

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

13th March, 2018

Kind Attn: Mr Rakesh Parekh
Special Assistant, Listing Compliance

Dear Sirs

Sub: Financial Result for the Quarter ended September 2017

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Further to your e-mail dated 9th March, 2018, we are re-submitting herewith the signed financial results for the Quarter ended 30th September, 2017 duly approved by the Directors in their Board Meeting held on 13th February, 2018.

Please take the same on record and do the needful.

Thanking you

Yours faithfully
For Easun Reyrolle Limited

A handwritten signature in blue ink, appearing to be 'A Kamatchinathan', is written over a large, light blue watermark of the ERL logo.

A Kamatchinathan
CFO & Compliance Officer

Easun Reyrolle Limited

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CIN: L31900TN1974PLC006695

Statement of unaudited financial results for the quarter and six months ended September 30, 2017 under Ind AS

(Rs. in Lakhs)

Sl No	Particulars	Quarter ended			Year to date figures for the 6 months ended		Year ended
		September 30, 2017 (unaudited)	June 30, 2017 (unaudited)	September 30, 2016 (unaudited)	September 30, 2017 (unaudited)	September 30, 2016 (unaudited)	March 31, 2017 (unaudited)
	Income from Operations						
1	Net Sales / Income from operations	446.63	588.84	1,023.38	1,035.47	1,688.21	2,954.50
2	Other Income (Net)	8.83	7.64	1.87	16.47	89.79	480.16
3	Total Income (1+2)	455.46	596.48	1,025.25	1,051.94	1,778.00	3,434.66
4	Expenses						
	Cost of materials consumed	439.08	492.41	462.09	931.49	884.01	1,788.42
	Purchase of stock-in-trade - Traded goods	-	-	-	-	-	-
	Manufacturing expenses	123.59	-	-	123.59	-	-
	Changes in inventories of raw material, work-in-progress, stock-in-trade and finished goods	(122.85)	(104.97)	(18.41)	(227.82)	(114.92)	79.97
	Employee benefit expenses	330.75	320.10	301.03	650.85	659.09	1,311.97
	Finance costs	213.07	295.88	254.70	508.95	653.41	1,203.82
	Depreciation and amortization expense	119.44	119.20	103.96	238.64	227.52	495.91
	Excise Duty on Sales	-	31.99	52.79	31.99	98.44	174.76
	Other expenses	48.25	176.88	121.28	225.13	310.72	772.52
	Total Expenses	1,151.33	1,331.49	1,277.44	2,482.82	2,718.27	5,827.37
5	Profit/ (loss) before exceptional items and tax (3-4)	(695.87)	(735.01)	(252.19)	(1,430.88)	(940.27)	(2,392.71)
6	Exceptional items	-	-	-	-	(78.85)	(78.85)
7	Profit/ (loss) before tax (5+6)	(695.87)	(735.01)	(252.19)	(1,430.88)	(1,019.12)	(2,471.56)
8	Tax expense						
	Current tax	-	-	-	-	-	-
	Deferred tax	-	-	-	-	-	-
	Total Tax Expenses	-	-	-	-	-	-
9	Profit/ (loss) for the period from continuing operations	(695.87)	(735.01)	(252.19)	(1,430.88)	(1,019.12)	(2,471.56)
10	Profit / (Loss) from discontinued operations	-	-	-	-	-	-
11	Tax expense of discontinued operations	-	-	-	-	-	-
12	Profit / (Loss) from discontinued operations (after tax)	-	-	-	-	-	-
13	Profit/ (loss) for the period (11+12)	(695.87)	(735.01)	(252.19)	(1,430.88)	(1,019.12)	(2,471.56)
14	Other comprehensive income , net of income tax						
	a) (i) items that will not be reclassified to profit or loss	8.23	(1.65)	3.28	6.58	6.57	13.14
	(ii) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	b) (i) items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income , net of income tax	8.23	(1.65)	3.28	6.58	6.57	13.14
11	Total comprehensive income/ (loss) for the period (13+14)	(687.64)	(736.66)	(248.91)	(1,424.30)	(1,012.55)	(2,458.42)
12	Paid-up equity share capital	615.88	615.88	615.88	615.88	615.88	615.88
	Face value per share (Rs)	2.00	2.00	2.00	2.00	2.00	2.00
13	Earning per share (Rs) (not annualised)						
	- Basic	(2.26)	(2.39)	(0.82)	(4.65)	(3.31)	(8.03)
	- Diluted	(2.26)	(2.39)	(0.82)	(4.65)	(3.31)	(8.03)



Notes:

- 1 The above quarterly results for the quarter and six months ended September 30, 2017 as reviewed and recommended by the Audit committee of the Board, has been approved by the Board of Directors at its meeting held on February 13, 2018.
- 2 The statement has been prepared in accordance with the companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2017, the Company has for the first time adopted Ind AS with a transition date of April 1, 2016.
- 3 (a) 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.
(b) Since the Turnkey Projects were undertaken for various Government Projects, it is difficult to obtain their confirmation / certification regarding stage of Completion of Projects.
(c) Unpaid Statutory dues amounting to Rs. 665.47 lakhs, and penalties, interest thereon are due and company is making necessary efforts to repay the same during the year.
(d) Due to the liquidity problem, Rs. 500.11 lakhs worth of imported materials are kept in Customs Bonded Warehouse and these goods are in usable conditions. Subject to realization of funds, Company will clear the goods.
(e) There was a delay in filing of statutory returns and Company is taking necessary steps to make payments and file returns.
(f) Trade Receivables includes an amount of Rs. 1,224.75 lakhs being the Liquidated Damages recovered by some customers. The Company is in the process of recovering the said amount and pending recovery, no provision is considered in the accounts towards Liquidated Damages.
(g) Trade Receivables includes an amount of Rs. 1345.29 lakhs being the outstanding from Foreign Debtors for more than 180 days. The Company is in the process of getting necessary approval from Reserve Bank of India towards extension of time limit for collection.
(h) The Company has made an investment of Rs. 15,502.10 lakhs in its wholly owned subsidiary at 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 of investment is considered necessary as the management is of the opinion that this investment represents appropriate carrying value.
(i) The value of inventory pertaining to the "Metering Business" amounting to Rs. 350.51 lakhs is continued to be carried at cost despite no activity in the business for considerable period and realisable value has not been ascertained consequently the impact on the financial statements is not quantifiable.
(j) In respect of certain turnkey contracts which have been terminated by the customers resulting in encashment of bank guarantees given by the company amounting to Rs.6405.34 lakhs has been shown recoverable from parties in respect of which negotiation with customers stated to be in progress. Pending the outcome of negotiations the no adjustment in the financial statements has been made.
(k) The Company has applied for extension of time limit under FEMA rules for material advances given to the associate enterprises amounting Rs.624.19 lakhs.
(l) The Company is in the process of negotiating for one time settlement with its lenders. Considering the ongoing negotiations, the Company has reversed the interest provided in the earlier periods and also not accrued any interest for the current period. Pending completion of the ongoing negotiations, the appropriateness of this accounting treatment is contingent on future events.
(m) Financial Statement have been prepared under going concern basis as the management is confident of generating future cash flows based on the order in the pipe line and proposed restructuring of borrowing by banks being under consideration.

In respect of items 3 (a) and 3 (b), the auditors have qualified their Limited Review Report.

In respect of items 3 (c) to 3 (m), the auditors have drawn an Emphasis of Matter in their Limited Review Report.
- 4 Post the applicability of Goods and Services Tax (GST with effect from July 1, 2017, revenue from operations are required to be disclosed net of GST in accordance with the requirements of Ind AS. Accordingly, the revenue from operations for the quarter and six months ended September 30, 2017 are not comparable with the corresponding previous quarter and six months in the above financial results which are reported inclusive of excise duty.
- 5 The Ind AS compliant financial results, pertaining to quarter and six months ended September 30, 2016 and year ended March 31, 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 6 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5 2016, Ind AS and Schedule III (Part II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- 7 The company is engaged in the business of "Manufacturing of Control Panels and Relays" and therefore, has only one reportable segment in accordance with Ind AS 108 'Operating Segments'.



8 Statement of assets and liabilities

Particulars	As at	As at
	Sep 30, 2017	Mar 31, 2017
Assets		
Non-current assets		
Property, plant and equipment	10,403.18	10,639.24
Financial Assets		
Investments	15,502.10	15,502.10
Other financial assets	234.71	205.63
Other non-current assets	2,883.73	3,300.01
	29,023.72	29,646.98
Current assets		
Inventories	3,206.92	3,339.13
Financial Assets		
Trade receivables	16,694.69	16,954.17
Cash and cash equivalents	482.22	32.06
Bank balances other than above	378.43	22.30
Other current assets	8,720.74	8,524.04
	29,483.00	28,871.70
Total - Assets	58,506.72	58,518.68
Equity and Liabilities		
Equity		
Equity share capital	615.88	615.88
Other Equity	16,201.91	17,647.25
	16,817.79	18,263.13
Non current liabilities		
Financial Liabilities		
Provisions	-	68.16
	-	68.16
Current liabilities		
Financial Liabilities		
Borrowings	28,513.16	25,886.12
Trade payables	5,305.89	6,828.50
Other current liabilities	7,585.68	7,435.09
Provisions	284.20	37.68
	41,688.93	40,187.39
Total - Equity and Liabilities	58,506.72	58,518.68



9 The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :

(Rupees in lakhs)

Particulars	Quarter ended Sep 30, 2016	Six months ended Sep 30, 2016	Year ended Mar 31, 2017
Net Profit as per previous GAAP (Indian GAAP)	(895.75)	(2,068.83)	(4,859.69)
Ind AS Adjustments : Add/ (less)			
Remeasurement of financial instruments	44.57	102.30	289.41
Remeasurement of interest accrued on borrowings	568.09	885.22	1,980.88
Remeasurement of Intangibles with indefinite economic useful life	34.18	68.76	130.98
Total Ind AS Adjustments	646.84	1,056.28	2,401.27
Total comprehensive income as per Ind AS	(248.91)	(1,012.55)	(2,458.42)

10 The reconciliation of equity reported in accordance with Indian GAAP to equity in accordance with Ind AS is given below :

(Rupees in lakhs)

Particulars	As at March 31, 2017
Total equity / shareholders' funds as per Indian GAAP	11,572.53
Ind AS Adjustments : Add/ (less)	
Fair valuation of PPE	3,467.43
Impact of expected credit loss	-
Remeasurement of financial instruments	251.12
Remeasurement of provisions as per Ind AS 37	125.41
Remeasurement of interest accrued on borrowings	2,995.19
Remeasurement of Intangibles with indefinite economic useful life	(148.55)
Total Ind AS Adjustments	6,690.60
Total equity/ shareholders' funds as per Ind AS	18,263.13

11 The above reconciliation statements have been provided in accordance with circular CIR/CFD/FAC/2016 issued by issued SEBI dated July 5, 2016 on account of implementation of Ind AS by listed companies.

for Easun Reyrolle Ltd

Raj Hswaran



Raj H Eswaran
Managing Director
DIN 00195354

Place: Chennai

Date : February 13, 2018