

Easun Reyrolle Limited



Report Junction.com

27

Annual Report 2001-2002



Idol of Lord Ganesha in the factory premises

Easun Reyrolle Limited

27th Annual Report, 2001-2002



Chairman : Hari Eswaran

Directors : Y S Das
W S Jones
Raj H Eswaran

Chief Executive : J D N Sharma

Secretary &
General Manager - Finance : K N Nagesha Rao

Auditors : Brahmayya & Co.
Chartered Accountants
156, Thambu Chetty Street
Chennai 600 001

R Subramanian & Co.
Chartered Accountants
36, Krishnaswamy Iyer Avenue
Luz, Chennai 600 004

Registered Office : "Temple Tower", 6th Floor
672, Anna Salai, Nandanam
Chennai 600 035

Factories : 1. Plot No.98 Sipcot Industrial Complex
Hosur 635 126
Dharmapuri District
Tamil Nadu

2. 17/3, Arakere Village
Bannerghatta Road
Bangalore 560 076

Bankers : State Bank of India



Easun Reyrolle Limited

Registered Office : "Temple Tower" 6th Floor, 672 Anna Salai, Nandanam, Chennai 600 035

Notice to Shareholders

NOTICE is hereby given that the Twentyseventh Annual General Meeting of the Members of Easun Reyrolle Limited will be held on Friday, 27th September, 2002 at 3.00 PM at Hotel Ambassador Pallava, 52, Montieth Road, Chennai 600 008, to transact the following business :

Ordinary Business

1. To consider and adopt the Directors' Report, the Audited Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at 31st March, 2002 and the Auditors' Report thereon.
2. To appoint a Director in place of Mr Raj H Eswaran who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr Y S Das who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Brahmaya & Co and M/s R Subramanian & Co, the retiring Auditors are eligible for re-appointment.

By Order of the Board
for Easun Reyrolle Limited

Place : Chennai
Date: 12th July, 2002

K N Nagesha Rao
Secretary and General Manager-Finance

Notes:

1. Any Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member. A Proxy so appointed shall not have any right to speak at the Meeting. The Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th September 2002 to 27th September 2002 (both days inclusive).
3. Members are requested to advise, indicating their Folio Numbers, the change in their address, if any.
4. Members/Proxies should fill in the Attendance Slip for attending the meeting.
5. As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) (Amendment) Rules, 1988, the unpaid/unclaimed dividend for the financial year ended 1994-95 was transferred to the General Revenue Account of the Central Government, as per details given below :



Dividend for the year ended	No. of Equity Shares	No. of Share-holders	Amount Rs.	Date of Transfer
1. Interim Dividend for the year 1994-95	24,953	450	24,953	12th August, 1998
2. Final Dividend for the year 1994-95	18,741	339	28,184	14th October, 1998

6. The Company's shares are listed on the following Stock Exchanges

Sl. No.	Name of the Stock Exchange	Address
01.	The Madras Stock Exchange Limited (Regional Stock Exchange)	Exchange Building, Post Box No. 183, 11, Second Line Beach Chennai - 600 001
02.	Vadodara Stock Exchange Limited	'Fortune Tower' 3rd Floor Dalal Street, Post Box No. 2547 Sayajigunj, Vadodara - 390 005
03.	The National Stock Exchange of India Limited	Exchange Plaza 5th Floor, Plot No: C/1 G Block, Bandra - Kurla Complex Bandra (East), Mumbai - 400 051

The Company has paid Annual Listing Fees for the year 2002-2003 to the above Stock Exchanges.

By Order of the Board
for Easun Reyrolle Limited

Place : Chennai
Date : 12th July, 2002

K N Nagesha Rao
Secretary and General Manager-Finance

Report  junction.com



Directors' Report to Shareholders

Your Directors have pleasure in presenting the Twentyseventh Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 2002.

Financial Results

The Financial Results of your Company for the year under review are as below:

[Rupees in lacs]

Particulars	For the year ended	
	31st March, 2002	31st March, 2001
Sales turnover and other Income	3,707	3,274
Less Sales Return	97	-
Net Income	3,610	3,274
Profit before Interest and Depreciation	176	375
Less: Interest	184	221
Profit/(Loss) before Depreciation	(8)	154
Depreciation	70	66
Profit before tax / (Loss)	(78)	88
Less: Provision for Income-tax	-	20
Add: Deferred Tax Asset	23	-
Add: Excess tax provision for previous year	3	-
Profit after tax (Net Loss)	(52)	68
Add: Profit brought from the previous year	-	60
Appropriation:	-	128
Transfer to General Reserve	-	5
Dividend	-	31
Dividend Tax	-	3
Balance carried forward to Balance Sheet	(52)	89

Dividend

In the absence of the operating profit, your Directors regret their inability to propose any dividend for the year.

Operations

During the year under review, your Company achieved a turnover of Rs.3,707 lacs against Rs. 3,274 lacs turnover for the previous year. Your Company concentrated efforts to hold its market share and to enter new market segments during 2001-02, a year which witnessed lower demand and severe competition. In spite of adverse market conditions, your Company would have achieved operational profit. However, the Company had to accept a sales return (of supplies effected in an earlier year) from one of the major customers, resulting in your Company posting loss during the year.

Prospects

As stated in our report last year your Company has taken steps to enter the Energy Metering business. The tamper proof electronic meters developed by your Company are undergoing functional tests.

The Company has also made considerable progress in developing Substation Control and Automation Solutions. This sophisticated product has received considerable response and interest from both industries and utilities. Directors are pleased to inform that commercial offering of Sub-station Control Automation Solution has commenced and the Company expects to receive the first order during the course of current financial year.



The Company has obtained necessary fund sanction from a financial institution for establishing facilities for the new projects and it is expected that both the products would go on stream during the current financial year. The continued efforts to focus on developing new markets and expand market reach helped your Company receive higher levels of orders during 2001-02, resulting in a healthy year-end order position.

Directors

Directors deeply regret to report and record the recent demise of Mr. H.M.S. Smith, one of the founder Directors of your Company. Mr. Smith was on the Company's Board till he retired from the service of our joint venture partner. It would not be an exaggeration to mention that whatever Easun Reyrolle has been able to achieve since inception is largely due to support extended by Mr Smith.

Mr R Venkataraman, who was on the Board ever since inception of your Company, has resigned expressing his advancement of age. Your Directors place on record their appreciation of the services and long association for over two decades by Mr Venkataraman.

Your Directors Mr Raj H Eswaran and Mr Y S Das retire at the ensuing Annual General Meeting. They are eligible for re-election.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied that consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

Auditors:

M/s Brahmayya and Company and M/s R Subramanian and Company, Auditors of your Company retire at the ensuing Annual General Meeting. They are eligible for re-appointment.

Energy, Technology and Foreign Exchange:

Pursuant to Section 217(1)(e) of the Companies Act, 1956 the necessary information is given in the Annexure and forms part of the Report.

Personnel:

There is no employee coming within the provisions of 217(2A) of the Companies Act, 1956.

Appreciation:

Your Directors acknowledge the support and co-operation received from State Bank of India and Financial Institutions and commend the unstinted efforts put in by all employees.

By order of the Board
for Easun Reyrolle Limited
Hari Eswaran
Chairman

Place : Chennai
Date : 12th July, 2002



Annexure to Director's Report for the year ended 31st March, 2002

Annexure – I

Information pursuant to the Section 217 (1) (e) of the
Companies Act, 1956 read with the Companies
(Disclosure of particulars in the report of Board of Directors) Rules, 1988

A. Conservation of Energy

- | | | |
|---|---|--|
| a. Energy conservation | } | The Company has installed additional |
| b. Additional Investments and proposals if any, being implemented for reduction of consumption of energy | } | capacitor banks to improve power factor and to conserve energy. The Company is continuously identifying areas where energy can be saved and appropriate measures are being taken to optimise conservation of energy. |
| c. Impact of the measures at (a) and consumption and consequent impact of the cost of production of goods | } | |
| d. Total energy conservation | : | Disclosure requirement is not applicable to the Company |

B. Technology Absorption

i) Research and Development

- | | | |
|---|---|---|
| 1. Specific areas in which R & D carried out by the Company | : | a) Development of numeric, directional, over current Relay for distribution network.
b) Development of Numerical overfluxing protection for transformer application. |
| 2. Benefits derived as a result of the above efforts | : | a) Increased product range and wider market coverage
b) Entry into IT Solutions and Sub-station Control and Management. |
| 3. Future plan of action | : | The Company is working on digital platform for developing products and solutions for higher-end application in power protection and automation. |

4. Expenditure on R & D

- | | | |
|--|---|---------------|
| a. Capital | : | Nil |
| b. Recurring | : | Rs. 15,73,087 |
| c. Total | : | Rs. 15,73,087 |
| d. Total R & D expenditure as a percentage of total turnover | : | 0.45% |

ii) Technology absorption, adaptation and innovation

- | | | |
|--|---|---|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | : | The Company has designed and developed a digital direct reading, tamper-proof energy meter for low-tension application. |
| 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development substitution etc. | : | Product development, Cost reduction. |