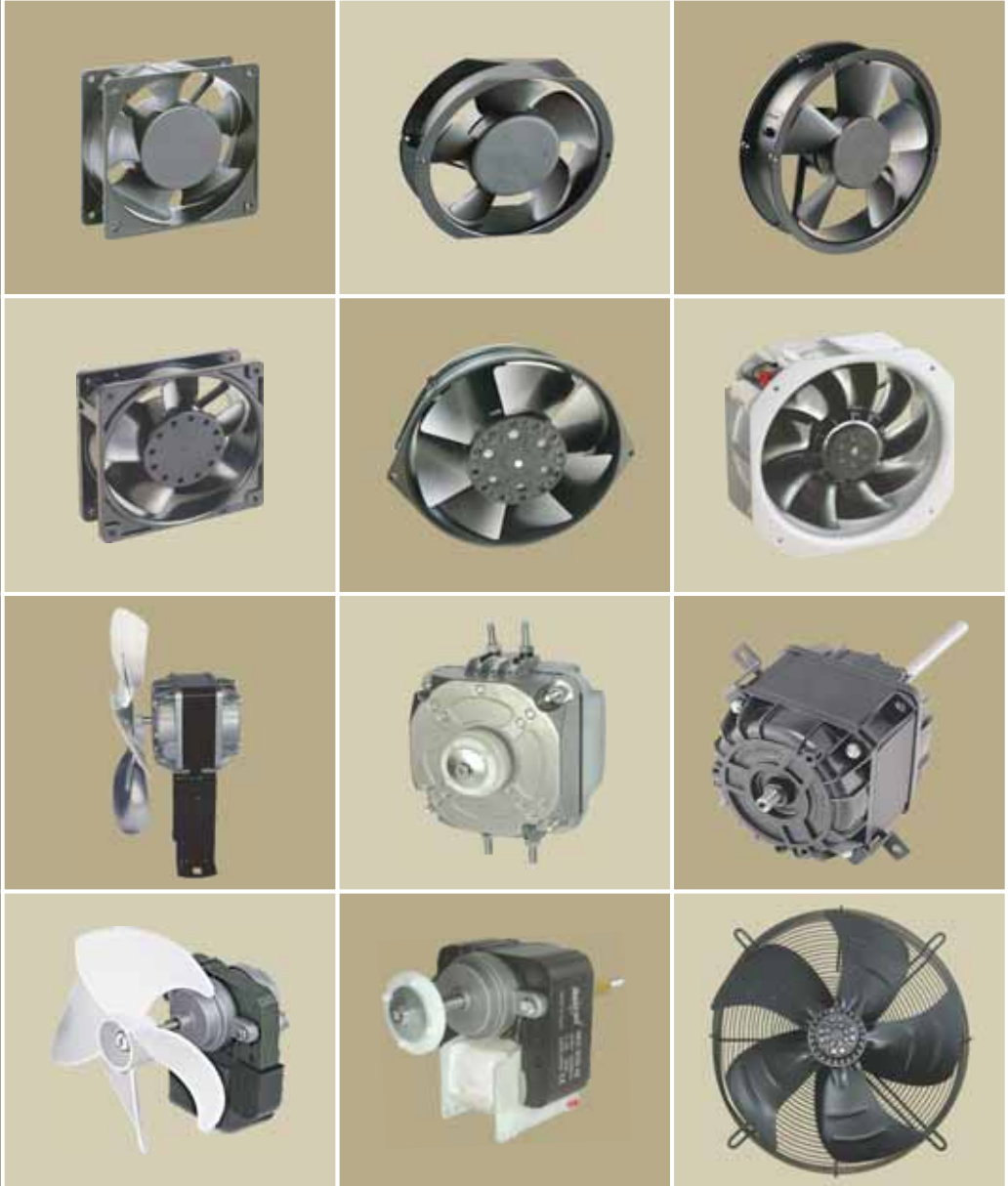




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29th

Annual Report 2016 - 2017

BOARD OF DIRECTORS Kishore Chand Talwar Chairman & Managing Director
Nainy K. Tanna Wholetime Director
Ram Sanehi Director
Ayyaswami Sundaram Director
Ganapathy Dharmarajan Director

AUDITORS R. S. Agrawal & Associates
Chartered Accountants
Mumbai

COMPANY SECRETARY Krunal S. Wala

BANKERS HDFC Bank Limited
Bank of Baroda

REGISTERED OFFICE 92-D, Govt. Industrial Estate,
Charkop, Kandivli (West),
Mumbai - 400 067

WORKS Plot Survey No. 62, 74 & 75
Village - Devadal, Kaman
Taluka - Vasai,
Dist - Palghar

**REGISTRAR & SHARE
TRANSFER AGENTS** Bigshare Services Pvt. Ltd.,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road
Marol, Andheri (East)
Mumbai - 400 059, Maharashtra
Tel No. 022 62638200
Fax No. 022 62638299
Email ID : info@bigshareonline.com
Web site : www.bigshareonline.com

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 29th Annual General Meeting (AGM) of the Members of **REXNORD ELECTRONICS AND CONTROLS LIMITED** will be held on Friday, September 1, 2017 at 10:00 a. m. at Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite Mangal Murti Hospital, Gorai-II, Borivali (W), Mumbai – 400 092 to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017, including the Audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Nainy Kunal Tanna (DIN 00351762) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors, M/s. Rakesh Soni & Co., Chartered Accountants in place of M/s. R. S. Agrawal & Associates, Chartered Accountants, who retire at the ensuing Annual General Meeting and to fix their remuneration and in this regard 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 Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. Rakesh Soni & Co., Chartered Accountants, Mumbai (Firm Registration No. 114625W with the Institute of Chartered Accountants of India) be and are appointed as the Statutory Auditors of the Company in place of M/s. R. S. Agrawal & Associates, Chartered Accountants, the retiring Auditors, to hold office from the conclusion of the ensuing AGM until the conclusion of the 34th AGM to be held in 2022 (subject to ratification of the appointment by the members at every AGM held after this AGM) at such remuneration as may be agreed upon by the Audit Committee / Board of Directors in consultation with the Statutory Auditors.”

SPECIAL BUSINESS:

4. **Appointment of Mr. Kishorechand Talwar as Chairman & Managing Director of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with 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), approval of the Company be and is hereby accorded for the re-appointment of Mr. Kishorechand Talwar (DIN: 00351751) as Chairman & Managing Director of the Company for a period of 3 years, w.e.f. April 01, 2017 at a consolidated remuneration not exceeding INR 1.68 Crores per annum as per the terms and conditions as specified in the statement pursuant to section 102(1) of the Companies Act, 2013, annexed to this Notice, subject to approval of the shareholders at the ensuing Annual General Meeting.

FURTHER RESOLVED THAT the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in the Schedule V, Part II, Section II read with other applicable provisions, if any, of the Companies Act, 2013, or any amendments thereto or enactments thereof from time to time and further in the event of sufficient profits in any year during the tenure of his appointment to pay maximum permissible remuneration as provided in Section 197 of the Companies Act, 2013.”

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution.”

5. **Appointment of Mrs. Nainy Kunal Tanna as Whole Time Director of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with 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), approval of the Company be and is hereby accorded for the re-appointment of Mrs. Nainy Kunal Tanna (DIN 00351762) as the Whole-time Director of the Company for a period of 3 (Three) Years w.e.f. April 1, 2017 at a consolidated remuneration not exceeding INR 1.68 Crores per annum as per the terms and conditions as specified in the statement pursuant to section 102(1) of the Companies Act, 2013, annexed to this Notice, subject to approval of the shareholders at the ensuing Annual General Meeting.

FURTHER RESOLVED THAT the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in the Schedule V, Part II, Section II read with other applicable provisions, if any, of the Companies Act, 2013, or any amendments thereto or enactments thereof from time to time and further in the event of sufficient profits in any year during the tenure of his appointment to pay maximum permissible remuneration as provided in Section 197 of the Companies Act, 2013.”

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution.”

For and on behalf of the Board
REXNORD ELECTRONICS AND CONTROLS LIMITED

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

Registered Office:

92-D Govt. Ind. Estate,
Charkop, Kandivli (W),
Mumbai- 400 067
Dated: May 30, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 18. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. A statement giving the details of the Directors seeking reappointment, nature of their expertise in specific functional areas, names of the companies in which they hold Directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements), 2015, are provided in the Annexure.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from **August 26, 2017 to September 1, 2017** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
9. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
10. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
11. The Company's shares are listed on BSE Limited, Mumbai.
12. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

M/S. BIG SHARE SERVICES PRIVATE LIMITED

Unit: [Rexnord Electronics and Controls Limited]

Bharat Tin Works Building, 1st Floor,
Opp. Vasant Oasis, Makwana Road
Marol, Andheri – East, Mumbai – 400059.

Tel: 022 – 62638200

Email: info@bigshareonline.com

13. Relevant documents referred to in the Notice and in the Explanatory Statements are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
14. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
15. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
16. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form, they must quote their DP ID and Client ID Number.
17. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
18. Voting through electronic means:
 - (i) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual

General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Securities Limited (CDSL). The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.

- (ii) The Board of Directors of the Company has appointed Mr. Mahesh Soni, Partner, GMJ & Associates, Company Secretaries, Mumbai as Scrutinizer to scrutinise the e-voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- (iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (iv) The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.
- (v) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. **August 25, 2017**
- (vi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. **August 25, 2017** only shall be entitled to avail the facility of e-voting / remote e-voting.
- (vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **August 25, 2017** may obtain the User ID and password from BIG SHARE SERVICES PRIVATE LIMITED (Registrar & Transfer Agents of the Company).
- (viii) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company (www.rexnordindia.in) and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchange.
- (ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. **September 1, 2017**
- (x) **The instructions for shareholders voting electronically are as under:**
 - i. The voting period begins at **9.00 a.m. (IST) on August 29, 2017** and ends at **5.00 p.m. (IST) on August 31, 2017**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **August 25, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. The shareholders should log on to the e-voting website www.evotingindia.com.
 - iii. Click on Shareholders.
 - iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v. Next enter the Image Verification as displayed and Click on Login.
 - vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/Email) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for "REXNORD ELECTRONICS AND CONTROLS LIMITED" on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE

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

ITEM NO. 4:

Mr. Kishorechand Talwar was appointed as Chairman & Managing Director of the Company for a term of 3 years which expired on March 31, 2017. Mr. Kishorechand Talwar is on the Board of the Company since July 4, 1988 and looks after overall affairs of the Company. The terms of appointment & ceiling of remuneration of Rs. 1.68 Crore p.a. as proposed have been cleared and approved by Nomination & Remuneration Committee and the Board at their meeting held on February 14, 2017. This ceiling is on overall remuneration proposed with liberty to vary the same within this aforesaid overall ceiling.

In addition to above Salary and allowance, he will be also entitled to the following perquisites:

- a) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- b) Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
- c) Encashment of leave at the end of tenure if any as per Company's Rules.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the appointment of Mr. Kishorechand Talwar as a Chairman & Managing Director for a period of 3 years commencing April 01, 2017.

MEMORANDUM OF INTEREST

Mrs. Nainy K. Tanna being related to Mr. Kishorechand Talwar as daughter and Mr. Kundan Talwar as son, are deemed to be concerned and interested in the resolution at Item no. 4. Except Mrs. Nainy K. Tanna, Mr. Kundan Talwar and Mr. Kishorechand Talwar, none of the Directors/KMP of the Company are concerned or interested in this resolution.

Item No. 5:

Mrs. Nainy K. Tanna was appointed as Whole Time Director of the Company for a term of 3 years which expires on March 31, 2017. Mrs. Nainy K. Tanna is associated with the Company since August 1, 2001 as a Director of the Company. She has an experience of over 15 years to her credit. She looks after Finance, Import and Export related activities of the Company. The terms of appointment & ceiling of remuneration of Rs. 1.68 Crore p.a. as proposed have been cleared and approved by Nomination & Remuneration Committee the Board at their meeting held on February 14, 2017. This ceiling is on overall remuneration proposed, will be at liberty to vary the same within this aforesaid overall ceiling.

In addition to above Salary and allowance, she will be also entitled to the following perquisites:

- a) Gratuity payable at a rate of half month's salary for each completed year of service.
- b) Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
- c) Encashment of leave at the end of tenure if any as per Company's Rules.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mrs. Nainy K. Tanna as a Whole-time Director for a period of 3 years commencing April 01, 2017.

MEMORANDUM OF INTEREST

Mr. Kishorechand Talwar being related to Mrs. Nainy Tanna as father and Mr. Kundan Talwar as brother, are deemed to be concerned and interested in the resolution at Item no. 5. Except Mrs. Nainy K. Tanna, Mr. Kundan Talwar and Mr. Kishorechand Talwar, none of the Directors/KMP of the Company are concerned or interested in this resolution.

ANNEXURE "A" TO THE EXPLANTORY STATEMENT

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of appointment / re-appointment of Mr. Kishorechand Talwar and Mrs. Nainy K. Tanna.

I. GENERAL INFORMATION:

1. Nature of Industry: The main business of the Company is manufacturing and sale of instrument cooling fans and shaded pole motors used for industrial purposes.
2. Date or expected date of commencement of commercial production: Not Applicable, as the Company is an existing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based on given indicators:

Sr. No.	Particulars	2016-2017	2015-2016	2014-2015
1.	Total Revenue	573939376.08	518077093.40	528193369.30
2.	Profit before tax	48633564.92	30833445.90	37443328.76
3.	Profit after tax	32759589.63	20018727.89	24997071.27
4.	Dividend paid (including tax)	Nil	Nil	Nil
5.	Rate of dividend %	Not Applicable	Not Applicable	Not Applicable

5. Foreign Investments or collaborations, if any: Nil

II. Information about the appointee

Name of Director	Mr. Kishorechand Talwar	Mrs. Nainy K. Tanna
Date of Birth	April 3, 1953	September 24, 1981
Date of Appointment	July 4, 1988	August 1, 2001
Brief resume of the Director	He is associated with the Company since July 4, 1988 as Director of the Company and has an experience of over 28 years to his credit. He looks after overall affairs of the Company and plays an imperative role in the progress of the Company.	She is associated with the Company since August 01, 2001 as Director of the Company and has an experience of over 16 years to her credit. She looks after Finance, Import and Export related activities of the Company.
Qualification	B.A. [Diploma in Export Marketing]	M. Com., MBA in Marketing from NMIMS and Diploma in Export & Import
Recognition or awards	NIL	NIL
Past remuneration	₹ 8179775,94/- p.a.	₹ 45,02,038/- p.a.
Nature of expertise in specific functional areas	Business Management	Business Management & Marketing

Remuneration Proposed	₹ 1,68,00,000/- p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)	₹ 1,68,00,000/- p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Not possible being a unique nature of the industry. However as compared to the size of the company, the remuneration to be paid is going to be very comparative as per the industry norms.	Not possible being a unique nature of the industry. However as compared to the size of the company, the remuneration to be paid is going to be very comparative as per the industry norms.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Being promoter, he is directly related to the Company.	Being promoter, she is directly related to the Company.

III. Other Information:

- Reasons of loss or inadequate profits: Because of market competition and higher overhead cost.
- Steps taken or proposed to be taken for improvement: With steps taken by the management, profits and turnover of the Company are growing every year and expected to improve further.
- Expected increase in productivity and profits in measurable terms: The management expects about 10% to 25% increase in performance and profits.

IV. Disclosures:

Necessary disclosures shall be made in the Directors Report annually and Shareholders will be provided all the necessary information.

The Board recommends the resolution set forth in Item No. 4 & 5, subject to the approval of the Members at the ensuing Annual General Meeting.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015:

Name of Director	Mr. Kishorechand Talwar	Mrs. Nainy K. Tanna
Directors Identification Number (DIN)	00351751	00351762
Brief resume & Nature of expertise in specific functional areas	He is associated with the Company since July 4, 1988 as Director of the Company and has an experience of over 28 years to his credit. He looks after overall affairs of the Company and plays an imperative role in the progress of the Company.	She is associated with the Company since August 01, 2001 as Director of the Company and has an experience of over 16 years to her credit. She looks after Finance, Import and Export related activities of the Company.
Disclosure of relationship between directors inter-se	Father of Mrs. Nainy K. Tanna and Mr. Kundan Talwar	Daughter of Mr. Kishorechand Talwar and sister of Mr. Kundan Talwar
Names of listed entities in which the person also holds the directorship	NIL	NIL
No. of Shares held in the Company	4352000 Shares	362200 shares
Membership & Chairmanships of Committees of the Board	Refer to the Report on Corporate Governance	Refer to the Report on Corporate Governance

For and on behalf of the Board
REXNORD ELECTRONICS AND CONTROLS LIMITED

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

Registered Office:
92-D Govt. Ind. Estate,
Charkop, Kandivli (W),
Mumbai- 400 067
Dated: May 30, 2017

DIRECTORS' REPORT TO THE SHAREHOLDERS

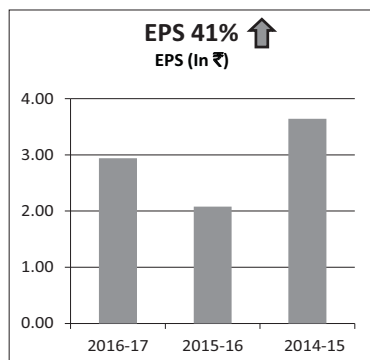
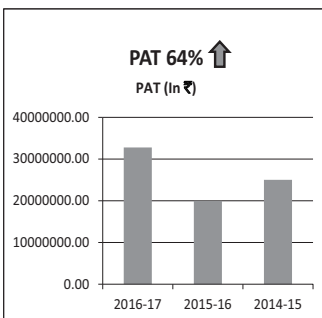
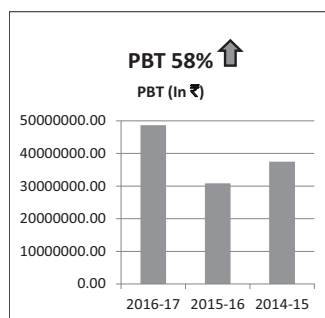
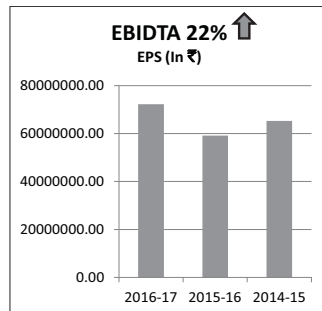
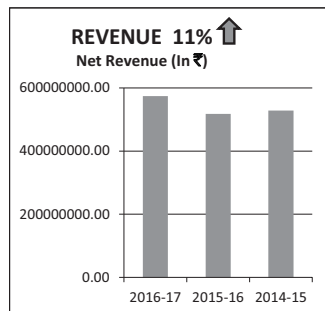
Your Directors have great pleasure in presenting the 29th Annual Report together with the Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS:

(Amount in ₹)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Total revenue	573939376.08	518077093.40
Profit before depreciation and amortization	62288955.17	43774919.42
Depreciation and amortization	13655390.25	12941473.52
Profit before exceptional items & tax	48633564.92	30833445.90
Exceptional items	0.00	0.00
Profit before tax	48633564.92	30833445.90
Tax expense	15873975.29	10814718.01
Net profit after tax	32759589.63	20018727.89
Balance brought forward	103115827.86	83097099.97
Balance carried forward	135875417.49	103115827.86

GRAPH OF THE FINANCIAL HIGHLIGHTS FOR THE LAST FEW YEARS



2. COMPANY OVERVIEW:

Rexnord Electronics and Controls Ltd has emerged to be one of the leading manufacturers of Instrument cooling Fans and Shaded Pole Motors in India, having its corporate headquarters in Mumbai. Your company has proved its metal by excelling in this field from time to time. While commodity prices and inflation continued to come down, Competition continued to be aggressive. In such a challenging external environment, your Company remained focused on margin improvement, cost control, better working capital management and emphasis on Export sale to perform well and deliver profitable and responsible growth. This shows that your Company is now on its path to achieve its exciting goals of becoming a dominant player in this sector.

3. FINANCIAL REVIEW:

The Year 2016-2017 was tough but despite the global slowdown of economy your Company managed to achieve Total Revenue of ₹ 573939376.08 as against the Total Revenue of ₹ 518077093.40 in the previous year.

Despite the drop in the demand of the refrigeration industry your Company has been able to earn net profit after tax of ₹ 32759589.63 for the year 2016-2017 as against the net profit after tax of ₹ 20018727.89 in the previous year.

The Company aims at increasing its marketing strengths and its global identity in order to boost its export sales and thereby increase its sales volume. The Company also aims at developing strategies in making the product reach global requirements by setting up distribution channels and branding techniques.

The current year looks promising with the Company investing in new marketing strategies and has taken appropriate measures in order to achieve sale targets.

4. DIVIDEND & TRANSFER TO RESERVES:

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2017. The Board does not propose to transfer any amount to General Reserves for the aforesaid Financial Year.

5. SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital, as at 31st March, 2017 was ₹ 11,15,91,000/- divided into 1,11,60,000 Equity shares, having face value of ₹ 10/- each fully paid up. During the year 2016-17, your Company has converted 12,00,000 warrants into equal number of Equity Shares each at a price of ₹ 24.50 to Promoter & Promoter Group. A detailed table containing the same is mentioned below.

Sr. No.	Name of the Applicant	Warrants O/s as on 31.03.2016	Date of Conversion of Warrants into Equity during the year	Nos. of Equity Shares allotted on 11.04.2016	Balance Warrants
1.	Mr. Kishorechand Talwar	7,00,000	11.04.2016	7,00,000	-
2	Mrs. Sharda Talwar	5,00,000	11.04.2016	5,00,000	-
	TOTAL	12,00,000		12,00,000	-

6. SUBSIDIARIES & ASSOCIATE COMPANIES:

The Company does not have any subsidiary or associate companies.

7. CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business activities during the Financial Year 2016-17.

8. BOARD OF DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Mrs. Nainy K. Tanna, Whole-time Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee have reappointed Mr. Kishorechand Talwar as Chairman & Managing Director and Mrs. Nainy K Tanna as Whole Time Director for a period of 3 years w.e.f. 1.4.2017 subject to approval of the members at the Annual General Meeting.

9. KEY MANAGERIAL PERSONNEL:

During the Financial Year under review, there has been no change in the Key Managerial Personnel of the Company.

10. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the Financial Year ended March 31, 2017, 8 (Eight) Meetings of Board of Directors were held. The details of attendance of the Directors at Board Meetings are mentioned in the Corporate Governance Report annexed hereto.

11. DECLARATION OF INDEPENDENT DIRECTORS:

The Company has received Declarations from all the Independent Directors stating that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

12. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3)(c) of the Companies Act, 2013 the Directors confirm that:

- (a) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. COMMITTEES OF BOARD OF DIRECTORS:

As on March 31, 2017, the Company has in place the following Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Shareholders Relationship Committee

Details of the Committees of the Board of Directors and meetings held during the year under review are provided separately in the Corporate Governance Report, which forms part of this Report.

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Vigil Mechanism / Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism /Whistle Blower policy has been posted on the website of the Company (www.rexnordindia.in).

15. BOARD EVALUATION:

The Board of Directors carried out an annual evaluation of its own performance, committees and individual directors pursuant to the provisions of the Act and as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of the criteria as under:

- Board composition and structure
- Effectiveness of Board processes, information and functioning

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as:

- Composition of committees
- Effectiveness of committee meetings
- Achievements during the year based on their duties
- Reviewing the terms of reference of the committees

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as;

- Contribution of the director to the Board's strategic thinking
- Leadership and commitment of the director
- Participation in Board and Committee meetings
- Communication and interpersonal skills of the director
- Ethical issues and dilemmas faced by the director
- Relationship of the director with the senior management.

In addition, the Chairman was also evaluated on the key aspects of his role.

Performance evaluation of Independent directors was done by the entire Board on the basis of their role, accountability, objectivity, leadership qualities and personal attributes. The Directors being evaluated did not participate in the evaluation process.

16. CODE OF CONDUCT:

Your Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code with revision made in accordance with the requirements of Listing Regulations has been posted on the Company's website www.rexnordindia.in

All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

17. FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made loans or given guarantees but has made investments during the Financial Year 2016-17 in compliance of Section 186 of the Companies Act, 2013 and the details of the Investments made are given in the Note 44 to the Financial Statements.

19. ISO CERTIFICATION:

The Company's products are awarded as ISO 9001:2008 Certification.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

21. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure 'A' and forms an integral part of this Report.

22. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business and in compliance with the provisions of Section 188 of the Companies Act, 2013 and Listing Regulations. Further, disclosure in Form AOC - 2 is not given as the Company has not entered into any material significant related party transactions with Promoters, Key Managerial Personnel or other designated persons as per the materiality decided by the Board.

All related party transactions are placed before the Audit Committee and also before the Board for their approval in accordance with the Policy on Related Party Transactions formulated by the Board of Directors of the Company and has been posted on the website of the Company (www.rexnordindia.in). Omnibus approval was obtained from the Audit Committee for transactions which were of repetitive nature with monitoring and review on quarterly basis.

23. APPOINTMENT OF STATUTORY AUDITORS:

Your Board proposes to appoint M/s. Rakesh Soni & Co., Chartered Accountants, Mumbai (Firm Registration No. 114625W with the Institute of Chartered Accountants of India) as Statutory Auditors of the Company in place of M/s. R. S. Agrawal & Associates, Chartered Accountants, the retiring Auditors, to hold office from the conclusion of the ensuing AGM until the conclusion of the 34th AGM to be held in 2022 (subject to ratification of the appointment by the members at every AGM held after this AGM). As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Rakesh Soni & Co., Chartered Accountants, that their appointment, if made, would be in conformity with the limits specified in the said Section and they are not disqualified.

24. SECRETARIAL AUDIT:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Rules made there under, the Company has appointed M/s. GMJ & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure 'B'** and forms an integral part to this Report.

25. COST AUDIT:

Pursuant to the provisions of Section 148 of the Companies Act 2013 read with Rules made thereunder, Cost Audit is not applicable to the Company for the Financial Year 2016-2017 and 2017-2018.

26. AUDITORS' / SECRETARIAL AUDITORS' OBSERVATIONS:

Observations of Statutory Auditors in clause i (c) of CARO report, when read with corresponding note 45 of financial statements would be found self explanatory. There are no other observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

The Secretarial Audit Report for the Financial Year 2016-17 does not contain any qualifications, reservations or adverse remarks.

27. PREVENTION OF SEXUAL HARASSMENT:

The Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

During the year under review, no complaints were reported.

28. RISK MANAGEMENT:

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner; your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in the strategy, business and operational plans.

The Company has a Risk Management policy (a) to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management (b) to establish a framework for the Company's risk management process and to ensure its implementation (c) to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices (d) to assure business growth with financial stability.

There are no risks which threaten the existence of the Company.

29. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal audit functions of the Company are carried out by a firm of Chartered Accountants. The scope and authority of the Internal Audit function is defined by the Audit Committee. The Internal Auditors reports to the Chairman of the Audit

Committee of the Board.

The Internal Auditors monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal auditors, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

30. INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance, along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

31. DEPOSITORY SERVICES:

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. INE687C01012.

Shareholders' therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

32. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given as under:

A. CONSERVATION OF ENERGY:

Efficient use of energy in all form has been a consistent corporate trust in the Company. Better maintenance of equipments, improved operating practice and installation of most modern machinery has resulted in lot of saving in energy cost and consumption of raw materials.

The Company is consistently doing research in the field of saving energy by implementing new cost-effective ideas. The steps taken during the year for conservation of energy are as under:

1. Due consideration has been given to energy consumption while procuring equipments.
2. As a responsible Corporate Citizen and in adherence to our climate change strategy, Company is continuously taking effective steps to conserve energy.
3. Except the emergency lights, all lights and electrical gadgets are turned off after working hours and on holidays at office premises of the Company to help in minimizing the energy consumption.
4. The Steps taken by the Company for utilizing alternate source of energy; The Company is constantly exploring avenues for cost saving as an ongoing process.
5. The Capital invested on energy equipments: Nil

B TECHNOLOGY ABSORPTION:

a. Research & Development

The Research & Development department of the Company has been arduously working to provide quality and value for money to the customer in keeping with market trends. Research and Development is being carried out in the following areas.

- Making design modifications in the products so as to simplify the manufacturing process and enhance productivity.
- Developing Jigs, Fixtures and devices to increase productivity.
- Improvements to tool design.
- Up gradation of machines.
- Design and development of special machines required for increasing capacity.
- Development of equipment required for testing product reliability at various stages.

b. Technology absorption, adaptation and innovation.

Technology for the manufacture of Instrument Cooling Fans & Shaded Pole Motors of various sizes has been successfully absorbed.

C. FOREIGN EXCHANGE EARNED AND USED:

The particulars regarding foreign exchange earnings and expenditure appear at note nos. 36, 37 and 40 in the notes to the financial statements.

33. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure C** to this Report.

None of the employees have drawn remuneration more than Rs. 8,50,000/- p.m., if employed for the part of the year and Rs. 1,02,00,000/- p.a. if employed throughout the year in terms of the provisions of Section 197 read with rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

34. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as a separate **Annexures "D" & "E"** respectively, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Listing Regulations.

35. LISTING:

The Shares of the Company are listed on BSE Ltd. The Company has paid the Listing fees for the year 2017-18 to BSE Ltd.

36. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements are related and the date of the Report.

37. CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the net profit of the Company was below Rs. 5 Crores during the three immediately preceding Financial Years. Accordingly, the provisions of CSR policy were not applicable for the Financial Year 2016-17.

38. ENVIRONMENT AND SAFETY:

The Company is committed to:

- Maintain an organizational culture of Health, Safety & Environmental excellence by conducting its business in a manner that will promote consistent development.
- Safe work, resource conservation, waste management and emergency response measures for continual improvement in performance.
- Design, construct, operate & maintain its facilities while assuring the best material and service quality and operate in a way that mitigates and minimizes risks and hazards.
- Prevention of ill-health, injuries and pollution by adopting best practices, carrying out periodic risk assessments, reviews, inspections and providing awareness to employees and concerned stakeholders.

39. ACKNOWLEDGMENT:

The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers and distributors for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

For and on behalf of the Board

REXNORD ELECTRONICS AND CONTROLS LIMITED

KISHORECHAND TALWAR

(DIN: 00351751)

CHAIRMAN & MANAGING DIRECTOR

Registered Office:

92-D Govt. Ind. Estate,

Charkop, Kandivli (W),

Mumbai- 400 067

Dated: May 30, 2017

ANNEXURES TO DIRECTORS REPORT 2016-2017
ANNEXURE 'A'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the Financial year ended on 31st March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	L31200MH1988PLC047946
ii) Registration Date:-	4th July, 1988
iii) Name of the Company:-	REXNORD ELECTRONICS AND CONTROLS LIMITED
iv) Category / Sub-Category of the Company:-	"Company limited by shares Indian Non-Government Company"
v) Address of the Registered office and contact details:-	92-D Govt Ind. Estate, Charkop, Kandivali (W) , Mumbai - 400067
vi) Whether listed company	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. BIG SHARE SERVICES PRIVATE LIMITED [Unit: Rexnord Electronics and Controls Limited] 1st floor, Bharat Tin works Building, Opp Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai, 400059, Maharashtra Tel: 022-62638200 Fax No: 022 62638299 E-mail: info@bigshareonline.com Web Site: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing and sale of Auto Data Processing A/c, Electric Motors & part of Electric Motors	28199, 27103, 46699	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
NOT APPLICABLE.....				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
		Demat	Physical	Total	% of the Total Shares	Demat	Physical	Total	% of the Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual / HUF	5620600	0	5620600	56.43	6820600	0	6820600	61.12	4.68
b)	Central/State Govt	0	0	0	0.00	0	0	0	0.00	-
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	-
d)	Bank / FI	0	0	0	0.00	0	0	0	0.00	-
e)	Any Other	0	0	0	0.00	0	0	0	0.00	-
		0	0	0	0.00	0	0	0	0.00	-
	Sub Total (A) (1)	5620600	0	5620600	56.43	6820600	0	6820600	61.12	4.68
(2)	Foreign									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter (A) = (A) (1) + (A) (2)	5620600	0	5620600	56.43	6820600	0	6820600	61.12	4.68
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
b)	Bank / FI	1000	1000	2000	0.02	1000	1000	2000	0.02	0.00
c)	Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
d)	Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0.00
e)	Insurance companies	0	0	0	0.00	0	0	0	0.00	0.00
f)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
g)	Foreign Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0.00
h)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(B)(1)	1000	1000	2000	0.02	1000	1000	2000	0.02	0.00
(2)	Non-Institutions									
a)	Bodies Corp.									
	i) Indian	206321	32000	238321	2.39	108129	32000	140129	1.26	(1.13)
	ii) Overseas	0	300000	300000	3.01	0	0	0	0.00	(3.01)
b)	Individual shareholders holding									
	i) Upto ₹ 2 lacs	1250239	622620	1872859	18.80	1358421	601720	1960141	17.56	(1.24)
	ii) Excess of 2 Lacs	1842047	10100	1852147	18.60	1845600	10100	1855700	16.63	(1.97)
c)	Clearing Member	32640	0	32640	0.33	51101	0	51101	0.46	0.13
d)	NRI	31733	9700	41433	0.42	20629	309700	330329	2.96	2.54
	Sub Total(B)(2)	3362980	974420	4337400	43.55	3383880	953520	4337400	38.87	(4.68)
	Total shareholding of Public (B) = (B) (1) + (B) (2)	3363980	975420	4339400	43.57	3384880	954520	4339400	38.88	(4.68)
C.	Shares held by Custodians for GDRs & ADRs	0	0	0	-	0	0	0	-	0.00
	Grand Total (A + B + C)	8984580	975420	9960000	100.00	10205480	954520	11160000	100.00	0.00

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% Change during the year
		No. of Shares	% of Total Shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of shares Pledged / encumbered to total shares	
1)	Kishorechand Talwar	3,652,000	36.67	-	4,352,000	39.00	-	2.33
2)	Sharda Talwar	1,426,400	14.32	-	1,926,400	17.26	-	2.94
3)	Nainy Kunal Tanna	362,200	3.63	-	362,200	3.25	-	(0.38)
4)	Kundan Talwar	180,000	1.81	-	180,000	1.61	-	(0.20)
	TOTAL	5,620,600	56.43		6,820,600	61.12		4.68

iii) Changes in Promoters Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01-04-2016)		Cumulative Shareholding during the year (As on 01-04-2016 to 31-03-2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	5,620,600	56.43	5,620,600	56.43
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	See Details Below	See Details Below	See Details Below	See Details Below
3	At the end of the year	6,820,600	61.12	6,820,600	61.12

Sr. No.	Name	Shareholdings		Date	Increase / Decrease in share-holding	Reason	Cumulative shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	Kishorechand Talwar	3652000	36.67	01.04.2016				
				11.04.2016	700,000	Conversion of Warrants into Equity Shares	4352000	39.00
2	Sharda Talwar	4352000	39	31.03.2017	0	0	4352000	39.00
		1426400	14.32	01.04.2016				
				11.04.2016	500,000	Conversion of Warrants into Equity Shares	1926400	17.26
		1926400	17.26	31.03.2017	0	0	1926400	17.26

iv) Shareholding pattern of top ten share holders (other than, Director Promoters and holdings of GDRs, ADRs)

Sr. No.	Name	Shareholdings		Date	Increase / Decrease in share-holding	Reason	Cumulative shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1.	SUBRAMANIAN P	0	0.00	01.04.2016			0	0.00
				14.10.2016	619420	Purchases	619,420	5.55
				04.11.2016	-1000	Sell	618,420	5.54
				18.11.2016	-2420	Sell	616,000	5.52
				09.12.2016	-6000	Sell	610,000	5.47
				16.12.2016	-1314	Sell	608,686	5.45
				23.12.2016	-1686	Sell	607,000	5.44
				30.12.2016	-2000	Sell	605,000	5.42
				20.01.2017	-4000	Sell	601,000	5.39
				27.01.2017	-1000	Sell	600,000	5.38
				24.02.2017	-2000	Sell	598,000	5.36
				03.03.2017	-6000	Sell	592,000	5.30
				592000	5.30	31.03.2017		

Sr. No.	Name	Shareholdings		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016) end of the year 31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
2.	SANGEETHA S	300,239	2.69	01.04.2016			300,239	2.69
				06.05.2016	-1	Sell	300,238	2.69
				11.08.2016	-198	Sell	300,040	2.69
				07.10.2016	-1700	Sell	298,340	2.67
				14.10.2016	-298340	Sell	0	0.00
				31.03.2017	0		0	0
3.	ROBERTO BRIOSCHI	0	0	01.04.2016			0	0
				17.02.2017	300000	Transfer	300,000	2.69
		300,000	2.69	31.03.2017			300,000	2.69
4.	COSMOS TRADING LTD	300,000	2.69	01.04.2016			300,000	2.69
				17.02.2017	-300,000	Transfer	0	0
		0	0	31.03.2017			0	0
5	SATHYA S	227,590	2.04	01.04.2016			227,590	2.04
				14.10.2016	-227590	Sell	-227590	2.04
		0	0	31.03.2017			0	0
6	NAND KISHORE SONI	220,000	1.97	01.04.2016			220,000	1.97
				19.08.2016	-15798	Sell	204,202	1.83
				26.08.2016	-11653	Sell	192,549	1.73
				09.09.2016	-1894	Sell	190,655	1.71
				23.09.2016	-7460	Sell	183,195	1.64
				07.10.2016	-103	Sell	183,092	1.64
				14.10.2016	-20000	Sell	163,092	1.46
				21.10.2016	-13597	Sell	149,495	1.34
				28.10.2016	-5000	Sell	144,495	1.29
				04.11.2016	-10000	Sell	134,495	1.21
7	P K SONI (HUF)	220,000	1.97	01.04.2016			220,000	1.97
				20.01.2017	-5000	Sell	215,000	1.93
		215,000	1.93	31.03.2017			215,000	1.93
8	PURUSHOTTAM R SONI	220,000	1.97	01.04.2016	0		220,000	1.97
		220,000	1.97	31.03.2017	0		220,000	1.97
9	NAND KISHORE SONI (HUF)	210,000	1.88	01.04.2016			210,000	1.88
				13.05.2016	-4641	Sell	205,359	1.84
				20.05.2016	-1503	Sell	203,856	1.83
				03.06.2016	-1	Sell	203,855	1.83
				10.06.2016	-35909	Sell	167,946	1.5
				17.06.2016	-11873	Sell	156,073	1.4
				24.06.2016	-2	Sell	156,071	1.4
				30.06.2016	-1862	Sell	154,209	1.38
				01.07.2016	-5000	Sell	149,209	1.34
				08.07.2016	-12365	Sell	136,844	1.23
				19.08.2016	-297	Sell	136,547	1.22
				26.08.2016	-5568	Sell	130,979	1.17
				02.09.2016	-9518	Sell	121,461	1.09
		09.09.2016	-6000	Sell	115,461	1.03		
		31.03.2017	115,461		115,461	1.03		
10	SAVITHA S	101,590	0.91	01.04.2016			101,590	0.91
				11.08.2016	-5400	Sell	96,190	0.86
				09.09.2016	-1800	Sell	94,390	0.85
				23.09.2016	-900	Sell	93,490	0.84
				14.10.2016	-93490	Sell	0	0.00
				31.03.2017	0		0	0.00

v) Shareholding of Director and Key Managerial Personnel

Sr. No.	Name	Shareholdings		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	Kishorechand Talwar	3,652,000	36.67	01.04.2016			0	0.00
				11.04.2016	700,000	Conversion of Warrants into Equity Shares	4,352,000	39.00
		4,352,000	39	31.03.2017	0	0	4,352,000	39.00
2	Nainy Kunal Tanna	362,200	4.78	01.04.2016				
		362,200	3.63	31.03.2017	0	0	362,200	3.63
3	Kundan Talwar	180,000	2.78	01.04.2016				
		180,000	1.81	31.03.2017	0	0	180,000	1.81

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	46,952,221.30	32,404,481.00	-	79,356,702.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	215,025.47	176,356.00	-	391,381.47
Total (i+ii+iii)	47,167,246.77	32,580,837.00	-	79,748,083.77
Change in Indebtedness during the financial year				
• Addition	10,827,000.00	146,819,153.00	-	157,646,153.00
• Reduction	44,220,152.09	145,648,696.00	-	189,868,848.09
Net Change	(33,393,152.09)	1,170,457.00	-	(32,222,695.09)
Indebtedness at the end of the financial year				
i) Principal Amount	13,559,069.21	33,574,938.00	-	47,134,007.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	68,123.14	262,061.00	-	330,184.14
Total (i+ii+iii)	13,627,192.35	33,836,999.00	-	47,464,191.35

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Kishore Chand Talwar (Chairman & Managing Director)	Mrs. Nainy K. Tanna (Whole-time Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,364,000.00	4,464,000.00	9,828,000.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	64,775.94	2,038.00	66,813.94
	(c) Profits in lieu of salary under	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	2,715,000.00	-	-
	as % of profit	-	-	-
	Contribution to PF	36,000.00	36,000.00	72,000.00
5	Others, please specify	-	-	-
	Total (A)	8,179,775.94	4,502,038.00	9,966,813.94
	Ceiling as per the Act	8,400,000.00	8,400,000.00	16,800,000.00

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of the Directors			Total
		Ram Sanehi	Ayyaswami Sundaram	D. Ganapathy	
1	Independent Directors				
	• Fee for attending board committee meetings	50,000.00	50,000.00	50,000.00	150,000.00
	• Commission				
	• Others, please specify				
	Total (1)	50,000.00	50,000.00	50,000.00	150,000.00
2	Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	
	• Commission	-	-	-	
	• Others, please specify	-	-	-	
	Total (2)	-	-	-	
	Total (B) = (1+2)	50,000.00	50,000.00	50,000.00	150,000.00
	Total Managerial Remuneration	50,000.00	50,000.00	50,000.00	150,000.00
	Overall Ceiling as per the Act				

C. Remuneration to key managerial personnel other than MD / MANAGER / WTD

Sr. No.	Particulars of Remuneration	Mr. Krunal Wala (Company Secretary)	Mr. Kundan Talwar (Chief Financial Officer)	Total
		1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	198961.00	2495485.00	2694446.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	Contribution to PF	0.00	36,000.00	36,000.00
5	Others, please specify			
	Total	198,961.00	2,531,485.00	2,730,446.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE 'B'

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members,

REXNORD ELECTRONICS AND CONTROLS LIMITED

92-D, Govt Ind Estate, Charkop,

Kandivli (West),

Mumbai – 400067

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **REXNORD ELECTRONICS AND CONTROLS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2017** complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
- iv. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
 - a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**.
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**.
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**.
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not applicable during the period of audit]**.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**.
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable during the period of audit]**.
- vi. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various Labour Laws, Environmental Laws, The Factories Act, etc.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. mentioned as above.

Further being a manufacturing company of Instrument Cooling Fans and Motors, there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

We report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of the decisions being carried through were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review, the Company has converted 1200,000 Warrants into equal number of Equity Shares and complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc.

For **GMJ & ASSOCIATES**

Company Secretaries

[SONIA CHETTAIR]

PARTNER

FCS : 27582 COP : 10130

PLACE: MUMBAI

DATE: MAY 30, 2017

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE' and forms an integral part of this report.

ANNEXURE

To,
The Members,
REXNORD ELECTRONICS AND CONTROLS LIMITED
92-D, Govt Ind Estate, Charkop,
Kandivli (West),
Mumbai – 400067

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For GMJ & ASSOCIATES
Company Secretaries

[SONIA CHETTAIR]
PARTNER
FCS: 27582 COP: 10130
PLACE: MUMBAI
DATE: MAY 30, 2017

ANNEXURE 'C'

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014				
1. The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17				
Director's Name	Ratio to median Remuneration			
Mr. Kishorechand Talwar	34.33:1			
Mrs. Nainy Kunal Tanna	18.89:1			
Mr. Ram Sanehi	00.21:1			
Mr. Ayyaswami Sundaram	00.21:1			
Mr. D. Ganapathy	00.21:1			
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2016-17 compared to 2015-16 means part of the year				
Director's / CFO / CEO / CS / Mgr Name	% age increase in remuneration			
Mr. Kishorechand Talwar	109.52%			
Mrs. Nainy Kunal Tanna	14.93%			
Mr. Ram Sanehi	0.00%			
Mr. Ayyaswami Sundaram	0.00%			
Mr. D. Ganapathy	0.00%			
Mr. Krunal Sanjaykumar Wala	9.08%			
Mr. Kundan Talwar	0.46%			
3. Percentage increase in the median remuneration of employees in the financial year 2016-17 compared to 2015-16 : 26.66%				
4. Number of permanent employees on the rolls of the company : 71 employees as on 31.03.2017				
5. Explanation on the relationship between average increase in remuneration and the company performance : - The Profit before Tax for the financial year ended March 31, 2017 Increased by 58% whereas the increase in median remuneration was 26.66% in line with the performance of the Company				
6. Comparison of the remuneration of Key Managerial Personnel against the performance of the company : - The total remuneration of Key Managerial Personnel increased by 47% from ₹ 15412259.94 in 2016-17 to ₹ 10497898.15 in 2015-16 whereas the Profit before Tax Increased by 58% to ₹ 48633564.92 in 2015-16 (₹ 30833445.90 in 2015-16)				
7. Variation in				
Details	31.03.2017	31.03.2016		
Market Capitalization 63.20/35.45 (in ₹)	705312000	353082000		
Price Earning Ratio	21.50	17.04		
Percentage Increase/ Decrease of Market Quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	532.00 % (Increase)	254.50 % (Increase)		
Net worth of the Company (in ₹)	276694337.49	221884747.86		
8. Average percentile increase in salaries of Employees other than managerial personnel : 20%				
9. Comparison of each remuneration of Key Managerial Personnel against the performance of the company :				
Name of the Key Managerial Personnel	Remuneration for the years ended			Reason against performance of the Company
	31.03.2017	31.03.2016	% age Change	
Mr. Kishorechand Talwar	8179775.94	3904000.00	109.52%	Profit before Tax Increased by 58% and Profit after Tax Increased by 64% in Financial Year 2016-17.
Mrs. Nainy Kunal Tanna	4502038.00	3917098.15	14.93%	
Mr. Kundan Talwar	2531485.00	2520000.00	0.46%	
Mr. Krunal Sanjaykumar Wala	198961.00	15200.00	9.08%	
Ms. Swati Surekha	0.00	121600.00	NA	
Mr. Debabrata Guha Chaudhary	0.00	20000.00	NA	
10. Key parameters for any variable component of remuneration availed by the Director : - Considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.				
11. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year : - Not Applicable				

ANNEXURE 'D'

REPORT ON CORPORATE GOVERNANCE:

IN ACCORDANCE WITH THE SEBI (LODR) REGULATIONS, 2015 (LISTING REGULATIONS) ON CORPORATE GOVERNANCE, THE REPORT CONTAINING THE DETAILS IS AS UNDER:

CORPORATE GOVERNANCE AND STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is about commitment to values and ethical business conduct. It is about how an organization is managed. The Company firmly believes in and has consistently practiced good Corporate Governance for the past several years for the efficient conduct of its business and in meeting its obligations towards all its stakeholders including amongst others, shareholders, customers, employees and the community in which the Company operates.

Rexnord Electronics and Controls Limited [Rexnord] is committed to adhere to the corporate governance code as prescribed by the SEBI and has accordingly implemented various aspects of the code.

Roles of various constituents of Corporate Governance in the Company

a) Board of Directors (Board):

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of stakeholder value. The Board reviews and approves management's strategic business plan & business objectives and monitors the Company's strategic direction.

b) Chairman & Managing Director (CMD):

The CMD is the Chairman of the Board and also the Chief Executive Officer of the Company. His primary role is to provide leadership to the Board and the Corporate Management Committee for realizing the approved strategic business plan and business objectives. He presides over the meetings of the Board and the Shareholders.

c) Non-Executive Independent Directors:

The Non-Executive Directors play a vital role in improving the Board effectiveness with their independent judgment on issues of strategy, performance, resources, standards of conduct etc., besides providing the Board with valuable inputs.

2. BOARD OF DIRECTORS:

The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman & Managing Director is assisted by the Executive and Non-executive Directors.

As on March 31, 2017, the structure of the Board of the Company maintained an optimum mix of Executive, Non-Executive and Independent Directors and the same is in conformity with the Listing Regulations. The Board's current strength is 5 members, who are eminent personalities from various walks of life having rich experience in the field of marketing, finance, human resources, industry, business and management.

Besides the Chairman & Managing Director, who is an Executive Director, the Board comprises of 1 Woman Executive Director and 3 Non-Executive, Independent Directors.

The details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other committee memberships are given below:

Table 1: Composition of the Board of Directors as on March 31, 2017:

The details of composition of the Board, category, attendance of Directors at Board Meetings during the Financial Year and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Sr. No.	Name of Director	Category	No. Of Board Meeting attended during the year 2016-17	Attendance at last AGM held on August 11, 2016	No. Of Other Directorships of Companies Held As on March 31, 2017		No. of Membership of Outside Committees Held As on March 31, 2017	
					Public	Private	Mem.	Chmn
1.	Mr. Kishore Chand Talwar	Promoter & Executive (CMD)	8	Yes	-	-	-	-
2.	Mrs. Nainy Kunal Tanna	Promoter & Executive (WTD)	8	Yes	-	-	-	-
3.	Mr. Ram Sanehi	Non-Executive and Independent	7	Yes	-	-	-	-
4.	Mr. Ayyaswami Sundaram	Non-Executive and Independent	7	Yes	-	1	-	-
5	Mr. Ganapathy Dharmarajan	Non-Executive and Independent	7	Yes	3	1	2	1

CMD stands for Chairman & Managing Director, WTD stands for Whole-time Director.

Relationships between Directors inter-se

Mr. Kishorechand Talwar is related to Mrs. Nainy Kunal Tanna as Father. None of the other Directors except as aforementioned, are related to each other.

Shareholding of Non-Executive Independent Directors

The shareholding in the Company by the Non-Executive Independent Directors in their own name is NIL.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on various issues, including strategy related matters pertaining to the business of the Company. The tentative calendar of Board Meetings is circulated to the Directors in advance to facilitate them and to ensure their active participation at the Meetings of the Company. Apart from this, the approval of the Board is obtained through Circulation of Resolution to all the Directors in case some urgent/special situation arises. Such Circular Resolution is also confirmed at the next Board Meeting.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively. Where it is not practicable to attach the relevant information as a part of agenda papers, the same are tabled at the Meeting of the Board.

The Board of Directors met 8 (Eight) times during the Financial Year i.e. 11/04/2016, 30/05/2016, 10/06/2016, 18/07/2016, 11/08/2016, 27/10/2016, 14/11/2016 and 14/02/2017.

The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than 120 days, as stipulated in Regulation 17 (2) of the Listing Regulations.

As mandated by Regulation 26 of Listing Regulations, none of the Directors are members of more than 10 Board level committees, nor are they Chairpersons of more than 5 committees in which they are members of such committees.

Information placed before Board of Directors

The Board has complete access to all information with the Company.

All Board meetings are governed by a structured agenda which is backed by comprehensive background information. Inter-alia, the following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings, or is tabled in the course of the Board meeting.

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.

- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Any transactions that involves substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board has an effective post meeting follow up procedure. The Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

The performance evaluation of the Independent Directors has been carried out by the entire Board of Directors to its satisfaction. In the above evaluation process the Directors, who were subjected to evaluation did not participate.

Obligations of Independent Directors:

As mandated by Regulation 25 of the Listing Regulations, the Independent Directors on the Company's Board held a meeting on February 14, 2017, without the presence of Non-Independent Directors and Members of the management to:

- (a) review the performance of non-independent Directors and the Board of Directors as a whole;
- (b) review the performance of the chairperson of the listed entity, taking into account the views of executive Directors and non-executive Directors; and
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Accordingly, the performance evaluation of the Chairman & Managing Director and Whole-time Director was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Familiarisation Programme for Independent Directors:

The Company has in place a policy for Familiarization Programme for Independent Directors and the details of the Familiarisation Programme conducted during the Financial Year 2016-17 is disclosed on the website of the Company i.e. www.rexnordindia.in

COMMITTEES OF BOARD:

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of Independent Directors with specific terms of reference / scope. The committee operates as empowered agents of the Board. The inputs and details required for the decision is provided by the operating managers. The Minutes of the Meeting of all Committees of the Board are placed before the Board for discussions / noting.

Details of the Committees of the Board and other related information are as follows:

3. AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee comprising of three qualified members (i.e. 2 Independent Directors and 1 Executive Director). The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focuses its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal audit report & internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

The terms of reference of the Audit Committee are as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinions in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;

- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit functions;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management, if any;
- Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses, if any;
- Statement of deviations, if any; in terms of Regulation 32(1) & 32(7) of the Listing Regulations; and
- Review of appointment, removal and terms of remuneration of the Internal Auditors.

All the members have financial and accounting knowledge. The company secretary acts as secretary to the Audit Committee.

Head of the Finance and Accounts Department, representative of the Statutory Auditors and other executives as are considered necessary, attend meetings of the Audit Committee.

The Committee met 5 times during the year on 11/04/2016, 30/05/2016, 11/08/2016, 14/11/2016 and 14/02/2017.

Attendance record at the meetings of the Audit Committee of Directors during Financial Year 2016-17:

Name of the Members	Position	Category	Nos. of Meetings held	Meeting attended
Mr. Ganpathy Dharmarajan	Chairperson	Independent Non-Executive	5	5
Mr. Ayyaswami Sundaram	Member	Independent Non-Executive	5	5
Mrs. Nainy K. Tanna	Member	Executive Director	5	5

The Chairperson of the Committee, Mr. Ganpathy Dharmarajan was present at the Annual General Meeting held on 11/08/2016 to attend the shareholder's queries.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a "Nomination and Remuneration Committee" in accordance with Section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee comprises of Mr. Ganpathy Dharmarajan, Independent Director as the Chairperson, Mr. Ram Sanehi and Mr. Ayyaswami Sundaram as Members. All matters relating to review and approval of compensation payable to the executive and non-executive directors are considered by the Nomination and Remuneration Committee and necessary recommendations are made by the Committee to the Board for approval within the overall limits approved by the Members and as per Schedule V to the Companies Act, 2013.

Terms of Reference of the Nomination & Remuneration Committee, inter-alia are as follows:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- To decide whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

The Committee met Four (4) times during the year on 11/04/2016, 30/05/2016, 18/07/2016 and 14/02/2017.

The names of members of committee and their attendance are as follows:

Name of the Members	Position	Category	No. of Meetings Attended	Meetings attended
Mr. Ganpathy Dharmarajan	Chairperson	Independent Non-Executive	4	4
Mr. Ayyaswami Sundaram	Member	Independent Non-Executive	4	4
Mr. Ram Sanehi	Member	Independent Non-Executive	4	4

The performance evaluation of the Independent Directors has been carried out by the entire Board of Directors to its satisfaction. In the above evaluation process the Directors, who were subjected to evaluation did not participate.

5. REMUNERATION OF DIRECTORS:

The Company pays remuneration to its Chairman & Managing Director and Whole-time Director by way of Salary, commission, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per Schedule V to the Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the Financial Year 2016-17.

The details of remuneration paid to executive Directors during the Financial Year 2016-17 are given below:

Particulars	Mr. Kishorechand Talwar	Mrs. Nainy K. Tanna
Salary (₹)	53,64,000.00	44,64,000.00
Allowances & Perquisites (₹)	64,775.94	2,038.00
Bonus	-	-
Pension	-	-
Fixed Components:		
Contribution to Provident Fund (₹)	36,000.00	36,000.00
Performance linked Incentive	-	-
Commission	27,15,000.00	-
Service Contract	3 years	3 years
Severance Fees	-	-
Stock Options	-	-
Total (₹)	81,79,775.94	45,02,038.00

The details of remuneration paid to non executive Directors during the Financial Year 2016-2017 are given below:

Particulars	Mr. Ram Sanehi	Mr. Ayyaswami Sundaram	Mr. Ganapathy Dharmarajan
Sitting Fees (Rs)*	50000	50000	50000
Shareholding in the Company	Nil	Nil	Nil

*Excluding the Swachh Bharat Cess for which cenvet credit not available.

The Company does not have any stock option plans and hence such instrument does not form part of the remuneration package payable to any Executive Director and / or Non-Executive Director.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company is having 'Stakeholders Relationship Committee' in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee shall specifically look into the mechanism of redressal of grievances of shareholders & other security holders pertaining to transfer of shares, non- receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization etc.

The Company has designated the e-mail ID info@rexnordindia.com exclusively for the purpose of registering complaint by investors electronically. This e-mail ID is displayed on the Company's website i.e. www.rexnordindia.in

The Following table shows the nature of complaints received from the shareholders during the years 2016-2017.

Nature of Complaints	No. of complaints received during the year 2016-2017	No. of Complaints Resolved
Non receipt of Dividend Warrant	–	–
Non receipt of Annual Report	–	–
Non receipt of Share Certificate	–	–
SEBI	–	–
Total	–	–

There were no complaints pending as on 31st March, 2017.

Mr. Krunal Wala, the Company Secretary is the Compliance Officer of the Company.

The Committee met Four (4) times during the year on 30/05/2016, 11/08/2016, 14/11/2016 and 14/02/2017.

Name of the Members	Position	Category	Nos. of Meetings held	Meetings attended
Mr. Ganapathy Dharmarajan	Chairperson	Independent Non-Executive	4	4
Mr. Ayyaswami Sundaram	Member	Independent Non-Executive	4	4
Mrs. Nainy K. Tanna	Member	Executive Director	4	4

7. GENERAL BODY MEETINGS:

(a) Location and time, where last 3 AGM's held:

The last three Annual General Meetings were held as under:

Financial Year ended on	Date	Time	Venue
31.03.2014	30.08.2014	9.30 A.M.	Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite MangalMurti Hospital, Gorai-II, Borivali (West), Mumbai – 400 092
31.03.2015	30.09.2015	9.30 A.M.	Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite MangalMurti Hospital, Gorai-II, Borivali (West), Mumbai – 400 092
31.03.2016	11.08.2016	10.30 A.M.	Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite MangalMurti Hospital, Gorai-II, Borivali (West), Mumbai – 400 092

(b) Whether any Special Resolution passed in previous 3 AGM's:

Date of AGM	Description of Special Resolution
30.08.2014	(i) Special Resolution under 180(1)(c) for borrowing (ii) Special Resolution under 180(1)(a) for creation of security (iii) Special Resolution for re-appointment of Mr. Kishorechand Talwar as Chairman and Managing Director of the Company. (iv) Special Resolution for appointment of Mrs. Nainy K. Tanna as Whole-Time Director of the Company. (v) Special Resolution under Sections 23, 42, 62 to offer, issue and allot warrants on preferential basis.
30.09.2015	(i) Special Resolution for adoption of new set of Articles of Association (ii) Special Resolution for entering into Related Party Transactions.
11.08.2016	No Special Resolution was passed

(c) Whether any Special Resolution passed last year through Postal Ballot – details of voting pattern: No special resolution was required to be put through postal ballot last year.

(d) Person who conducted the postal ballot exercise: Not Applicable

(e) Whether any special resolution is proposed to be conducted through postal ballot: No

(f) Procedure for Postal Ballot: Not Applicable

8. MEANS OF COMMUNICATION:

(i) Quarterly results: Results are submitted to Stock Exchanges electronically as provided by the respective exchange & published in newspapers and uploaded on the Company's website.

(ii) Newspapers wherein results normally published: Navshakti and Free Press Journal

(iii) Any website where displayed : www.rexnordindia.in

(iv) Whether it also displays official news releases : No official news release was made

(v) The presentations made to institutional investors or to the analysts : No presentations were made during the year

9. GENERAL SHAREHOLDERS INFORMATION:

9.1 ANNUAL GENERAL MEETING

ANNUAL GENERAL MEETING : 29th Annual General Meeting.

DAY & DATE : Friday, September 1, 2017

TIME : 10:00 a.m.

VENUE : Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite Mangalmurti Hospital, Gorai-II, Borivali (West), Mumbai – 400 092

9.2 FINANCIAL YEAR:

* Financial reporting for the quarter ended June 30, 2017: Mid of August, 2017.

* Financial reporting for the quarter ended Sept. 30, 2017: Mid of November, 2017.

* Financial reporting for the quarter ended Dec. 31, 2017: Mid of February, 2018.

* Financial reporting for the Year ended March 31, 2018: Audited Results by end of May, 2018.

9.3 DIVIDEND PAYMENT DATE: NOT APPLICABLE

9.4 LISTING ON STOCK EXCHANGES:

The Company's Shares are listed on the BSE Limited. The annual listing fee for the year 2017-2018 has been paid.

9.5 STOCK CODE:

Scrip Name : Rexnord Electronics and Controls Ltd.

Scrip Code : 531888

Electronic Mode : INE687C01012

9.6 MARKET PRICE DATA: HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR AND PERFORMANCE IN COMPARISON TO BSE SENSEX:

Month	Company's Shares		BSE Sensex	
	High (₹)	Low (₹)	High	Low
April, 2016	44.00	35.10	26100.54	24523.20
May, 2016	41.90	35.75	26837.20	25057.93
June, 2016	43.00	34.00	27105.41	25911.33
July, 2016	44.00	32.25	28240.20	27034.14
August, 2016	47.15	32.50	28532.25	27627.97
September, 2016	46.90	36.00	29077.28	27716.78
October, 2016	56.35	38.30	28477.65	27488.30
November, 2016	63.85	46.50	28029.80	25717.93
December, 2016	78.50	47.05	26803.76	25753.74
January, 2017	77.35	66.10	27980.39	26447.06
February, 2017	73.70	62.30	29065.31	27590.10
March, 2017	73.50	62.50	29824.62	28716.21

9.7 In case the securities are suspended from trading, the Directors report shall explain the reason thereof : Not Applicable

9.8 REGISTRAR AND TRANSFER AGENTS:

M/S. BIG SHARE SERVICES PRIVATE LIMITED,
[Unit: Rexnord Electronics and Controls Limited]
Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri – East, Mumbai – 400059
Tel: 022-62638200
Email: info@bigshareonline.com

9.9 SHARE TRANSFER SYSTEMS:

Share Transfer Requests are received at the registered office of the Company as well as directly at RTAs office. RTA does the verification and processing of documents. In order to comply with the requirements of SEBI Circular Nos.CIR/MIRSD/8/2012 dated July 5, 2012 to effect transfer of shares within 15 days, the RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days.

9.10 (a) SHAREHOLDING PATTERN AS ON MARCH 31, 2017:

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	68,20,600	61.12
Mutual Funds/UTI	-	-
Financial Institutions/Banks	2,000	0.02
Bodies Corporate	1,40,129	1.25
Indian Public	38,66,942	34.65
NRI/OCBs	3,30,329	2.96
Total	1,11,60,000	100

9.10 (b) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	4197	700438	6.28
501-1000	413	352494	3.16
1001-2000	177	274898	2.46
2001-3000	79	207422	1.86
3001-4000	24	87669	0.79
4001-5000	24	115087	1.03
5001-10000	48	354069	3.17
10001 & above	45	9067923	81.25
Total	5007	11160000	100

9.11 (a) DEMATERIALISATION OF SHARES:

As on March 31, 2017, 1,02,05,480 Shares representing 91.45% of total Equity Shares were held in dematerialized form with NSDL and CDSL.

9.11 (b) LIQUIDITY:

Average Monthly Trading of the Company's Shares on BSE during the year:

- (i) Number of Trades: 2114
- (ii) Number of Shares: 300546 Equity Shares

9.12 OUTSTANDING GDRs / ADRs/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

NIL

9.13 COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company carries the normal foreign exchange risk as no hedging is done by the Company in view of export made by the Company.

9.14 PLANT LOCATIONS:

Plot Survey No. 62, 74 & 75
Village –Devadal, Kaman
Taluka Vasai, Dist. Palghar - 401208, Maharashtra

9.15 ADDRESS FOR CORRESPONDANCE:

REXNORD ELECTRONICS AND CONTROLS LIMITED
92D, Government Industrial Estate, Charkop,
Kandivali (West), Mumbai - 400067
E-mail : info@rexnordindia.com
Telephone No. 022-39911800

10. OTHER DISCLOSURES:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

All related party transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of the business. None of the transactions with any of the related parties' were conflicting with the interests of the Company. All the related party transactions as per AS-18 have been disclosed in Note 32 to the Financial Statements.

b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

None

c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:

Pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations the Company has adopted a Vigil Mechanism/Whistle Blower Policy. The Company believes in professionalism, transparency, integrity and ethical behaviour and had thus established a 'Whistle Blower Policy' to facilitate employees to report concerns of any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all mandatory requirements of Listing Regulations. The adoption of non-mandatory requirements is detailed in point 12 below:

e) Web link where policy for determining 'material' subsidiaries is disclosed: Not Applicable

f) Web link where policy on dealing with related party transactions:

http://www.rexnordindia.in/wpcontent/uploads/2016/06/Related_Party_Transactions_Policy.pdf

- (g) Disclosure of commodity price risks and commodity hedging activities : There are no disclosures to be made with regards to commodity price risks and commodity hedging activities.
11. Non Compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of para C of Corporate Governance Report of Schedule V : Annual Report of Listing Regulations : None
12. Disclosure to the extent to which the discretionary requirements as specified in part E of Schedule II have been adopted:
1. The Board: Not Applicable since the Company has an Executive Chairperson.
 2. Shareholders Rights: Presently the Company is not sending half yearly communication to shareholders for financial performance.
 3. Modified opinion(s) in the Audit Report: It is always the company's endeavour to present unqualified financial statements. There are no modified audit opinions in the company's financial statement for the year under review.
 4. Separate posts of Chairperson and CEO: Mr. Kishorechand Talwar is the Chairperson and Managing Director of the Company. He is also CEO of the Company.
 5. Reporting of Internal Auditor: The Internal Auditors are directly reporting to Audit Committee.
13. Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (B) To (I) of Sub-Regulation (2) of Regulation 46 shall be made in the section on corporate governance of the Annual Report.
- The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations, required information has been hosted on the Company's website at www.rexnordindia.in
14. **CODE OF CONDUCT & DECLARATION:**
- The Company has adopted a Code of Conduct for the Directors, Senior Management Personnel and Employees of the Company. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code for the effective period. Certificate from the Managing Director affirming compliance of the said code by all the Board members and members of senior management of the Company to whom the code is applicable is annexed separately to this report.
15. **DISCLOSURE OF EVENTS OR INFORMATION:**
- In accordance with Regulation 30(4(ii)) of Listing Regulations, the Company has framed a policy for determination of materiality, based on criteria specified in Regulation 30(4)(i), duly approved by the Board of Directors, which is disclosed on the Company's website at www.rexnordindia.in.
- Further, the Company has authorized KMP's for the purpose of determining the materiality of an event or information and for the purpose of making

disclosures to stock exchange(s) under the said regulation and the contact details of such personnel has been disclosed to the stock exchange(s) and as well is placed on the Company's website at www.rexnordindia.in.

The Company has framed an Archival Policy for the disclosures posted on the website of the Company under Regulation 30 of the Listing Agreement which has been disclosed on the Company's website at www.rexnordindia.in.

16. PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) notified SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 15th May, 2015. Pursuant thereto, the Board of Directors of the Company has approved and adopted a new Code of Conduct for Prevention of Insider Trading which is posted on Company's website at www.rexnordindia.in.

This code prohibits the purchase or sale of Company's shares by the Director's, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company when the trading window is closed. All the Board of Directors, designated employees and connected persons have affirmed their compliance with the Code.

17. CEO / CFO CERTIFICATION

As required under Regulation 17(8) of Listing Regulations, a Certificate duly signed Mr. Kishorechand Talwar, Chairman and Managing Director and CFO Mr. Kundan Talwar has been obtained and is annexed to this report.

18. MANAGEMENT DISCUSSIONS & ANALYSIS

Management Discussion and Analysis Report is given in a separate Section forming part of the Directors' Report in this Annual Report.

19. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained a Certificate from Auditors of the Company regarding compliance with the provisions relating to the corporate governance laid down in the Listing Regulations. This Certificate is annexed to the report..

For and on behalf of the Board
REXNORD ELECTRONICS AND CONTROLS LIMITED

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

Registered Office:
92-D Govt. Ind. Estate,
Charkop, Kandivli (W),
Mumbai- 400 067
Dated : May 30, 2017

ANNEXURE TO CORPORATE GOVERNANCE REPORT

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Regulation 26 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the senior managerial personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2017.

Kishorechand Talwar
(DIN : 00351751)
Chairman & Managing Director

Place : Mumbai
Dated : May 30, 2017

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

To,
The Board of Directors
Rexnord Electronics and Controls Limited
92-D, Govt. Industrial Estate,
Charkop, Kandivli (West),
Mumbai – 400 067

We, the undersigned, in our capacity as Chairman & Managing Director and Chief Financial Officer of Rexnord Electronics and Controls Limited ("the Company"), to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2017 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial

reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to take to rectify these deficiencies.

- d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Kishorechand Talwar
(DIN : 00351751)
Chairman & Managing Director

Kundan Talwar
Chief Financial Officer

Place : Mumbai
Dated : May 30, 2017

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Rexnord Electronics and Controls Limited
92-D, Govt Industrial Estate,
Charkop, Kandivli (West),
Mumbai – 400067.

We have examined the compliance of conditions of Corporate Governance by **Rexnord Electronics and Controls Limited**, for the year ended 31 March 2017 as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For R. S. AGRAWAL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 100156W)

O. P. Agrawal
Partner
Membership No. 045862

Place: Mumbai
Dated: May 30, 2017

ANNEXURE 'E'

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT:

Your Company is engaged in the manufacturing of Instrument cooling Fans and shaded pole motors used for industrial purposes and have emerged to be a leader in this segment. Our supply is aimed at Information Technology, refrigeration and power supply equipments.

Your Company wants to become more future ready, and continue to delight its consumers by enhancing, innovating and providing superior quality products at affordable prices. With this objective, your Company is continuously investing in Research & Development, in order to bring about a continual improvement in its existing product line. Your Company has also been strengthening its leadership positions, and investing in making its sales & marketing, supply chain and employee policies more robust, intensifying its efforts to expand distribution reach and tapping opportunities in emerging markets. Your Company has set up a strategic sourcing team to procure quality raw materials and reduce its procurement costs and also introduced an eminent marketing team to plan and execute the company's strategies. These initiatives will definitely help the Company in creating great value for its stakeholders. Your Company is committed to delivering long-term value creation for all its stakeholders

OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS:

While risk continues to dominate the business agenda, competition is becoming just as dominant a feature. Market volatility, pricing pressure, variations in market performance, demanding stakeholders — all have contributed to a global economy that encourages competitive drive. The new policies being framed by the new government for boosting the manufacturing sector, have certainly boosted our confidence however the results will take time to show up and we shall see gradual progress. Some of the key raw materials like steel and copper have been extremely fluctuating in pricing which has played a major factor in the costing of our products.

Despite the above mentioned challenges your company excelled and has achieved new heights with successfully notching up good sales numbers both domestically and overseas. With the Advent of GST the current financial year however looks promising with the company achieving its targets and looking at a steady growth.

With the current year showing signs of a stronger performance by your company, with corrective measures by the government we hope to have a fruitful year.

Competition:

Your company does everything in its legal capacity to combat competition from direct competitors domestically and overseas. There is presence of direct importers of the same products however that hasn't affected the company's growth aspect because we clearly maintain a quality competitive advantage which places our product in the top quality bracket thereby eliminating any chances of stiff competition.

Your company has always capitalized on its reach and presence in the Indian market. The following strategies have been adopted in order to suppress competition faced from imported products:

- 1) We have widened our product base in order to include high profit making products and thereby increase the turnover of the company.
- 2) We have also invested in advanced technology thereby producing and providing Low cost and high efficiency products.
- 3) We also set customer satisfaction in the highest platform by providing customized products to suit the ever changing needs of the industry and our customers thereby proving an edge over the cheaper competition.
- 4) The technical competence of our engineers is the key success factor for your organization. Our comprehensive understanding of customer's business and his processes, deep know-how of key equipment and applications help us in designing and providing efficient and sustainable solutions far beyond a mere supply of products to our customers.
- 5) The Company is regularly investing in modernization and up gradation of its production facilities which poised the Company to take maximum advantage of demand of its products.

- 6) The Company aims at improving its cost management by providing focus on better cost management, reducing inefficiency, improving supply chain and improving productivity so that it can continue to improve its operating performance.

EXPORTS:

The previous financial year was steady in terms of exports with a consistent performance and gradual reach in our export customer base. Your company aims at creating more overseas opportunities thereby increasing its distribution network. The primary agenda still remains to be a global player by maintaining excellent quality standards at very affordable prices. Your Company will continue to develop new products and expand the portfolio to get increased share with our customers in focus sectors. Your Company will also aim at increasing brand awareness by participating in Trade Shows and through intensified advertisement at a global level.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal audit functions of the company are carried out by a firm of Chartered Accountants. The scope and authority of the Internal Audit function is defined by the Audit Committee. The Internal Auditors reports to the Chairman of the Audit Committee of the Board. The Internal Auditors monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal auditors, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

The Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance, along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations.

This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

FINANCIAL AND OPERATIONAL PERFORMANCE:

During the year under review, the Company has achieved total revenue of ₹ 573939376.08 as against total revenue of ₹ 518077093.40 in the previous year. The Company has earned profit before tax of ₹ 48633564.92 during the year as against the profit before tax of ₹ 30833445.90 in the previous year.

Despite the recessionary trend and the impact on demonetisation on industries, your company has continued to excel in its field and keeping an upward trend in terms of Sales and Profitability, in-turn showing the true capacity of your company.

HUMAN RESOURCES:

Your company has always believed in the statement "Employees are the true strength of the company". We take great pride in the commitment, competence and vigour shown by its workforce in all realms of business. The Company continues to provide better staff welfare facilities and further enhance its labour policies to make them more labour friendly. The company further aligned its HR policies to meet the growing needs of business. People development continues to be a key focus area at Rexnord.

Your Company aims at training its employees by providing regular training Programs to enhance their employability and entrepreneurial abilities. Your Company has implemented many in house training programs to keep them abreast of the latest developments in the industry and economy. To establish direct link between performance and reward, your Company has been steadily increasing the weightage of actual performance in remuneration packages. Finally we would like to take this opportunity to thank all our employees without whom the success of the company is incomplete.

The Company has, under its employment 71 officers and other staff including executive directors.

The Focus of the Company for the next financial year is:

✓ **Market Leadership**

With the advent of new manufacturing centric policies by the government, we aim to emerge as market leaders in this segment. We also aim to provide quality, reliability and good value in the products we sell. To be sensitive and responsive to changing customer needs right from product development stage to after-sales-service. To aim to become market leaders in whatever we take up.

✓ **Price Competitiveness**

To improve our competitiveness by constantly enhancing the performance of our manufacturing, development, marketing and administrative functions. We would like to improve our profits by higher market share rather than by higher margin.

✓ **Customer Satisfaction**

To develop after efficient sales services which provide greater consumer satisfaction.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement due to external factors. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

INDEPENDENT AUDITORS' REPORT

To
**The Members of
REXNORD ELECTRONICS AND CONTROLS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **Rexnord Electronics and Controls Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 (i) (c) to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - (iv) The company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the Company - Refer Note 43 to the financial statements.

For **R. S. AGRAWAL & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 100156W)

O. P. Agrawal
Partner
Membership No. 045862

Place: Mumbai
Dated: May 30, 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT – 31st MARCH 2017

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

In terms of information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) the Company has maintained records, showing particulars including quantitative details and situation of its fixed assets;
- (b) as explained to us, all the fixed assets have been physically verified by the management at the close of the year. We were informed that no material discrepancy have been noticed by the management on such verification as compared to the aforesaid records of fixed assets; and
- (c) According to the information and explanations given to us, in our opinion, the title deeds of immovable properties are held in the name of the Company except in the case of a plot of land purchased during the year by the Company as detailed below:

Particulars	Area (In Hectare)	Gross Block (₹ in lakhs)	Net Block (₹ in lakhs)	Remarks
A plot of land situated at S. No. 61, H. No. 1 Part at Village-Kaman, Taluka -Vasai District - Palghar (MS)	0.242	14.50	14.50	Plot purchased by executing Memorandum of Understanding and possession taken. Sale deed is yet to be executed and registered.

- (ii) as certified by the management, physical verification of inventories was conducted by the management at the close of the year. There were no material discrepancies noticed on physical verification of inventories as compared to book records and the same have been properly dealt with in the books of account.
- (iii) the Company has, during the year, not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of clauses (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) in our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 the Act in respect of the investment made by it during the year. The Company has, during the year, not granted any loans and given any guarantee or provided any security in connection with a loan covered under the sections 185 and 186 of the Act.
- (v) the Company has not accepted any deposit from public during the year in accordance with the provisions of sections 73 to 76 of the Act and rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view of determine whether they are accurate or complete.
- (vii) (a) on the basis of books and records examined by us, amount deducted/ accrued in the books of account in respect of undisputed

statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. There are no arrears of undisputed statutory dues as at the last day of financial year concerned, outstanding for a period of more than six months from the date they became payable except Central Sales Tax ₹ 26255.00.

- (b) on the basis of books and records examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with appropriate authorities on account of any dispute.
- (viii) on the basis of selective checks carried out during the course of audit, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. There are no dues payable to the debenture holders and Government.
- (ix) As per the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In respect of term loans obtained during the year, we are of the opinion that the term loans were applied for the purpose for which they were obtained.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In respect of the preferential allotment of equity shares on conversion of warrants made to promoters group, the Company has complied with the requirement of section 42 of the Act and the amount raised have been used for the purpose for which it was raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For R. S. AGRAWAL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 100156W)

Place: Mumbai.
Dated : May 30, 2017

O. P. Agrawal
Partner
Membership No. 045862

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT – 31st MARCH 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Rexnord Electronics and Controls Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For R. S. AGRAWAL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 100156W)

O. P. Agrawal
Partner
Membership No. 045862

Place: Mumbai.
Dated : May 30, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in ₹)

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	2	111591000.00	99591000.00	
Reserves and surplus	3	165104039.27	114944449.64	
Money Received against Share Warrants		0.00	7350000.00	
			276695039.27	221885449.64
Non-current liabilities				
Long-term borrowings	4	11481269.17	17841973.44	
Deferred tax liabilities (net)	5	12058023.00	10686447.00	
Other long-term liabilities	6	250000.00	0.00	
Long-term provisions	7	1953762.00	1459524.00	
			25743054.17	29987944.44
Current liabilities				
Short-term borrowings	8	33574938.00	51460297.44	
Trade payables	9	67293081.44	68244101.89	
Other current liabilities	10	14924886.79	26381140.43	
Short-term provisions	11	1269684.50	647644.51	
			117062590.73	146733184.27
TOTAL		419500684.17	419500684.17	398606578.35
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	12	163475058.36	156243097.19	
Intangible assets	12	199656.00	147740.00	
Capital work in progress	12	0.00	1349712.00	
		163674714.36	157740549.19	
Long-term loans and advances	13	3286123.65	1386009.00	
			166960838.01	159126558.19
Current assets				
Current investments	14	5000000.00	0.00	
Inventories	15	137024199.44	115384100.86	
Trade receivables	16	72607571.44	79976205.91	
Cash and bank balances	17	29703159.60	36654116.96	
Short-term loans and advances	18	6820557.16	4422443.13	
Other current assets	19	1384358.52	3043153.30	
			252539846.16	239480020.16
TOTAL		419500684.17	419500684.17	398606578.35
Contingent liabilities and commitments (To the extent not provided for)	28			
Significant accounting policies	1			

The accompanying notes form part of the financial statements

As per our attached report of even date

For R. S. Agrawal & Associates
Chartered Accountants
(Firm Registration No. 100156W)

O. P. Agrawal
Partner
Membership No. 045862

Place : Mumbai
Dated : May 30, 2017

For and on behalf of the Board of Directors

Kishore Chand Talwar
Chairman & Managing Director
DIN 00351751

Ganapathy Dharmarajan
Director
DIN 02707898

Krunal S. Wala
Company Secretary

Place : Mumbai
Dated : May 30, 2017

Nainy K. Tanna
Wholtime Director
DIN 00351762

Kundan Talwar
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016
Revenue from operations (gross)	20	624390549.06	563749551.34
Less: Excise duty		57329139.00	48578434.00
Revenue from operations (net)		567061410.06	515171117.34
Other income	21	6877966.02	2905976.06
Total Revenue		573939376.08	518077093.40
Expenses:			
Cost of materials consumed	22	345690562.27	297923975.25
Purchases Stock in trade		0.00	0.00
Changes in inventories of finished goods and work in progress	23	(15246796.24)	3296277.58
Employee benefits expense	24	41752914.94	33888466.15
Finance costs	25	9993210.05	15400809.29
Depreciation and amortisation expense	12	13655390.25	12941473.52
Other expenses	26	129460529.89	123792645.71
Total expenses		525305811.16	487243647.50
Profit before exceptional items and tax		48633564.92	30833445.90
Exceptional items:		0.00	0.00
Profit before tax		48633564.92	30833445.90
Tax expense:			
Current tax		14951808.00	9159147.00
Less: MAT credit entitlement		0.00	0.00
Net current tax		14951808.00	9159147.00
Deferred tax		1371576.00	1655067.00
Tax adjustment for earlier years		(449408.71)	504.01
		15873975.29	10814718.01
Profit after tax for the year		32759589.63	20018727.89
Earning per equity share	27		
Basic		2.94	2.08
Diluted		2.94	2.02
Significant accounting policies	1		

The accompanying notes form part of the financial statements

As per our attached report of even date

For R. S. Agrawal & Associates
Chartered Accountants
(Firm Registration No. 100156W)

O. P. Agrawal
Partner
Membership No. 045862

Place : Mumbai
Dated : May 30, 2017

For and on behalf of the Board of Directors

Kishore Chand Talwar
Chairman & Managing Director
DIN 00351751

Ganapathy Dharmarajan
Director
DIN 02707898

Krunal S. Wala
Company Secretary

Place : Mumbai
Dated : May 30, 2017

Nainy K. Tanna
Wholtime Director
DIN 00351762

Kundan Talwar
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	48633564.92	30833445.90
Adjustments for		
Depreciation and amortization	13655390.25	12941473.52
Provision for doubtful debts and advances	99538.14	149605.45
(Profit)/loss on sale/discarding of fixed assets (net)	909.00	202168.00
Unrealised exchange (gain)/ loss	(1417356.32)	(463977.81)
Interest income	(2251482.72)	(2675332.06)
Dividend income	0.00	0.00
Interest and other borrowing costs	9940910.12	13066409.16
Operating profit before working capital changes	68661473.39	54053792.16
Adjustments for :		
Trade receivables	7199212.50	(19539030.45)
Other receivables	(2434529.29)	1852598.43
Inventories	(21640098.58)	(5785284.29)
Trade payables	(874579.45)	(7785346.45)
Other payables	(2854107.17)	958208.15
Cash generated from operations	48057371.40	23754937.55
Direct taxes paid	(13842369.30)	(10529214.20)
Cash flow before extraordinary items	34215002.10	13225723.35
Extraordinary items	0.00	0.00
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	34215002.10	13225723.35
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of tangible assets	65668.00	700000.00
Purchase of tangible assets	(19510968.42)	(8630301.74)
Proceeds from sale of intangible assets	0.00	0.00
Purchase of intangible assets	(145164.00)	(106958.00)
(Purchase)/ sale of investments	(5000000.00)	0.00
(Increase)/ decrease in deposits	(477603.00)	(129381.00)
(Increase)/ decrease in bank fixed deposits	20290000.00	(20290000.00)
Interest income	2345619.50	2548693.21
Dividend income	0.00	0.00
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(2432447.92)	(25907947.53)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital, premium & warrants	22050000.00	23924025.00
Proceeds from long term borrowings	10827000.00	6190000.00
Repayment of long term borrowings	(25164335.65)	(19658055.87)
Proceeds from short term borrowings	146819153.00	149275588.00
Repayment of short term borrowings	(144070518.00)	(171143090.00)
Change in working capital borrowings from banks	(19055816.44)	19055816.44
Interest and other borrowing costs	(9848994.45)	(13139402.98)
Dividend paid	0.00	0.00
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES	(18443511.54)	(5495119.41)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(13339042.64)	(18177343.59)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	1364116.96	19541460.55
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	14703159.60	1364116.96

Notes :

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement".
- Refer Note no. 17 for details of cash and cash equivalents.
- All figures in brackets reflects cash outflow.
- Figures of the previous year have been regrouped wherever necessary.

As per our attached report of even date

For R. S. Agrawal & Associates
Chartered Accountants
(Firm Registration No. 100156W)

O. P. Agrawal
Partner
Membership No. 045862

For and on behalf of the Board of Directors

Kishore Chand Talwar
Chairman & Managing Director
DIN 00351751

Ganapathy Dharmarajan
Director
DIN 02707898

Krunal S. Wala
Company Secretary

Nainy K. Tanna
Wholtime Director
DIN 00351762

Kundan Talwar
Chief Financial Officer

Place : Mumbai
Dated : May 30, 2017

Place : Mumbai
Dated : May 30, 2017

Notes to the financial statements for the year ended 31st March 2017

Note 1: SIGNIFICANT ACCOUNTING POLICIES

A) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP includes mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees except per share data and where mentioned otherwise.

In the opinion of the management, all the adjustments which are necessary for a fair presentation have been included. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has identified its operating cycle as 12 months.

B) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reported period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

C) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

D) Fixed Assets

Tangible Assets

Tangible fixed assets are stated at cost of acquisition (except in cases of revalued asset which is stated at revalued amount) less accumulated

depreciation and impairment losses if any. The cost of acquisition includes subsequent improvement thereto inclusive of taxes, duties (net of cenvat), freight and other incidental expenses relating to acquisition, improvement and installation.

Intangible Assets

Intangible assets include software and are stated at their cost of acquisition less accumulated amortization and impairment losses if any. An intangible asset is recognized, where it is probable that the future economic benefit attributable to the assets will flow to the Company and where its cost can be reliably measured.

Capital Work in Progress

The cost incurred for fixed assets, the construction/installation of which is not completed, are included under "capital work-in-progress" and the same are classified and added to the respective assets on the completion.

E) Depreciation and amortization

Depreciation on all the tangible assets is provided for on straight line method based on the useful lives of assets as prescribed under part C of Schedule II of the Act.

Intangible assets (Software) are amortized over their respective useful lives on a straight line basis, commencing from the date the assets is available to the Company for its use.

Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the date from which such assets are ready for intended use.

Depreciation on fixed assets sold, discarded or demolished during the year is provided at their respective rates up to the date on which such assets are sold, discarded or demolished.

F) Impairment

In accordance with AS 28 'Impairment of Assets' the carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the Statement of Profit and Loss or against revaluation surplus, where applicable.

G) Investments

Non-current (long term) investments are valued and stated at cost. Provision for diminution in the value of investments is made only when, in the opinion of management, there is decline, other than temporary, in the carrying value of such investments.

Current investments are valued at cost or market value whichever is lower.

H) Inventories

- Inventories are valued at lower of cost and net realizable value.
- Cost of inventories is assigned by using the FIFO formula.
- Goods in transit, if any are stated at actual cost incurred upto the date of the balance sheet.

I) Revenue Recognition

Sales are inclusive of excise duty and charges received from the customers except the export sales, which is accounted without the excise duty. In conformity with the requirements of Accounting Standard 9 "Recognition of Revenue" the sales are presented in the financial statements as Sales less Excise Duty.

Interest income is recognized using the time proportion method, based on underlying interest rates.

Dividend income is recognized when right to receive the dividend is established.

J) Employee Benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, ex-gratia, leave, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

Notes to the financial statements for the year ended 31st March 2017

Post-employment benefits

Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined benefit plans

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current period and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

K) Borrowing Costs

The Company capitalises interest and other costs incurred by it in connection with funds borrowed for the acquisition of fixed assets. Where specific borrowings are identified to a fixed asset or a new unit, the Company uses the interest rates applicable to that specific borrowing as the capitalisation rate. Capitalisation of borrowing costs ceases when all the activities necessary to prepare the fixed assets for their intended use are substantially complete. Other borrowing costs are charged to statement of profit and loss.

L) Segment Reporting

Segments are identified in accordance with the Accounting Standard 17 "Segment Reporting" taking into account the organizational structure as well as differing risks and returns. The business segment is disclosed as primary segment.

M) Foreign Currency Transactions

- All the transactions including transactions of acquiring fixed assets, in foreign currency are recorded by applying the exchange rates at the date of the transactions.
- Monetary items denominated in foreign currency remaining unsettled at the end of the year, are reported using the closing rates. The exchange difference arising as a result of the above is recognised in the statement profit and loss.
- In case the monetary items are covered by the foreign exchange contracts, the difference between the year end rate and the exchange rate at the date of the inception of the forward exchange contract is recognised as exchange difference.
- In respect of hedging transactions, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.

N) Taxation

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the assessable income at the rate applicable to the relevant assessment year. The deferred Tax Assets and Deferred Tax Liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of unabsorbed depreciation and deferment of allowances under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred Tax assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realization. At each balance sheet date the carrying amount of deferred tax assets are reviewed to reassure realization.

O) Earning per share

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

P) Leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

Assets given by the Company under operating lease are included in fixed assets. Lease income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expenses. Initial direct costs incurred specifically for an operating lease are deferred and recognised in the statement of profit and loss over the lease term in proportion to the recognition of lease income.

Q) Customs & Excise Duties

The custom duty payable, on imported materials lying at the custom bonded warehouses at the end of the year and excise duty payable, in respect of goods manufactured but not cleared from the factory premises at the end of the year, are neither included in expenses nor included in the valuation of the inventories of such materials / goods. Such duties are accounted for on actual payment on clearance of such materials/goods. This practice has no impact on the profits of the Company.

R) Cenvat Credit

Cenvat credit available on raw materials and packing materials, as per the provisions of Cenvat Credit Rules, has been accounted for by reducing the cost of respective material accounts. Cenvat credit available on capital goods, as per the provisions of Cenvat Credit Rules, has been accounted for by reducing the cost of such capital goods. Cenvat credit available on the input services as per the provisions of Cenvat Credit Rules has been accounted for by reducing the cost of such input services.

S) Export Incentive

The benefits, on account of entitlement to import duty free raw material under the Advance License Scheme in respect of goods already exported, are not valued and brought into the books in the year of export. The raw materials are recorded at cost at which they are procured in the year of import.

The benefits under FMS/FPS/Incremental Export Incentivisation Scheme and Duty Drawback Scheme are recognized when the exports are made.

T) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is so longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Notes to the financial statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Numbers	Amount (₹)	Numbers	Amount (₹)
NOTE 2 : SHARE CAPITAL				
Authorised				
Equity shares of ₹ 10/- each	15000000	150000000.00	15000000	150000000.00
Total		150000000.00		150000000.00
Issued, subscribed and paid-up				
Equity shares of ₹ 10/- each fully paid up	11160000	111600000.00	9960000	99600000.00
Less: calls in arrears by others		9000.00		9000.00
Total		111591000.00		99591000.00

2 a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

Particulars	Numbers	Amount (₹)	Numbers	Amount (₹)
At the beginning of the year	9960000	99600000.00	7579500	75795000.00
Add : Equity shares issued on conversion of warrants	1200000	12000000.00	2380500	23805000.00
At the end of the year	11160000	111600000.00	9960000	99600000.00

2 b. The company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of preferential amounts, in proportion of their shareholding.

2 c. Shareholders holding more than 5% of share capital at the end of the year :

Name of shareholders	Numbers	% of Holding	Numbers	% of Holding
Shri Kishore Chand Talwar	4352000	39.00	3652000	36.67
Smt. Sharda Talwar	1926400	17.26	1426400	14.32
Smt. Subramanian P	592000	5.30	0	0.00

NOTE 3: RESERVES AND SURPLUS:

Revaluation reserve		701.78		701.78
At the beginning and at the end of the year				
Surplus in Statement of Profit and Loss :				
Balance at the beginning of the year	103115827.86		83097099.97	
Add : Profit (loss) after tax for the year	32759589.63		20018727.89	
Balance at the end of the year		135875417.49		103115827.86
Securities Premium account				
Balance at the beginning of the year	11827920.00		3734220.00	
Add : on account of issue of equity shares on conversion of share warrants	17400000.00		8093700.00	
Balance at the end of the year		29227920.00		11827920.00
Total		165104039.27		114944449.64

NOTE 4: LONG-TERM BORROWINGS

Secured loans:

Term loans

From banks	5646409.19	17030550.44
From other parties	5834859.98	811423.00
Total	11481269.17	17841973.44

Notes to the financial statements for the year ended 31st March 2017

NOTE 4: LONG-TERM BORROWINGS (CONTINUED)

Secured loans:

A Terms of repayment of secured loans

Name of the banks / other parties	HDFC Bank Limited	HDFC Bank Limited	Toyota Financial Services India Ltd.	BMW India Financial Services Pvt. Ltd.
Type of loan	Term Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan
Loan account no.	82503119	29165164	NMUM1046300	CN00118492
Amount sanctioned (₹)	10000000*	3500000.00	1190000.00	6500000.00
Sanction date	27/01/2017	01/08/2014	25/06/2015	31/05/2016
Interest rate	Base Rate +2.85%	10.25%	10.00%	9.50%
Total No. of EMIs	60	84	60	84
No. of EMIs paid	0	32	22	9
No. of balance EMIs to be paid	60	52	38	75
Current EMI amount (Principal and interest)	91936.00	58065.00	25073.00	106248.00
Maturity profile (Principal):				
2017-18	640916.00	469334.97	230158.00	737391.07
2018-19	769246.92	519778.47	254232.00	810575.36
2019-20	849797.10	575643.55	280828.00	891022.99
2020-21	938781.98	637512.94	46205.00	979454.91
2021-22	1037084.73	227390.23	0.00	1076663.42
2022-23	91173.27	0.00	0.00	1183519.67
2023-24	0.00	0.00	0.00	312358.63

* disbursed during the year ₹ 4327000.00

B. Nature of security:

I. Term loans from HDFC Bank Limited are :

- primarily secured by hypothecation of stocks, book debts and plant & machineries of the company ;
- further secured by way of equitable mortgage of land and building at Plot No. 92-D Government Industrial Estate, Charkop, Kandivli (W), Mumbai 400067;
- further collaterally secured by way of equitable mortgage of Residential Flats at 802A and 802B, Beach Classic, J.P. Road, Versova, Andheri (W) Mumbai 400061 belonging to Shri Kishore Chand Talwar, Smt. Sharda Talwar and Shri Kundan Talwar and a plot of land at Survey No. 62, 74, 75, 20 Village Devdal (Sagpada), Kaman, Vasai (E), Palghar 401202 belonging to Shri Kundan Talwar; and
- also personally guaranteed by Chairman & Managing Director, Wholetime Director and two relatives of the Chairman & Managing Director of the Company.

II. All the vehicle loans are secured by hypothecation of specific vehicles acquired from the loans.

Particulars	As at 31.03.2017	(Amount in ₹) As at 31.03.2016
NOTE 5: DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities:		
Depreciation	12768503.00	11346166.00
Deferred tax assets:		
Deferment of allowances as per the Income Tax Act 1961	710480.00	659719.00
Total	12058023.00	10686447.00
NOTE 6: OTHER LONG-TERM LIABILITIES		
Security deposits	250000.00	0.00
Total	250000.00	0.00
NOTE 7: LONG-TERM PROVISIONS		
Provision for employee benefits (Refer note no. 30)	1953762.00	1459524.00
Total	1953762.00	1459524.00
NOTE 8: SHORT-TERM BORROWINGS		
Secured loans:		
Working capital loans		
From a bank	0.00	1418456.94
Overdraft against fixed deposits		
From a bank	0.00	17637359.50
Unsecured loans:		
Buyers credit in foreign currency		
From banks	33574938.00	32404481.00
Total	33574938.00	51460297.44

Notes to the financial statements for the year ended 31st March 2017

NOTE 8: SHORT-TERM BORROWINGS (CONTINUED)

Secured Loans:

Nature of security:

I. Working capital loans from HDFC Bank Limited are :

(a) primarily secured by hypothecation of stocks, book debts and plant & machineries of the company ;

(b) further secured by way of equitable mortgage of land and building at Plot No. 92-D Government Industrial Estate, Charkop, Kandivli (W), Mumbai - 400 067;

(c) further collaterally secured by way of equitable mortgage of Residential Flats at 802A and 802B, Beach Classic, J.P. Road, Versova, Andheri (W) Mumbai 400061 belonging to Shri Kishore Chand Talwar, Smt. Sharda Talwar and Shri Kundan Talwar and a plot of land at Survey No. 62, 74, 75, 20 Village Devdal (Sagpada), Kaman, Vasai (E), Palghar 401202 belonging to Shri Kundan Talwar; and

(d) also personally guaranteed by Chairman & Managing Director, Wholetime Director and two relatives of the Chairman & Managing Director of the Company.

II. Overdraft against fixed deposit is secured by lien on fixed deposit of ₹ Nil (Previous Year ₹ 20000000)

Particulars	(Amount in ₹)	
	As at 31.03.2017	As at 31.03.2016
NOTE 9: TRADE PAYABLES		
Micro and small enterprises (Refer note no. 34)	7683746.00	14972030.00
Others*	59609335.44	53272071.89
Total	67293081.44	68244101.89
* Other trade payables include acceptances	14537568.00	10552622.07
NOTE 10: OTHER CURRENT LIABILITIES		
Current maturities of long term debts (Refer note no. 4)	2077800.04	10054431.42
Interest accrued but not due on borrowings	330184.14	391381.47
Creditors for capital expenditure*	569389.00	985823.16
Advances from customers	3518340.61	7817289.00
Security Deposits	180000.00	0.00
Other payables		
Statutory dues	2415232.00	1658548.00
Accrued expenses	5833941.00	5473667.38
Total	14924886.79	26381140.43
*Includes micro and small enterprises (Refer note no. 34)	3500.00	3500.00
NOTE 11: SHORT-TERM PROVISIONS		
Provision for employees benefits (Refer note no. 30)	81103.00	272206.00
Provision for taxation (net of taxes paid)	1188581.50	375438.51
Total	1269684.50	647644.51
NOTE 12: FIXED ASSETS		

(Amount in ₹)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 31.03.2016	Additions during the year	Sold/discarded during the year	Total as at 31.03.2017	Provided upto 31.03.2016	Dep adjusted against the reserves	Provided for the Year	Written back during the year	Total upto 31.03.2017	Total as at 31.03.2017	Total as at 31.03.2016
Tangible assets											
Leasehold land	4579200.00	0.00	0.00	4579200.00	0.00	0.00	0.00	0.00	0.00	4579200.00	4579200.00
Freehold Land	0.00	1450000.00	0.00	1450000.00	0.00	0.00	0.00	0.00	0.00	1450000.00	0.00
Factory buildings	104960172.38	0.00	0.00	104960172.38	17886732.82	0.00	3908064.00	0.00	21794796.82	83165375.56	87073439.56
Residential flats	1964381.00	0.00	0.00	1964381.00	381094.00	0.00	34809.00	0.00	415903.00	1548478.00	1583287.00
Plant and machineries	71491248.90	6608442.44	0.00	78099691.34	33660314.71	0.00	3951374.00	0.00	37611688.71	40488002.63	37830934.19
Moulds and dies	41275336.97	85000.00	0.00	41360336.97	30386432.52	0.00	1695695.00	0.00	32082127.52	9278209.45	10888904.45
Furniture and fixtures	5852856.69	3341936.67	0.00	9194793.36	3413646.18	0.00	571157.00	0.00	3984803.18	5209990.18	2439210.51
Office equipments	3146481.60	575247.00	68000.00	3653728.60	2012996.30	0.00	546453.25	21371.00	2538078.55	1115650.05	1133485.30
Vehicles	13236932.00	7874720.00	1994751.00	19116901.00	5005107.00	0.00	2166176.00	1974803.00	5196480.00	13920421.00	8231825.00
Computers	2405840.32	626425.00	0.00	3032265.32	1652996.32	0.00	344934.00	0.00	1997930.32	1034335.00	752844.00
Factory equipments	3524280.85	298909.31	0.00	3823190.16	1794313.67	0.00	343480.00	0.00	2137793.67	1685396.49	1729967.18
Total tangible assets	252436730.71	20860680.42	2062751.00	271234660.13	96193633.52	0.00	13562142.25	1996174.00	107759601.77	163475058.36	156243097.19
Intangible assets											
Computer software - acquired	1427368.00	145164.00	0.00	1572532.00	1279628.00	0.00	93248.00	0.00	1372876.00	199656.00	147740.00
Total intangible assets	1427368.00	145164.00	0.00	1572532.00	1279628.00	0.00	93248.00	0.00	1372876.00	199656.00	147740.00
Total as at 31.03.2017	253864098.71	21005844.42	2062751.00	272807192.13	97473261.52	0.00	13655390.25	1996174.00	109132477.77	163674714.36	156390837.19
Capital work in progress										0.00	1349712.00

Notes to the financial statements for the year ended 31st March 2017

NOTE 12: FIXED ASSETS (CONTINUED)

(Amount in ₹)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 31.03.2015	Additions during the year	Sold/discarded during the year	Total as at 31.03.2016	Provided upto 31.03.2015	Dep adjusted against the reserves	Provided for the Year	Written back during the year	Total upto 31.03.2016	Total as at 31.03.2016	Total as at 31.03.2015
Tangible assets											
Leasehold land	4579200.00	0.00	0.00	4579200.00	0.00	0.00	0.00	0.00	0.00	4579200.00	4579200.00
Factory buildings	104960172.38	0.00	0.00	104960172.38	13967960.82	0.00	3918772.00	0.00	17886732.82	87073439.56	90992211.56
Residential flats	1964381.00	0.00	0.00	1964381.00	346189.00	0.00	34905.00	0.00	381094.00	1583287.00	1618192.00
Plant and machineries	68682851.90	3562932.00	754535.00	71491248.90	30275555.71	0.00	3592451.00	207692.00	33660314.71	37830934.19	38407296.19
Moulds and dies	39034315.23	2241021.74	0.00	41275336.97	28774729.52	0.00	1611703.00	0.00	30386432.52	10888904.45	10259585.71
Furniture and fixtures	5527950.69	324906.00	0.00	5852856.69	2998838.54	0.00	414807.64	0.00	3413646.18	2439210.51	2529112.15
Office equipments	2874266.60	272215.00	0.00	3146481.60	1461415.30	0.00	551581.00	0.00	2012996.30	1133485.30	1412851.30
Vehicles	12528758.00	1744293.00	1036119.00	13236932.00	3872748.00	0.00	1813153.00	680794.00	5005107.00	8231825.00	8656010.00
Computers	2158050.32	247790.00	0.00	2405840.32	1404932.31	0.00	248064.01	0.00	1652996.32	752844.00	753118.01
Factory equipments	3309805.85	214475.00	0.00	3524280.85	1433833.80	0.00	360479.87	0.00	1794313.67	1729967.18	1875972.05
Total tangible assets	245619751.97	8607632.74	1790654.00	252436730.71	84536203.00	0.00	12545916.52	888486.00	96193633.52	156243097.19	161083548.97
Intangible assets											
Computer software - acquired	1320410.00	106958.00	0.00	1427368.00	884071.00	0.00	395557.00	0.00	1279628.00	147740.00	436339.00
Total intangible assets	1320410.00	106958.00	0.00	1427368.00	884071.00	0.00	395557.00	0.00	1279628.00	147740.00	436339.00
Total as at 31.03.2016	246940161.97	8714590.74	1790654.00	253864098.71	85420274.00	0.00	12941473.52	888486.00	97473261.52	156390837.19	161519887.97
Capital work in progress										1349712.00	1327043.00

12 (i) Cost of factory building include ₹ 1000.00 (previous year ₹ 1000.00) being cost of shares in the Kandivli Co-operative Industrial Estate Limited.

(ii) Pursuant to the requirements of the Companies Act, 2013 ("the Act") the Company revised the depreciation rates based on the estimated economic useful lives of the fixed assets as prescribed by the Schedule II to the Act from 1st April 2014. Accordingly the unamortized carrying value is being depreciated / amortized over the revised / remaining useful lives.

(Amount in ₹)

Particulars

As at 31.03.2017

As at 31.03.2016

NOTE 13: LONG-TERM LOANS AND ADVANCES

Unsecured, considered good

Capital advances	1797829.65	367405.00
Security deposits	1488294.00	1018604.00
Total	3286123.65	1386009.00

NOTE 14: CURRENT INVESTMENTS

(At cost unless otherwise stated)

Investment in Mutual funds (Unquoted)	Numbers		Numbers	
Birla Sunlife Dynamic Bond Fund - Retail Plan - Growth of face value of ₹ 10/- each unit	173125.998	5000000.00	0.00	0.00
		5000000.00		0.00
Aggregate amount of Unquoted Investments		5000000.00		0.00
Aggregate provision made for diminution in the value of Investments		0.00		0.00

NOTE 15: INVENTORIES

(Refer note no. 1 (H))

Raw Materials and components including packing materials*	86506348.33	80073680.70
Work in progress (Refer note no. 38)	37745405.72	26210954.73
Finished goods	12518263.54	8805918.29
Stores and spares	254181.85	293547.14
Total	137024199.44	115384100.86

* Includes stock in transit 0.00 0.00

Notes to the financial statements for the year ended 31st March 2017

Particulars	As at 31.03.2017	(Amount in ₹) As at 31.03.2016
NOTE 16: TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months from the date they are due for payments		
Unsecured, considered good	100376.00	138549.33
Unsecured, considered doubtful	0.00	107464.71
Less: Provision for doubtful Debts	0.00	(107464.71)
	<u>100376.00</u>	<u>138549.33</u>
Debts outstanding for a period less than six months from the date they are due for payments		
Unsecured, considered good	72507195.44	79837656.58
Unsecured, considered doubtful	210879.29	42140.74
Less: Provision for doubtful Debts	(210879.29)	(42140.74)
	<u>72507195.44</u>	<u>79837656.58</u>
	<u>72607571.44</u>	<u>79976205.91</u>
NOTE 17: CASH AND BANK BALANCES		
Cash and cash equivalents:		
Balances with banks		
In cash credit account	12876699.51	0.00
In current accounts	1416925.09	512822.96
Cash on hand	<u>409535.00</u>	<u>851294.00</u>
	14703159.60	1364116.96
Other bank balances:		
In fixed deposit account with maturity less than 12 months	0.00	0.00
Fixed deposits with banks held as margin money for letter of credit issued, guarantee given and overdraft facility		
With maturity period less than 12 months	15000000.00	35290000.00
(lien for margin money ₹ 8477500/-, previous year ₹ 13888079/-, lien for guarantee issued to custom ₹ Nil previous year ₹ 290000/- and lien as securities for overdraft ₹ Nil previous year ₹ 20000000/-)		
	<u>15000000.00</u>	<u>35290000.00</u>
Total	<u>29703159.60</u>	<u>36654116.96</u>
NOTE 18: SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security deposits to others	59460.00	51547.00
Advances to suppliers (Refer note no. 32)	2801368.55	1790575.85
Loan to employee	245360.00	121990.00
Cenvat credit receivable	1481007.64	1040846.00
Export benefit receivable	11131.00	163327.00
Prepaid expenses	2136582.97	1245777.28
Other receivables	85647.00	8380.00
Total	<u>6820557.16</u>	<u>4422443.13</u>
NOTE 19: OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	254822.52	348959.30
Export Benefits in Duty Credit Scrips Receivable	1129536.00	2694194.00
Total	<u>1384358.52</u>	<u>3043153.30</u>

Notes to the financial statements for the year ended 31st March 2017

Particulars	(Amount in ₹)	
	For the year ended 31.03.2017	For the year ended 31.03.2016
NOTE 20: REVENUE FROM OPERATIONS		
Sale of products*	611128558.40	555625716.80
Other operating revenue		
Scrap sales	10373105.66	4178813.54
Export incentives	2888885.00	3945021.00
	<u>13261990.66</u>	<u>8123834.54</u>
Total	<u>624390549.06</u>	<u>563749551.34</u>
*Sales of Products		
Instrument cooling fans	324825674.99	292901775.87
Shaded pole motors	257841605.72	236455370.66
Components	28461277.69	26268570.27
NOTE 21: OTHER INCOME		
Interest Income :		
On fixed deposits with banks	2084344.20	2602063.40
On security deposits	127245.52	59728.66
On staff loans	31980.00	13540.00
On delay payment by customers	7913.00	0.00
	<u>2251482.72</u>	<u>2675332.06</u>
Discount on purchase of FPS/FMS/MEIS entitlements	534079.49	230644.00
Rent Income	480000.00	0.00
Net gain on exchange rate fluctuations	3588355.81	0.00
Provision for interest in income tax written back/off	24048.00	0.00
Total	<u>6877966.02</u>	<u>2905976.06</u>
NOTE 22: COST OF MATERIALS CONSUMED*		
(Raw materials and components including packing materials)		
Opening stock	80073680.70	70835122.27
Add : Cost of purchases	352123229.90	307162533.68
Less: Closing stock	86506348.33	80073680.70
Total	<u>345690562.27</u>	<u>297923975.25</u>
*Cost of materials consumed		
Aluminium ingots	57441613.90	46628027.43
Aluminium sheets	9388322.25	8951621.87
Ball bearings	9914898.55	7661753.97
Brass insert	18252150.64	21691028.75
Copper wires	55629192.92	54069452.41
Plastic powders	24323589.19	14116696.28
Rotor lamination	20557605.45	18239551.95
Stator lamination	45108789.39	43586737.74
Others	105074399.98	82979104.85
NOTE 23: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Opening stocks:		
Finished goods	8805918.29	9807856.27
Work in progress	26210954.73	28505294.33
	<u>35016873.02</u>	<u>38313150.60</u>
Less:Closing stocks:		
Finished goods	12518263.54	8805918.29
Work in progress	37745405.72	26210954.73
	<u>50263669.26</u>	<u>35016873.02</u>
Total	<u>(15246796.24)</u>	<u>3296277.58</u>

Notes to the financial statements for the year ended 31st March 2017

Particulars	(Amount in ₹)	
	For the year ended 31.03.2017	For the year ended 31.03.2016
NOTE 24: EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	36608765.94	28818506.15
Contribution to provident and other funds	1169444.00	1116757.00
Staff welfare expenses	3974705.00	3953203.00
Total	<u>41752914.94</u>	<u>33888466.15</u>
NOTE 25: FINANCE COSTS		
Interest expense on:		
Borrowings	3117075.16	5786360.70
Others	2596048.12	2965421.93
Other Borrowing Costs	4227786.84	4314626.53
Net loss(gain) on foreign currency transactions	52299.93	2334400.13
Total	<u>9993210.05</u>	<u>15400809.29</u>
NOTE 26: OTHER EXPENSES		
Manufacturing expenses		
Consumption of stores and spares	1829190.89	1580284.55
Processing and labour charges	66733870.00	53212290.00
Power and fuel	16153413.50	15813671.80
Rent	252246.00	175813.00
Repairs to :		
factory buildings	2114188.00	3886813.00
machineries	2048526.62	2502376.00
mould & dies	455274.00	2448403.00
others	1416803.90	1497611.00
Inward transportation and freight	788141.00	507496.00
Administrative and other expenses		
Auditors' remuneration (Refer note no. 29)	680018.00	689781.00
Communication expenses	1193611.61	1662521.27
Directors' sitting fees	151425.00	145300.00
Electricity expenses	381170.00	413270.00
Net loss on exchange rate fluctuations	0.00	452594.51
Insurance	908543.14	788816.32
Loss on sale of fixed assets (net)	909.00	202168.00
Professional charges	2446316.00	2152296.00
Provision for doubtful debts / advances	99538.14	149605.45
Repairs and maintenance	2047632.38	1778924.75
Rates and taxes	1069181.00	435192.00
Travelling and conveyance	9228850.87	9057953.26
Sundry balances written off/back (net)	253111.14	106466.82
Miscellaneous expenses	4474316.64	6174135.61
Selling and distribution expenses		
Advertisement and business promotion	5959218.15	7416628.31
Commission and brokerage	6358831.91	8198509.06
Outward transportation and freight	2416203.00	23437225.00
Total	<u>129460529.89</u>	<u>123792645.71</u>
NOTE 27: EARNING PER EQUITY SHARE		
Net profit / (loss) after tax	₹ 32759589.63	20018727.89
Weighted average number of shares used in computing basic earnings per share	Numbers 11135342	9608779
Effect of potential equity shares on allotment of shares on conversion of warrants	Numbers 0	300000
Weighted average number of shares used in computing basic earnings per share	Numbers 11135342	9908779
Basic earnings per share	₹ 2.94	2.08
Diluted earnings per share	₹ 2.94	2.02

Notes to the financial statements for the year ended 31st March 2017

NOTE 28: CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	(Amount in ₹)	
	As at 31.03.2017	As at 31.03.2016
(i) Contingent liabilities:		
(a) Letter of credit issued by the bankers of the company	11715635.32	10427867.42
(b) Export sales bills discounted with the bankers of the company	4158646.08	4639816.00
(c) Disputed demand in the matters of Income tax	0.00	327610.00
(d) Bonds/Undertakings given under duty exemption under advance licence scheme pending fulfilment of export obligation.	160350000.00	132350000.00
(e) Bonds/Undertakings given under duty exemption under EPCG licence scheme pending fulfilment of export obligation.	2100000.00	0.00
(f) Bonds given for import of goods for re-export under duty exemption scheme pending fulfilment of export obligation.	0.00	3240700.00
(ii) Contingent commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	1317794.30	44625.00

NOTE 29: PAYMENT TO AUDITORS*

	(Amount in ₹)	
	2016-2017	2015-2016
Statutory audit fees	320000.00	320000.00
Tax audit fees	141575.00	120000.00
Sales tax audit fees	55000.00	55000.00
Certification work	118925.00	156425.00
Out of pocket expenses	35000.00	35000.00
Krashi Kalyan Cess or Swachh Bharat Cess (not claimable as Cenvat Credit)	9518.00	3356.00
Total	680018.00	689781.00

* excluding service tax wherever cenvat credit taken

NOTE 30: EMPLOYEE BENEFITS EXPENSE

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the companies (Accounting Standards) Rules 2006, are given below:

	(Amount in ₹)	
	2016-2017	2015-2016
(a) Defined contribution plan		
Contribution to defined contribution plan recognised, charged off for the year, are as under:		
Employer's contribution to provident fund	834260.00	776876.00
(b) Defined benefit plan:		
<u>Compensated absences:</u>		
₹ 44744.00 (previous year ₹ 110036.00) is charged off to the statement of profit and loss for the cost of compensated absences for the year.		
<u>Gratuity :</u>		
The employee's gratuity scheme is non-fund based. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
I) Reconciliation of defined benefit obligation		(Amount in ₹)
	2016-2017	2015-2016
Present value of defined benefit obligation at start of year	1621694.00	1360150.00
Current service cost	288550.00	261912.00
Interest cost	125736.00	108812.00
Benefits paid	100000.00	0.00
Actuarial loss /(gain)	54141.00	(109180.00)
Past service cost	0.00	0.00
Present value of defined benefit obligation at end of the year	1990121.00	1621694.00
II) Net liability / (asset) recognised in the balance sheet		(Amount in ₹)
	2016-2017	2015-2016
Present value of defined benefit obligation	1990121.00	1621694.00
Fair value of plan assets	0.00	0.00
Net liability / (asset)	1990121.00	1621694.00
Less: Unrecognised past service cost	0.00	0.00
Liability / (asset) recognised in the balance sheet	1990121.00	1621694.00
Of which short term defined benefit obligation at end of the year	36359.00	162170.00

Notes to the financial statements for the year ended 31st March 2017

II) Transactions during the year and balances outstanding as at year end with the related parties are as follows:

(Amount in ₹)

Particulars	Parties mentioned in I (a) & (b)	Parties mentioned in I (c)	Parties mentioned in I (d)	Total
Sales including taxes	0.00	0.00	0.00	0.00
	0.00	0.00	(814791.00)	(814791.00)
Purchases including taxes	0.00	0.00	2756308.00	2756308.00
	0.00	0.00	(2669171.00)	(2669171.00)
Professional charges for marketing including service tax	0.00	0.00	0.00	0.00
	0.00	0.00	(3444980.00)	(3444980.00)
Director's Remuneration (including commission if any)	12681813.94	0.00	0.00	12681813.94
	(7821098.15)	0.00	0.00	(7821098.15)
Salary	0.00	6321918.00	0.00	6321918.00
	0.00	(5292375.00)	0.00	(5292375.00)
Rent	0.00	120000.00	0.00	120000.00
	0.00	(120000.00)	0.00	(120000.00)
Reimbursement of expenses incurred by others	327628.12	19013.00	0.00	346641.12
	(192596.00)	(89259.00)	(51473.00)	(333328.00)
Recovery of expenses incurred for others	0.00	22602.00	0.00	22602.00
	(78632.00)	(39060.00)	0.00	(117690.00)
Allotment of share capital with premium (including conversion)	17150000.00	12250000.00	0.00	29400000.00
	(16086700.00)	(6968000.00)	0.00	(23054700.00)
Conversion of Warrants	4287500.00	3062500.00	0.00	7350000.00
	(4021675.00)	(1742000.00)	0.00	(5763675.00)
Outstanding Balances				
Reimbursement of expenses payable	16807.00	0.00	0.00	16807.00
	(29787.00)	(6417.00)	0.00	(36204.00)
Director's Remuneration/Commission Payable	2191665.00	0.00	0.00	2191665.00
	(473600.00)	0.00	0.00	(473600.00)
Salary Payable	0.00	409900.00	0.00	409900.00
	0.00	(320500.00)	0.00	(320500.00)
Rent Payable	0.00	120000.00	0.00	120000.00
	0.00	(606190.00)	0.00	(606190.00)
Advances to Suppliers	0.00	0.00	0.00	0.00
	0.00	0.00	(713391.00)	0.00

Note:

- 1) Related party relationship is identified by the Company and relied upon by the auditors.
- 2) Figure in the brackets pertains to previous year.

Out of the above items, transactions in excess of 10% of the total related party transactions are as under

Particulars	As at 31.03.2017	As at 31.03.2016
Sales including taxes		
Excelum Enterprises	0.00	814791.00
Purchases including taxes		
Excelum Enterprises	2756308.00	2669171.00
Professional charges for marketing including service tax		
Excelum Enterprises	0.00	3444980.00
Director's Remuneration (including commission if any)		
Shri Kishore Chand Talwar	8179775.94	3904000.00
Smt. Nainy K. Tanna	4502038.00	3917098.15
Salary		
Shri Kundan Talwar	2531485.00	2520000.00
Smt. Sharda Talwar	2817059.00	2772375.00
Smt. Ramandeep Talwar	973374.00	0.00
Rent		
Shri Kundan Talwar	120000.00	120000.00
Reimbursement of expenses incurred by others		
Smt. Sharda Talwar	9811.00	10801.00
Smt. Nainy K. Tanna	327628.12	192596.00

Notes to the financial statements for the year ended 31st March 2017

Particulars	As at 31.03.2017	As at 31.03.2016
Shri Kundan Talwar	7486.00	78458.00
Smt. Ramandeep Talwar	1716.00	0.00
Excelum Enterprises	0.00	51473.00
Recovery of expenses incurred for others		
Shri Kishore Chand Talwar	0.00	78632.00
Smt. Sharda Talwar	14870.00	10900.00
Shri Kundan Talwar	7732.00	28160.00
Allotment of share capital with premium		
Shri Kishore Chand Talwar	17150000.00	16086700.00
Smt. Sharda Talwar	12250000.00	6968000.00
Conversion of Warrants		
Shri Kishore Chand Talwar	4287500.00	4021675.00
Smt. Sharda Talwar	3062500.00	1742000.00
Outstanding Balances		
Reimbursement of expenses payable		
Shri Kundan Talwar	0.00	6417.00
Smt. Nainy K. Tanna	16807.00	29787.00
Director's Remuneration/Commission Payable		
Shri Kishore Chand Talwar	1912365.00	236300.00
Smt. Nainy K. Tanna	279300.00	237300.00
Salary Payable		
Shri Kundan Talwar	152800.00	154300.00
Smt. Sharda Talwar	182194.00	166200.00
Smt. Ramandeep Talwar	74906.00	0.00
Rent Payable		
Shri Kundan Talwar	120000.00	606190.00
Advances to Suppliers		
Excelum Enterprises	0.00	713391.00

NOTE 33: LEASES

- The Company has taken certain equipments under operating lease or on rental basis. This contract is not non-cancellable and for a period of three months and are renewable at the mutual consent on mutually agreeable terms. The rent paid in accordance with this agreement is debited to the statement of profit and loss for the year.
- The Company has given its industrial galas and premises under operating lease or on leave and licence basis. These agreements are generally not non-cancellable and for a period ranging between 11 months and above and are renewable at mutual consent on mutually agreeable terms. The company has taken refundable interest free security deposits in accordance with the agreed terms. The rent received in accordance with these agreements is credited to the statement of profit and loss for the year.

NOTE 34: DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as micro and small enterprises. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

SI. No.	Particulars	As at 31.03.2017	As at 31.03.2016
			(Amount in ₹)
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
	– principal amount	7687246.00	14975530.00
	– interest thereon	16367.00	43687.00
2	The amount of interest paid in terms of section 16, along with the amount of the payment made to the suppliers beyond the appointed day:		
	– principal amount	30050275.00	24308718.00
	– interest thereon	0.00	0.00
3	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the act.	440582.00	430427.00
4	The amount of interest accrued and remaining unpaid.	1610465.00	1153516.00
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues about are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this act.	456949.00	474114.00

NOTE 35: TAXATION MATTERS:

- The sales tax assessments of the company have been completed upto financial year 2006-2007 for its Daman unit and upto financial year 2013-14 for its Kandivali unit.
- The income tax assessments of the company have been completed upto assessment Year 2015-2016.

Notes to the financial statements for the year ended 31st March 2017

NOTE 36: C. I. F. VALUE OF IMPORTS:

	2016-2017	2015-2016
Raw Materials and components including packing materials	162898511.00	170465582.00
Stores & Spares	67423.00	24130.00
Capital goods	4431345.00	1384939.00
Repairs to plant & machinery	91184.00	0.00
Repairs and maintenance	18857.00	0.00
Software	0.00	21915.00

NOTE 37: EXPENDITURE IN FOREIGN CURRENCY

	2016-2017	2015-2016
Interest	1743935.31	1586561.60
Exhibition charges	0.00	1202395.64
Foreign travelling	2340198.83	2690815.26
Commission	6298012.91	8072157.06

NOTE 38: CLOSING WORK IN PROGRESS

	As at 31.03.2016	As at 31.03.2015
Alluminium brackets	493911.38	381213.39
Alluminium housing	11505173.55	7888627.75
Alluminium Impeller	1542731.42	1352767.26
Copper clip & springs	2024695.63	1926617.46
Cover for Motor	2201958.40	0.00
Motors	5545543.83	5077642.58
Mounting brackets	315415.14	738993.05
Plastic Impeller	613118.22	709230.66
Rotor diecast	9923135.52	5582377.49
Shafts	845135.14	589684.36
Others	2734587.49	1963800.73
	<u>37745405.72</u>	<u>26210954.73</u>

NOTE 39: TOTAL VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, SPARE PARTS, COMPONENTS CONSUMED AND % OF EACH TO TOTAL CONSUMPTION

	2016-2017		2015-2016	
	Consumption in ₹	% to total consumption	Consumption in ₹	% to total consumption
(a) Raw materials:				
Indigenous	172513108.13	49.90%	124306993.45	41.72%
Imported	173177454.14	50.10%	173616981.80	58.28%
Total consumption and %	<u>345690562.27</u>	<u>100.00%</u>	<u>297923975.25</u>	<u>100.00%</u>
(b) Spare parts and components:				
Indigenous	1751373.48	95.75%	1536954.70	97.26%
Imported	77817.41	4.25%	43329.85	2.74%
Total consumption and %	<u>1829190.89</u>	<u>100.00%</u>	<u>1580284.55</u>	<u>100.00%</u>

NOTE 40: EARNING IN FOREIGN CURRENCY

	2016-2017	2015-2016
FOB value of exports realised	112816864.44	132860026.58

NOTE 41: UNHEDGED FOREIGN CURRENCY EXPOSURE

	As at 31.03.2017		As at 31.03.2016	
	US \$	Amount in ₹	US \$	Amount in ₹
Receivables	88302.12	5638092.00	139249.01	9063718.00
Payables	597250.96	39394673.00	658243.45	44365608.00

NOTE 42: ISSUE OF SHARE WARRANTS, THEIR CONVERSION AND UTILIZATION OF ITS PROCEEDS

- (a) (i) The Company, during the financial year 2014-15, had allotted 3478800 Warrants at a price of ₹ 13.40 per warrant carrying an entitlement to subscribe to an equivalent number of equity shares of face value of ₹ 10/- each within 18 months from the date of allotment of warrants to promoter/promoter group and non promoter group in accordance of Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, on 23rd September 2014 and received 25% of issue price as warrant allotment money aggregating to ₹ 1,16,53,980. The company had utilized this proceeds for its working capital requirements and other corporate purposes in accordance with the object of the issue.

Notes to the financial statements for the year ended 31st March 2017

- (ii) Out of the above warrants, the Company had allotted 1098300 equity shares on conversion of 1098300 warrants on 13th December 2014 and had realized the balance 75% allotment money aggregating to ₹ 11037915. The Company had utilized this proceed for its working capital requirements and other corporate purposes in accordance with the objects of the said Issue.
- (iii) Out of the above warrants, the Company had allotted 2380500 equity shares on conversion of 2380500 warrants on 12th June 2015 and had realized the balance 75% allotment money aggregating to ₹ 23924025. The Company has utilized this proceed for its working capital requirements and other corporate purposes in accordance with the objects of the said Issue.
- (b) (i) The Company, further during the financial year 2014-15, had allotted 1200000 Warrants at a price of ₹ 24.50 per warrant carrying an entitlement to subscribe to an equivalent number of equity shares of face value of ₹ 10/- each within 18 months from the date of allotment of warrants to promoter/promoter group in accordance of Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, on 23rd December 2014 and received 25% of issue price as warrant allotment money aggregating to ₹ 73,50,000. The company had utilized this proceeds for its working capital requirements and other corporate purposes in accordance with the object of the issue.
- (ii) Out of the above warrants, the Company has, during the year, allotted 1200000 equity shares on conversion of 1200000 warrants on 11th April 2016 and has realized the balance 75% allotment money aggregating to ₹ 22050000. The Company has utilized this proceed for its working capital requirements and other corporate purposes in accordance with the objects of the said Issue.

Note 43 : Disclosure on Specified Bank Notes (SBNs)

The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, as required by the MCA notification G.S.R. 308(E) dated March 30, 2017, is as under:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	21,500.00	511,567.00	533,067.00
(+) Permitted receipts	-	-	-
(+) Withdrawal from bank account	-	450,000.00	450,000.00
(-) Permitted payments	21,500.00	765,253.00	786,753.00
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	196,314.00	196,314.00

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 44 : Disclosure under section 186(4) of the Companies Act, 2013

The Company has made investment in Birla Sun life Dynamic Bond Fund - Retail Plan - Growth mutual fund as detailed in note 14. The outstanding amount as at 31.03.2017 of such investment is ₹ 5000000/- .

Note 45: The Company has, during the year, purchased a plot of land admeasuring 0.242 Hectare at S. No. 61, H. No. 1 Part at Village- Kaman, Taluka -Vasai District - Palghar by executing Memorandum of Understanding and taken possession of the same. The Company is in process of executing Sale Deed and getting the same registeted with the appropriate authorities.

- Note 46:** (i) As per the consistent practice followed by the company in earlier years, the excise duty payable in respect of goods manufactured during the year but not cleared from factory premises at the end of year, are neither included in expenses nor considered in valuation of the inventories of such goods which is contrary to the guidance note "Accounting Treatment for Excise Duty" issued by the Institute of Chartered Accountant Of India . However the same does not have any impact on the profit of the year.
- (ii) As per the consistent practice followed by the company in earlier years, the custom duty payable in respect of imported materials lying at custom bonded warehouse at the end of year, are neither included in expenses nor considered in valuation of the inventories of such materials. However this practice does not have any impact on the profit of the year.

NOTE 47: Previous year figures have been regrouped, rearranged and recasted to make them comparable with current year figures.

As per our attached report of even date

For R. S. Agrawal & Associates
Chartered Accountants
(Firm Registration No. 100156W)

O. P. Agrawal
Partner
Membership No. 045862

Place : Mumbai
Dated : May 30, 2017

For and on behalf of the Board of Directors

Kishore Chand Talwar
Chairman & Managing Director
DIN 00351751

Ganapathy Dharmarajan
Director
DIN 02707898

Krunal S. Wala
Company Secretary

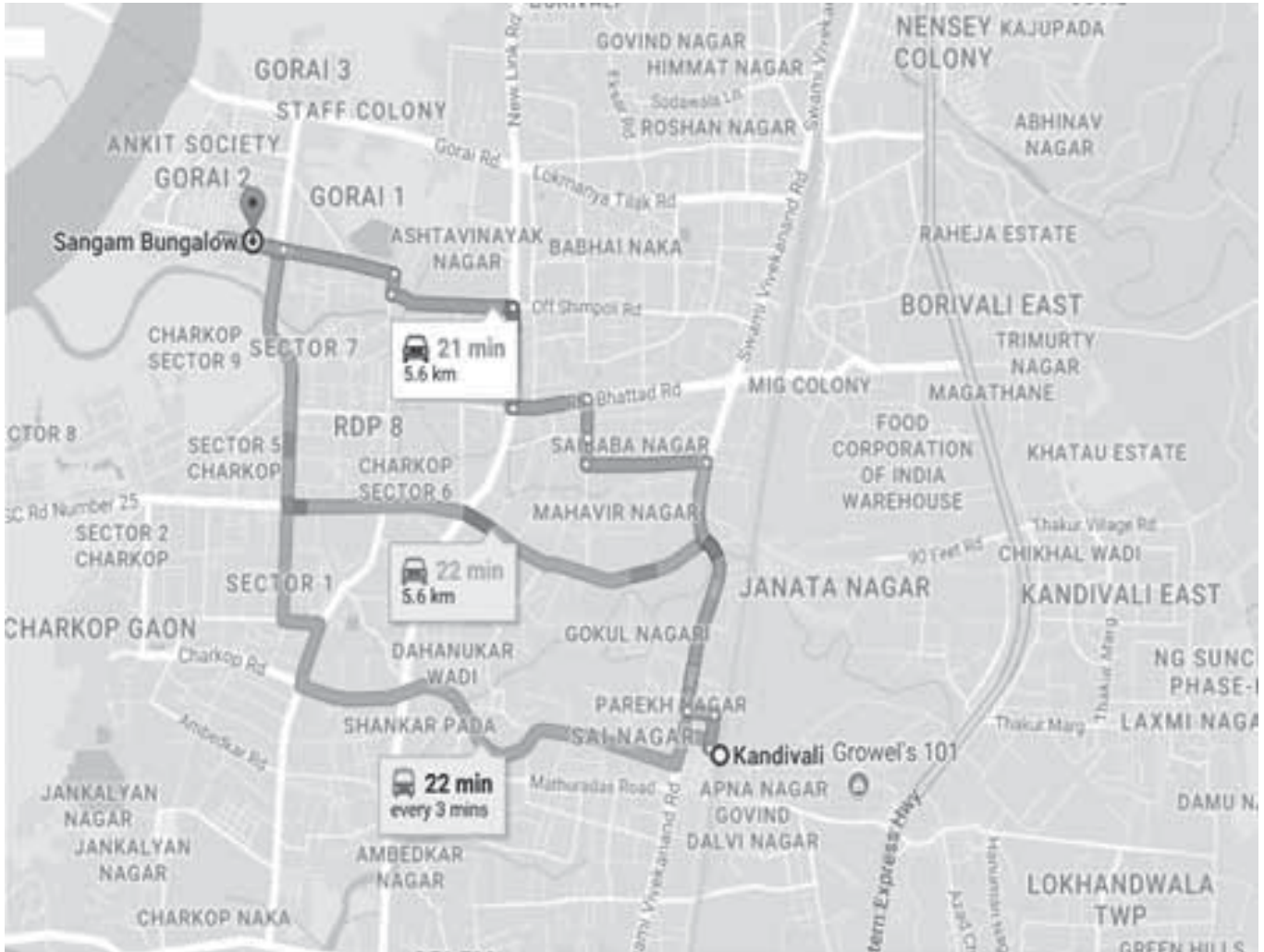
Place : Mumbai
Dated : May 30, 2017

Nainy K. Tanna
Wholetime Director
DIN 00351762

Kundan Talwar
Chief Financial Officer

Route MAP to the Venue of AGM

Address : Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite Mangalmurti Hospital, Goraio - II, Borivali (W), Mumbai - 400 092





REXNORD ELECTRONICS AND CONTROLS LIMITED

Regd. Office: 92-D, GOVT IND ESTATE, CHARKOP, KANDIVLI (W) MUMBAI 400067.

Tel. No. 91-22-39911800 Fax: 022-28687784;

Email Id: info@rexnordindia.com Website: www.rexnordindia.in

CIN: L31200MH1988PLC047946

ATTENDANCE SLIP

DP ID* _____

Register Folio No. _____

Client ID* _____

No. of Share(s) _____

Name & Address of Shareholder:

.....

I/We hereby record my / our presence at the 29th Annual General Meeting at Sangam Banquets, Plot No. 366 – 386, RSC 37, Mangalmurti Road, Opposite Mangal Murti Hospital, Gorai – II, Borivali (West) Mumbai – 400 092 on Friday, 1st September, 2017 at 10:00 A.M.

Signature of Shareholder / Proxy

* Applicable for investors holdings shares in electronic form.

- A member or his duly appointed Proxy wishing to attend the meeting must complete this admission slip and hand it over at the entrance of the meeting hall.
- Name of the Proxy in BLOCK letters _____ (in case a Proxy attends the meeting)
- Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) ID. No/ _____

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), 2014]

CIN: L31200MH1988PLC047946

Name of the Company: REXNORD ELECTRONICS AND CONTROLS LIMITED

Registered Office: : 92-D, GOVT IND ESTATE, CHARKOP, KANDIVLI (W) MUMBAI 400067

Name of the Member(s): _____

Registered Address: _____

E-Mail Id: _____

Folio No. / Client id:

DP ID:

I/We being the member(s) of _____ shares of RECL, hereby appoint:

- 1) _____ of _____ having email id _____ or failing him
- 2) _____ of _____ having email id _____ or failing him
- 3) _____ of _____ having email id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Friday, September 1st, 2017 at 10:00 A.M. at Sangam Banquets, Plot No. 366 – 386, RCS 37, Mangalmurti Road, Opposite Mangal Murti Hospital, Gorai – II, Borivali (West) Mumbai – 400 092, and at any adjournment thereof in respect of such resolution as are indicated below.

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars	For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017, including the Audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.		
2	To appoint a Director in place of Mrs. Nainy Kunal Tanna who retires by rotation.		
3	To appoint Statutory Auditors, M/s. Rakesh Soni and Co., Chartered Accountants in place of M/s. R. S. Agrawal and Associates, Chartered Accountants, who retire at the ensuring Annual General Meeting and to fix their remuneration.		
Special Business			
4	Appointment of Mr. Kishorechand Talwar as Chairman and Managing Director of the Company.		
5	Appointment of Mrs. Nainy Kunal Tanna as Wholetime Director of the Company.		

Signed this..... day of2017.

Signature of Shareholder: _____

Signature of Proxy holder(s): _____



Notes :

- (1) This form duly completed should be deposited at the Registered Office of the Company Not later than 48 hours before the commencement of Annual General Meeting of the Company.
- (2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the 29th Annual General Meeting.
- ** (3) This is only optional. Please put a 'X' in the appropriate column against a resolutions indicated in the box.
- (4) Please complete all details including details of Members (S) in above box before Submission.

Notes

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Notes

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BOOK POST



If undelivered, Please return to:



Rexnord Electronics & Controls Ltd.

92 - D, Govt. Indl. Estate, Charkop, Kandivali (W),
Mumbai - 400 067, **INDIA.**

<https://www.youtube.com/watch?v=zPPzC9sZNI>

website : www.rexnordindia.in