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29th

Annual Report 2016 - 2017

BOARD OF DIRECTORS	Kishore Chand Talwar Nainy K. Tanna Ram Sanehi Ayyaswami Sundaram Ganapathy Dharmarajan	Chairman & Managing Director Wholetime Director Director Director Director
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AUDITORS	R. S. Agrawal & Associates Chartered Accountants Mumbai
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COMPANY SECRETARY	Krunal S. Wala
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BANKERS	HDFC Bank Limited Bank of Baroda
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REGISTERED OFFICE	92-D, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai - 400 067
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WORKS	Plot Survey No. 62, 74 & 75 Village - Devadal, Kaman Taluka - Vasai, Dist - Palghar
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REGISTRAR & SHARE TRANSFER AGENTS	Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road Marol, Andheri (East) Mumbai - 400 059, Maharashtra Tel No. 022 62638200 Fax No. 022 62638299 Email ID : info@bigshareonline.com Web site : www.bigshareonline.com
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NOTICE TO THE MEMBERS

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017, including the Audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Nainy Kunal Tanna (DIN 00351762) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors, M/s. Rakesh Soni & Co., Chartered Accountants in place of M/s. R. S. Agrawal & Associates, Chartered Accountants, who retire at the ensuing Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. Rakesh Soni & Co., Chartered Accountants, Mumbai (Firm Registration No. 114625W with the Institute of Chartered Accountants of India) be and are appointed as the Statutory Auditors of the Company in place of M/s. R. S. Agrawal & Associates, Chartered Accountants, the retiring Auditors, to hold office from the conclusion of the ensuing AGM until the conclusion of the 34th AGM to be held in 2022 (subject to ratification of the appointment by the members at every AGM held after this AGM) at such remuneration as may be agreed upon by the Audit Committee / Board of Directors in consultation with the Statutory Auditors."

SPECIAL BUSINESS:

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. Kishorechand Talwar (DIN: 00351751) as Chairman & Managing Director of the Company for a period of 3 years, w.e.f. April 01, 2017 at a consolidated remuneration not exceeding INR 1.68 Crores per annum as per the terms and conditions as specified in the statement pursuant to section 102(1) of the Companies Act, 2013, annexed to this Notice, subject to approval of the shareholders at the ensuing Annual General Meeting.

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mrs. Nainy Kunal Tanna (DIN 00351762) as the Whole-time Director of the Company for a period of 3 (Three) Years w.e.f. April 1, 2017 at a consolidated remuneration not exceeding INR 1.68 Crores per annum as per the terms and conditions as specified in the statement pursuant to section 102(1) of the Companies Act, 2013, annexed to this Notice, subject to approval of the shareholders at the ensuing Annual General Meeting.

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

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

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

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

Registered Office:

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

NOTES:

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

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

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

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

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

M/S. BIG SHARE SERVICES PRIVATE LIMITED

Unit: [Rexnord Electronics and Controls Limited]

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

Tel: 022 – 62638200

Email: info@bigshareonline.com

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

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

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

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

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

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

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

- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE

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

ITEM NO. 4:

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

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

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

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

MEMORANDUM OF INTEREST

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

Item No. 5:

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

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

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

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

MEMORANDUM OF INTEREST

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

ANNEXURE "A" TO THE EXPLANATORY STATEMENT

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

I. GENERAL INFORMATION:

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

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

- Foreign Investments or collaborations, if any: Nil

II. Information about the appointee

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

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

III. Other Information:

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

IV. Disclosures:

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

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

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

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

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

KISHORECHAND TALWAR
(DIN: 00351751)
CHAIRMAN & MANAGING DIRECTOR

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

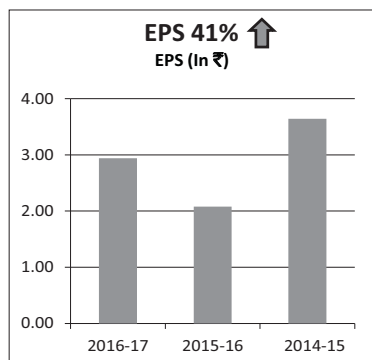
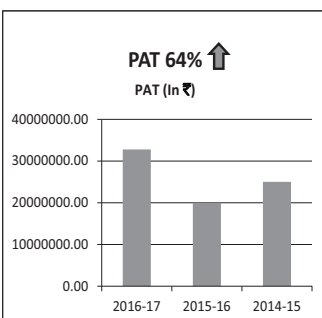
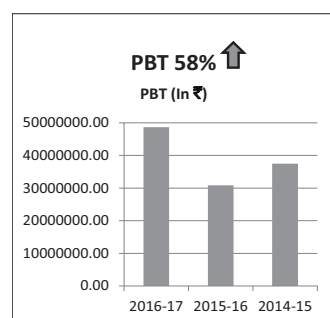
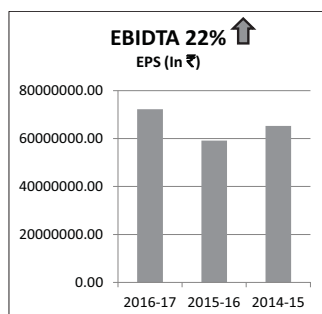
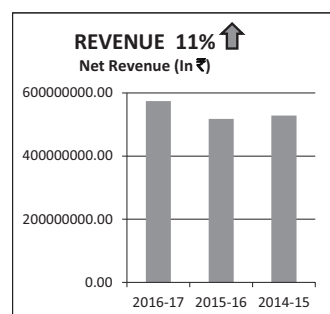
Your Directors have great pleasure in presenting the 29th Annual Report together with the Audited Accounts for the year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS:

(Amount in ₹)

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

GRAPH OF THE FINANCIAL HIGHLIGHTS FOR THE LAST FEW YEARS



2. COMPANY OVERVIEW:

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

3. FINANCIAL REVIEW:

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

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

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

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

4. DIVIDEND & TRANSFER TO RESERVES:

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

5. SHARE CAPITAL OF THE COMPANY:

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

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

6. SUBSIDIARIES & ASSOCIATE COMPANIES:

The Company does not have any subsidiary or associate companies.

7. CHANGE IN THE NATURE OF BUSINESS:

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

8. BOARD OF DIRECTORS:

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

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

9. KEY MANAGERIAL PERSONNEL:

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

10. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

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

11. DECLARATION OF INDEPENDENT DIRECTORS:

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

12. DIRECTORS RESPONSIBILITY STATEMENT:

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

- 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;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- 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;
- the Directors had prepared the annual accounts on a going concern basis;
- 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.
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. COMMITTEES OF BOARD OF DIRECTORS:

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

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

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

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

15. BOARD EVALUATION:

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

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

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

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

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

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

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

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

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

16. CODE OF CONDUCT:

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

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

17. FIXED DEPOSITS:

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

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

19. ISO CERTIFICATION:

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

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

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

21. EXTRACT OF ANNUAL RETURN:

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

22. RELATED PARTY TRANSACTIONS:

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

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

23. APPOINTMENT OF STATUTORY AUDITORS:

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

24. SECRETARIAL AUDIT:

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

25. COST AUDIT:

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

26. AUDITORS' / SECRETARIAL AUDITORS' OBSERVATIONS:

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

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

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

27. PREVENTION OF SEXUAL HARASSMENT:

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

During the year under review, no complaints were reported.

28. RISK MANAGEMENT:

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

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

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

29. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

Committee of the Board.

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

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

30. INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

31. DEPOSITORY SERVICES:

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

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

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

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

A. CONSERVATION OF ENERGY:

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

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

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

B TECHNOLOGY ABSORPTION:

a. Research & Development

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