

39th ANNUAL REPORT 2013-2014



EASUN REYROLLE LIMITED



Easun Reyrolle Limited

39th Annual Report, 2013-2014

Chairman : Hari Eswaran

Managing Director : Raj H Eswaran

Directors : W S Jones
Rakesh Garg
J D N Sharma
M Raman

Chief Financial Officer : P Chandrasekaran

Auditors : Brahmayya & Co.
Chartered Accountants
48, Masilamani Road
Balaji Nagar, Royapettah
Chennai – 600 014

R Subramanian & Co.
Chartered Accountants
No.6, Krishnaswamy Iyer Avenue
Luz, Chennai – 600 004

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. No.98, Sipcot Industrial Complex,
Hosur – 635 126, Krishnagiri Dt.,
Tamilnadu

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

3. Plot No.147/148, Harohalli Industrial Area,
2nd Phase, Madamaranahalli Village,
Harohalli Hobli, Kanakpura Taluk,
Ramnagara Dt. Karnataka

Registrar and Transfer Agents : Integrated Enterprises (India) Ltd.
2nd Floor, “Kences Towers”
No.1, Ramakrishna Street, North Usman Road
T Nagar, Chennai – 600 017

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Easun Reyrolle Limited

CIN No. L31900TN1974PLC006695

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

Phone: +91-44-24346425, Fax: +91-44-24346435, email: sec@easunreyrolle.com, www.easunreyrolle.com

Notice to Shareholders

Notice is hereby given that the Thirty Ninth Annual General Meeting of the Members of Easun Reyrolle Limited will be held on Monday, 29th September, 2014 at 10.00 a.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, 2014, the Balance Sheet as at 31st March, 2014 and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr Hari Eswaran (DIN No.00196760) who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration:

"RESOLVED that M/s Brahmayya & Co., Chartered Accountants (Firm Registration No.000511S), and M/s R Subramanian & Co., Chartered Accountants (Firm Registration No.004137S), be and are hereby appointed as Joint Statutory Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration as may be agreed upon between the Auditors and the Board of Directors".

Special Business

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Dr William Stanley Jones (holding DIN No.00196064)**, Director of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from 29th September, 2014.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013,

Mr Rakesh Garg (holding DIN No.00240379), Director of the Company who retires by rotation at the Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from 29th September, 2014.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr M Raman (holding DIN No.01226770), Director of the Company who retires by rotation at the Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from 29th September, 2014.

7. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution**:

RESOLVED that in conformity with the provisions of Article 93 of Articles of Association of the Company and pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to Non-Executive Directors (including Independent Directors, other than the Managing Director \ Whole-time Directors) of the Company and distributed amongst such Directors in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five years commencing from financial year ended 31st March, 2015 to 31st March, 2019.

RESOLVED FURTHER that the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.”

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**:

RESOLVED THAT the Board of Directors (hereinafter referred to as the Board which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised, in accordance with Section 180(1)(c) of Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the company, to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate,

notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed upto a sum of Rs.300 Crores (Rupees Three hundred Crores) over and above the aggregate of the paid up capital of the company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

9. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors vide resolution passed in their respective meetings held on 13th August, 2014, the consent of the Company be and is hereby accorded for entering into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum as mentioned herein below:”

Sl. No.	Names of the Related Party	Names of Directors interested	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Amount (Rs. In Lacs) Per Annum
01.	Easun MR Tap Changers Private Ltd (Associate Company)	Hari Eswaran Raj H Eswaran	Director	Availing Services	100
				Rendering Services	100
				Sales	300
				Purchases	800
			Director	To take, avail inter corporate deposit / short term loans, advances or other loans and borrowings	1,000
				Total	2,300
02	Easun Products of India Private Limited (Associate Company)	Hari Eswaran Raj H Eswaran	Director	Availing Services	140
				Rendering Services	90
				Sales	5,000
				Purchases	7,000
			Director	To take, avail inter corporate deposit / short term loans, advances or other loans and borrowings	6,000
				Total	18,230
03.	Sowraj Investments Private Limited (Associate Company)	Hari Eswaran Raj H Eswaran	Director	Availing Services	75
				Rendering Services	75
				Purchases	325
			Director	To take, avail inter corporate deposit / short term loans, advances or other loans and borrowings (per annum)	7,000
				Total	7,475

Sl. No.	Names of the Related Party	Names of Directors interested	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Amount (Rs. In Lacs) Per Annum
04.	Eswaran and Sons Engineers Pvt. Limited (Associate Company)	Hari Eswaran Raj H Eswaran	Director Director	Availing Services	80
				Rendering Services	90
				Sales	100
				Purchases	600
				To take, avail inter corporate deposit / short term loans, advances or other loans and borrowings (per annum)	2,000
				Total	2,870
05.	ERLPhase Power Technologies Limited (Subsidiary Company)	Raj H Eswaran	Director	Availing Services	-
				Rendering Services	-
				Sales	-
				Purchases	1,500
				Total	1,500
06.	ERL Marketing International FZE, Sharjah (Subsidiary Company)	Raj H Eswaran	Director	Availing Services	100
				Rendering Services	300
				Sales	4,000
				Purchases	-
				Total	4,400
07.	Switchcraft Europe GmbH, Germany (Subsidiary Company)	Hari Eswaran Raj H Eswaran JDN Sharma W S Jones	Director Director Director Director	Availing Services	-
				Rendering Services	-
				Sales	6,000
				Purchases	500
				Total	6,500
08.	Electrical Distribution Solutions Pty Limited (EDS), Australia (Subsidiary Company)	Raj H Eswaran	Director	Availing Services	100
				Rendering Services	100
				Sales	2,000
				Purchases	500
				Total	2,700

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

By order of the Board
For Easun Reyrolle Limited

Place : Chennai
Date : 13th August, 2014

P Chandrasekaran
Chief Financial Officer

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
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, to our Registrar and Share Transfer Agents, Integrated Enterprises (India) Limited, 2nd Floor, “Kences Towers”, No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, Telephone No.044-28140801-803, E-mail - corpserv@integratedindia.com
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 39th 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 39th 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 39th Annual General Meeting and the Annual Report for 2013-14 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 22nd September, 2014 to 29th September, 2014 (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. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder, 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:

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 “Easun Reyrolle- 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.