



Date: July 30, 2020

To  
**The Deputy General Manager,**  
BSE Limited,  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**Reg: Security Code No. 531888**

**Sub: Outcome of the Board Meeting held on July 30, 2020.**

Dear Sir,

Pursuant to regulation 30 & Regulation 33 of SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, 2015 we wish to inform you that the Board of Directors of the Company at their meeting held today i.e. Thursday, July 30, 2020 interalia, considered the following matters:

**Financial Results:**

- Approved the Audited Financial Results of the Company for the quarter and year ended on March 31, 2020.

Pursuant to provisions of Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015, we are enclosing herewith the following:

- a) Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2020 alongwith the Cash Flow statement and Statement of Assets and Liabilities of the Company as on that date.
- b) Auditor Reports on the Standalone & Consolidated Financial Results for the quarter ended March 31, 2020
- c) Declaration regarding Auditors Report with unmodified opinion on the Standalone & Consolidated Annual Audited Financial Results of the Company for the financial year ended on March 31, 2020.



- Approved Director's Report along with annexure's for the Financial Year ended March 31, 2020.

The Meeting of the Board commenced at 3.00 p.m. and concluded at 5.15 p.m. The results will be published in the newspaper pursuant to regulation 47(1)(b) of SEBI (LODR) Regulations, 2015 in due course.

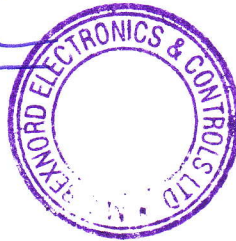
Kindly take the same on record and acknowledge.

Thanking You,

Yours Faithfully,

For **REXNORD ELECTRONICS AND CONTROLS LIMITED**

  
**NAINY KUNAL TANNA**  
**WHOLE TIME DIRECTOR**  
**(DIN: 00351762)**





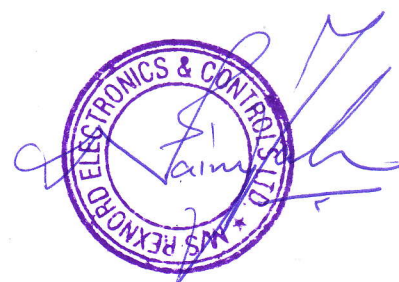


**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS  
FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020**

Part - I

(Rs. in lakhs)  
(Except per share data)

| S. No. | Particulars  | Standalone      |                 |                 |                 |                 |
|--------|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|        |  | Quarter ended   |                 |                 | Year ended      |                 |
|        |  | 31-Mar-20       | 31-Dec-19       | 31-Mar-19       | 31-Mar-20       | 31-Mar-19       |
|        |  | Audited         | Unaudited       | Audited         | Audited         | Audited         |
|        |  | Refer Note 3    |                 | Refer Note 3    |                 |                 |
| I      | Income from operations   | 1,603.87        | 1,535.36        | 1,635.66        | 6,523.31        | 6,261.42        |
| II     | Other income   | 12.17           | 19.19           | 27.03           | 68.56           | 87.26           |
| III    | <b>Total Income (I+II)</b>   | <b>1,616.04</b> | <b>1,554.55</b> | <b>1,662.69</b> | <b>6,591.87</b> | <b>6,348.68</b> |
| IV     | <b>Expenses:</b>   |                 |                 |                 |                 |                 |
| a)     | Cost of material consumed  | 1,059.61        | 731.90          | 958.87          | 3,786.40        | 3,818.44        |
| b)     | Purchase of stock in trade   | 29.90           | 80.22           | -               | 110.12          | -               |
| c)     | Change in inventories of finished goods, stock in trade and work in progress   | (48.36)         | 83.18           | 110.79          | 101.96          | (35.87)         |
| d)     | Employee benefits expense  | 137.25          | 137.58          | 137.41          | 536.11          | 529.19          |
| e)     | Finance costs  | 32.62           | 30.59           | 29.69           | 157.54          | 123.65          |
| f)     | Depreciation and amortisation expense  | 41.52           | 41.88           | 38.77           | 162.42          | 154.85          |
| g)     | Other expenses   | 272.96          | 318.46          | 240.97          | 1,206.07        | 1,207.45        |
|        | <b>Total Expenses (IV)</b>   | <b>1,525.50</b> | <b>1,423.81</b> | <b>1,516.50</b> | <b>6,060.62</b> | <b>5,797.71</b> |
| V      | <b>Profit / (Loss) before exceptional items and tax (III-IV)</b>   | <b>90.54</b>    | <b>130.74</b>   | <b>146.19</b>   | <b>531.25</b>   | <b>550.97</b>   |
| VI     | Exceptional Items  | -               | -               | -               | -               | -               |
| VII    | <b>Profit / (Loss) before tax (V-VI)</b>   | <b>90.54</b>    | <b>130.74</b>   | <b>146.19</b>   | <b>531.25</b>   | <b>550.97</b>   |
| VIII   | <b>Tax expense:</b>  |                 |                 |                 |                 |                 |
| (i)    | Current tax  | 23.05           | 34.74           | 40.47           | 132.59          | 153.00          |
| (ii)   | Deferred tax   | 0.98            | (1.88)          | 2.84            | (8.64)          | 2.16            |
|        | <b>Total tax expense (VIII)</b>  | <b>24.03</b>    | <b>32.86</b>    | <b>43.31</b>    | <b>123.95</b>   | <b>155.16</b>   |
| IX     | <b>Profit / (Loss) for the period from continuing operations (VII-VIII)</b>  | <b>66.51</b>    | <b>97.88</b>    | <b>102.88</b>   | <b>407.30</b>   | <b>395.81</b>   |
| X      | Profit / (Loss) from discontinued operations   | -               | -               | -               | -               | -               |
| XI     | Tax expense of discontinued operations   | -               | -               | -               | -               | -               |
| XII    | <b>Profit / (Loss) from discontinued operations (after tax) (X-XI)</b>   | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        |
| XIII   | <b>Profit / (Loss) for the period (IX+XII)</b>   | <b>66.51</b>    | <b>97.88</b>    | <b>102.88</b>   | <b>407.30</b>   | <b>395.81</b>   |
| XIV    | <b>Other comprehensive income</b>  |                 |                 |                 |                 |                 |
| (a)    | Items that will not be reclassified to profit or loss  |                 |                 |                 |                 |                 |
|        | Remeasurement of defined benefit obligations   | 0.71            | (0.15)          | (0.68)          | 0.24            | (0.66)          |
|        | Income tax on above  | 0.18            | (0.04)          | (0.19)          | 0.06            | (0.18)          |
| (b)    | Items that will be reclassified subsequently to profit or loss   |                 |                 |                 |                 |                 |
|        | Effective portion of gain (loss) on cash flow hedges   | 2.77            | -               | -               | 2.77            | -               |
|        | Income tax on above  | 0.70            | -               | -               | 0.70            | -               |
|        | <b>Total other comprehensive income</b>  | <b>2.60</b>     | <b>(0.11)</b>   | <b>(0.49)</b>   | <b>2.25</b>     | <b>(0.48)</b>   |
| XV     | <b>Total comprehensive income for the period (XIII+XIV) (Comprising profit / (loss) and other comprehensive income for the period)</b> | <b>69.11</b>    | <b>97.77</b>    | <b>102.39</b>   | <b>409.55</b>   | <b>395.33</b>   |
| XVI    | <b>Earnings per equity share (for continuing operations)</b>   |                 |                 |                 |                 |                 |
|        | Basic and diluted (Rs.)  | <b>0.60</b>     | <b>0.88</b>     | <b>0.92</b>     | <b>3.65</b>     | <b>3.55</b>     |
| XVII   | <b>Earnings per equity share (for discontinued operations)</b>   |                 |                 |                 |                 |                 |
|        | Basic and diluted (Rs.)  | -               | -               | -               | -               | -               |
| XVIII  | <b>Earnings per equity share (for discontinued and continuing operations)</b>  |                 |                 |                 |                 |                 |
|        | Basic and diluted (Rs.)  | <b>0.60</b>     | <b>0.88</b>     | <b>0.92</b>     | <b>3.65</b>     | <b>3.55</b>     |
| XIX    | <b>Paid up equity share capital (Face value of each equity share Rs.10/-)</b>  | <b>1,115.91</b> | <b>1,115.91</b> | <b>1,115.91</b> | <b>1,115.91</b> | <b>1,115.91</b> |
| XX     | <b>Reserves excluding revaluation reserve</b>  | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>2,800.24</b> | <b>2,390.69</b> |





## STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT 31ST MARCH 2020

(Rs. in lakhs)

| Particulars  | Standalone       |                  |
|--|------------------|------------------|
|  | As at 31.03.2020 | As at 31.03.2019 |
| <b>ASSETS</b>  |                  |                  |
| <b>Non-current assets</b>                                |                  |                  |
| Property, plant and equipment                            | 1904.15          | 1684.01          |
| Right-of-use asset                                       | 10.21            | 0.00             |
| Intangible assets  | 2.32             | 2.76             |
| Financial assets   |                  |                  |
| Investments  | 256.19           | 61.66            |
| Loans  | 17.43            | 100.88           |
| Income tax assets (net)                                  | 3.94             | 14.82            |
| Other non-current assets                                 | 343.58           | 234.54           |
| <b>Total non-current assets</b>                          | <b>2537.82</b>   | <b>2098.67</b>   |
| <b>Current assets</b>                                    |                  |                  |
| Inventories  | 2160.87          | 1828.19          |
| Financial assets   |                  |                  |
| Investments  | 0.00             | 60.18            |
| Trade receivables  | 869.07           | 670.28           |
| Cash and cash equivalents                                | 131.32           | 152.57           |
| Bank balances other than cash and cash equivalents above | 215.00           | 160.00           |
| Loans  | 1.91             | 1.90             |
| Other financial assets                                   | 4.48             | 5.50             |
| Income tax assets  | 11.77            | 0.00             |
| Other current assets                                     | 150.01           | 127.46           |
| <b>Total current assets</b>                              | <b>3544.43</b>   | <b>3006.08</b>   |
| <b>TOTAL ASSETS</b>                                      | <b>6082.25</b>   | <b>5104.75</b>   |
| <b>EQUITY AND LIABILITIES</b>                            |                  |                  |
| <b>Equity</b>  |                  |                  |
| Equity share capital                                     | 1115.91          | 1115.91          |
| Other equity   | 2800.25          | 2390.70          |
| <b>Total equity</b>                                      | <b>3916.16</b>   | <b>3506.61</b>   |
| <b>Liabilities</b>                                       |                  |                  |
| <b>Non-current liabilities</b>                           |                  |                  |
| Financial Liabilities                                    |                  |                  |
| Borrowings   | 291.97           | 130.23           |
| Lease liabilities  | 10.34            | 0.00             |
| Other financial liabilities                              | 3.10             | 3.11             |
| Provisions   | 23.97            | 20.82            |
| Deferred tax liabilities (net)                           | 107.41           | 115.98           |
| <b>Total non-current liabilities</b>                     | <b>436.79</b>    | <b>270.14</b>    |
| <b>Current liabilities</b>                               |                  |                  |
| Financial Liabilities                                    |                  |                  |
| Borrowings   | 501.89           | 731.18           |
| Trade payables   | 954.19           | 405.08           |
| Other financial liabilities                              | 133.57           | 130.77           |
| Lease liabilities  | 0.23             | 0.00             |
| Other current liabilities                                | 128.54           | 53.65            |
| Provisions   | 8.84             | 7.32             |
| Income-tax liabilities (Net)                             | 2.04             | 0.00             |
| <b>Total current liabilities</b>                         | <b>1729.30</b>   | <b>1328.00</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <b>6082.25</b>   | <b>5104.75</b>   |





## STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020

| Particulars  | (Rs. in Lakhs)                           |  |
|--|--|--|
|  | For the year ended 31.03.2020<br>Audited | For the year ended 31.03.2019<br>Audited |
| <b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |  |  |
| Profit before exceptional items and tax                        | 531.25                                   | 550.97                                   |
| Adjustments for:   |  |  |
| Depreciation and amortization                                  | 162.42                                   | 154.85                                   |
| Allowance for doubtful debts/loans provided/written back (net) | 0.16                                     | 0.55                                     |
| (Profit)/loss on sale/discarding of fixed assets (net)         | (0.16)                                   | 5.71                                     |
| Unrealised exchange (gain)/ loss                               | 39.68                                    | (14.23)                                  |
| Net (gain)/loss on investments                                 | (5.00)                                   | 0.36                                     |
| Interest income  | (28.50)                                  | (15.06)                                  |
| Dividend income  | 0.00                                     | (2.95)                                   |
| Interest and other borrowing costs                             | 116.97                                   | 105.34                                   |
| Operating profit before working capital changes                | 816.82                                   | 785.54                                   |
| Adjustments for:   |  |  |
| Trade receivables  | (195.57)                                 | 139.70                                   |
| Other receivables  | (134.50)                                 | (188.41)                                 |
| Inventories  | (332.67)                                 | (120.68)                                 |
| Trade payables   | 543.83                                   | (266.82)                                 |
| Other payables   | 73.76                                    | 25.72                                    |
| Cash generated from operations                                 | 771.67                                   | 375.05                                   |
| Direct taxes paid  | (132.13)                                 | (163.88)                                 |
| Cash flow before extraordinary items                           | 639.54                                   | 211.17                                   |
| Extraordinary items  | 0.00                                     | 0.00                                     |
| <b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>            | <b>639.54</b>                            | <b>211.17</b>                            |
| <b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |  |  |
| Proceeds from sale of tangible assets including CWIP           | 52.59                                    | 20.73                                    |
| Purchase of tangible assets including CWIP                     | (433.04)                                 | (154.92)                                 |
| Proceeds from sale of intangible assets                        | 0.00                                     | 0.00                                     |
| Purchase of intangible assets                                  | (0.95)                                   | (3.38)                                   |
| Proceeds from sale of investments                              | 80.27                                    | 524.82                                   |
| Purchase of investments  | (209.62)                                 | (406.87)                                 |
| Loan given to subsidiary                                       | (90.00)                                  | (85.00)                                  |
| Loan refund received from subsidiary                           | 175.00                                   | 0.00                                     |
| (Increase)/ decrease in deposits                               | (0.13)                                   | (1.29)                                   |
| (Increase)/ decrease in bank fixed deposits                    | (55.00)                                  | (10.00)                                  |
| Interest income  | 30.84                                    | 11.72                                    |
| Dividend income  | 0.00                                     | 2.95                                     |
| <b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>            | <b>(450.04)</b>                          | <b>(101.24)</b>                          |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                  |  |  |
| Proceeds from long term borrowings                             | 203.72                                   | 40.00                                    |
| Repayment of long term borrowings                              | (41.16)                                  | (53.36)                                  |
| Proceeds from short term borrowings                            | 2049.94                                  | 1477.94                                  |
| Repayment of short term borrowings                             | (2303.69)                                | (1490.98)                                |
| Repayment of lease liability                                   | (0.21)                                   | 0.00                                     |
| Change in working capital borrowings from banks                | 0.00                                     | 0.00                                     |
| Interest and other borrowing costs                             | (119.35)                                 | (102.88)                                 |
| <b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>            | <b>(210.75)</b>                          | <b>(129.28)</b>                          |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>       | <b>(21.25)</b>                           | <b>(19.35)</b>                           |
| <b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>            | <b>152.57</b>                            | <b>171.92</b>                            |
| <b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>            | <b>131.32</b>                            | <b>152.57</b>                            |







Notes:

- 1 The above results have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- 2 The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th July 2020. The Statutory Auditors Report does not have any qualification / modification.
- 3 The figures for the quarter ended 31st March, 2020, are balancing figures between audited figures in respect of the full financial year ended 31st March, 2020 and published year to date figures up to the third quarter ended 31st December, 2019 which were reviewed by the statutory auditors. Similarly, the figures for the quarter ended 31st March, 2019, are balancing figures between audited figures in respect of the full financial year ended 31st March, 2019 and published year to date figures up to the third quarter ended 31st December, 2018 which were reviewed by statutory auditors.
- 4 The Company is predominantly engaged in the business of manufacture of "Instrument Cooling Fans / Motors", which in the context of Indian Accounting Standard (Ind AS) 108 on 'Operating Segments', constitutes a single reportable segment.
- 5 The Company received an assessment order ("Order") for LBT raising a LBT Tax Liability of Rs. 109.97 lakhs, Interest Rs. 109.97 lakhs and Penalty Rs. 549.95 Lakhs on 16th November 2019 passed by the Additional Commissioner of LBT, Vasai Virar City Municipal Corporation for the financial year 2011-12. The Company filed an appeal against the said Order with the Commissioner, Vasai Virar City Municipal Corporation ("Commissioner") on 2nd December 2019. The Commissioner passed the order for the said appeal on 31st December 2019 setting aside the Order and remanded back the same to the Assessing Authority to pass the fresh assessment order considering all the facts and documents produced in the appellate proceedings which is yet to be passed by the Assessing Authority. Based on the facts, the Company does not expect any material liability on fresh assessment.
- 6 Effective 1st April, 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. On 1st April, 2019, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability. Accordingly, on transition to Ind AS 116, the Company recognised lease liabilities and corresponding equivalent ROU assets. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.
- 7 The Company has adopted the non-reversible option available under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Act, 2019 dated 11th December 2019. Accordingly, current tax expenses, deferred tax assets / liabilities have been recomputed and impact of the same has been recognised in the year ended 31st March 2020.
- 8 Manufacturing facilities of the Company at Village Kaman Taluka Vasai in Maharashtra were closed since 21st March 2020 following the lockdown due to Covid 19. The Company has restarted the activities in the second week of May 2020 with the required permissions. Based on the immediate assessment of Covid 19 on the operations of the Company and ongoing discussions with customers, vendors and service providers, the Company is positive of serving customers orders and obtaining regular supply of raw materials and logistics services after resumption of operations. In assessing the recoverability of trade receivables, the Company has considered subsequent recoveries, past trends and credit risk profile of the customers based on the micro economic forecasts and internal & external information available upto the date of these results. In assessing the recoverability of inventories, the Company has considered, the latest selling price, customers orders in hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of Covid-19 may be different from that estimated as at the date of approval of these standalone financial results and the Company will continue to closely monitor the developments.
- 9 The figures for the previous periods have been regrouped/reclassified wherever necessary, to confirm to current periods classification.

Place : Mumbai  
Date : 30th July 2020

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



ANANY K. TANNA  
WHOLETIME DIRECTOR  
DIN : 00351762





**RAKESH SONI & CO.**  
**CHARTERED ACCOUNTANTS**

Office : 003, Dev Darshan Tower, Indira Complex, 60 Feet Road, Bhayandar (West), Maharashtra - 401 101.  
Tel.: 022-2814 4804 / 98206 73833 • Email : rakeshsoniandcompany@rediffmail.com

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE STANDALONE ANNUAL FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
REXNORD ELECTRONICS AND CONTROLS LIMITED**

**Opinion**

We have audited the accompanying standalone annual financial results of **Rexnord Electronics and Controls Limited** (hereinafter referred to as the "Company") for the year ended 31<sup>st</sup> March 2020, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended 31<sup>st</sup> March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

**Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the annual financial statements.





The Company's Management and the Board of Directors are responsible for the preparation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

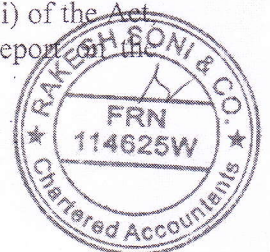
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the





complete set of standalone financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

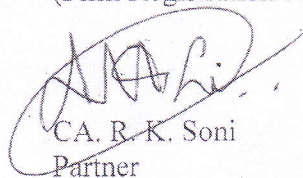
#### Other Matters

The standalone annual financial results include the results for the quarter ended 31<sup>st</sup> March 2020 being the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures upto third quarter of the current financial year which were subject to limited review by us.

**For Rakesh Soni & Co.**

Chartered Accountants

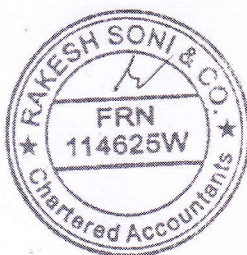
(Firm Registration No.114625W)

  
CA. R. K. Soni  
Partner

M. No. 047151

UDIN : 20047151AAAAAW5743

Mumbai, 30<sup>th</sup> July, 2020





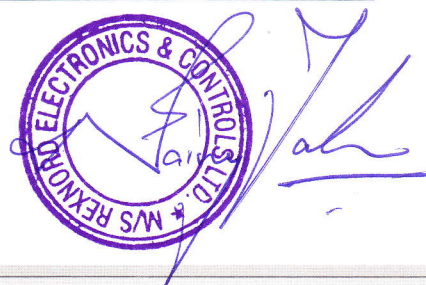
STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020

Part - I

(Rs. in lakhs)

(Except per share data)

| S. No. | Particulars  | Consolidated    |                 |                 |                 |                 |
|--------|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|        |  | Quarter ended   |                 |                 | Year ended      |                 |
|        |  | 31-Mar-20       | 31-Dec-19       | 31-Mar-19       | 31-Mar-20       | 31-Mar-19       |
|        |  | Audited         | Unaudited       | Audited         | Audited         | Audited         |
|        |  | Refer Note 3    |                 | Refer Note 3    |                 |                 |
| I      | Income from operations   | 1,604.54        | 1,535.36        | 1,635.66        | 6,523.98        | 6,261.42        |
| II     | Other income   | 8.64            | 15.52           | 23.70           | 55.91           | 83.93           |
| III    | <b>Total Income (I+II)</b>   | <b>1,613.18</b> | <b>1,550.88</b> | <b>1,659.36</b> | <b>6,579.89</b> | <b>6,345.35</b> |
| IV     | <b>Expenses:</b>   |                 |                 |                 |                 |                 |
|        | a) Cost of material consumed   | 1,060.11        | 731.90          | 958.87          | 3,786.90        | 3,818.44        |
|        | b) Purchase of stock in trade  | 29.90           | 80.22           | -               | 110.12          | -               |
|        | c) Change in inventories of finished goods, stock in trade and work in progress  | (48.36)         | 83.18           | 110.79          | 101.96          | (35.87)         |
|        | d) Employee benefits expense   | 138.42          | 138.92          | 137.41          | 539.34          | 529.19          |
|        | e) Finance costs   | 32.63           | 30.59           | 29.70           | 157.55          | 123.66          |
|        | f) Depreciation and amortisation expense   | 42.38           | 42.20           | 38.88           | 164.04          | 154.96          |
|        | g) Other expenses  | 287.03          | 326.35          | 241.56          | 1,244.58        | 1,208.10        |
|        | <b>Total Expenses (IV)</b>   | <b>1,542.11</b> | <b>1,433.36</b> | <b>1,517.21</b> | <b>6,104.49</b> | <b>5,798.48</b> |
| V      | <b>Profit / (Loss) before exceptional items and tax (III-IV)</b>   | <b>71.07</b>    | <b>117.52</b>   | <b>142.15</b>   | <b>475.40</b>   | <b>546.87</b>   |
| VI     | Exceptional Items  | -               | -               | -               | -               | -               |
| VII    | <b>Profit / (Loss) before tax (V-VI)</b>   | <b>71.07</b>    | <b>117.52</b>   | <b>142.15</b>   | <b>475.40</b>   | <b>546.87</b>   |
| VIII   | <b>Tax expense:</b>  |                 |                 |                 |                 |                 |
|        | (i) Current tax  | 23.05           | 34.74           | 40.47           | 132.59          | 153.00          |
|        | (ii) Deferred tax  | 0.98            | (1.88)          | 2.84            | (8.64)          | 2.16            |
|        | <b>Total tax expense (VIII)</b>  | <b>24.03</b>    | <b>32.86</b>    | <b>43.31</b>    | <b>123.95</b>   | <b>155.16</b>   |
| IX     | <b>Profit / (Loss) for the period from continuing operations (VII-VIII)</b>  | <b>47.04</b>    | <b>84.66</b>    | <b>98.84</b>    | <b>351.45</b>   | <b>391.71</b>   |
| X      | Profit / (Loss) from discontinued operations   | -               | -               | -               | -               | -               |
| XI     | Tax expense of discontinued operations   | -               | -               | -               | -               | -               |
| XII    | <b>Profit / (Loss) from discontinued operations (after tax) (X-XI)</b>   | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        |
| XIII   | <b>Profit / (Loss) for the period (IX+XII)</b>   | <b>47.04</b>    | <b>84.66</b>    | <b>98.84</b>    | <b>351.45</b>   | <b>391.71</b>   |
| XIV    | <b>Other comprehensive income</b>  |                 |                 |                 |                 |                 |
|        | (a) Items that will not be reclassified to profit or loss  |                 |                 |                 |                 |                 |
|        | Remeasurement of defined benefit obligations   | 0.71            | (0.15)          | (0.68)          | 0.24            | (0.66)          |
|        | Income tax on above  | 0.18            | (0.04)          | (0.19)          | 0.06            | (0.18)          |
|        | (b) Items that will be reclassified subsequently to profit or loss   |                 |                 |                 |                 |                 |
|        | Effective portion of gain (loss) on cash flow hedges   | 2.77            | -               | -               | 2.77            | -               |
|        | Income tax on above  | 0.70            | -               | -               | 0.70            | -               |
|        | <b>Total other comprehensive income</b>  | <b>2.60</b>     | <b>(0.11)</b>   | <b>(0.49)</b>   | <b>2.25</b>     | <b>(0.48)</b>   |
| XV     | <b>Total comprehensive income for the period (XIII+XIV) (Comprising profit / (loss) and other comprehensive income for the period)</b> | <b>49.64</b>    | <b>84.55</b>    | <b>98.35</b>    | <b>353.70</b>   | <b>391.23</b>   |
| XVI    | <b>Net Profit attributable to:</b>   |                 |                 |                 |                 |                 |
|        | a) Owners of the Company   | 47.04           | 84.66           | 98.84           | 351.45          | 391.71          |
|        | b) Non Controlling Interest  | -               | -               | -               | -               | -               |
|        | <b>Other Comprehensive Income attributable to:</b>   |                 |                 |                 |                 |                 |
|        | a) Owners of the Company   | 2.60            | (0.11)          | (0.49)          | 2.25            | (0.48)          |
|        | b) Non Controlling Interest  | -               | -               | -               | -               | -               |
|        | <b>Total Comprehensive Income attributable to:</b>   |                 |                 |                 |                 |                 |
|        | a) Owners of the Company   | 49.64           | 84.55           | 98.35           | 353.70          | 391.23          |
|        | b) Non Controlling Interest  | -               | -               | -               | -               | -               |
| XVII   | <b>Earnings per equity share (for continuing operations)</b>   |                 |                 |                 |                 |                 |
|        | Basic and diluted (Rs.)  | <b>0.42</b>     | <b>0.76</b>     | <b>0.89</b>     | <b>3.15</b>     | <b>3.51</b>     |
| XVIII  | <b>Earnings per equity share (for discontinued operations)</b>   |                 |                 |                 |                 |                 |
|        | Basic and diluted (Rs.)  | -               | -               | -               | -               | -               |
| XIX    | <b>Earnings per equity share (for discontinued and continuing operations)</b>  |                 |                 |                 |                 |                 |
|        | Basic and diluted (Rs.)  | <b>0.42</b>     | <b>0.76</b>     | <b>0.89</b>     | <b>3.15</b>     | <b>3.51</b>     |
| XX     | <b>Paid up equity share capital (Face value of each equity share Rs.10/-)</b>  | <b>1,115.91</b> | <b>1,115.91</b> | <b>1,115.91</b> | <b>1,115.91</b> | <b>1,115.91</b> |
| XXI    | <b>Reserves excluding revaluation reserve</b>  | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>2,739.63</b> | <b>2,385.93</b> |







## STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT 31ST MARCH 2020

(Rs. in lakhs)

| Particulars  | Consolidated     |                  |
|--|------------------|------------------|
|  | As at 31.03.2020 | As at 31.03.2019 |
| <b>ASSETS</b>  |                  |                  |
| <b>Non-current assets</b>                                |                  |                  |
| Property, plant and equipment                            | 2026.90          | 1768.42          |
| Right-of-use asset                                       | 10.21            | 0.00             |
| Intangible assets  | 2.32             | 2.76             |
| Financial assets   |                  |                  |
| Investments  | 56.19            | 51.66            |
| Loans  | 17.43            | 15.88            |
| Income tax assets (net)                                  | 3.94             | 14.82            |
| Other non-current assets                                 | 343.58           | 234.54           |
| <b>Total non-current assets</b>                          | <b>2460.57</b>   | <b>2088.08</b>   |
| <b>Current assets</b>                                    |                  |                  |
| Inventories  | 2160.87          | 1828.19          |
| Financial assets   |                  |                  |
| Investments  | 0.00             | 60.18            |
| Trade receivables  | 869.07           | 670.28           |
| Cash and cash equivalents                                | 146.99           | 162.09           |
| Bank balances other than cash and cash equivalents above | 215.00           | 160.00           |
| Loans  | 1.91             | 1.90             |
| Other financial assets                                   | 4.48             | 2.50             |
| Income tax assets  | 11.77            | 0.00             |
| Other current assets                                     | 153.07           | 127.46           |
| <b>Total current assets</b>                              | <b>3563.16</b>   | <b>3012.60</b>   |
| <b>TOTAL ASSETS</b>                                      | <b>6023.73</b>   | <b>5100.68</b>   |
| <b>EQUITY AND LIABILITIES</b>                            |                  |                  |
| <b>Equity</b>  |                  |                  |
| Equity share capital                                     | 1115.91          | 1115.91          |
| Other equity   | 2739.64          | 2385.94          |
| <b>Total equity</b>                                      | <b>3855.55</b>   | <b>3501.85</b>   |
| <b>Liabilities</b>                                       |                  |                  |
| <b>Non-current liabilities</b>                           |                  |                  |
| Financial Liabilities                                    |                  |                  |
| Borrowings   | 291.97           | 130.23           |
| Lease liabilities  | 10.34            | 0.00             |
| Other financial liabilities                              | 3.10             | 3.11             |
| Provisions   | 23.97            | 20.82            |
| Deferred tax liabilities (net)                           | 107.41           | 115.98           |
| <b>Total non-current liabilities</b>                     | <b>436.79</b>    | <b>270.14</b>    |
| <b>Current liabilities</b>                               |                  |                  |
| Financial Liabilities                                    |                  |                  |
| Borrowings   | 501.89           | 731.18           |
| Trade payables   | 955.32           | 405.08           |
| Other financial liabilities                              | 134.16           | 131.07           |
| Lease liabilities  | 0.23             | 0.00             |
| Other current liabilities                                | 128.91           | 54.04            |
| Provisions   | 8.84             | 7.32             |
| Income-tax liabilities (Net)                             | 2.04             | 0.00             |
| <b>Total current liabilities</b>                         | <b>1731.39</b>   | <b>1328.69</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <b>6023.73</b>   | <b>5100.68</b>   |





## STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

| Particulars  | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
|--|-------------------------------|-------------------------------|
| <b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                               |                               |
| Profit before exceptional items and tax                        | 475.40                        | 546.87                        |
| Adjustments for:   |                               |                               |
| Depreciation and amortization                                  | 164.04                        | 154.96                        |
| Allowance for doubtful debts/loans provided/written back (net) | 0.16                          | 0.55                          |
| (Profit)/loss on sale/discarding of fixed assets (net)         | (0.16)                        | 5.71                          |
| Unrealised exchange (gain)/ loss                               | 39.68                         | (14.23)                       |
| Net (gain)/loss on investments                                 | (5.00)                        | 0.36                          |
| Interest income  | (15.85)                       | (11.73)                       |
| Dividend income  | 0.00                          | (2.95)                        |
| Interest and other borrowing costs                             | 116.98                        | 105.35                        |
| Operating profit before working capital changes                | 775.25                        | 784.89                        |
| Adjustments for:   |                               |                               |
| Trade receivables  | (195.57)                      | 139.70                        |
| Other receivables  | (137.56)                      | (188.41)                      |
| Inventories  | (332.67)                      | (120.68)                      |
| Trade payables   | 544.95                        | (267.18)                      |
| Other payables   | 74.03                         | 26.11                         |
| Cash generated from operations                                 | 728.43                        | 374.43                        |
| Direct taxes paid  | (132.13)                      | (163.88)                      |
| Cash flow before extraordinary items                           | 596.30                        | 210.55                        |
| Extraordinary items  | 0.00                          | 0.00                          |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES                   | 596.30                        | 210.55                        |
| <b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                               |                               |
| Proceeds from sale of tangible assets including CWIP           | 52.59                         | 20.73                         |
| Purchase of tangible assets including CWIP                     | (472.99)                      | (239.44)                      |
| Proceeds from sale of intangible assets                        | 0.00                          | 0.00                          |
| Purchase of intangible assets                                  | (0.95)                        | (3.38)                        |
| Proceeds from sale of investments                              | 80.27                         | 524.82                        |
| Purchase of investments  | (19.62)                       | (406.87)                      |
| Loan given to subsidiary                                       | 0.00                          | 0.00                          |
| Loan refund received from subsidiary                           | 0.00                          | 0.00                          |
| (Increase)/ decrease in deposits                               | (0.13)                        | (1.29)                        |
| (Increase)/ decrease in bank fixed deposits                    | (55.00)                       | (10.00)                       |
| Interest income  | 15.19                         | 11.39                         |
| Dividend income  | 0.00                          | 2.95                          |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES                   | (400.64)                      | (101.09)                      |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>                  |                               |                               |
| Proceeds from long term borrowings                             | 203.72                        | 40.00                         |
| Repayment of long term borrowings                              | (41.16)                       | (53.36)                       |
| Proceeds from short term borrowings                            | 2049.94                       | 1477.94                       |
| Repayment of short term borrowings                             | (2303.69)                     | (1490.98)                     |
| Repayment of lease liability                                   | (0.21)                        | 0.00                          |
| Change in working capital borrowings from banks                | 0.00                          | 0.00                          |
| Interest and other borrowing costs                             | (119.36)                      | (102.89)                      |
| NET CASH FROM/ (USED IN) FINANCING ACTIVITIES                  | (210.76)                      | (129.29)                      |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)              | (15.10)                       | (19.83)                       |
| OPENING BALANCE OF CASH AND CASH EQUIVALENTS                   | 162.09                        | 181.92                        |
| CLOSING BALANCE OF CASH AND CASH EQUIVALENTS                   | 146.99                        | 162.09                        |




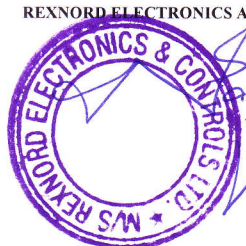


Notes:

- 1 The above results have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- 2 The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th July 2020. The Statutory Auditors Report does not have any qualification / modification.
- 3 The figures for the quarter ended 31st March, 2020, are balancing figures between audited figures in respect of the full financial year ended 31st March, 2020 and published year to date figures up to the third quarter ended 31st December, 2019 which were reviewed by the statutory auditors. Similarly, the figures for the quarter ended 31st March, 2019, are balancing figures between audited figures in respect of the full financial year ended 31st March, 2019 and published year to date figures up to the third quarter ended 31st December, 2018 which is approved by the board of directors but have not been subjected to review by statutory auditors.
- 4 The Group is primarily engaged in the business of manufacture of "Instrument Cooling Fans / Motors", which in the context of Indian Accounting Standard (Ind AS) 108 on 'Operating Segments', constitutes a single reportable segment.
- 5 The Holding company received an assessment order ("Order") for LBT raising a LBT Tax Liability of Rs. 109.97 lakhs, Interest Rs. 109.97 lakhs and Penalty Rs. 549.95 Lakhs on 16th November 2019 passed by the Additional Commissioner of LBT, Vasai Virar City Municipal Corporation for the financial year 2011-12. The Holding company filed an appeal against the said Order with the Commissioner, Vasai Virar City Municipal Corporation ("Commissioner") on 2nd December 2019. The Commissioner passed the order for the said appeal on 31st December 2019 setting aside the Order and remanded back the same to the Assessing Authority to pass the fresh assessment order considering all the facts and documents produced in the appellate proceedings which is yet to be passed. Based on the facts, the Holding company does not expect any material liability on fresh assessment.
- 6 Effective 1st April, 2019, the Group has adopted Ind AS 116 "Leases" using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. On 1st April, 2019, the Group has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability. Accordingly, on transition to Ind AS 116, the Group recognised lease liabilities and corresponding equivalent ROU assets. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share.
- 7 The Holding Company has adopted the non-reversible option available under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Act, 2019 dated 11th December 2019. Accordingly, current tax expenses, deferred tax assets / liabilities have been recomputed and impact of the same has been recognised in the year ended 31st March 2020.
- 8 The consolidated financial results of Rexnord Electronics and Controls Limited have been prepared in accordance with Ind AS 110 - 'Consolidated Financial Statements'. Financial results of the wholly owned subsidiary company, Rexnord Enterprise Private Limited (together referred to as the Group), have been consolidated with the
- 9 Manufacturing facilities of the Holding Company at Village Kaman Taluka Vasai in Maharashtra were closed since 21st March 2020 following the lockdown due to Covid 19. The holding Company has restarted the activities in the second week of May 2020 with the required permissions. Based on the immediate assessment of Covid 19 on the operations of the Holding Company and ongoing discussions with customers, vendors and service providers, the Holding Company is positive of serving customers orders and obtaining regular supply of raw materials and logistics services after resumption of operations. In assessing the recoverability of trade receivables, the Holding Company has considered subsequent recoveries, past trends and credit risk profile of the customers based on the micro economic forecasts and internal & external information available upto the date of these results. In assessing the recoverability of inventories, the Holding Company has considered, the latest selling price, customers orders in hand and margins. Based on the above assessment, the Holding Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of Covid-19 may be different from that estimated as at the date of approval of these standalone financial results and the Holding Company will continue to closely monitor the developments.
- 10 The figures for the previous periods have been regrouped/reclassified wherever necessary, to confirm to current periods classification.

Place : Mumbai  
Date : 30th July 2020

For and on behalf of the Board  
**REXNORD ELECTRONICS AND CONTROLS LIMITED**  
  
**NAINY K. TANNA**  
WHOLETIME DIRECTOR  
DIN : 00351762







**RAKESH SONI & CO.**  
**CHARTERED ACCOUNTANTS**

Office : 003, Dev Darshan Tower, Indira Complex, 60 Feet Road, Bhayandar (West), Maharashtra - 401 101.  
Tel.: 022-2814 4804 / 98206 73833 • Email : rakeshsoniandcompany@rediffmail.com

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED ANNUAL FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
REXNORD ELECTRONICS AND CONTROLS LIMITED**

**Opinion**

We have audited the accompanying consolidated annual financial results of **Rexnord Electronics and Controls Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") for the year ended 31<sup>st</sup> March 2020, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following subsidiary:  
Rexnord Enterprise Private Limited
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable India Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31<sup>st</sup> March 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.



Office : LG 31, Crown Plaza, Nursery Circle, Vaishali Nagar, Jaipur, (Rajasthan) - 302 021.  
Tel.: 0141-235 4810 / 9530044810 • Email : carksoni@rediffmail.com



## **Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and Directors of the Holding Company, as aforesaid.

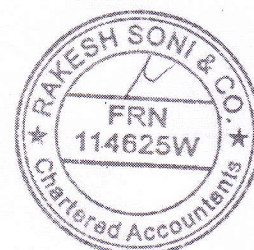
In preparing the consolidated annual financial results, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

## **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

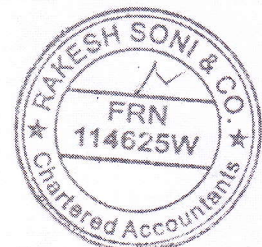




- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

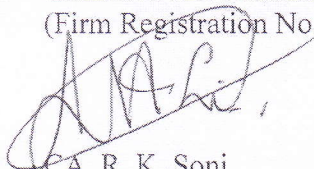
#### **Other Matters**

The consolidated annual financial results include the results for the quarter ended 31<sup>st</sup> March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For Rakesh Soni & Co.**

Chartered Accountants

(Firm Registration No. 114625W)



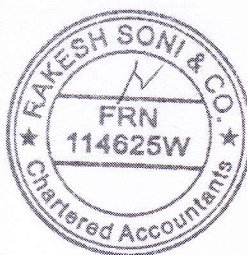
CA. R. K. Soni

Partner

M. No. 047151

UDIN : 20047151AAAAAX9558

Mumbai, 30<sup>th</sup> July, 2020







Date: July 30, 2020

To  
**The Deputy General Manager,**  
BSE Limited,  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Reg: Security Code No. 531888**

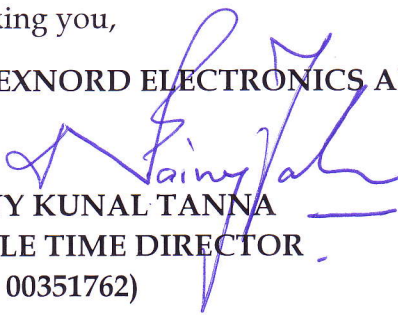
**Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to the provision of Regulation 33(3)(d) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI Notification No. SEBI/LAD-NRO/GN/2016-17I001 dated May 25, 2016 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby confirm that the Audit Reports by M/s. Rakesh Soni & Co., Chartered Accountants, Mumbai on the Audited Financial Results (i.e. Standalone & Consolidated) of the Company for the quarter and year ended March 31, 2020 is with Unmodified Opinion.

Kindly take the same on your record.

Thanking you,

For **REXNORD ELECTRONICS AND CONTROLS LIMITED**

  
**NAINY KUNAL TANNA**  
**WHOLE TIME DIRECTOR**  
**(DIN: 00351762)**