

40th ANNUAL REPORT 2014 -2015



EASUN REYROLLE LIMITED



Easun Reyrolle Limited

40th Annual Report, 2014-2015

Chairman : Hari Eswaran

Managing Director : Raj H Eswaran

Directors : W S Jones
Rakesh Garg
J D N Sharma (upto 17.02.2015)
Raman M (upto 30.03.2015)

Chief Financial Officer : P Chandrasekaran

Company Secretary
and Compliance Officer : Praveen Hegde

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

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

3. Plot No.147/148, Harohalli Industrial Area,
2nd Phase, Madamaranahalli Village,
Harohalli Hobli, 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

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

Notice to Shareholders

Notice is hereby given that the Fortieth Annual General Meeting of the Members of Easun Reyrolle Limited will be held on Monday 28th September, 2015 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, 2015, the Balance Sheet as at 31st March, 2015 and the reports of Board of Directors and Auditors thereon
2. To appoint a Director in place of Mr Hari Eswaran 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. M/s Brahmayya & Co and M/s R Subramanian & Co the retiring Auditors are eligible for re-appointment.

“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 re-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

1. To consider and, if thought fit, to pass with or without modification, the following Resolution as a ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the consent of the members of the Company be and is hereby accorded for payment of following mentioned remuneration to Mr Raj H Eswaran (holding DIN- 00195354) Managing Director of the Company with effect from April, 2015 for remaining duration of appointment upto 31st March, 2017

- 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 and Section 198 of the 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.

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 of such minimum remuneration subject 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 in case Managing Director draws remuneration as a managerial person from another Company, the total remuneration payable by both the Companies shall not exceed the higher maximum limit permissible for any one of the Companies."

By Order of the Board
for Easun Reyrolle Limited

Praveen Hegde
Company Secretary

Place : Chennai

Date : 29th May, 2015

Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning item of Special Business 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 40th 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 40th 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 40th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company’s website www.easunreynrolle.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 21st September, 2015 to 28th September, 2015 (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 there under, and as per Clause 35 of the Listing Agreement, 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 21st September, 2015.
 - c) The e-voting period commences on 25th September, 2015 at 9.00 a.m. and ends on 27th September, 2015 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 dematerialised form, as on the cut-off date, i.e., 21st September, 2015, 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.
- 11) Mr T Jurisman Fernando, Advocate (MS No.182/2001), M/s. JK Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 12) 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.
- 13) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.easunreynolle.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 40th Annual General Meeting of the Company on or before 30th September, 2015 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 Reynolle Limited

Place : Chennai
Date : 29th May, 2015

Praveen Hegde
Company Secretary

Corporate Identification number: L31900TN1974PLC006695

Registered Office:

“Temple Tower” VI Floor

672, Anna Salai, Nandanam Chennai – 600 035

Ph: +91 – 44 – 24346425, Fax: +91 – 44 – 24346435

Email: sec@easunreynolle.com

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The following Explanatory Statement sets out material facts relating to the Special Business mentioned in the accompanying Notice of the 40th Annual General Meeting of the Company to be held on Monday, 28th September, 2015 at 10.00 a.m. at Hotel Ambassador Pallava, 53, Montieth Road, Chennai 600 008.

The Board of Directors in their meeting held on 31st March, 2012 appointed Mr Raj H Eswaran (DIN: 00195354) as the Managing Director with effect from 1st April, 2012 for a period of 5 years and the same was approved by the Members at their Annual General Meeting held on 26th September, 2012 by way of Ordinary Resolution. The Members had also approved the payment of minimum remuneration as may be determined by the Remuneration Committee of the Board in Compliance with Schedule XIII of the Companies Act, 1956 to Mr Raj H Eswaran. Based on this, the Remuneration Committee had approved the payment of following minimum remuneration to Mr Raj H Eswaran .

- 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 198 and Section 309 of the Companies Act, 1956.
 - b) The Company would provide to the Managing Director a car for use on Company's business and telephone at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.
 - c) The Managing Director shall not be paid any sitting fee for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.

The current tenure of Mr. Raj H Eswaran is up to 31st March 2017. Sections 196 and 197 read with Schedule V of the Companies Act, 2013 requires approval of members by way of resolution for a period not exceeding three years towards payment of minimum remuneration in case of lack or inadequacy of profits. Your Company is paying salary within the limits of minimum remuneration as per Schedule V of the Companies Act, 2013. As a Promoter and Managing Director, Mr. Raj H Eswaran's leadership is essential for the development of the Company and 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.

Mr Raj H Eswaran was holding 2,90,100 equity shares of Rs. 2 each as on 31st March, 2015.

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