



## Easun Reyrolle Ltd

NSE Code - EASUNREYRL

Sector - Capital Goods - Electrical Equipment

Business Group – N. A.

Year of Incorporation - 1974

Registered Office -

Temple Tower 6th Floor,  
672 Anna Salai Nandanam,  
Chennai – 600 035, Tamil Nadu

Company Website:

[www.easunreyrolle.com](http://www.easunreyrolle.com)TABLE 1 - MARKET DATA (STANDALONE) (AS ON 10<sup>TH</sup> AUGUST, 2017)

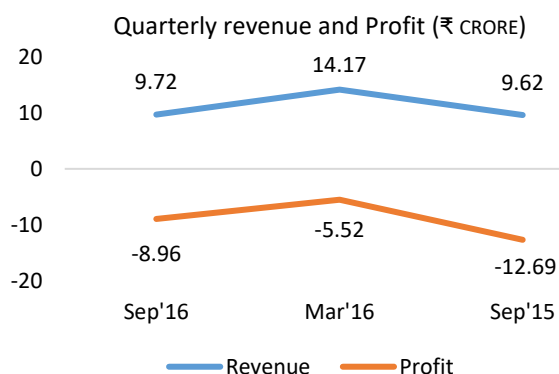
NSE Market Price (₹)	21.30	NSE Market Cap. (₹ Cr.)	67.13
Face Value (₹)	2.00	Equity (₹ Cr.)	6.16
52 week High/Low (₹)	38.4/20.5	Net worth (₹ Cr.)*	141.76
TTM P/E (TTM)	N.A.	Traded Volume (Shares)	2,596
TTM P/BV	0.58	Traded Volume (lacs)	0.55

Source - Capitaline, TTM - Trailing Twelve Months, N.A. – Not Applicable \*As on September, 2016

## COMPANY BACKGROUND

Easun Reyrolle Limited is a holding company. The Company's products and services include Relays and Control Panels. The Company focuses on the electrical power management industry. It offers electrical transmission and distribution products, such as switchgears and ring main units (RMU's). The Company offers protection, control and automation products, such as control and protection systems, automation products, power system recorders, phase measurement units, wide area monitoring solutions, substation automation systems for extra high voltage (EHV)/high voltage (HV)/medium voltage (MV) substations and power distribution automation for industries; measurement and metering solutions, including device management and data acquisition system, and meter data management system; medium voltage switchgears, such as MV Vacuum Contactor and Retrofitting of MV Switchgear, and turnkey substation projects, such as transmission line projects and rural electrification projects.

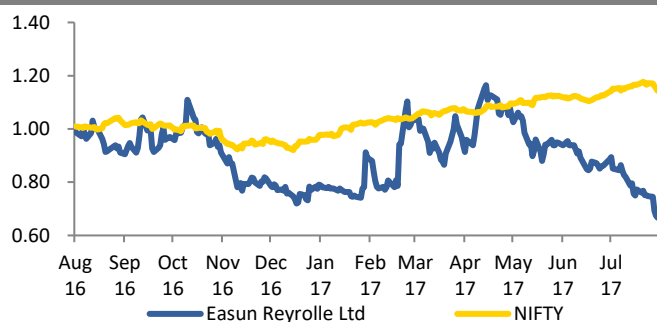
## Revenue and Profit Performance



The revenue of the Company increased from ₹ 9.62 crores to ₹ 9.72 crores from quarter ending Sep'15 to quarter ending Sep'16. The Company made a loss of ₹ 8.96 crores in quarter ending Sep'16 vis-a-vis making a loss of ₹ 12.69 crores in quarter ending Sep'15.

Source: Money control

## Performance vis-à-vis Market



Source: Capitaline

TABLE 2- Returns

	1-m	3-m	6-m	12-m
Easun Reyrolle Ltd	-21.69%	-57.28%	-17.12%	-31.40%
Nifty	-0.72%	3.00%	12.56%	13.63%



TABLE 3 – FINANCIALS

(₹ Cr.)	Sep'16	Mar'16	Sep'15	% Change	
				Sep '16 vs Mar'16	Mar'16 vs Sep'15
Net Worth	141.76	161.43	179.25	-12.18%	-9.94%
Current Assets	296.57	321.29	362.1	-7.69%	-11.27%
Non-Current Assets	272.73	272.88	282.76	-0.05%	-3.49%
Total Assets	569.3	594.17	644.86	-4.19%	-7.86%
Investments	155.02	155.02	155.02	0.00%	0.00%
Finance Cost	8.23	9.32	6.93	-11.70%	34.49%
Long Term Liabilities	42.37	42.26	47.99	0.26%	-11.94%
Current Liabilities	385.17	390.48	417.62	-1.36%	-6.50%
Turnover	9.71	8.59	9.07	13.04%	-5.29%
Profit After Tax (PAT)	-8.96	-5.52	-12.69	N.A.	N.A.
EPS (₹)	-7.71	-1.79	-4.12	N.A.	N.A.

Source - Money Control / stock Exchange filings

## AUDIT QUALIFICATIONS

**Audit Qualifications in last 3 years:** The auditors has raised qualified opinion for FY 2015-16., FY2014-15 & FY 2013-14

**Audit Qualifications for the period of 2013-14:**

Consequent to superannuation of existing company secretary who retired from service on 1<sup>st</sup> December 2013, the company has not appointed any other full time company secretary in the vacancy caused accordingly the provisions of section 383A of the companies Act 1956 have not been complied with.

**Audit Qualifications for the period of 2014-15:**

a) Note No. 31 to the financial statement in respect of projects under Turn-key basis undertaken by the company, we have relied upon the management's estimates in respect of stage of completion, costs to completion including provisions made for supplies to be effected and installation activities and on the projections of revenues expected from projects and realisability of work in progress and project receivables, whether confirmed or otherwise owing to the technical nature of such estimates, on the basis of which profits / losses have been accounted.

**Management Response:** The company recognized the cost and revenue in respect supplies and installation activities at turn key projects at actual basis only, based on the running accounts bills accepted by the customers. The customers are approving the running accounts bills based on the completion of works at all level including technical nature.

b) Note No. 47 to the financial statement in respect of value of inventory pertaining to the 'Metering Business' amounting to ₹ 2.15 crore is continued to be carried at cost even though there is no active business for considerable period, pending ascertainment of alternative markets for utilizing the inventories, the realizable value has not been ascertained, consequently the impact on the financial statements is not quantifiable.

**Management Response:** The metering business stocks are still in good & marketable conditions only and company has not find any impairment or significant down in the realizable value. We are in the process of getting the buyers for those stocks, and hence the impact will be taken in to account on actual sales.

**Audit Qualifications for the period of 2015-16 :**

a) Note No. 46 to the financial statement with regard to balances due from and due by the company towards debtors and creditors including debit balances in creditor accounts and credit balances in debtors accounts, in respect of which confirmations have not been received. Pending receipt of confirmation of balances and consequent reconciliations, including differences on account of netted off of balances of certain debtors and creditors, if any and the resultant impact on the financial statements including the operating results is not ascertainable.

**Management Response:** Since most of our customers are Government Departments, viz, State Electricity Boards, it is difficult to obtain confirmation of balance.



b) Note No. 31 to the financial statement in respect of projects under Turn-key basis undertaken by the company, we have relied upon the management's estimates in respect of stage of completion, costs to completion including provisions made for supplies to be effected and installation activities and on the projections of revenues expected from projects and realisability of work in progress and project receivables, whether confirmed or otherwise owing to the technical nature of such estimates, on the basis of which profits / losses have been accounted.

**Management Response:** Since the Turnkey Projects were undertaken for various Government Projects, it is difficult to obtain their balance confirmation on the stage and cost of Completion of Projects.

	Response	Comment
Frequency of Qualifications	FY 2013-14 TO FY 2015-16	
Have the auditors made any adverse remark in last 3 years?	No	-
Are the material accounts audited by the Principal Auditors?	Yes	-
Do the financial statements include material unaudited financial statements?	No	-

TABLE 4: BOARD PROFILE (AS PER ANNUAL REPORT FY2015-16)

	Regulatory Norms	Company
% of Independent Directors on the Board	50%	60%
% of Promoter Directors on the Board	-	40%
Number of Women Directors on the Board	At least 1	1
Classification of Chairman of the Board	-	Non-Executive Promoter Director
Is the post of Chairman and MD/CEO held by the same person?	-	No
Average attendance of Directors in the Board meetings (%)	-	100%

**Composition of Board:** As per Regulation 17(1)(b) of the Listing Regulations, 2015, the Company should have at least 50% Independent Directors as the Chairman of the Board is a Non-Executive Director. The Company has 60 % of Independent Directors and hence, it meets the regulatory requirements.

**Board Diversity:** The Company has 5 directors out of which 4 are male and 1 is female.



TABLE 5 - FINANCIAL RATIOS

Ratios		Sep'16	Mar'16	Sep'15	% Change	
					Sep '16 vs Mar'16	Mar'16 vs Sep'15
Turnover Ratios	Inventory Turnover	0.27	0.23	0.24	16.13%	-3.53%
	Debtors Turnover	0.06	0.04	0.03	31.76%	23.95%
	Fixed asset Turnover	0.04	0.03	0.03	13.10%	-1.86%
	Current Asset Turnover	0.03	0.03	0.03	22.46%	6.74%
Return Ratios	Operating Profit Margin	6.69%	93.60%	-21.94%	-92.85%	N.A.
	Net Profit Margin	-92.28%	-64.26%	-139.91%	N.A.	N.A.
	Return on Assets (ROA)	N.A.	N.A.	N.A.	N.A.	N.A.
	Return on Equity (ROE)	N.A.	N.A.	N.A.	N.A.	N.A.
	Return on Capital Employed (ROCE)	N.A.	N.A.	N.A.	N.A.	N.A.
Liquidity Ratios	Current Ratio	0.77	0.82	0.87	-6.42%	-5.10%
	Quick Ratio	0.68	0.73	0.78	-7.09%	-6.28%
	Cash Ratio	0.22	0.21	0.14	8.05%	49.74%
	Working Capital Turnover ratio	N.A.	N.A.	N.A.	N.A.	N.A.
Solvency Ratios	Debt to equity ratio	1.75	1.36	1.17	29.26%	15.91%
	Interest Coverage Ratio	0.08	0.86	N.A.	-90.84%	N.A.
Trading Ratios	Market Cap / Sales	9.26	10.58	12.95	-12.43%	-18.36%
	Market Cap/ Net Worth	0.63	0.56	0.66	12.72%	-14.14%
	Market Cap/PAT	N.A.	N.A.	N.A.	N.A.	N.A.
	Market Cap/EBITDA	138.34	11.30	N.A.	1,124.40%	N.A.

Source - Money Control

TABLE 6 - TRADING VOLUME

	Jun'17	Dec'16	Jun'16	% Change	
				Jun '17 vs Dec'16	Dec'16 vs Jun'16
Trading Volume (shares) (avg. of 1 qtr)	21,621	34,623	22,679	-37.55%	52.67%
Trading Volume (shares) (high in 1 qtr)	128,789	408,122	235,061	-68.44%	73.62%
Trading Volume (shares) (low in 1 qtr)	1,328	3,036	3,175	-56.26%	-4.38%
Ratio - High/low trading volume	96.98	134.43	74.03	-27.86%	81.57%
Ratio - High/average trading volume	5.96	11.79	10.36	-49.47%	13.73%

Source: Capitaline

TABLE 7 (A): OWNERSHIP &amp; MANAGEMENT RISKS

		Jun'17	Dec'16	Jun'16	Comments
Shareholding (%)	Promoter shareholding	36.04	36.09	36.08	<ul style="list-style-type: none"> <li>No new equity shares were issued during the period from June 2016 to June 2017.</li> <li>The promoter shareholding marginally decreased by 0.04%.</li> <li>The promoters have not pledged any shares.</li> </ul>
	Public - Institutional shareholding	11.00	11.84	12.03	
	Public - Others shareholding	52.96	52.07	51.89	
	Non-Promoter Non-Public Shareholding	0.00	0.00	0.00	

Source: NSE

MAJOR SHAREHOLDERS (AS ON 30<sup>TH</sup> June, 2017)

S. No.	Promoters	Shareholding	S. No.	Public Shareholders	Shareholding
1	Sowraj Investments Pvt. Ltd	17.70%	1	Eastspring Investments India Infra	4.87%
2	Easun Products of India Pvt Ltd	10.94%	2	ICICI Prudential Infra Ltd	4.68%
3	Easun Engg Co. Ltd	5.30%	3	K Balasubramanian	2.27%
			4	HDFC Trustee Com Ltd (Fund)	1.43%

Source: NSE

## TABLE 7 (B): OWNERSHIP &amp; MANAGEMENT RISKS

Market Activity of Promoters	The promoters have not sold/bought any shares in last one year
Preferential issue to promoters	No preferential issue of shares was made to the promoters in last one year
Preferential issue to others	No preferential issue of shares was made to other shareholders during last one Year
GDRs issued by the Company	The Company did not issue any GDRs during last one year
Issue of ESOPs/Issue of shares other than Preferential allotment	The Company does not have any ESOP Scheme/The Company did not issue any shares to the employees under its ESOP Scheme in last one year

Source - Annual Report 2015-16

## TABLE 8: PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products / services	% to Total turnover of the Company
1	Relays and Control Panels	84

Source - Annual Report 2015-16



## Glossary

**Equity:** The equity shares capital of the Company

**Net Worth:** The amount by which the Assets exceeds the liabilities excluding shareholders' funds of the Company

**Turnover:** The revenue earned from the operations of the Company

**EPS:** Earning Per Share is net profit earned by the Company per share

$$EPS = \frac{\text{Profit After Tax}}{\text{Number of outstanding shares}}$$

**P/E ratio:** It is the ratio of the Company's share price to earnings per share of the Company

$$P/E \text{ ratio} = \frac{\text{Price of each share}}{\text{Earnings per share}}$$

**Current Assets:** Cash and other assets that are expected to be converted to cash in one year

**Fixed Assets:** assets which are purchased for long-term use and are not likely to be converted quickly into cash, such as land, buildings, and equipment

**Total Assets:** Current Assets + Fixed Assets

**Investments:** An investment is an asset or item that is purchased with the hope that it will generate income or appreciate in the future.

**Finance Cost:** The Financing Cost (FC), also known as the Cost of Finances (COF), is the cost and interest and other charges incurred during the year in relation to borrowed money.

**Long Term Liabilities:** Long-term liabilities are liabilities with a maturity period of over one year.

**Current Liabilities:** A company's debts or obligations that are due within one year.

**Inventory Turnover ratio:** *Inventory Turnover* is a *ratio* showing how many times a company's inventory is sold and replaced over a period.

$$\text{Inventory Turnover ratio} = \frac{\text{Sales Turnover}}{\text{Inventory}}$$

**Debtors Turnover:** *Accounts receivable turnover* is an efficiency *ratio* or activity *ratio* that measures how many times a business can turn its *accounts receivable* into cash during a period

$$\text{Debtors Turnover ratio} = \frac{\text{Sales Turnover}}{\text{Accounts receivables}}$$

**Fixed Asset Turnover:** The *fixed-asset turnover ratio* is a financial *ratio* of net sales to *fixed assets*

$$\text{Fixed Asset Turnover ratio} = \frac{\text{Sales Turnover}}{\text{Fixed Assets}}$$

**Current Asset Turnover:** The *current-asset turnover ratio* is a financial *ratio* of net sales to *fixed assets*

$$\text{Current Asset Turnover ratio} = \frac{\text{Sales Turnover}}{\text{Current Assets}}$$

**Operating Profit Margin:** Operating margin is a measurement of what proportion of a Company's revenue is left over after paying for variable costs of production such as wages, raw materials etc. It can be calculated by dividing a Company's operating income (also known as "operating profit") during a given period by its sales during the same period.

$$\text{Operating Profit Margin} = \frac{\text{Operating profit}}{\text{Sales Turnover}}$$

**Net Profit Margin:** Net profit margin is the percentage of revenue left after all expenses have been deducted from sales

$$\text{Net Profit Margin} = \frac{\text{Net profit}}{\text{Sales Turnover}}$$



**Return on Assets:** ROA tells you what earnings were generated from invested capital (assets)

$$\text{Return on Assets} = \frac{\text{Net profit}}{\text{Total Assets}}$$

**Return on equity/net worth:** return on equity (ROE) is the amount of net income returned as a percentage of shareholders' equity.

$$\text{Return on Equity} = \frac{\text{Net profit}}{\text{Net worth}}$$

**Return on Capital Employed:** Return on capital employed (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed.

$$\text{Return on Capital Employed} = \frac{\text{Net profit}}{\text{Total Debt} + \text{Equity share capital}}$$

**Current ratio:** The current ratio is a financial ratio that measures whether or not a firm has enough resources to pay its debts over the next 12 months. It compares a firm's current assets to its current liabilities.

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

**Quick ratio:** The quick ratio is a measure of how well a Company can meet its short term financial liabilities.

$$\text{Quick ratio} = \frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}}$$

**Cash ratio:** The ratio of the liquid assets of a Company to its current liabilities.

$$\text{Quick ratio} = \frac{\text{Current Assets} - \text{Inventories} - \text{Account Recievables}}{\text{Current Liabilities}}$$

**Working Capital Turnover ratio:** The working capital turnover ratio is also referred to as net sales to working capital. It indicates a Company's effectiveness in using its working capital.

$$\text{Working Capital Turnover ratio} = \frac{\text{Sales Turnover}}{\text{Current Assets} - \text{Current Liabilities}}$$

**Debt to Equity ratio:** The debt-to-equity ratio (D/E) is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets.

$$\text{Debt to Equity ratio} = \frac{\text{Short Term Debt} + \text{Long Term Debt}}{\text{Net Worth}}$$

**Interest Coverage ratio:** The Interest coverage ratio is a debt ratio and profitability ratio used to determine how easily a Company can pay interest on outstanding debt.

$$\text{Interest Coverage Ratio} = \frac{\text{Earning Before Interest and Tax}}{\text{Finance Cost}}$$

**Market Cap/Sales ratio:** Market Cap/sales ratio, Price–sales ratio, P/S ratio, or PSR, is a valuation metric for stocks. It is calculated by dividing the company's market cap by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue.

$$\text{Market Cap/Sales ratio} = \frac{\text{Market Cap}}{\text{Sales Turnover}}$$

**Market Cap/ Net Worth ratio:** It is a valuation ratio calculated by dividing Company's market cap to net worth.

$$\text{Market Cap/Networth ratio} = \frac{\text{Market Cap}}{\text{Networth}}$$

**Market Cap/ PAT ratio:** It is a valuation ratio calculated by dividing Company's market cap to net profit.

$$\text{Market Cap/PAT ratio} = \frac{\text{Market Cap}}{\text{net profit}}$$

**Market Cap/ EBITDA ratio:** It is a valuation ratio calculated by dividing Company's market cap to EBITDA.



$$\text{Market Cap/EBITDA ratio} = \frac{\text{Market Cap}}{\text{EBITDA}}$$

**Trading Volume (shares) (avg. of 1 year):** Average number of shares/day traded in 1 year

**Trading volume (shares) (high in 1 year):** Highest number of shares/day traded in 1 year

**Trading volume (shares) (minimum in 1 year):** Lowest number of shares traded on any one day in 1 year



**DISCLAIMER****Sources**

Only publicly available data has been used while making the factsheet. Our data sources include: BSE, NSE, SEBI, Capitaline, Moneycontrol, Businessweek, Reuters, Annual Reports, IPO Documents and Company Website.

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**Company Information**

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