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27th

Annual Report 2014 - 2015



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

AUDITORS R. S. Agrawal & Associates
 Chartered Accountants
 Mumbai

COMPANY SECRETARY Debabrata Guha Chaudhury

BANKERS HDFC Bank Limited
 Bank of Baroda

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

WORKS Plot Survey No. 62,74, & 75
 Village - Devadal, Kaman
 Taluka - Vasai,
 Dist - Palghar
 Unit No. 12-15, Sarswati Building,
 Tungareshwar Industrial Estate,
 Sativali, Vasai (East), Palghar

**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 27th Annual General Meeting (AGM) of the Members of **REXNORD ELECTRONICS AND CONTROLS LIMITED** will be held on Wednesday, September 30, 2015 at 9.30 a.m. at Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite Mangal Murti Hospital, Gorai-II, Borivali (W), Mumbai - 400 092 to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Nainy Kunal Tanna, (DIN 00351762) who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. R. S. Agrawal & Associates, Chartered Accountants, Mumbai (Firm Registration Number 100156W with the Institute of Chartered Accountants of India), as Statutory Auditors of the Company, by resolution passed at the 26th AGM until the conclusion of 29th AGM, be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 27th AGM until the conclusion of the 29th AGM on such remuneration as may be agreed upon by the Audit Committee/ Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 5 and 14 of Companies Act, 2013 ('the Act'), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board and/or the Company Secretary be and are hereby jointly or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

5. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution:-

"RESOLVED THAT subject to Section 188, 177 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Equity Listing Agreement (as amended from time to time by the Securities and Exchange Board of India and the Stock Exchanges), and the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the Company to enter into transactions with M/s. Excelum Enterprises for Sale & Purchase, payment of Commission on Sales (including Overseas Sales) and reimbursement of expenses for an aggregate value of ₹ 2 crores, on annual basis, on such terms and conditions as may be agreed by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or anyone or more Directors of the Company."

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

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

Registered Office:

92-D Govt. Ind. Estate,
Charkop, Kandivli (W),
Mumbai - 400 067
Dated: 26th May, 2015

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.

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

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, setting out all material facts and the reasons for the proposed Special Resolutions are appended herein.
3. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
5. A statement giving the details of the Directors seeking reappointment, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchange, are provided in the Annexure.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2015 to 29th September, 2015 (both days inclusive).
8. 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.
9. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/Company.
11. The shares of the Company are listed on Stock Exchanges of Mumbai.
12. 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.
13. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

M/s. BIG SHARE SERVICES PRIVATE LIMITED
 [Unit: Rexnord Electronics and Controls Limited]
 E/2, Ansa Industrial Estate, Sakivihar Road,
 Saki Naka, Andheri [East], Mumbai - 400 072
 Tel: 022-40430200
 E-mail: info@bigshareonline.com

14. Relevant documents referred to in the Notice and in the Explanatory Statements are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
15. 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.
16. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
17. 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.
18. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with the Depository Participant to enable us to send you the quarterly reports and other communications via email.
19. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
21. Voting through electronic means:

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

- (i) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM

("remote e-voting") will be provided by Central Depository Securities Limited (CDSL). The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.

- (ii) The Board of Directors of the Company has appointed Mr. Mahesh Soni, Partner, GMJ & Associates, Company Secretaries, Mumbai as Scrutinizer to scrutinise the e-voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- (iii) The facility for voting through e-voting system shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through e-voting.
- (iv) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (v) The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.
- (vi) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 23, 2015.
- (vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 23, 2015 only shall be entitled to avail the facility of e-voting / remote e-voting.
- (viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 23, 2015 may obtain the User ID and password from **BIG SHARE SERVICES PRIVATE LIMITED** (Registrar & Transfer Agents of the company).
- (ix) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company (www.rexnordindia.in) and on the website of CDSL <https://www.evotingindia.com>. The results shall simultaneously be communicated to the Stock Exchange.
- (x) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. **September 30, 2015**.
- (xi) The instructions for shareholders voting electronically are as under:

The voting period begins at **9.00 a.m. (IST) on September 26, 2015 and ends at 5.00 p.m. (IST) on September 29, 2015**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) Log on to the e-voting website www.evotingindia.com during the voting period
- (ii) Click on "Shareholders" tab
- (iii) Now, select the **"REXNORD ELECTRONICS AND CONTROLS LIMITED"** from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial number pointed on the name and addresses Stickers / Postal Ballots / Form / Mail) in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on “**SUBMIT**” tab.

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

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

(xi) Click on the EVSN for “**REXNORD ELECTRONICS AND CONTROLS LIMITED**”

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

(xiii) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.

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

(xv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.

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

(xviii) Note for Non – Individual Shareholders and Custodians

- Non – Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 :

The Articles of Association ("AoA") of the Company is presently in force since incorporation. The existing Articles of Association was in line with the erstwhile Companies Act 1956, which is no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the New Act which deals with the general working of companies stand notified. With the coming into force of the New Act several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles. It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/ incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors has decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same. In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

Your approval is sought by voting in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014. A copy of the proposed set of new Articles of Association of the Company would be available for inspection, for the members at the Registered Office of the Company during the office hours on any working day, between 11.00 a.m. to 1.00 p.m.

None of the Directors / Key Managerial Personnel of the Company / their relatives is/are in any way, concerned or interested, financially or otherwise, in the Special Resolution, except as shareholders of the Company.

Item No. 5 :

The main business of the Company is manufacturing and sale of instrument cooling fans and shaded pole motors used for industrial purposes. The Company has entered into a Contractual Agreement with M/s. Excelum Enterprises for Sale & Purchase, payment of Commission on Sales (including Overseas Sales) and reimbursement of expenses for an amount not exceeding of ₹ 2 Crores on annual basis, on such terms and conditions as may be agreed to by the Board.

M/s. Excelum Enterprises is a Proprietary firm of Mr. Kunal Tanna being a relative of Mr. Kishore Chand Talwar and Mrs. Nainy K. Tanna, Directors of the Company, this transaction will require approval of the shareholders of the Company. Pursuant to the Section 188 of the Companies Act, 2013 and rules made thereunder, the approval of transactions is required by passing a Special Resolution at the General Meeting for appointment of any agent for purchase or sale of goods, materials or services or property where the amount exceeds 10% of the Turnover of the Company or ₹ 100 Crores, whichever is lower OR exceeds 10% of the net worth of the Company or ₹ 100 Crores whichever is lower.

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

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

Registered Office:
92-D Govt. Ind. Estate,
Charkop, Kandivli (W),
Mumbai - 400 067
Dated: 26th May, 2015

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

Name	Mrs. Nainy Kunal Tanna
Directors Identification Number (DIN)	00351762
Age	34 years
Qualification	M. Com., MBA in Marketing from NMIMS and Diploma in Export & Import
Expertise in Specific Area	Business Management & Marketing
Date of first Appointment on the Board of the Company	1 st August, 2001
Shareholding in Rexnord Electronics and Controls Limited	362200 shares
List of Directorship held in other companies	NIL
Membership/Chairmanships of Audit and Stakeholders Remuneration Committee	Refer to Voluntary Report on Corporate Governance

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

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

Registered Office:
92-D Govt. Ind. Estate,
Charkop, Kandivli (W),
Mumbai - 400 067
Dated: 26th May, 2015

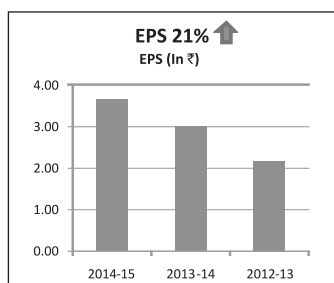
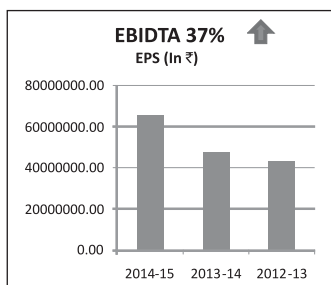
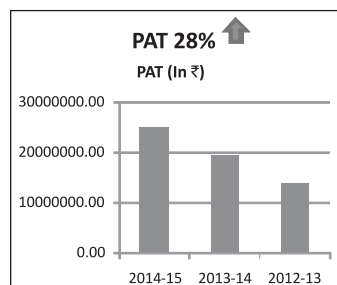
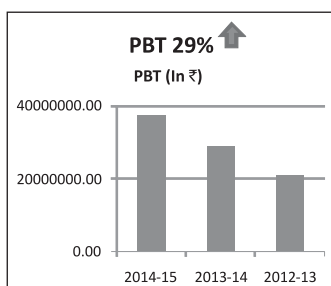
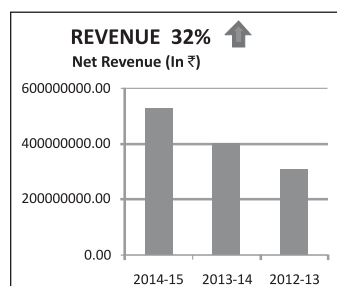
DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting the 27th Annual Report together with the Audited Accounts for the year ended March 31, 2015.

1. FINANCIAL PERFORMANCE / HIGHLIGHTS:

(Amount in ₹)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Total revenue	528193369.30	400994598.99
Profit before depreciation and amortization	50136082.29	33115235.24
Depreciation and amortization	12692753.53	9572172.48
Profit before exceptional items & tax	37443328.76	23543062.76
Exceptional items	0.00	5498424.75
Profit before tax	37443328.76	29041487.51
Tax expense	12446257.49	9529482.00
Net profit after tax	24997071.27	19512005.51
Balance brought forward	59355978.49	39843972.98
Balance carried forward	83097099.97	59355978.49



2. OPERATIONAL REVIEW & STATE OF AFFAIRS:

Total revenue of your Company, during the year under review, increased at ₹ 528193369.30 as against the total revenue of ₹ 400994598.99 in the previous year. Your Company has been able to earn net profit after tax of ₹ 24997071.27 for the year as against the net profit after tax of ₹ 19512005.51 in the previous year.

The financial year ended 31st March 2015, was another successful year, where despite a challenging environment, our business grew well ahead of competition,

your Company based on its core strengths and sincere efforts of all the Rexnord team members, performed well. The company also ventured into a new product range of Energy Saving Fans and Motors in order to have an edge over the existing competition as well as display its core strengths to meet the emerging needs and aspirations of our consumers. The company aims to increase its global identity by creating unique branding techniques and thereby enhancing its distribution networks in Export market so that we can serve our consumers better with our wide range of product offerings. The Board expects better results for the current year.

3. DIVIDEND & TRANSFER TO RESERVES:

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2015. The Board does not propose to transfer any amount to General Reserves for the aforesaid financial year.

4. SHARE CAPITAL OF THE COMPANY:

During the Financial Year 2014-15, your Company has increased its Authorised Share Capital from ₹ 10,00,00,000/- to ₹ 15,00,00,000/-.

The Paid up Equity Share Capital, as at 31st March, 2015 was ₹ 7,57,86,000/- divided into 75,78,600 Equity shares, having face value of ₹ 10/- each fully paid up. During the year 2014-15, your Company has issued 46,78,800 warrants carrying an entitlement to subscribe to an equivalent number of equity shares of face value of ₹ 10/- on preferential basis. Out of the above, 10,98,300 warrants were converted into equal number of Equity Shares each at a price of ₹ 13.40 to Promoters & Non-Promoters. A detailed table containing the same is mentioned below:

Sr. No.	Name of the Applicant	Nos. of Warrants issued	Date of Conversion of Warrants into Equity	Nos. of Equity Shares allotted	Balance Warrants
1	Mr. Kishore Chand Talwar	25,00,000	13.12.2014	5,99,500	19,00,500
2	Mrs. Sharda Talwar	13,08,800	13.12.2014	2,88,800	10,20,000
3	Mr. Nandkishore Soni	2,20,000	—	—	2,20,000
4	Mr. Purushottam R. Soni	2,20,000	—	—	2,20,000
5	Pawan Kumar Soni HUF	2,20,000	—	—	2,20,000
6	Nandkishore Soni HUF	2,10,000	13.12.2014	2,10,000	Nil
	TOTAL	46,78,800		10,98,300	35,80,500

5. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

The Company does not have any subsidiaries, joint ventures or associate companies.

6. CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business activities during the financial year 2014-15.

7. BOARD OF DIRECTORS:

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

8. DECLARATION OF INDEPENDENT DIRECTORS:

Mr. Ram Sanahi and Mr. Ayyaswami Sundaram, both Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

9. DIRECTORS RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief and according to the information and explanations obtained, Directors make the following statement in terms of Section 134 (3)(c) of the Companies Act, 2013 that:

- in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. KEY MANAGERIAL PERSONNEL:

During the year under review, the Company has appointed the following persons as the Key Managerial Personnel.

Sr. No.	Name of the person	Designation
1.	Mr. Kishorechand Talwar	Managing Director
2.	Mr. Debabrata Guha Chaudhury	Company Secretary
3.	Mr. Kundan Talwar	Chief Financial Officer

11. COMMITTEES OF THE BOARD:

11.1 AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee comprising of Independent and Executive Directors constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchange. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board. The details of the terms of Audit Committee and other details are explained in the Voluntary Corporate Governance Report.

11.2 NOMINATION AND REMUNERATION COMMITTEE:

The Company has, during the year, renamed the existing Remuneration Committee to "Nomination and Remuneration Committee" which partly complies the requirement of Section 178 of the Companies Act, 2013 in respect of constitution of the committee. The company is in process of appointment of one more non-executive director to comply with the requirements. The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy lays down the criteria determining qualifications, positive attributes, independence of a director and other matters pursuant to the provisions of sub-section (3) of Section 178 of the Companies Act, 2013. The details of the policy are explained in the Voluntary Corporate Governance Report.

11.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has, during the year, renamed the existing Shareholders Grievance Committee to 'Stakeholders Relationship Committee' in order to align it with the provisions of Section 178 of the Companies Act, 2013. The Committee has been constituted to strengthen the investor relations and to inter-alia, look into issues relating to security holders grievances pertaining to transfer of shares, non- receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization etc. The details regarding composition etc. are explained in the Voluntary Corporate Governance Report.

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

13. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Whole-time Director was carried out by the Independent Directors at their meeting held on 13th February, 2015. The Board of Directors expressed their satisfaction with the evaluation process.

14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The details of the number of meetings of the Board held during the Financial Year 2014-15 forms a part of the Voluntary Corporate Governance Report.

15. CODE OF CONDUCT:

Your Company is committed to conducting 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 (including Independent Directors), Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code has been posted on the Company's website i.e. www.rexnordindia.in

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

16. FIXED DEPOSITS:

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

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made loans or given guarantees or made any investments, during the financial year 2014-15, therefore, the provisions of section 186 of the Companies Act, 2013 are not attracted.

18. ISO CERTIFICATION:

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

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

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

20. EXTRACT OF ANNUAL RETURN:

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

21. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business and comply with the provisions of Section 188 of the Companies Act, 2013. The disclosure in Form AOC-2 is given as per Annexure 'B'. Further, there are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large except as mentioned in Form AOC-2.

All related party transactions are placed before the Audit Committee and also before the Board for their approval in accordance with the Policy on Related Party Transactions formulated by the Board of Directors of the Company. Omnibus approval was obtained on quarterly basis for transactions which are of repetitive nature.

22. STATUTORY AUDITOR:

M/s. R. S. Agrawal & Associates, Chartered Accountants, (Firm Registration No 100156W) were appointed as the Statutory Auditors of the Company at the 26th AGM held on August 30, 2014 to hold office until the conclusion of the 29th AGM subject to ratification by the members at every AGM held thereafter. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. R. S. Agrawal & Associates that their appointment, if made, would be in conformity with the limits specified in the said Section and they are not disqualified.

The members are requested to ratify the appointment of M/s. R. S. Agrawal & Associates as statutory auditors of the Company from the conclusion of 27th AGM to 29th AGM of the Company.

23. SECRETARIAL AUDIT:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the company has appointed M/s. GMJ & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report as required under section 204 (1) of the Companies Act, 2013 is annexed herewith as Annexure 'C' and forms an integral part to this Report.

24. COST AUDIT:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rules made thereunder, Cost Audit is not applicable to the Company for the financial year 2014-15 and 2015-16.

25. AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

The observations of the statutory auditors contained in their report have been adequately dealt with in the notes to the financial statements which are self-explanatory and, therefore, do not call for any further comments.

As required under Section 204 (1) of the Companies Act, 2013 the Company has obtained a Secretarial Audit Report. The Company would ensure in future that all the provisions are complied with the fullest extent.

26. ANTI-SEXUAL HARASSMENT POLICY:

The Company has constituted an Internal Complaint Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. During the year under review, no complaints were reported.

27. RISK MANAGEMENT POLICY:

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

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

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

28. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

29. 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.

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

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

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. The steps taken during the year for conservation of energy are as under:

1. Due consideration has been given to energy consumption while procuring equipments.

2. As a responsible Corporate Citizen and in adherence to our climate change strategy, Company is continuously taking effective steps to conserve energy.
3. Except the emergency lights, all lights and electrical gadgets are turned off after working hours and on holidays at office premises of the Company to help in minimizing the energy consumption.
4. The steps taken by the company for utilizing alternate source of energy: The company is constantly exploring avenues for cost saving as an ongoing process.
5. The capital invested on energy equipments: To utilize the alternate source of energy, the company has initiated to set up a Boi-mass Gasifier at a capital cost of ₹ 1914662/-.

B. TECHNOLOGY ABSORPTION:

a) Research & Development

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

- Making design modifications in the products so as to simplify the manufacturing process and enhance productivity.
- Developing Jigs, Fixtures and devices to increase productivity.
- Improvements to tool design.
- 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 of various sizes has been successfully absorbed.

C. FOREIGN EXCHANGE EARNED AND USED:

The particulars regarding foreign exchange earnings and expenditure appear at note nos. 34, 35 and 38 in the notes to the financial statements.

31. PARTICULARS OF EMPLOYEES:

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

None of the employees have drawn remuneration more than ₹ 5,00,000/- p.m., if employed for the part of the year and ₹ 60,00,000/- p.a., if employed throughout the Year.

32. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

It has always been the Company's endeavor to excel through better Corporate Governance and fair and transparent practices, many of which have already been in place even before they were mandated by the law of the land. The company voluntarily complies with the requirement of clause 49 of the Listing Agreement.

The Board of Directors of the Company had also evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is available on the website of the Company www.rexnordindia.in. A separate report on Corporate Governance and Management Discussion and Analysis Reports which is voluntarily adopted by the Company is included in this Annual Report as Annexure "E".

33. LISTING:

The Shares of the Company are listed on the Stock Exchange at Mumbai. The company has paid the listing fees for the year 2015-16 to the Stock Exchange at Mumbai.

34. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

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

35. CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (corporate social responsibility policy) Rules 2014, the net profit of the company was below ₹ 5 Crores during the last three immediately preceding financial years. Accordingly, the provisions of CSR policy were not applicable for the financial year 2014-15.

36. ENVIRONMENT AND SAFETY:

The Company is committed to:

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

37. NEW SET OF ARTICLES OF ASSOCIATION:

In conformity of the provisions of the Companies Act, 2013, it is proposed to adopt new set of Articles of Association of the Company. Necessary Special Resolution is placed for member's approval.

38. ACKNOWLEDGMENT:

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

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

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

Registered Office:
92-D Govt. Ind. Estate,
Charkop, Kandivli (W),
Mumbai - 400 067
Dated: 26th May, 2015