any, including differences arising on account of netted off balances of certain debtors and creditors, if any and the resultant impact on the financial statements including the operating results is not ascertainable at this stage.
2. Note 50 to the Financial Statements which explains the aspects relating to projects under Turn-Key basis undertaken by the company. There are no confirmations from the customers on the status of the project. However, the management has provided its assertions and estimates in respect of stage of completion, costs to completion including provisions made for supplies to be effected and installation activities to be implemented and on the projections of revenues expected from projects and releasability of work in progress and project receivables, whether confirmed or otherwise. Therefore, owing to the technical nature of such estimates, on the basis of which profits / losses of such turnkey projects have been accounted, we are unable to express our view on the appropriateness of the management's estimates including its assertions and its implications on the operations of the company.
3. Note 51 to the Financial Statements relating to Liquidated Damages recovered by the customers from running bills amounting to Rs. 1,224.75 lakhs and encashment of bank

guarantees given by the company amounting to Rs. 7500.89 lakhs (net) shown recoverable from parties in respect of which negotiation with the customers are stated to be in progress and part of these recoverable are sub-judice. In the opinion of the management the levy of liquidity damages and encashment bank guarantees for non-compliances of the contract terms by the customers is completely incorrect and the company envisages no obligation and in the opinion of the company no claim shall be entertainable. Pending the outcome of legal proceedings and negotiations with customers, the eventual impact is not quantifiable and the same is not provided for. In the absence of current status of the ongoing proceedings and the negotiations, we are unable to express our opinion on the appropriateness of the management's assessment in this regard resulting in non-provisioning of the relevant receivables.

4. Note 52 of the Financial Statements relating to company's borrowings from various lenders were classified as NPA (Non-Performing Assets). Consequently, the company made proposals for settlement of the dues with the lenders (for Term Loans and Demand Loans). based on which no interest has been provided including for the current year. In the absence of any sanction from the lenders we are unable to express our opinion on the validity of the reversal of unpaid interest in the earlier years as well as non-provision of interest for the current year is dependent on the final outcome of the settlement proposals filed by the Company. The company has not quantified the impact of such non-provisioning of interest of debts outstanding.
5. Note 53 of the Financial Statements, the company's inventory amounting to Rs. 6,880.56 lakhs mostly comprising slow moving and non-moving inventories (including inventory pertaining to 'Metering Business' amounting to Rs. 350.51 lakhs for which the Company is pursuing alternate utilisation) which has not been tested for any potential impact on account of obsolescence. We are therefore unable to express our opinion on the appropriateness of the carrying value stated in the Financial Statements.
6. Note 54 of the Financial Statements, which explains that the company is in the process of reconciling and complying with required filings as required under the applicable laws. We are unable to comment on the possible implications in terms of penalties and other levies that could possibly be levied on the company which is not determined by the company at this time, and the implications of going concern ability on account of these non-compliances is also not determinable at this stage.
7. Note 55 to the Financial Statements which explains the Advance to Vendors amounting to Rs. 542.78 lakhs out of which amount due for more than three years is Rs. 445.12 lakhs. The management explained that these advances are under negotiation for recovery or adjustment against dues. However, in the absence of any information to substantiate the stated process we are unable to express our opinion on the appropriateness of the amount stated as Advances to Vendors in terms of their recoverability / adjustability.
8. Note 56 to the Financial Statements, the company is in the process of filings with appropriate authorities (as required under The Foreign Exchange Management Act, 1999) letters seeking regularisation of various delays in regard to (i) recovery of dues receivable from foreign customers amounting to Rs. 590.75 lakhs; (ii) recovery of advances to associate enterprises to the extent of Rs. 2928.69 lakhs, financial implications if any arising on account of such non-compliance is unascertainable at this stage.
9. Note 57 relating to the Financial Statements, explaining the pending position of various litigations involving claims against and made by the company and the management assessment of these pending litigations indicate that there is no provision that is warranted

at this stage. However, in the absence of any independent assessment by legal experts on the merits of the ongoing litigations the amount of provision that may be warranted is not quantifiable at this stage.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of consolidated financial statements in India in terms of Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

Material Uncertainty Related to Going Concern

Note 58 to the Financial Statements, notwithstanding various unmitigated uncertainties explained above including (i) current liabilities in excess of current assets with unpaid financial obligations to lenders and dues to statutory authorities and non compliance under various statutes (ii) incurring operating losses continuously, poses significant uncertainty on the ability of the company to continue as going concern, however, pending the outcome of different proposals with lenders and other initiatives such as disposal of non core assets and infusion of additional capital by the promoters and taking into account the product range the company manufactures and their strong underlying demand, the management is confident of arriving at an implementable revival of operations to make the company sustainable in its operations hence the Financial Statements have been prepared on the basis of going concern. We are of the opinion that the appropriateness of assumption of going concern is significantly dependent upon Company's ability to reach an agreement with lenders and raise requisite additional finance and generate cash flows to meet its obligations including the increasing current ratio.

Our opinion is not qualified in respect of the above matters.

Emphasis of Matter

1. Note 59 to the Financial Statements relating to stock in Transit lying at Customs Bonded Warehouse for Rs. 580.17 lakhs are subject to confirmation from customs department. Out of the above, inventory valuing Rs. 255.66 lakhs pending clearance from Customs Warehouse for more than 3 years and in respect of which impairment if any is not ascertainable at this stage.
2. Note 60 to the Financial Statements explains the recoverability of Earnest Money Deposit to be recoverable from the customers amounting to Rs. 184.09 lakhs. The management asserts that it is in the process of negotiating with customers for recovery of these deposits on completion of certain warranty conditions. Pending the compliance with the warranty conditions and based on the ongoing negotiations the amount of irrecoverability if any is unascertainable hence no provision is contemplated in this regard.

Our opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These

matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, except for the matter described in the Basis for Qualified Opinion paragraph and Material Uncertainty Related to Going Concern paragraph, we have determined that there are no other key audit matters to communicate in our Report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report and Report on Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other Information is not made available to us at the date of this auditor's Report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other audit reports as noted in 'Other Matters Paragraphs' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit financial statements and other financial information of subsidiaries and step down subsidiaries included in the consolidated Financial Statements, whose Financial Statements reflect total assets of Rs. 52,713.57 Lakhs as at March 31, 2019, total revenue of Rs. 7,572.77 Lakhs (including other income) and net profit of Rs. 764.65 Lakhs and net cash outflows of Rs. 42.02 Lakhs for the year ended on that date as considered in the consolidated Ind AS Financial Statements. The Financial Statements and other information of these subsidiaries and step down subsidiaries have been prepared by the management and as informed by the management they are currently under audit and our opinion is solely based on such management accounts. We are unable to comment on the adjustment that may have been required to the consolidated Financial Statements, had such consolidated Financial Statements been audited. In our opinion, and according to the information and explanations given to us by the management, these Financial Statements are material to the Group.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the other matters paragraph above, we report to the extent applicable that:

- a. We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- b. Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

- d. Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The matter described in the Basis for Qualified Opinion Paragraph and Paragraph related to Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Group.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.
- h. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in “Annexure A” to this report; and
- i. With respect to the other matters to be included in the Auditors Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company and its subsidiaries, to its directors during the year is in accordance with the provisions of section 197 of the Companies Act 2013 and is not in excess of the limit laid down under this section.
- j. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the ‘Other Matter’ paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer Note 40 to the consolidated financial statements and paragraph 9 of Basis for Qualified Opinion section.
 - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; Refer Note 50, 51, 52, 55, 57 and 60 of the Consolidated financial Statements; and
 - iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

For K S Rao & Co.
Chartered Accountants
Firm Registration No. 003109S

Place: Chennai
Date: 26th October, 2019

K. Krishna Chaitanya
Partner
Membership No. 231282

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of EasunReyrolle Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of EasunReyrolle Limited ("the Holding Company" or "the Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on the reports issued on internal controls over financial reporting, certain material weakness have been identified as at March 31, 2019 concerning design and implementation of internal control components, which as represented by the management are in the process of being remediated. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or internal financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the possible effects of the material weaknesses described in the Basis for Qualified Opinion Paragraph, in all material respects, maintained adequate internal financial control over financial reporting of the company and its subsidiary companies, which are companies incorporated in India and such internal financial controls over financial reporting of the company and its subsidiary companies, which are companies incorporated in India, were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the company and its subsidiary companies, which are companies incorporated in India insofar as it relates to the subsidiaries which are companies incorporated in India is solely based on the corresponding reports of the auditors of such companies.

Our report is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of other auditors.

For K S Rao & Co.
Chartered Accountants
Firm Registration No. 003109S

Place: Chennai
Date: 26th October, 2019

K. Krishna Chaitanya
Partner
Membership No. 231282

Consolidated Balance Sheet as at March 31, 2019

Rs. in Lakhs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non Current Assets			
Property, Plant and Equipment	4	10,671.84	11,136.66
Other Intangible assets	4	9,050.22	9,217.93
Financial Assets			
Investments		-	-
Trade receivables		-	-
Loans	5	9.64	-
Other financial assets	6	218.48	213.25
Other non current assets	7	1,456.84	1,514.31
Total Non Current Assets		21,407.02	22,082.15
Current assets			
Inventories	8	9,744.23	9,599.37
Financial Assets			
Investments		-	-
Trade receivables	9	16,858.32	17,631.89
Loans		-	-
Cash and cash equivalents	10	356.21	861.22
Bank balances	11	806.79	433.29
Other financial assets	12	915.53	-
Total Financial Asset		18,936.85	18,926.40
Other Current Assets	13	8,358.28	9,090.90
Total Current Assets		37,039.36	37,616.67
Total Assets		58,446.38	59,698.82
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14	615.88	615.88
Other Equity		13,469.95	13,983.51
Total Equity		14,085.83	14,599.39
Non Controlling Interest		(281.07)	(255.58)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	15	1,041.43	480.00
Trade payables	16		
Due to Micro Enterprises and Small Enterprises		-	-
Due to Others		527.98	-
Other financial liabilities	17	18.68	-
Total Financial Liabilities		1,588.09	480.00
Provisions	18	109.39	105.89
Total Non Current Liabilities		1,697.48	585.89
Current Liabilities			
Financial Liabilities			
Borrowings	19	29,534.45	30,374.96
Trade payables	20		
Due to MSMEs		9.61	284.86
Due to Others		4,149.04	5,737.30
Other financial liabilities	21	6,599.65	4,123.75
Total Financial Liabilities		40,292.75	40,470.87
Other current liabilities	22	1,301.45	4,258.54
Provisions	23	1,349.95	39.71
Total Current Liabilities		42,944.15	44,769.12
Total Equity and Liabilities		58,446.38	59,698.82

Summary of Significant Accounting Policies 1-3

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

For and on behalf of the board

As per our report of even date attached

For K S Rao & Co.
Chartered Accountants
(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

M Krishna Chaitanya
Partner
Membership.No.231282

A. Kamatchinathan
Chief Financial Officer

P S Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Rs. in Lakhs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I Revenue from Operations	24	8,577.71	7,422.30
II Other Income	25	232.56	481.43
III Total Income (I + II)		<u>8,810.27</u>	<u>7,903.73</u>
IV Expenses			
Cost of Materials Consumed	26	2,388.29	2,454.26
Change in Inventories of Finished Goods, Stock in trade and Work in Progress	27	(25.27)	122.32
Manufacturing Expenses	28	244.65	295.89
Employee benefits expenses	29	3,414.40	3,184.59
Finance cost	30	675.35	240.11
Depreciation and Amortization expense	31	1,884.87	1,681.96
Other expenses	32	1,261.71	1,452.64
Excise Duty		-	31.99
Total Expenses (IV)		<u>9,844.00</u>	<u>9,463.76</u>
V Profit / (Loss) before Exceptional Items and Tax (III - IV)		(1,033.73)	(1,560.03)
VI Exceptional Items		-	-
VII Profit / (Loss) before Tax (V - VI)		<u>(1,033.73)</u>	<u>(1,560.03)</u>
VIII Tax Expense			
Income Tax			
For Current Year		2.34	-
Deferred tax		-	-
Total Tax Expense (VIII)		<u>2.34</u>	<u>-</u>
IX Profit / (Loss) after Tax for the period (VII - VIII)		<u>(1,036.07)</u>	<u>(1,560.03)</u>
X Other Comprehensive Income	33		
A (i) Items that will not be reclassified to profit and loss		10.76	(15.01)
B (i) Items that will be reclassified to profit and loss		502.46	2,160.01
XI Total Comprehensive Income for the period		<u>(522.85)</u>	<u>584.97</u>

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Profit attributable to			
Owners of the Company		(1,026.78)	(1,560.03)
Non-controlling interest		(9.29)	-
Total comprehensive Income attributable to			
Owners of the Company		(513.56)	584.97
Non-controlling interest		(9.29)	-
XII Earnings Per Equity Share - (for Continuing operations)			
Basic (Rs.)		(3.36)	(5.07)
Diluted (Rs.)		(3.36)	(5.07)

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

For and on behalf of the board

As per our report of even date attached

For K S Rao & Co.

Chartered Accountants

(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

M Krishna Chaitanya
Partner
Membership.No.231282

A. Kamatchinathan
Chief Financial Officer

P S Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October 2019

Consolidated Cash flow Statement for the year ended March 31, 2019

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Cash Flow From Operating Activities		
Profit before income tax	(1,036.07)	(1,560.03)
Adjustments for		
Depreciation and amortisation expense	1,884.87	1,681.96
(Profit) / loss on sale of fixed asset (Net)	0.41	-
Net Loss / (Gain) on Foreign Exchange Fluctuations	(78.50)	-
Unrealised forex (gain) / loss (net, including exchange rate difference on translation of foreign operations)	502.46	(2,098.45)
Increase / (decrease) in non-controlling interest	(16.20)	1,366.02
Interest income	(50.48)	(85.12)
Finance costs	675.35	240.11
	<u>1,881.84</u>	<u>(455.51)</u>
Change in operating assets and liabilities		
(Increase) / decrease in Other financial assets	(1,303.90)	500.94
(Increase) / decrease in inventories	(144.86)	270.08
(Increase) / decrease in trade receivables	852.08	(367.37)
(Increase) / decrease in Other assets	790.09	88.35
Increase / (decrease) in provisions and other liabilities	186.64	576.96
Increase / (decrease) in trade payables	(1,285.53)	(1,779.83)
	<u>976.35</u>	<u>(1,166.38)</u>
Cash generated from operations	976.35	(1,166.38)
Less : Income taxes paid (net of refunds)	-	-
Net cash from operating activities (A)	<u>976.35</u>	<u>(1,166.38)</u>
Cash Flows From investing activities		
Purchase of PPE (including changes in CWIP)	(1,256.99)	(747.59)
Sale proceeds of PPE (including changes in CWIP)	4.23	-
(Purchase) / disposal proceeds of Investments	-	-
(Investments in) / Maturity of fixed deposits with banks	-	(410.99)
Interest received	50.48	146.82
	<u>(1,202.28)</u>	<u>(1,011.76)</u>
Net cash used in investing activities (B)	<u>(1,202.28)</u>	<u>(1,011.76)</u>
Cash Flows From Financing Activities		
Proceeds from / (repayment of) long term borrowings	561.43	266.19
Proceeds from / (repayment of) short term borrowings	(840.51)	2,781.84
Finance costs	-	(240.11)
Dividend paid	-	-
	<u>(279.08)</u>	<u>2,807.92</u>
Net cash from/ (used in) financing activities (C)	<u>(279.08)</u>	<u>2,807.92</u>

Particulars	As at March 31, 2019	As at March 31, 2018
Net increase / decrease in cash and cash equivalents (A+B+C)	(505.01)	629.78
Cash and cash equivalents at the beginning of the financial year	861.22	231.44
Cash and cash equivalents at end of the year	356.21	861.22

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 “Cash Flow Statements”.
2. Components of cash and cash equivalents

Balances with banks

- in current accounts	246.36	711.76
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Cash on hand	109.85	149.46
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	<u>356.21</u>	<u>861.22</u>
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The accompanying notes and other explanatory information are an integral part of the Financial Statements.

For and on behalf of the board

As per our report of even date attached

For K S Rao & Co.

Chartered Accountants

(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

M Krishna Chaitanya
Partner
Membership.No.231282

A. Kamatchinathan
Chief Financial Officer

P S Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October 2019

Consolidated Changes in Equity for the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Balance at the beginning of April 1, 2017	615.88
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	615.88
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	615.88

(B) Other Equity

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Foreign Currency Translation Reserve	Other comprehensive income	Profit and Loss Account	Total
Balance as at April 1, 2017	1,375.22	15,505.77	9,546.39	2,892.09	-	(13,822.48)	15,496.99
Additions / (deductions) during the year	-	-	-	(2,098.45)	15.01	(15.01)	(2,098.45)
Total Comprehensive Income for the year	-	-	-	-	2,145.00	(1,560.03)	584.97
Balance as at March 31, 2018	1,375.22	15,505.77	9,546.39	793.64	2,160.01	(15,397.52)	13,983.51
Current Year Profit	-	-	-	-	-	(1,026.78)	(1,026.78)
Additions / (deductions) during the year	-	-	-	502.46	-	-	502.46
Total Comprehensive Income for the year	-	-	-	-	10.76	-	10.76
Balance as at March 31, 2019	1,375.22	15,505.77	9,546.39	1,296.10	2,170.77	(16,424.30)	13,469.95

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

Raj Hari Eswaran
Managing Director
DIN 00195354

A. Kamatchinathan
Chief Financial Officer

Rakesh Garg
Director
DIN 00240379

P S Srinivasaraghavan
Company Secretary

As per our report of even date attached

For K S Rao & Co.
Chartered Accountants
(Firm Regn No.003109S)
M Krishna Chaitanya
Partner
Membership.No.231282

Place : Chennai
Date : 26th October, 2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

1 Corporate Information

“The Consolidated Financial Statements comprise financial statements of “EasunReyrolle Limited” (“the Holding Company”) and its subsidiaries (collectively referred to as “the Group”) for the year ended March 31, 2019. EasunReyrolle Limited is a leader in the field of electrical power management, a vibrant and growing industry. EasunReyrolle has distinguished itself with an enviable range of products, systems, solutions and services that find application in electrical power transmission and distribution. The strong customer-centric approach and 30 years of domain expertise have translated into products and technology that truly bring value to customers. EasunReyrolle’s Equity shares are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) in India. The company has invested in the following companies

- a) ERL International Pte. Limited, Singapore
- b) ER Protection and Automotion Services Private Limited

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 61 for information on how the Company adopted Ind AS.

The Consolidated Financial Statements comprises of EasunReyrolle Limited and all its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

Principles of Consolidation

- a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

- b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
- d) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- e) The unaudited financial statements of foreign subsidiaries have been prepared by the management in accordance with the generally accepted accounting principles of its country of incorporation and restated to Ind AS for consolidation purposes.
- f) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- g) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary
- h) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- i) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

"These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on October 26, 2019.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment (PPE / Intangible assets)

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained/recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE / Intangible Assets)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term employee benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer.

An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of

directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Sale of services

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Interest Income

Interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

Export Incentives and GST Invoices

Export incentives receivable under various schemes are accounted on accrual basis. GST Incentives are accounted when the amount of incentive is certain to be received.

d) Property, plant and equipment and capital work in progress

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has

elected to fair value its land as the deemed cost as at the date of transition, viz., 1 April 2016 and applied Ind AS 16 retrospectively for all other classes of Property, Plant and Equipment.

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material / significant components have been identified and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares / insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013, except in respect of certain assets, where useful life estimated based on internal assessment and/or independent technical evaluation

carried out by external valuer, past trends and differs from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold. Additions to fixed assets, costing 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost less accumulated depreciation. The company has elected to fair value its intangible assets as on the date of transition.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipments requirements for cost model. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation applying a valuation model. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method as follows:

- (i) **Raw materials, stock acquired for trading, packing materials and consumables:** At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.
- (ii) **Work-in-process and intermediates:** At material cost, conversion costs and appropriate share of production overheads
- (iii) **Finished goods:** At material cost, conversion costs and an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments other than equity instruments at amortised cost
- Financial instruments other than equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial instruments other than equity instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments other than equity instruments at amortised cost

The Company classifies a financial instruments other than equity instruments as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial instruments other than equity instruments at FVTOCI

The Company classifies a financial instrument other than equity at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial instruments other than equity instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instruments other than equity instruments at FVTPL

The Company classifies all financial instruments other than equity instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL. Financial instruments other than equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of classifying the equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiaries and associates if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it

has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of

the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Financial instruments other than equity instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivable	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

k) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

l) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the “MAT Credit Entitlement” at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

n) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

o) Impairment of non financial assets (PPE and Intangibles)

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

p) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made, if realisation of money is doubtful in the judgement of the management.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are disclosed but not recognised in the financial statements.

q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

r) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

s) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4. Property, Plant and Equipment

Particulars	Tangible Assets										Intangible Assets							
	Land	Land-leasehold	Land-Hosur Residential Plots	Buildings	Buildings-leasehold	Plant and Machinery	Electrical Installation	Office Equipments	Furniture	Vehicles	Computers	Research and Development	Total	Goodwill	Computer Software	Intellectual Property Rights	Intangible Assets - Product Development	Total
Cost as at March 31, 2017	1,985.75	2,232.50	302.38	3,371.21	2.58	4,766.95	225.27	180.73	260.01	12.72	5.09	318.27	13,663.46	2,308.92	22.90	6,013.39	2,411.30	10,756.51
Additions	-	-	-	-	-	12.78	0.04	0.26	-	-	3.60	-	16.68	-	0.72	-	730.19	730.91
Disposals / reclassifications	-	(1,439.99)	-	-	-	-	-	-	-	-	-	-	(1,439.99)	-	-	-	-	-
Cost as at March 31, 2018	1,985.75	792.51	302.38	3,371.21	2.58	4,779.73	225.31	180.99	260.01	12.72	8.69	318.27	12,240.15	2,308.92	23.62	6,013.39	3,141.49	11,487.42
Additions	-	-	-	-	-	26.05	-	3.66	0.21	-	2.75	-	32.68	-	20.02	-	1,204.28	1,224.31
Disposals / reclassifications	-	-	-	-	-	(9.90)	-	-	-	-	-	-	(9.90)	-	-	-	-	-
Cost as at March 31, 2019	1,985.75	792.51	302.38	3,371.21	2.58	4,795.89	225.31	184.65	260.22	12.72	11.44	318.27	12,262.94	2,308.92	43.64	6,013.39	4,345.77	12,711.73
Depreciation / Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	2.24	-	115.27	0.66	226.31	-	24.35	135.34	3.11	-	63.06	570.34	1,114.81	5.87	-	-	1,120.68
Charge for the year	-	2.24	-	136.50	0.34	270.47	39.73	1.20	43.51	2.82	1.08	35.26	533.15	-	6.90	-	1,141.91	1,148.81
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	4.48	-	251.77	1.00	496.78	39.73	25.55	178.85	5.93	1.08	98.32	1,103.49	1,114.81	12.77	-	1,141.91	2,269.49
Charge for the year	-	2.24	-	136.50	0.34	255.91	36.35	0.17	23.38	2.82	1.23	33.92	492.86	-	9.15	-	1,382.86	1,392.01
Disposals	-	-	-	-	-	(5.26)	-	-	-	-	-	-	(5.26)	-	-	-	-	-
As at March 31, 2019	-	6.72	-	388.27	1.34	747.43	76.08	25.72	202.23	8.75	2.31	132.24	1,591.09	1,114.81	21.92	-	2,524.77	3,661.50
Net Block	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	1,985.75	788.03	302.38	3,119.44	1.58	4,282.95	185.58	155.44	81.16	6.79	7.61	219.95	11,136.66	1,194.11	10.85	6,013.39	1,999.58	9,217.93
As at March 31, 2019	1,985.75	785.79	302.38	2,982.94	1.24	4,048.46	149.23	158.93	57.99	3.97	9.13	186.03	10,671.84	1,194.11	21.72	6,013.39	1,821.01	9,050.22

Notes to Consolidated Financial Statements for the year ended March 31, 2019

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
5 Loans		
Security Deposit (Unsecured, Considered Good)	9.64	-
Total Loans	9.64	-
6 Other Financial Assets		
(Unsecured, Considered Good)		
Security Deposits	218.48	213.25
	218.48	213.25
7 Other Non-Current Assets		
(Unsecured, Considered Good)		
Advance Income Tax (Net of Provisions)	48.16	27.56
Advance to related Parties	743.30	-
Prepaid Expenses	665.38	602.90
Advance to Suppliers	-	883.85
	1,456.84	1,514.31
8 Inventories		
(At lower of cost and net realisable value unless otherwise stated)		
Raw Materials	2,657.62	2,680.79
Semi Finished Goods	2,188.54	2,081.51
Finished Goods	4,312.30	714.12
Packing Materials	5.60	5.30
Sub Total (A)	9,164.06	5,481.72
Goods in transit		
Raw Materials	580.17	517.65
Land held as inventories	-	3,600.00
Sub Total (B)	580.17	4,117.65
Total (A + B)	9,744.23	9,599.37
9 Trade Receivables		
Unsecured, Considered Good		-
Dues from other than related parties		
Outstanding for a period exceeding six months from the date they are due for payment	13,601.48	16,785.77

Particulars	As at March 31, 2019	As at March 31, 2018
Other Receivables	3,256.84	684.53
Dues from related parties		
Outstanding for a period exceeding six months from the date they are due for payment	-	159.49
Other receivables	-	2.10
	<u>16,858.32</u>	<u>17,631.89</u>
10 Cash and Cash Equivalents		
Cash on Hand	109.85	149.46
Balances with Banks		
On Current Accounts	246.36	711.76
	<u>356.21</u>	<u>861.22</u>
11 Bank Balances		
On Deposit Accounts		
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit	806.03	429.19
Unpaid Dividend Accounts	0.76	4.10
	<u>806.79</u>	<u>433.29</u>
The Margin Money Deposits are towards Letters of Credit and Bank Guarantee		
12 Other Financial Assets		
Advances to Vendors	915.53	-
	<u>915.53</u>	<u>-</u>
13 Other Current Assets		
Advance to Suppliers	542.78	1,159.73
Prepaid Expenses	23.18	15.33
GST / Cenvat / VAT / Service Tax Credit Receivable	267.16	271.76
Other Receivable	7,500.89	7,598.94
Rental Advance	0.84	11.84
Employee Advance	1.78	3.92
Interest Accrued on Deposits	21.65	29.38
	<u>8,358.28</u>	<u>9,090.90</u>
14 Equity Share Capital		
Authorised		
7,50,00,000 (previous year 7,50,00,000		
Equity Shares of Rs. 2/- each	1,500.00	1,500.00
50,00,000 (previous year 50,00,000		
Preference Shares of Rs. 10/- each	500.00	500.00
	<u>2,000.00</u>	<u>2,000.00</u>

Particulars	As at March 31, 2019	As at March 31, 2018
Issued Share Capital		
3,07,95,639 Equity Shares of Rs. 2 each	615.90	615.90
	<u>615.90</u>	<u>615.90</u>
Subscribed and fully Paid Up share capital		
Equity Shares		
3,07,94,141 (previous year 3,07,94,141)		
Equity Shares of Rs. 2/- each	615.88	615.88
Total Equity Share Capital	<u>615.88</u>	<u>615.88</u>

Notes:

(a) Reconciliation of number of equity shares subscribed:

Balance at the beginning of the year	3,07,94,141	3,07,94,141
Add: Issued during the year	-	-
Balance at the end of the year	<u>3,07,94,141</u>	<u>3,07,94,141</u>

(b) Shareholders holding more than 5% of the total Share Capital

Name of the share holder	As at March 31, 2019		As at March 31, 2018	
	No of shares	% Holding in the class	No of Shares	% Holding in the class
Sowraj Investments Pvt Ltd	54,49,954	17.70%	54,49,954	17.70%
Easun Products of India Pvt Ltd	33,67,557	10.94%	33,67,557	10.94%
Easun Engineering Company Ltd	16,32,500	5.30%	16,32,500	5.30%

- (c) **Rights, preferences and restrictions in respect of equity shares issued by the Company**
The company has only one class of equity shares having a par value of Rs.2 each. The equity shares of the company having par value of Rs.2/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

15 Long Term Borrowings

Rupee Term Loans

Secured

From Banks	4,323.21	4,323.21
Other Loans and Advances	82.31	-

Unsecured

Inter Corporate Deposits	959.12	-
Others	-	480.00
	<u>5,364.64</u>	<u>4,803.21</u>

Amount disclosed under the head "Other financial liabilities"	4,323.21	4,323.21
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Net Amount	<u>1,041.43</u>	<u>480.00</u>
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Particulars	As at March 31, 2019	As at March 31, 2018
16 Trade payables		
Due to Micro Enterprises and Small Enterprises*	-	-
Others	527.98	-
	<u>527.98</u>	<u>-</u>
17 Other financial liabilities		
Other Payables	18.68	-
	<u>18.68</u>	<u>-</u>
18 Provisions		
Provision for Leave Encashment	29.05	38.31
Provision for Gratuity	80.34	67.58
	<u>109.39</u>	<u>105.89</u>
19 Short Term Borrowings		
Secured		
Cash Credits and Working Capital Demand		
Loan from Banks (Secured)	23,138.07	23,355.93
Unsecured		
Inter Corporate Deposits	6,381.15	6,964.03
Loan from Directors	15.23	55.00
	<u>29,534.45</u>	<u>30,374.96</u>
20 Trade payables		
Due to Micro Enterprises and Small Enterprises*	9.61	234.86
Others	4,149.04	5,737.30
	<u>4,158.65</u>	<u>5,972.16</u>
21 Other financial liabilities		
Current maturities of long-term debt	4,323.21	4,123.75
Employee Related Payables	864.74	-
Statutory Dues Payables	805.41	-
Unpaid Dividend	0.76	-
Interest Payable on Unpaid Statutory Dues	605.53	-
	<u>6,599.65</u>	<u>4,123.75</u>
22 Other liabilities		
Advance from Customers	751.72	2,327.07
Other Payables	549.73	1,931.47
	<u>1,301.45</u>	<u>4,258.54</u>

*Note: Dues to Small Enterprises and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Please refer note 39.

Particulars	As at March 31, 2019	As at March 31, 2018
23 Provisions		
Provision for Leave Encashment	18.30	10.27
Provision for Gratuity	33.63	29.44
Provision for Operations and Maintenance	1,298.02	-
	<u>1,349.95</u>	<u>39.71</u>
24 Revenue From Operations		
Sale of Products	8,577.71	7,422.30
Gross Revenue from Operations	<u>8,577.71</u>	<u>7,422.30</u>
Details of Sale of Products		
Relay and Control Panels	8,553.21	7,378.54
Ring Main Units (RMU)	-	7.08
Switchgear	24.50	36.68
	<u>8,577.71</u>	<u>7,422.30</u>
25 Other Income		
Interest Income on		
Deposits and Margin money	50.48	85.12
Net Gain on Foreign Exchange Fluctuations	78.56	-
Miscellaneous Income	103.52	396.31
	<u>232.56</u>	<u>481.43</u>
26 Cost Of Materials Consumed		
Opening Inventory of Raw Materials	1,910.03	2,130.12
Add: Purchases	2,327.96	2,234.17
Less: Closing Inventory of Raw Materials	(1,849.70)	(1,910.03)
	<u>2,388.29</u>	<u>2,454.26</u>
27 Changes in inventories of work-in-progress and finished goods		
Opening Balance		
Work in progress	461.38	365.55
Finished Goods	358.44	331.95
	<u>819.82</u>	<u>697.50</u>
Closing Balace		
Work in progress	465.48	461.38
Finished Goods	379.61	358.44
	<u>845.09</u>	<u>819.82</u>
Total Changes in inventories	<u>(25.27)</u>	<u>122.32</u>

Particulars	As at March 31, 2019	As at March 31, 2018
28 Manufacturing Expenses		
Repairs, Operations and Maintenance	72.89	102.02
Security Charges	32.25	47.13
Labour Charges	27.23	18.46
Power and Fuel	76.83	81.57
Consumable Tools	0.41	1.00
Consumable Stores	6.93	1.28
Others	28.11	44.43
	244.65	295.89
29 Employee Benefits Expenses		
Salaries, allowances and benefits to employees	3,044.67	2,844.54
Contribution to provident fund and other funds	71.54	63.37
Staff welfare expenses	297.18	276.68
Recruitment and Training Expenses	1.01	-
	3,414.40	3,184.59
30 Finance Cost		
Interest	637.77	157.73
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	37.58	82.38
	675.35	240.11
31 Depreciation And Amortization Expense		
Depreciation on Property, Plant and Equipment	492.86	533.15
Amortization on Intangible Assets	1,392.01	1,148.81
	1,884.87	1,681.96
32 Other Expenses		
Rent	108.17	116.24
Rates and taxes	61.79	297.90
Insurance	54.08	57.79
Printing and stationery	102.67	54.77
Postage,telephone Expenses	16.38	16.74
Selling Expenses	20.56	34.43
Consultancy and other professional charges	192.37	168.36
Advertisement Charges	11.29	1.68
Liquidated Damages	173.91	29.39
Electricity charges	0.22	0.41
Net Loss on Foreign Exchange Fluctuations	0.06	108.09

Particulars	As at March 31, 2019	As at March 31, 2018
Remuneration to auditors (As Auditor):		
Audit Fee	27.72	11.11
Reimbursement of expenses to Auditors	0.25	-
Water Charges	3.72	5.03
Listing Fees	6.89	6.99
Travelling and conveyance	141.50	278.96
Service Charges	-	1.08
Miscellaneous expenses	340.12	263.67
	<u>1,261.71</u>	<u>1,452.64</u>
32(a) Payment to auditors		
As Auditor	21.72	3.00
Other Services	6.00	6.00
Out of Pocket Expenses	0.25	2.11
	<u>27.97</u>	<u>11.11</u>
33 Other Comprehensive Income		
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans;	10.76	(15.01)
	<u>10.76</u>	<u>(15.01)</u>
(B) Items that will be reclassified to profit or loss		
(i) Changes in Foreign Currency Translation	502.46	-
(ii) Remeasurement of PPE on conversion to inventory	-	2,160.01
	<u>502.46</u>	<u>2,160.01</u>
34 Earnings per share		
Profit / (Loss) after tax	(1,036.07)	(1,560.03)
Weighted average no. of Equity Shares for basic EPS	307.94	307.94
Weighted average no. of Equity Shares for diluted EPS	307.94	307.94
Basic earnings per share (Rs)	(3.36)	(5.07)
Diluted earnings per share (Rs)	(3.36)	(5.07)
35 Earnings in foreign currency		
FOB Value Basis	53.08	86.94
	<u>53.08</u>	<u>86.94</u>
36 Expenditure in foreign currency		
Travelling	12.97	25.27
Commission	-	-
	<u>12.97</u>	<u>25.27</u>

Particulars	As at March 31, 2019	As at March 31, 2018
37 CIF value of imports		
Components and Spare parts including in transit	109.82	145.39
	<u>109.82</u>	<u>145.39</u>

38 Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials				
Imported	490.25	21%	523.47	21%
Others	1,898.04	79%	1,930.79	79%
	2,388.29	100.00	2,454.26	100.00

39 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) The principal amount remaining unpaid at the end of the year	14.02	234.84
(b) Interest Accrued and due to the suppliers under MSMED Act, on the above amount	3.71	200.29
(c) The delayed payments of principal amount paid beyond the appointed date during the year	10.03	31.03
(d) Interest actually paid under Section 16 of MSMED Act	-	-
(e) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	5.87	0.29
(f) Total interest accrued during the year and remaining unpaid	9.58	200.58

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

40 Commitments and Contingent Liability

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contingent Liability		
Counter Guarantee given to bankers in respect of Guarantees given by them	1,432.81	1,640.86
Disputed amounts of Sales Tax demands	1,730.32	2,143.58
Disputed amounts of Income Tax demands	2,738.50	2,738.50
Demand of fine payable to stock exchanges	11.20	31.90
Commitments		
Estimated amount of capital commitment on account of fixed assets	-	-

41 Operating Segments

The business of the Company falls under a single primary segment i.e., supply of Transmission and Distribution equipment in accordance with Ind AS 108 ‘Operating Segments’ and hence no segment reporting is applicable.

Information relating to geographical areas

The Company is domiciled in India and accordingly, no disclosures with regard to geographical locations are disclosed.

42 Operating lease arrangements

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As Lessee		
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 recognised in the Statement of Profit and Loss	108.17	116.24

43 Repayment terms and security details of long term borrowings

- External Commercial borrowings from Banks are availed for Business expansion and carries interest rate of 4.35% p.a. These term loans are repayable in 10 Equal half-yearly instalments. This facility is secured by first charge on industrial land and building at Harohalli, Kanakapura Taluk, Ramanagaram District and Second charge on Industrial Land and Building and Plant & Machinery at Hosur.

- (b) Secured Cash Credit and Working Capital Demand loans are availed from banks to meet the working capital requirements of the company. These facilities carries interest rate ranging from 11% p.a. to 16% p.a. and is repayable on demand. This facility is secured by first charge on Industrial Land and Building and Plant & Machinery at Hosur and Second charge on industrial land and building at Harohalli, Kanakapura Taluk, Ramanagaram District. These facilities are also secured by way of Personal Guarantee of Mr. Raj Hari Eswaran and Corporate Guarantee of ERL International Pte. Limited, Singapore, ERL Switchcraft Europe GmbH, Germany and Eswaran & Sons Engineers Pvt. Ltd. These facilities further secured by Property belonging to Easun Holdings Private Limited at Mutukadu Village, Kanchipuram District.
- (c) Inter Corporate Deposits are interest free loans availed from companies. These unsecured deposits are repayable on demand and the proceeds are used for working capital requirements
- (d) Loans availed from directors are unsecured and interest free. These facilities are used for working capital purposes and is repayable on demand.

44 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Net debt to equity ratio:	As at March 31, 2019	As at March 31, 2018
Debt	34,899.09	34,978.71
Less: Cash and bank balances	1,163.00	1,294.51
Net debt	33,736.09	33,684.20
Total equity	14,085.83	14,599.39
Net debt to equity ratio (%)	239.50%	230.72%

Categories of Financial Instruments	As at March 31, 2019	As at March 31, 2018
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	218.48	213.25
Trade receivables	16,858.32	17,631.89
Cash and cash equivalents	356.21	861.22
Bank balances other than above	806.79	433.29
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	1,041.43	480.00
Borrowings (current)	29,534.45	30,374.96
Trade payables	4,158.65	5,972.16

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division wherever required, to mitigate the risks from such exposures.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2019

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	(9.06)	-	4.90	4.90	-	4.90	-
EUR	(0.26)	-	(0.26)	14.20	-	14.20	14.46
AUD	(0.36)	-	(0.36)	0.23	-	0.23	0.59
GBP	(0.10)	-	(0.10)	-	-	-	0.10
In INR	274.03	-	274.03	1,312.51	-	1,312.51	1,038.49

As on March 31, 2018

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	70.47	-	70.47	2.50	-	2.50	(67.97)
EUR	0.26	-	0.26	1.18	-	1.18	0.92
AUD	0.36	-	0.36	0.19	-	0.19	(0.17)
THB	-	-	-	-	-	-	-
In INR	4,622.63	-	4,622.63	267.25	-	267.25	(4,355.38)

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved financial institutions/ counterparty. Investments primarily include bank deposits, which have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposits and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	4,158.65	-	-	4,158.65
Borrowings	4,323.21	-	-	4,323.21
	8,481.86	-	-	8,481.86

March 31, 2018	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	5,972.16	-	-	5,972.16
Borrowings	4,123.75	-	-	4,123.75
	10,095.91	-	-	10,095.91

As at
March 31, 2019 As at
March 31, 2018

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Nil

Nil

45 Related party disclosure

a) List of parties having significant influence

Entities in which directors are interested

Sowraj Investments Pvt. Ltd.,
Easun Products of India Pvt. Ltd.,
Eswaran & Sons Engineers Pvt. Ltd.,

Key Management Personnel (KMP)

Mr. Hariharan Eswaran
Mr. Raj Hari Eswaran
Dr. W S Jones
Mr. Rakesh Garg
Ms. Swethe Mandora Prajapathi
Mr. A Kamatchinathan
Mr. PS Srinivasaraghavan

Chairman
Managing Director
Independent Director (Resigned w.e.f. 29.08.2018)
Independent Director
Independent Director
Chief Financial Officer
Company Secretary & Compliance Officer
(Appointed w.e.f. 28.08.2018)

b) Transactions during the year

S.No.	Nature of transactions	Amount (Rs. in Lakhs)	
		2018-19	2017-18
1	Sowraj Investments Pvt. Ltd., Unsecured loan availed	70.00	78.02
	Unsecured loan Repaid / Assigned	1,900.00	-
2	Easun Products of India Pvt. Ltd., Unsecured loan availed	82.92	35.23
3	Eswaran & Sons Engineers Pvt. Ltd., Unsecured loan availed	1,900.00	-
4	Mr Raj Hari Eswaran Remuneration	48.00	48.00
	Unsecured Loan repaid	45.00	-
5	Mr Hariharan Eswaran Unsecured loan availed	5.23	-
6	Mr A Kamatchinathan Remuneration	21.00	21.00
7	Mr PS Srinivasaraghavan Remuneration	1.75	-

c) Balance at the end of the year

S.No.	Nature of transactions	Amount (Rs. in Lakhs)	
		2018-19	2017-18
1	Loans availed		
	Sowraj Investments Pvt. Ltd.,	1,031.88	2,861.88
	Easun Products of India Pvt. Ltd.,	3,321.26	3,238.34
	Eswaran & Sons Engineers Pvt. Ltd.,	1,900.00	-
	Mr Hariharan Eswaran	5.23	-
	Mr Raj Hari Eswaran	10.00	55.00
2	Other Amounts Payable to KMP's		
	Mr Hariharan Eswaran	41.69	40.30
	Mr Raj Hari Eswaran	116.25	102.16

46 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both

employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund.

In respect of the Defined Contribution Plan (Provident Fund), an amount of Rs. 48.38 lakhs (Previous Year March 31, 2018 Rs. 55.38 lakhs) has been recognised as expenditure in the statement of Profit And Loss.

In respect of State Plans (Employee State Insurance), an amount of Rs. 2.61 lakhs (Previous Year March 31, 2018 Rs. 4.22 lakhs) has been recognised as expenditure in the statement of Profit And Loss.

In respect of Leave Encashment, an amount of Rs. 7.16 lakhs (Previous Year March 31, 2018 expense of Rs. 0.47 lakhs) has been recognised as income in the statement of Profit And Loss.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.55%	7.70%
Rate of increase in compensation level	6.00%	6.00%
Rate of return on plan assets	7.55%	7.70%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	As at	As at
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2019	March 31, 2018
	Rs. Lakhs	Rs. Lakhs

Amount recognised under Employee Benefits
Expense in the Statement of profit and Loss:

Current service cost	20.39	16.73
Net interest expense	28.53	29.18
Return on plan assets (excluding amounts included in net interest expense)	(21.20)	(24.52)
Components of defined benefit costs recognised in profit or loss	<u>27.72</u>	<u>21.39</u>

Amount recognised in Other Comprehensive Income (OCI) for the year

Remeasurement on the net defined benefit liability comprising:

Actuarial (gains) / losses recognised during the period	(10.99)	15.01
Components of defined benefit costs recognised in other comprehensive income	<u>(10.99)</u>	<u>15.01</u>
Total	<u>16.73</u>	<u>36.40</u>

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as:

Present value of defined benefit obligation	401.62	393.36
Fair value of plan assets	(287.87)	(296.34)
Net liability / (asset) arising from defined benefit obligation	<u>113.75</u>	<u>97.02</u>
Funded	<u>113.75</u>	<u>97.02</u>
	<u>113.75</u>	<u>97.02</u>

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions) [Refer note 18] and 'Provision for employee benefits- gratuity' (short-term provisions) [Refer note 23]

March 31, 2019 March 31, 2018
Rs. Lakhs Rs. Lakhs

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	393.36	392.82
Current service cost	20.39	16.73
Interest cost	28.53	29.18
Actuarial (gains)/ losses	(9.69)	(17.74)
Benefits paid	(30.97)	(27.63)
Closing defined benefit obligation	<u>401.62</u>	<u>393.36</u>

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	296.34	332.20
Return on plan assets	21.20	24.52
Benefits paid	(30.97)	(27.63)
Actuarial gains / (loss)	1.30	(32.75)
Closing fair value of plan assets	<u>287.87</u>	<u>296.34</u>

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

47 Enterprises consolidated as Subsidiary in accordance with Ind AS 110 - Consolidated Financial Statements

Name of enterprise	Country of Incorporation	Proportion of ownership interest
ERL International Pte. Limited	Singapore	100%
ER Protection and Automotion Services Private Limited	India	100%
ERL Phase Power Technologies Ltd (100% subsidiary of ERL International Pte. Limited)	Canada	100%
ERL Marketing International FZE (100% subsidiary of ERL International Pte. Limited)	Sharjah	100%
ERL Switchcraft Pte. Ltd (80% subsidiary of ERL International Pte. Limited)	Singapore	80%
ERL Pacific Pty Ltd (82% subsidiary of ERL International Pte. Limited)	Australia	82%
Switchcraft Limited Hong Kong (100% subsidiary of ERL Switchcraft Pte. Ltd, Singapore)	Hong Kong	80%
Switchcraft Europe GmbH (100% subsidiary of ERL Switchcraft Pte. Ltd, Singapore)	Germany	80%

48 Additional Information, as required under Schedule III to the Companies Act, 2013

Rs. in Lakhs

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Assets	Amount	As % of consolidated Net Assets	Amount	As % of consolidated Net Assets	Amount	As % of consolidated Net Assets	Amount
ERL International Pte. Limited	181.14%	25,515.59	0.02%	2.74	-	-	0.02%	2.74
ERL Phase Power Technologies Ltd (100% subsidiary of ERL International Pte. Limited)	12.41%	1,747.72	5.51%	776.80	-	-	5.51%	776.80
ERL Marketing International FZE (100% subsidiary of ERL International Pte. Limited)	3.97%	558.67	0.23%	31.75	-	-	0.23%	31.75
ERL Switchcraft Pte. Ltd (80% subsidiary of ERL International Pte. Limited)	(7.62%)	(1,073.41)	(0.11%)	(15.93)	-	-	(0.11%)	(15.93)
Switchcraft Limited Hong Kong (100% of ERL Switchcraft Pte. Ltd, Singapore)	(9.93%)	(1,398.23)	0.00%	-	-	-	0.00%	-
Switchcraft Europe GmbH (100% subsidiary of ERL Switchcraft Pte. Ltd, Singapore)	(3.74%)	(526.84)	(0.22%)	(30.52)	-	-	(0.22%)	(30.52)
ERL Pacific Pty Ltd (82% subsidiary of ERL International Pte. Limited)	(2.38%)	(334.91)	0.00%	(0.01)	-	-	0.00%	(0.01)
ER Protection and Automation Services Private Limited	0.00%	0.25	0.00%	(0.19)	-	-	0.00%	(0.19)

- 49 The company is in the process of reconciling the amount receivable and payable to various parties (including loan creditors, trade creditors, trade receivable, advance paid to vendors, advance received from customers). The company is also in the process of adjusting the advances receivable and payable against the respective parties. Pending such reconciliation the management of the company is of the opinion that the impact of such reconciliation / adjustment is not significant and will not have material impact on the financial statement.
- 50 Revenue from operations includes invoicing on customers towards execution of turnkey projects. These turnkey project invoicing is predominantly milestone associated and is independent of customer acceptance of agreement, Revenue recognised in this regard with appropriate provision for anticipated procurement / cost of manufacturing components, the outcome of eventual acceptability of the claims of the company is ascertainable at the closure of the respective project.
- 51 Certain customers encashed bank guarantees given by the company amounting to Rs. 7500.89 lakhs unilaterally. The company is in negotiation and taken appropriate actions (including legal proceedings) in this regard. Trade Receivables includes an amount of Rs.1224.75 lacs (Rs.1,224.75 lacs) being the Liquidated Damages recovered

by certain customers. The Company is in the process of recovering the said amount and pending legal proceedings, no provision is considered as at the balance sheet date for the above claims of the customers.

- 52 The Company is in the process of negotiating with the lenders (for term loans and demand loans) for settlement of borrowings including interest payable on those borrowings. Pending conclusion of such negotiation with its lenders, the company has not accounted the interest payable on such borrowings.
- 53 As at 31st March, 2019 the company's total inventory valued at cost amounts to Rs.6880.56 lakhs. The company is actively pursuing options for utilising its inventories and is confident of recovering the entire carrying value. Pending such utilisation of inventory the company does not envisages any material impact on the carrying value of the inventory.
- 54 The company is in the process of reconciling and compiling with required filings as required under the applicable laws. Pending such compliance the company is not envisaging any material impact on the financial statement.
- 55 The company is in the process of negotiating with the vendors for recovery or adjustment against dues of Rs. 542.78 lakhs. Pending reconciliation / adjustment of advances to vendors, the company is not envisaging any material impact on financial statement.
- 56 The company is in the process of filing letters with appropriate authorities (as required under the Foreign Exchange Management Act of 1999) for regularising the receivables and payables in foreign currency (including (i) recovery of dues receivables from foreign customers amounting to Rs. 590.75 lakhs; (ii) recovery of advances to associate enterprises to the extent of Rs. 2928.69 lakhs). Pending such regularisation the company is not envisaging any financial impact on these account.
- 57 Pending outcome of suits filed by and against the company, no provision is considered necessary in the financial statements
- 58 These financial statements have been prepared under going concerned basis as the management is confident of generating future cash flows based on the orders in the pipe line and proposed restructuring of borrowings with lenders being under consideration.
- 59 The company imported certain materials amounting to Rs. 580.17 lakhs which are stored in customs bonded warehouse. The company is planning to clear these goods on need basis (including goods which are pending for clearance for more than 3 years amounting to Rs. 255.66 lakhs). Pending such utilisation and clearance of goods the company is not envisaging any financial impact on the financial statement.
- 60 The company is in the process of negotiating with the customers for recovery of Earnest Money Deposits amounting to Rs. 184.09 lakhs. Pending realisation / adjustment of earnest money deposit, the company is not envisaging any financial impact on this account.

- 61 Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year.
- 62 As allowed under Schedule III of the Companies Act, 2013, financials are prepared in lakhs and rounded off to two decimals. The amounts / numbers below thousand / fifty thousands are appearing as zero.
-

For and on behalf of the board

As per our report of even date attached
For K S Rao & Co.
Chartered Accountants
(Firm Regn No.003109S)

Raj Hari Eswaran
Managing Director
DIN 00195354

Rakesh Garg
Director
DIN 00240379

M Krishna Chaitanya
Partner
Membership.No.231282

A. Kamatchinathan
Chief Financial Officer

P S Srinivasaraghavan
Company Secretary

Place : Chennai

Date : 26th October, 2019

Easun Reyrolle Limited

Regd. Office: “Temple Tower”, VI Floor, 672, Anna Salai, Nandanam, Chennai – 600 035

Ph: +91-44-24346425 / Fax No. +91-44-24346435 / E-mail: sec@easunreyrolle.com

CIN No.L31900TN1974PLC006695

PROXY FORM

Folio No. / Depository Account No. _____ Name: _____

I / We being the member(s) of, shares of the above named company hereby appoint

1. Name	2. Name	3. Name
Address	Address	Address
e-mail id:	e-mail id:	e-mail id:
Signature Or failing him	Signature Or failing him	Signature Or failing him

as my / our proxy to attend and vote for me / us on my / our behalf at the 44th ANNUAL GENERAL MEETING of the Company to be held on 29th November, 2019 at 3.00 p.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai – 600 008 and at any adjournment thereof.

Sl. No.	Resolutions	Optional *	
		For	Against
	Ordinary Business		
01.	To consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2019, the Balance Sheet as at 31st March, 2019 (including audited consolidated financial statements) and the reports of Board of Directors and Auditors thereon		
02.	To appoint a Director in place of Mr Hariharan Eswaran, (DIN No.00196760) Non-Executive Chairman who retires by rotation and being eligible for re-appointment offers himself for re-appointment.		
	Special Business		
03.	To appoint Mr Raj Hari Eswaran (DIN No.00195354) as Managing Director of the Company for a further period of 3(Three) years w.e.f. 1st April, 2020 to 31st March, 2023 and in this regard to consider and, if thought fit, to pass the following Resolution as a Special Resolution		
04.	To appoint Mr Rakesh Garg (DIN No.00240379) as an Independent Non-Executive Director of the Company for a Second Term of 5 years and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution .		
05.	To Appoint Ms Sweta Mandora Prajapati (DIN No.06903165) as an Independent Non-Executive Director of the Company for a second term of 5 years and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution .		

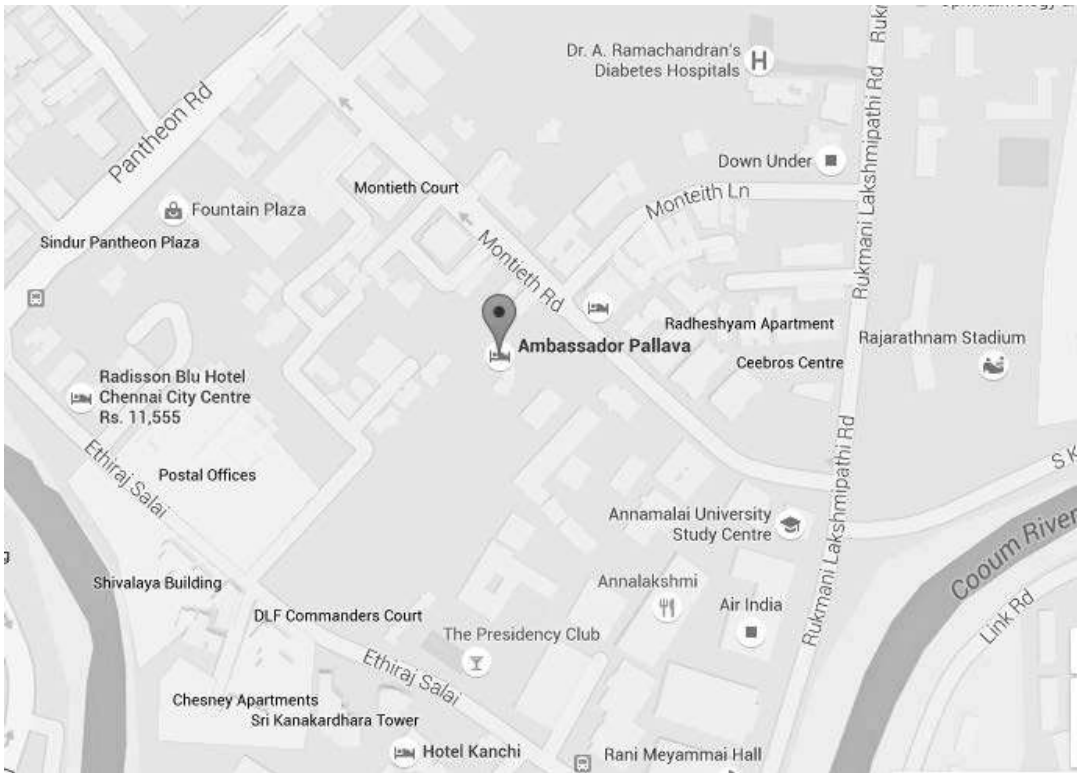
Revenue
Stamp
Re.1

Signature of Shareholder

Signature of the Proxy

- 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
 3. For the resolutions, explanatory statements and Notes, please refer to the Notice of 44th Annual General Meeting.

Route Map



Venue of AGM:

**Hotel Ambassador Pallava,
53, Montieth Road,
Chennai 600 008,**



EASUN REYROLLE LTD

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