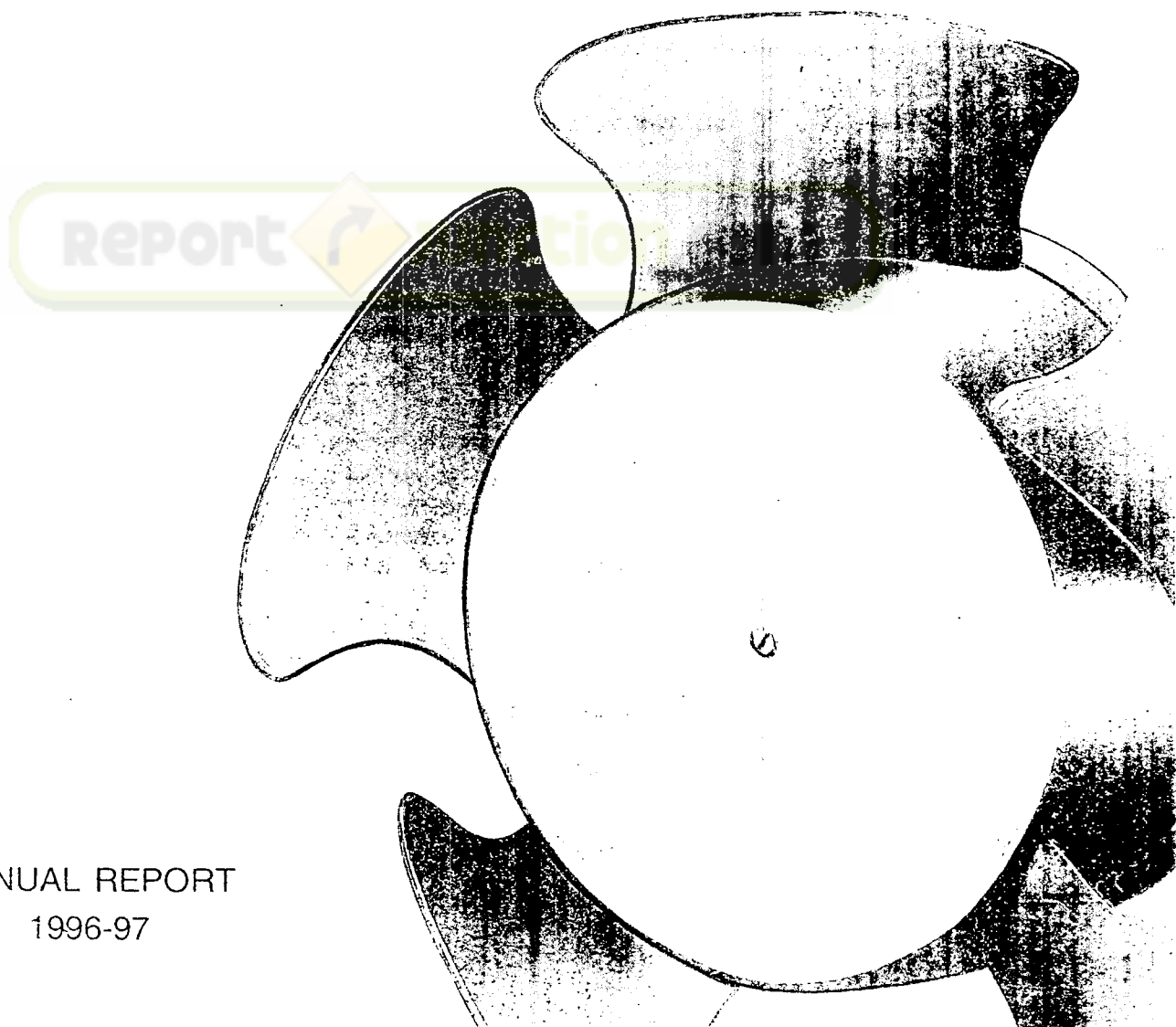


MD			BKC	
CS			DPY	MA
RO			DIV	AYK
TRA			AC	
AGM			SHI	
YE				



ANNUAL REPORT
1996-97



**BOARD OF DIRECTORS**

Kishore Chand Talwar	Chairman & Managing Director
Sharda K. Talwar	Director
Ravi Shankar Rath	Director
Pukhraj Bhansali	Director
Kim Joon	Director

COMPANY SECRETARY

Kailash Jatwala

AUDITORS

R.S. Agrawal & Associates,
Chartered Accountants,
Kerawala Building,
461/463, J.S.S. Road,
Mumbai - 400 002.

BANKERS

The Saraswat Co-operative Bank Ltd.
State Bank of India

REGISTERED OFFICE & FACTORY

92-D, Government Industrial Estate,
Charkop, Kandivli [West]
Mumbai - 400 067.

FACTORY PLOT

Plot No. EL-26,
TTC Industrial Area,
Electronics Zone,
MIDC, Mahape, Navi Mumbai.

REGISTRARS & SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.,
J/12, Ansa Industrial Estate,
Sakivihar Road,
Sakinaka, Andheri (East)
Mumbai - 400 072.



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NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the members of REXNORD ELECTRONICS & CONTROLS LTD. will be held on Tuesday, the 9th September 1997 at 11.30 A.M. at the Registered Office of the Company, at 92-D Government Industrial Estate, Charkop, Kandivali (W), Mumbai - 400 067 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Audited Profit and Loss Account for the year ended on that date alongwith Directors' & Auditors' Reports thereon.
2. To appoint a Director in place of Smt. Sharda K. Talwar who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Shri Kim Joon, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

By Order of the Board,
REXNORD ELECTRONICS & CONTROLS LTD.

KAILASH JATWALA
Company Secretary

Place : Mumbai

Dated : 23rd June, 1997

Report Junction.com

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxy should be lodged with the Company not later than 48 hours before the commencement of the meeting .
2. The Registers of Members and Share Transfer Books of the Company will remain closed from Tuesday, 26th August, 1997 to Tuesday 9th Septemeber, 1997 (both days inclusive).



DIRECTORS' REPORT

To
The Members,
REXNORD ELECTRONICS & CONTROLS LTD.

Your Directors present the Ninth Annual Report of the Company along with the audited Statements of Accounts for the year ended 31st March, 1997.

FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. in Lacs)	
	For the year ended 31st Mar. 97	For the year ended 31st Mar. 96
Sales & Other Income	438.34	488.35
Profit before depreciation & Misc. Exp. W/off	2.62	36.87
Depreciation	39.49	33.04
Miscellaneous Expenditure W/off	3.15	3.15
Net Profit/(Loss)	(40.02)	0.68

DIVIDEND

The Board of Directors is not recommending any dividend for the year ended 31st March, 1997.

OPERATION

The Company achieved, during the year under review, sales and other income of Rs.438.34 Lacs and incurred net loss Rs.40.02 Lacs against sales and other income of Rs.488.35 Lacs and net profit of Rs.0.68 Lacs during the previous year. The Company started establishing production during the year after labour unrest. The Company concentrated in indigenizing the manufacturing of instrument cooling fans and achieved own production's sale of Rs.404.65 Lacs against the previous year's sales of Rs.275.24 Lacs, by keeping aside trading activities. The Company is exploring various sources to get foreign finance for existing as well as on-going project activities, as it is not possible to survive by working at such high-cost's funds in hi-tech industry, where investments in fixed assets & inventories are high. The Company is hopeful to get some positive response during this year.

PROJECTIONS V/S ACTUALS

In terms of the Clause 43 of the listing agreement the comparison between actual profitability and utilisation of funds and those projected in the prospectus, are as follows:

	(Rs. in Lacs)	
	1996-97	
A. PROFITABILITY	<u>Projections</u>	<u>Actuals</u>
Sales	1824.63	438.34
Profit before Tax	401.80	(40.02)
Net Profit after Tax	359.44	(40.02)

Reasons for variation between actual profitability and projected profitability are as under:

1. The Project could not be completed within time due to non-materialisation of sources of finance other than equity finance, which were envisaged in the means of finance.
2. After Labour unrest in previous year, the Company started to establish operations in the current year.

B. UTILISATION OF FUNDS: The funds raised through the Public Issue in June 1995 have been utilised in the objectives stated in the prospectus.

DIRECTORS

Smt. Sharda K. Talwar and Shri Kim Joon, Directors are retiring by rotation and being eligible offer themselves for re-appointment, the member are requested to appoint the directors.

AUDITORS & AUDITORS' REPORT

M/s. R.S.Agrawal & Associates, Chartered Accountants, the Auditors of the Company are retiring at the forthcoming Annual General Meeting. The Auditors have informed that they are eligible for reappointment. The members are requested to appoint the Auditors.

The auditors' report is self explanatory, hence does not require further clarification.



PARTICULARS OF EMPLOYEES

Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not attached with this report as no employee comes under purview of these provisions.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Efficient use of energy in all form has been a consistent corporate thrust of 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.

A. CONSERVATION OF ENERGY

1. Modifications in lighting arrangement in factory and office will bring down the cost of energy to a certain extent.
2. The Company has made certain desirable changes in oven so as to give more heat and retain the heat level for a longer time even after switching off the power supply.
3. The Company is consistently doing research in the field of saving energy by implementing new cost effective ideas. Form for disclosure of particulars with respect of Consumption of Energy is enclosed herewith.

	Units	Current Year	Previous Year
a) Power & Fuel Consumption			
Electricity - Purchased			
Unit (KWH)	Units	275858	287010
Total amount	In Rs.	1118381	1075871
Average rate	Rs. per unit	4.05	3.75
b) Consumption per unit of Production			
Electricity (KWH)			
Instrument Cooling Fans AC	Units/Thousand	1398.5	1953.8
Instrument Cooling Fans DC	Units/Thousand	466.2	651.3

B. TECHNOLOGY ABSORPTION

[a] Research & Development:

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.
- Upgradation 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 D.C. & A.C. of various sizes has been successfully absorbed.

C. FOREIGN EXCHANGE EARNED AND USED:

The particulars regarding foreign exchange used and earned are as appears in item nos. 13(iii), 14 & 15 of the Schedule 18 to the accounts.

ACKNOWLEDGEMENT

The Directors wish to take this opportunity to thank the Government of India, Custom, Excise and other Government Departments, Banks, SICOM, Consultants, Employees and you, the members for their valuable support.

By Order of the Board,
REXNORD ELECTRONICS & CONTROLS LIMITED

Place : Mumbai
Dated : 23rd June, 1997

KISHORE CHAND TALWAR
Chairman and Managing Director