



BOARD OF DIRECTORS Kishore Chand Talwar Chairman & Managing Director
Nainy K. Tanna Wholetime Director
Ram Sanahi Director
Ayyaswami Sunderam Director

AUDITORS R. S. Agrawal & Associates
Chartered Accountants
Mumbai

BANKERS HDFC Bank Limited
Development Credit Bank Ltd.
Bank of Baroda

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

WORKS Unit No. 12-15, Sarswati Building,
Tungareshwar Industrial Estate,
Sativali, Vasai (East), Thane

**REGISTRARS & SHARE
TRANSFER AGENTS** Bigshare Services Pvt. Ltd.,
E/2, Ansa Industrial Estate,
Sakivihar Road,
Sakinaka, Andheri (East)
Mumbai – 400 072

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 22nd Annual General Meeting of the members of REXNORD ELECTRONICS AND CONTROLS LIMITED will be held on Thursday September 30, 2010 at 11.00 A. M. at the registered office of the Company at 92-D, Govt. Industrial Estate, Charkop, Kandivli [West], Mumbai - 400 067 to transact, with or without modification(s) the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Nainy K. Tanna, who retires from office by rotation, and being eligible offers herself for re-appointment.
3. To appoint Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

4. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Ram Sanahi who was appointed as an Additional Director of the Company with effect from 03/03/2010 pursuant to Section 260 of the Companies Act, 1956 and who holds office up to the date of the Annual General Meeting and being eligible offers himself for re-appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

5. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Ayyaswami Sundram who was appointed as an Additional Director of the Company with effect from 03/03/2010 pursuant to Section 260 of the Companies Act, 1956 and who holds office up to the date of the Annual General Meeting and being eligible offers himself for re-appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any, of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

6. AS A SPECIAL RESOLUTION: "RESOLVED THAT the Company do hereby accord its consent under the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions of Law to the appointment of Mr. Kundan K. Talwar relative of a Director of the Company as Vice President [Production] of the Company w.e.f. October 1, 2009 at a consolidated Salary upto Rs. 50,000/- p. m, together with usual allowances, benefits and perquisites as applicable to other employees of the Company.

RESOLVED FURTHER THAT the board is authorized to finalise his remuneration within the consolidated Salary upto Rs. 50,000/- p.m. from time to time."

7. AS A SPECIAL RESOLUTION:

"RESOLVED THAT the Company do hereby accord its consent under the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions of Law to the appointment of Mr. Kunal Dilip Tanna relative of a Director of the Company as Vice President [International Business] of the Company w.e.f. January 1, 2010 at a consolidated Salary upto Rs. 50,000/- p.m. together with usual allowances, benefits and perquisites as applicable to other employees of the Company.

RESOLVED FURTHER THAT the board is authorized to finalise his remuneration within the consolidated Salary upto Rs. 50,000/- p.m. from time to time."

8. AS A SPECIAL RESOLUTION:

"RESOLVED THAT the Company do hereby accord its consent under the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions of Law to the appointment of Mrs. Sharda K. Talwar a relative of Directors of the Company as Vice President [Facilities] of the Company w.e.f. March 3, 2010 at a consolidated Salary upto Rs. 50,000/- p.m. together with usual allowances, benefits and perquisites as applicable to other employees of the Company.

RESOLVED FURTHER THAT the board is authorized to finalise his remuneration within the consolidated Salary upto Rs. 50,000/- p.m. from time to time."

9. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT in super session of earlier resolutions passed, the Consent of the Company be and is hereby accorded under the provision of Section 293 [1](d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time any sum or sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may at its discretion think fit notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount of such borrowing by the Board of Directors shall not at any time exceed Rs. 100 crores.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors be and is hereby authorised to take all steps and give directions as may be necessary or desirable and to settle any question or difficulty whatsoever that may arise herein as they may in their absolute discretion deem fit."

10. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293[1](a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct to or in favour of all or any of the Financial Institutions/Banks/any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs. 100 crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under Agreement/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

By order of the Board
REXNORD ELECTRONICS AND CONTROLS LIMITED

Kishore Chand Talwar
Chairman & Managing Director

Place: Mumbai
Dated: 30th August, 2010

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES 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.

2. The Register of Members and the Share Transfer Books of the company will remain closed from 28/09/2010 to 30/09/2010 (both days inclusive).
3. 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.
4. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
5. The shares of the Company are listed on Mumbai, Ahemdabad, Bangalore and Delhi Stock Exchanges.
- 6a. In view of Circular issued by the SEBI for appointing common agency for both the modes of transfers i.e. physical as well as Demat, the company has already appointed M/s. BIG SHARE SERVICES PRIVATE LIMITED as Registrar & Transfer Agent for both the modes of transfer i.e. physical as well as Demat. Members are therefore requested to send their grievances to them for early disposal at the address given below.
- 6b. 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 & Controls Limited]
E/2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri [East], Mumbai - 400 072
Tel: 022-28473747 / 3474
E-mail: info@bigshareonline.com

7. All documents referred to in the Notice 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.
8. 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.
9. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
10. In all correspondence with the company, members are requested to quote their Folio No. and in case their shares are held in Demat form, they must quote their Client ID and DP ID numbers.
11. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of items No. 4 -10 is annexed hereto.

LISTING REQUIREMENTS:

As required under Clause 49 (IV) (G) (i) of the Listing Agreement, given below are the details of the Director(s) who are seeking appointment/re-appointment as directors, managing director or wholtime directors (Resolution at Item Nos. 2, 4 & 5):

A. Name	: Mrs. Nainy K. Tanna
Age	: 29 [24.09.1981]
Qualifications	: M. Com., M.B.A in Marketing from NMIMS, Diploma in Import & Export.

Mrs. Nainy K. Tanna is associated with the Company since August 01, 2001 as director of the company. She looks after day to day administrative activities of the company and also looks after Finance, Import and Export related activities of the Company. She has an experience of over 8 years to her credit.

Other Directorships	: Nil
Committee Memberships	: Nil
No. of shares held in the company	: 87,200
Relationship with other directors	
Kishore Chand Talwar	: Father
Ayyaswami Sundram	: None
Ram Sanehi	: None

B. Name	: Mr. Ram Sanehi
Age	: 72 [14.02.1938]
Qualifications	: MA Sociology.

Mr. Ram Sanehi is associated with the Company since 03/03/2010. He is Ex Director Ministry of Commerce, Government of India and has an experience of over 40 years. He provides guidance to the company from time to time for increasing the presence of the company in the international market.

Other Directorships	: Nil
Committee Memberships	
Audit Committee Member	: Rexnord Electronics and Controls Ltd.
Shareholders Grievance Committee Member	: Rexnord Electronics and Controls Ltd.
Remuneration Committee Member	: Rexnord Electronics and Controls Ltd.
No. of shares held in the company	: Nil
Relationship with other directors	
Kishore Chand Talwar	: None
Ayyaswami Sundram	: None
Nainy K. Tanna	: None

C. Name	: Mr. Ayyaswami Sundram
Age	: [18.01.1961]
Qualifications	: MSC in Physics.

Mr. Ayyaswami Sundram is associated with the Company since 03/03/2010. He has an experience of over 20 years as Business Innovation Consultant. He provides guidance to the company from time to time in the field of overall Product Quality management.

Other Directorships	: Nil
Committee Memberships	
Audit Committee Member	: Rexnord Electronics and Controls Ltd.
Shareholders Grievance Committee Member	: Rexnord Electronics and Controls Ltd.
Remuneration Committee Member	: Rexnord Electronics and Controls Ltd.
No. of shares held in the company	: Nil
Relationship with other directors	
Kishore Chand Talwar	: None
Ram Sanehi	: None
Nainy K. Tanna	: None

By order of the Board
REXNORD ELECTRONICS AND CONTROLS LIMITED

Kishore Chand Talwar
Chairman & Managing Director

Place: Mumbai
Dated: 30th August, 2010



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item Nos. 4-5.

Mr. Ram Sanehi and Mr. Ayyaswami Sundram were appointed as Additional Directors on the board of the Company w.e.f. March 03, 2010. Under Section 260 of the Companies Act, 1956, Mr. Ram Sanehi and Mr. Ayyaswami Sundram will hold Office till the conclusion of this Annual General Meeting.

The Company has received notices in writing from members together with requisite deposits under Section 257 of the Companies Act, 1956 signifying their intention to propose Mr. Ram Sanehi and Mr. Ayyaswami Sundram as a candidate for the Office of Directors.

Mr. Ram Sanehi and Mr. Ayyaswami Sundram are widely experienced in different fields. Therefore, it will be in the interest of the Company to draw on the valuable expertise and guidance of Mr. Ram Sanehi and Mr. Ayyaswami Sundram by appointing them as regular Directors on the Board of the Company.

The Board recommends the Resolutions mentioned at item No. 4 & 5 for the approval of the members.

None of the Directors except Mr. Ram Sanehi and Mr. Ayyaswami Sundram are concerned or interested in the said resolution.

Item Nos. 6.

Mr. Kundan K. Talwar was appointed as a Manager [Production] of the Company w.e.f. April 1, 2009 at a remuneration of Rs. 9500/- p.m.

Mr. Kundan K. Talwar is based at Mumbai and look after overall productions of the Company at Vasai Factory.

Mr. Kundan K. Talwar is a B. Com., Diploma in Electronics and considering his experience of over 5 years and looking on his performance of past 6 months, the Board decided to promote him as Vice President [Production] of the Company for a remuneration as mentioned in the resolution w.e.f. October 1, 2009.

As Mr. Kundan K. Talwar is relative of Mr. Kishore Chand Talwar and Mrs. Nainy K. Tanna, Directors of the Company, approval of members is sought under Section 314 of the Companies Act, 1956.

In the interest of the Company, the Board recommends the resolution.

Mr. Kishore Chand Talwar and Mrs. Nainy K. Tanna, Directors may be deemed to be concerned or interested in this resolution being related to Mr. Kundan K. Talwar. None of the other Directors of the Company are concerned or interested in the resolution.

Item Nos. 7.

Mr. Kunal Dilip Tanna was appointed as a Vice President [International Business] of the Company w.e.f. January 1, 2010.

Mr. Kunal Dilip Tanna is based at Mumbai and look after overall International Business of the Company.

Mr. Kunal Dilip Tanna is a M. Com., MBA in HR and Mphil and currently pursuing his PHD and considering his experience of over 10 years, the Board has decided to appoint him as Vice President [International Business] of the Company for a remuneration as mentioned in the resolution.

As Mr. Kunal Dilip Tanna is relative of Mr. Kishore Chand Talwar and Mrs. Nainy K. Tanna, Directors of the Company, approval of members is sought under Section 314 of the Companies Act, 1956.

In the interest of the Company, the Board recommends the resolution.

Mr. Kishore Chand Talwar and Mrs. Nainy K. Tanna, Directors may be deemed to be concerned or interested in this resolution being related to Mr. Kunal D. Tanna. None of the other Directors of the Company are concerned or interested in the resolution.

Item Nos. 8.

Mrs. Sharda K. Talwar was appointed as a Vice President [Facilities] of the Company w.e.f. March 3, 2010.

Mrs. Sharda K. Talwar is based at Mumbai.

Mrs. Sharda K. Talwar has considerable experience of over 30 years, the Board has decided to appoint her as Vice President [Facilities] of the Company at a remuneration as mentioned in the resolution.

As Mrs. Sharda K. Talwar is relative of Mr. Kishore Chand Talwar and Mrs. Nainy K. Tanna, Directors of the Company, approval of members is sought under Section 314 of the Companies Act, 1956.

In the interest of the Company, the Board recommends the resolution.

Mr. Kishore Chand Talwar and Mrs. Nainy K. Tanna, Directors may be deemed to be concerned or interested in this resolution being related to Mrs. Sharda K. Talwar. None of the other Directors of the Company are concerned or interested in the resolution.

Item Nos. 9 & 10.

The Company, from time to time, obtains loans and financial assistance from the Financial Institutions/Banks/other lending agencies and the same are required to be secured by creation of mortgage/charge on the assets of the Company.

Section 293[1](a) of the Companies Act, 1956, inter alia, provides that the Board of Directors of a Public Limited Company shall not without the consent of the Company in General Meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. Since creation of mortgage/charge by the Company in favor of the above entities may be regarded as disposal of the assets or undertaking of the Company, it is necessary for the members to pass a resolution under Section 293[1](a) of the Companies Act, 1956.

The company requires funds for day to day working and also for expansion. For these, new loans are proposed to be obtained. It is therefore necessary to increase the limit to which the company can borrow funds to Rs. 100 crores.

Therefore it is necessary for members to pass the resolution under Sections 293[1](a) and Section 293[1](d) of the Companies Act, 1956.

The Board recommends the resolution to be passed.

None of the Directors of the Company are concerned or interested in the Resolution.

By order of the Board
REXNORD ELECTRONICS AND CONTROLS LIMITED

Kishore Chand Talwar
Chairman & Managing Director

Place: Mumbai
Dated: 30th August, 2010



DIRECTOR'S REPORT

TO, THE SHAREHOLDERS

Your Directors have great pleasure in presenting their 22nd Annual Report together with the Audited accounts for the year ended March 31, 2010.

FINANCIAL RESULTS:

(Rs. in lacs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Sales & Other Income (Net of Excise Duty and Sales Tax)	2105.70	1503.53
Profit before depreciation	99.40	113.14
Depreciation	53.55	69.29
Net Profit before tax	45.85	43.85
Net Profit after tax	31.20	35.17
Balance Brought Forward	77.23	42.06
Balance Carried Forward	108.43	77.23

OPERATIONS:

The year under review remained better than previous year inspite of tough competition with low cost import of electronic goods. The sales and other income of your company, during the year under review, remained at Rs. 2105.70 lacs as against sales and other income of Rs. 1503.53 lacs in the previous year. Your company has been able to earn net profit before tax of Rs. 45.85 lacs for the year as against the net profit before tax of Rs 43.85 lacs in the previous year. The board expects better results for the current year.

DIVIDEND:

To make the company financially sound, Board has decided not to recommend any dividend for the year ended March 31, 2010.

RESEARCH & DEVELOPMENT:

The R&D department of the company has been arduously working to provide quality and value for money to the customer in keeping with market trends.

ISO CERTIFICATION:

The company's products were awarded as DIN EN ISO 9001:2008 Certification.

FIXED DEPOSITS:

Your Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956 from the public and the rules made there under.

BOARD OF DIRECTORS:

It is proposed to appoint Mr. Ram Sanahi and Mr. Ayyaswami Sundram as regular Directors of the Company. Necessary Resolutions are placed in the Notice calling Annual General Meeting.

As per the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mrs. Nainy K. Tanna retires by rotation and being eligible offer herself for reappointment.

During the year Mrs. Sharda K. Talwar, Mr. Ram Bahadur Roka and Mr. Pankaj Sanahi resigned due to their other preoccupations. Your board places its appreciations for the services rendered by them during the tenure of directorship.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

An analysis of the company's performance is discussed in the Management Discussion and Analysis Report which forms part of this Annual Report.

CORPORATE GOVERNANCE:

Your Company fully subscribes to the standards set out by the Securities And Exchange Board of India's Corporate Governance practices and has ensured compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. A separate report on Corporate Governance together with Auditors' Certificate on its compliance is included in this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2010 and of the profit of the company for that year;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a going concern basis.

CODE OF CONDUCT:

The 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 and Senior Management Personnel of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.

AUDITORS:

M/s. R. S. Agrawal & Associates, Chartered Accountants, auditors of the company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2011 as set out in the Notice convening the Meeting.

AUDITORS' OBSERVATIONS:

As pointed out by the Statutory Auditors, the board hereby clarifies as under:

- The company has already appointed two independent directors on the Board during the year under review and also looking for more professional directors to appoint them as directors to compose the remuneration committee in conformity of requirement of Schedule XIII of the Companies Act, 1956.
- Regarding the appointment of whole-time company secretary, the company is in process of appointing a whole time Company Secretary. In the mean time the company is availing services of a practicing company secretary and has obtained a certificate from him to the effect that the company is complying with the applicable provisions of the Companies Act, 1956.
- The statutory dues including excise duty and income tax are not paid on account of disputes pending with respective authorities.
- The company does not have internal audit system, however the company has internal check system commensurate with the size of the company and nature of its business.

Other observations of the auditors contained in their report have been adequately dealt with in the notes to the accounts given in Schedule '17' which are self-explanatory and, therefore, do not call for any further comments.

AUDIT COMMITTEE:

In accordance with the provisions of the Companies Act, 1956 and Listing Agreement the Company has constituted an Audit Committee. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

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 dematerialised 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.



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

The information pursuant to section 217 (I) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are given as under.

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.

A. CONSERVATION OF ENERGY:

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	817575	685609
Total Amount	In Rs.	4879458*	4193584*
Average Rate	Rs. per unit	5.97	6.12
*includes power charges Rs 32,63,575/- (Rs.24,17,847/-) for 5,49,109 Units (4,51,104 Units) for processing of goods directly paid by the company.			
b. Consumption per unit of production			
Electricity (KWH)			
Instrument Cooling Fans AC	Units/Thousand	1003	1181
Instrument Cooling Fans DC	Units/Thousand	251	295

B. TECHNOLOGY ABSORPTION:

a) Research & Development

The Research & Development department of the company has been aduously 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 of various sizes has been successfully absorbed.

C. FOREIGN EXCHANGE EARNED AND USED:

The particulars regarding foreign exchange earnings and expenditure appear at item nos. 28 (II), 29 and 30 of the Schedule '17' to the accounts.

PARTICULARS OF EMPLOYEES:

None of the employees of the company came within the purview of the information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended.

LISTING:

Shares of the company are listed at the Stock Exchanges at Mumbai, Ahmedabad, Bangalore and Delhi. The company has not paid the listing fees for Ahmedabad, Bangalore and Delhi Stock Exchanges since the company is in process of getting the equity shares delisted from these stock exchanges.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:

The Company has taken all the necessary steps for safety and environmental control and protection at the plant.

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

Kishore Chand Talwar
Chairman & Managing Director

Place : Mumbai
Dated : 30th August, 2010

ANNEXURE TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS INDUSTRY STRUCTURE & DEVELOPMENT:

The main business of the company is manufacturing and sale of instrument cooling fans, exhaust fans and motors used in industrial and domestic purposes. The industry is directly related to the growth of the user industry in which the products find applications. The instrument cooling fans /motors are mainly used in the computer hardware equipments, power supply equipments, textile machines, refrigeration industry, injection moulding machines, photocopying machines etc.

OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS:

In spite of continuance of global recessionary trends during the year under review, your company could not be much affected due to quality of its products.

The company is experiencing pressure on margins due to immense competition from international competitors. However the company is confident of adequately protecting its plans from the competition.

There is also pressure from rising cost of manufacturing of the products like manpower cost, processing charges and rent etc. These are risks and matter of concern and may affect the profitability of the company.

The general outlook with respect to this industry in India is of caution under immense competitive pressure. However the intrinsic strength of your company has helped us to effectively overcome such pressure and the sales therefore should register a modest but definite growth.

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.

The company's operations are predominantly comprises of only one business segment -Instrument Cooling Fans/ Motors.

EXPORTS:

The company is holding DIN EN ISO 9001:2008 Certificate by TUV NORD CERT GmbH for its quality systems which reflects your company's continuous commitment towards quality & standards. During the year under review your company could be able to achieve export turnover of around 8.09% of total sales. The company is putting its best efforts to increase the export. The company is consolidating its resources to build a market presence in the international arena.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Control Systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorisation. The internal control systems are reviewed by the top management and by the audit committee of the board and proper follow up action is ensured wherever required.

The Statutory Auditors have evaluated the system & procedures of internal controls of the company and have reported the need to strengthen the same. The management is putting its best efforts to strengthen the internal control systems commensurate with the size of the company and nature of its business.

FINANCIAL AND OPERATIONAL PERFORMANCE:

During the year under review, the company has achieved the sales and other income of Rs. 2105.70 lacs as against the sales and other income of Rs. 1503.53 lacs in the previous year. The company has earned net profit before tax of Rs. 45.85 lacs during the year as against the net profit before tax of Rs 43.85 lacs in the previous year.

The challenges described above could not affect the company much and your company could be able to register net profit of Rs. 31.20 lacs as against net profit of Rs. 35.17 lacs last year in spite of global recessionary trends. During the current financial year, the company is working towards further improvement in its profitability.

HUMAN RESOURCES:

Development of skills and updating of knowledge are essential for continuous growth of any organization. Your Company considers human resources as a key asset. Therefore, your Company not only implemented many in house training programs but also sent selected employees to suitable outside 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 weight age of actual performance in remuneration packages.

The Company has, under its employment 21 officers and other staff.

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. 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.

REPORT ON CORPORATE GOVERNANCE

A) MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

REXNORD ELECTRONICS AND CONTROLS LIMITED ("the Company") is committed to adhere to the corporate governance code as prescribed by the SEBI and Stock Exchange and has accordingly implemented various aspects of the code.

To implement the Corporate Governance practice, Rexnord Electronics And Controls Limited has a well defined policy which:

- Ensures that the Quality and frequency of Financial and Managerial Information's, which the Management shares with the Board, fully placed before the Board Members in control of the Company's affairs.
- Ensures that the Board exercises its Fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability.
- Ensures that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensures that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committees thereof.
- Ensures that the Board, the Management, the Employees and all the other stakeholders are fully committed to maximizing long-term value to the shareowners and to the Company.
- Ensures that the core values of the Company are protected.
- Ensures that the Company positions itself from time to time to be at par with any other world-class Company in operating practices.

2. BOARD OF DIRECTORS:

The Company presently has Four Directors. Two of the Directors are Executive Directors & the remaining Two are Non Executive Directors. The Executive Directors include one Chairman and Managing Director and other whole time Director. The Two Non Executive Directors are Independent Directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

As per clause 49 of the Listing Agreement, if the Chairman is the Executive Chairman at least half of the board should consist of Non Executive Directors & half of the Board shall comprise of Independent Directors. In case of Rexnord Electronics And Controls Limited, One half of the Directors are Non Executive. Two out of the Four Directors are Independent Directors and Non Executive which is very much in compliance of the Listing Agreement.

Composition of the Board of Directors has a healthy mix of Executive & Non Executive Directors & ensures the desired level of independence and functioning & decision making.

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:

Name of Director	Designation	Category	No. of Board Meeting Attended	Atten at last AGM	No. of Other Directorships Held		Outside Committee Position held	
					Public	Private	Mem.	Chmn
Mr. K. C. Talwar	CMD	Executive	15	YES	-	-	-	-
Mrs. Sharda K. Talwar**	WTD	Executive	13	YES	-	-	-	-
Mrs. Nainy K. Tanna	WTD	Executive	15	YES	-	-	-	-
Mr. Ram Bahadur Roka**	WTD	Executive	13	YES	-	-	-	-
Mr. Pankaj Sanehi**	Director	Non Executive	13	NO	-	1	-	-
Mr. Ram Sanehi*	Director	Non Executive	2	N.A.	-	-	-	-
Mr. Ayyaswami Sunderam*	Director	Non Executive	2	N.A.	-	-	-	-

CMD stands for Chairman & Managing Director.

WTD stands for Wholetime Director

* appointed w.e.f. 03/03/2010.

** resigned w.e.f. 03/03/2010.

During the financial year ended March 31, 2010, 15 [Fifteen] Board meetings were held on 08/04/2009, 30/04/2009, 01/06/2009, 31/07/2009, 22/08/2009, 11/09/2009, 18/09/2009, 26/09/2009, 31/10/2009, 31/12/2009, 22/01/2010, 31/01/2010, 27/02/2010, 03/03/2010 and 31/3/2010.

INFORMATION SUPPLIED TO BOARD:

Among others, this includes:

- Review of annual operating plans of business, capital budgets and updates.
- Quarterly results of the company and its operating units
- Minutes of meeting of audit committee and other committees.
- Information on recruitment and remuneration of senior officers just below the board level.
- General notices of interests.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problem.
- Any material default in financial obligations to and by the company. Any issue which involves possible public or product liability claims of a substantial nature.
- Details of any joint venture of collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant development in the human resource and industrial relations fronts.
- Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.
- Foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.