

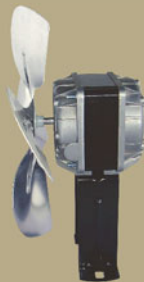


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31<sup>th</sup>

Annual Report 2018 - 2019

**BOARD OF DIRECTORS**

Kishore Chand Talwar	Chairman & Managing Director
Nainy K. Tanna	Wholetime Director
Krishnamoorthy Krishnan	Director
Ayyaswami Sundaram	Director
Sriram Shrinivasan	Director

**AUDITORS**

Rakesh Soni & Co.  
Chartered Accountants  
Mumbai

**KEY MANAGERIAL PERSONNEL**

**CHIEF FINANCIAL OFFICER** Kundan Talwar

**COMPANY SECRETARY** Shweta Kalantri

**SECRETARIAL AUDITOR** GMJ & Associates,  
Company Secretaries, Mumbai

**BANKERS** HDFC Bank Limited  
Bank of Baroda

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

**WORKS** Plot Survey No. 62, 74 & 75  
Village - Devadal, Kaman,  
Taluka - Vasai, Dist - Palghar (MS)

**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 • Website : www.bigshareonline.com

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## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 31st Annual General Meeting (AGM) of the Members of **REXNORD ELECTRONICS AND CONTROLS LIMITED** will be held on Friday, September 27, 2019 at 10:30 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:
  - a) the Audited Standalone Financial Statements of the Company for the year ended March 31, 2019, including the Audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.
  - b) the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2019, including the Consolidated Audited Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year ended on that date together with the Auditors Reports thereon.
2. To appoint a Director in place of Mrs. Nainy Tanna (DIN 00351762), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

3. 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 sections 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time, the consent of Members be and is hereby accorded for payment of remuneration to Mr. Kundan Talwar holding office or place of profit, as Chief Financial Officer of the Company, Son of Mr. Kishore Chand Talwar, Chairman & Managing Director and Brother of Mrs. Nainy K Tanna, Whole Time Director, w.e.f October 1, 2019 at a consolidated remuneration not exceeding ₹ 60.00 Lakhs per annum.

**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/ Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013, payable to Mr. Kundan Talwar holding office or place of profit, within the maximum limit approved by the shareholders.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable for the purpose of giving effect to this Resolution."

4. **Approval of the limits for the Loans, Investment and Guarantees by the Company in terms of the provisions section 186 of the companies act, 2013:**

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

**"RESOLVED THAT** subject to section 186 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules made thereunder, amendments as per the amended Section 62 of The Companies (Amendment) Act, 2017, notified w.e.f May 7, 2018 and in addition to the amounts already invested / loans made or guarantees/ security provided by the Company, consent be and is hereby accorded for the company to do the following transactions:

- i. To acquire by way of subscription, purchase or otherwise in the securities of any of its Associate Company/any Body Corporate (s), and/or
- ii. To give loans to any of its Associate Company/Body Corporate (s)/ Other concern(s), and/or

- iii. To give guarantees or provide security in connection with loan(s) given by any other person to any of its associate company/body corporate (s)/other concern(s), and/or upto a limit of ₹ 50 Crores (Rupees Fifty Crores Only) for such investments / loans / guarantees.

Notwithstanding that the aggregate of the investments and loans so far made or to be made and the guarantees so far given or to be given by the company and securities so far provided and to be provided, exceeds the limits/will exceed the limits laid down by the Act read with the Rules thereunder.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby severally authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned transactions including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer, sale, recall, renewal, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits, take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

5. To approve continuation of payment of remuneration to Executive Directors who are Promoters in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

**To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to Regulation 17(6)(e) of SEBI Listing Regulations and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the continuation of payment of remuneration as per existing terms and conditions as approved by the shareholders to Mr. Kishore Chand Talwar, Chairman & Managing Director and Mrs. Nainy Tanna, Whole time Director of the Company, at the Annual General Meeting held on September 1, 2017 and who are Executive Directors and Promoters of the Company notwithstanding:

- i) annual remuneration to each of them exceeding ₹ 5 Crores or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- ii) their aggregate annual remuneration exceeding 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, till the expiry of their current term as such i.e. March 31, 2020.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this Resolution."

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

**Kishorechand Talwar**  
Chairman & Managing Director  
(DIN: 00351751)

**Registered Office:**  
92-D Govt. Ind. Estate,  
Charkop, Kandivali (W),  
Mumbai - 400 067

Dated: May 30, 2019

# 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 / HERSELF 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.

Pursuant to the provision of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.

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. 20 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. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / reappointment at the AGM are furnished below. The Directors have furnished the requisite consents / declarations for their appointment/re-appointment.

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

Name of Director	Mrs. Nainy Tanna
Director Identification Number (DIN)	00351762
Date of Birth	24/09/1981
Age	37 Years
Brief resume & Nature of expertise in specific functional areas	She is associated with the Company since August 01, 2001 as Director of the Company and has an experience of over 18 years to her credit. She looks after Finance, Import and Export related activities of the Company.
Disclosure of relationship between directors inter-se	Daughter of Mr. Kishorechand Talwar and sister of Mr. Kundan Talwar
Names of listed entities in which the person also holds the directorship	NIL
No. of Shares held in the Company	362200 shares
Membership & Chairmanships of Committees of the Board	Members of – Audit Committee – Corporate Social Responsibility

7. The Register of Members and the Share Transfer Books of the Company will remain closed from September 21, 2019 to September 27, 2019 (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. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
11. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
12. The Company's shares are listed on BSE Limited, Mumbai.
13. 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.
14. 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 – 62638200/222

Email: investor@bigshareonline.com

15. 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.
16. 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.
17. 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.
18. 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.
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.
20. 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) Regulation, 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 M/s. GMJ & Associates, Practicing Company Secretaries, Mumbai as Scrutinizer to scrutinise the e-voting and remote e-voting process in a fair and transparent manner and they have communicated their 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 20, 2019.
- (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 20, 2019** 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 20, 2019**, may obtain the User ID and password from **BIG SHARE SERVICES PRIVATE LIMITED** (Registrar & Transfer Agents of the Company).
- (ix) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than 48 hours 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.com](http://www.rexnordindia.com)) and on the website of CDSL [www.evotingindia.com](http://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 27, 2019.
- (xi) **The instructions for shareholders voting electronically are as under:**
  - a) The voting period begins at 9.00 a.m. (IST) on September 24, 2019 and ends at 5.00 p.m. (IST) on September 26, 2019. 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 20, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - c) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - d) Click on Shareholders.
  - e) 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.
  - f) Next enter the Image Verification as displayed and Click on Login.
  - g) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

- h) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
<b>PAN</b>	<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"> <li>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.</li> <li>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.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both 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 (d).</li> </ul>

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) 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.
- k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the EVSN for **"REXNORD ELECTRONICS AND CONTROLS LIMITED"** on which you choose to vote.
- m) 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.
- n) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- o) 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.
- p) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take out print of the voting done by you by clicking on **"CLICK HERE TO PRINT"** option on the Voting page.
- r) 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.

- s) 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.
- t) **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](http://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](mailto: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](mailto: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.
- u) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xii) **In case of members receiving the physical copy:**
- a) Please follow all steps from sl. no. (a) to sl. no. (t) above to cast vote.
- The voting period begins on **9.00 a.m. (IST) on September 24, 2019** and ends at **5.00 p.m. (IST) on September 26, 2019**. 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 20, 2019**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## ANNEXURE TO THE NOTICE

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

#### ITEM NO. 3:

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and for material transactions approval of the shareholders is also required.

Pursuant to provision of Section 188(1)(f) of the Companies Act, 2013 and rules made thereunder as amended time to time the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on May 30, 2019 had approved the remuneration payable to Mr. Kundan Talwar holding office or place of profit, as Chief Financial Officer of the Company, Son of Mr. Kishore Chand Talwar, Chairman & Managing Director and Brother of Mrs. Nainy K Tanna, Whole Time Director, subject to approval of the Shareholders by way of an Ordinary Resolution.

The detail of the remuneration payable to Mr. Kundan Talwar is given in the resolution at Item No.3 of the Notice. The Board considered the increase of remuneration /salary in view of skill, experience and knowledge of Mr. Kundan Talwar which would be of immense benefits to the Company and it is desirable to avail his services.

Disclosure of Particulars in terms of Rule 15 (3) of the Companies (Meeting of Board and its Powers) Rules 2014

- a) Name of Related Party : Mr. Kundan Talwar, Chief Financial Officer
- b) Name of the Director or Key Managerial Personnel who is related if any
  - Mr. Kishore Chand Talwar, Chairman and Managing Director and
  - Mrs. Nainy Kunal Tanna, Whole time Director
- c) Nature of Relationship : Father and Sister respectively
- d) Nature, Material Terms, Monetary Value, Particulars of the Contract and Arrangement and any other information: As mentioned above in the explanatory statement and resolution set out in Item No. 3 of the Notice.

As per section 188(1)(f) of the Companies Act, 2013, your Directors recommend the resolutions for your approval.

Mr. Kishore Chand Talwar, Chairman & Managing Director and Mrs. Nainy K Tanna, Whole-time Director being relatives are deemed to be interested or concerned in the said resolution and relatives of Mr. Kundan Talwar may be deemed to be interested in the said resolution to the extent of their shareholding, if any, in the Company.

Save and except above, none of the other directors and key managerial personnel of the Company or relatives of other directors and key managerial personnel is in any way concerned and interested in the said Resolution.

#### ITEM NO. 4:

Pursuant to Section 186 of the Companies Act, 2013, read with Rules made thereunder, the Company is required to obtain the prior approval of the members by way of a Special Resolution for giving of any loan or guarantee or providing any security or the acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up-share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

As a measure of achieving business objectives, permission of the shareholders is sought pursuant to provisions of section 186 of the Companies Act, 2013 to give powers to the Board of Directors for acquiring by way of subscription, purchase or otherwise in the Securities of any of its Associate Company/ any Body corporate(s) and /or give loan to any of its Associate Company /Body Corporate(s)/ Other Concerns(s) and/or to give guarantee or provide security in connection with a loan given by any other Body Corporate any other person to any of its associate company/body corporate (s)/other concern(s), upto a limit of Rs. 50 Crores (Rupees Fifty Crores Only) outstanding at any point of time

notwithstanding that the aggregate amount of all the loans/guarantees/ security/ Investments so far made together with the proposed loans/ guarantees /security/ Investments to be made, exceeds the limits prescribed under section 186 of the Companies Act, 2013.

The Board recommends the Resolution at Item No. 4 of the accompanying notice for approval by the members of the company.

None of the Directors of the Company or their respective relatives are concerned or interested in the passing of the Resolution at Item No.4 of the accompanying Notice.

#### ITEM NO.5:

As per newly introduced Regulation 17(6)(e) of SEBI Listing Regulations the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds ₹ 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

At present, on the Board of Directors of the Company, there are two Executive directors who are promoters. They are Mr. Kishore Chand Talwar, Chairman & Managing Director and Mrs. Nainy Tanna, Whole time Director of the Company. The shareholders have approved remuneration payable to them within the limits as prescribed at that time as per Companies Act, 2013, while approving their appointment on September 1, 2017, which is in excess of 2.5% of the net profits of the Company, individually and more than 5% of the net profits of the Company in aggregate. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Directors including remuneration payable to them till the expiry of their respective term in order to comply with the above mentioned newly introduced Regulation 17(6)(e) of SEBI Listing Regulations.

The Board approved the above proposal at their meeting held on May 30, 2019 after considering the valuable contributions of Mr. Kishore Chand Talwar, Chairman & Managing Director and Mrs. Nainy Tanna, Whole time Director of the Company in the growth of the Company and remuneration prevalent for the similar positions in the companies of the like size.

The Board recommends the special resolution set out at Item No. 5 of the Notice for approval by the Members.

Except Mr. Kishore Chand Talwar, Chairman & Managing Director and Mrs. Nainy Tanna, Whole time Director of the Company, Mr. Kundan Talwar, Chief Financial Officer and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

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

**Kishorechand Talwar**  
Chairman & Managing Director  
(DIN: 00351751)

**Registered Office:**  
92-D Govt. Ind. Estate,  
Charkop, Kandivali (W),  
Mumbai - 400 067

Dated: May 30, 2019

## DIRECTORS' REPORT TO THE SHAREHOLDERS

To,  
The Shareholders,

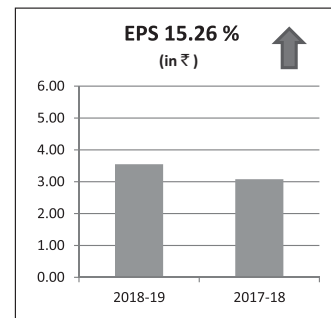
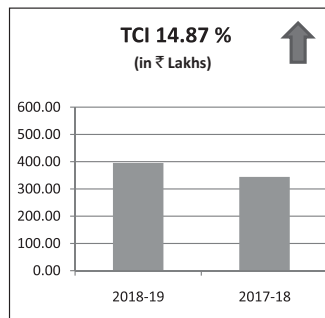
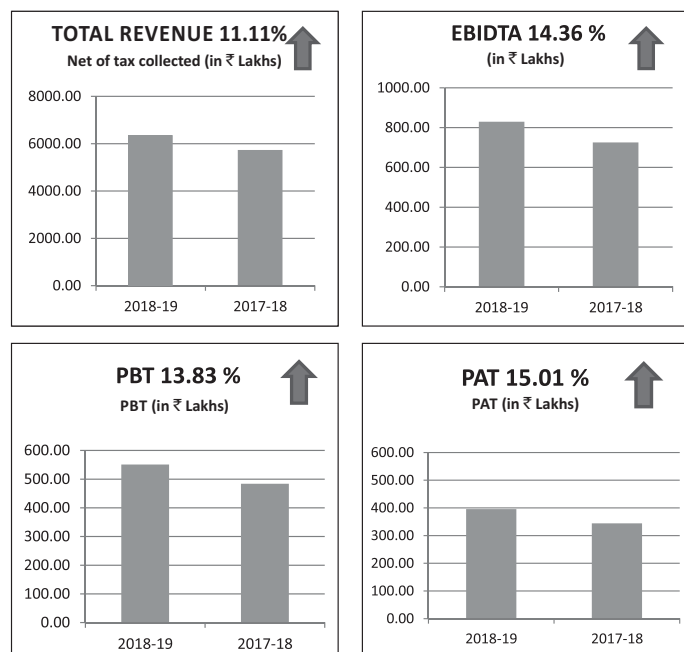
Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2019. The consolidated performance of the company and its Subsidiary has been referred to wherever required.

### 1. FINANCIAL HIGHLIGHTS:

(₹ in Lakhs except EPS)

Particulars	Standalone		Consolidated	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Total Revenue</b>	<b>6348.68</b>	<b>5864.46</b>	<b>6345.35</b>	<b>5864.46</b>
<b>Profit before Interest, depreciation and amortization</b>	<b>829.47</b>	<b>725.34</b>	<b>825.49</b>	<b>724.68</b>
Finance Cost	123.65	92.31	123.66	92.31
Profit before Depreciation and amortization	705.82	633.03	701.83	632.37
Depreciation and amortization	154.85	148.99	154.96	148.99
Profit before exceptional items & tax	550.97	484.04	546.87	483.38
Exceptional items	--	--	--	--
<b>Profit / (Loss) before tax</b>	<b>550.97</b>	<b>484.04</b>	<b>546.87</b>	<b>483.38</b>
Tax Expense	155.16	139.90	155.16	139.90
<b>Net Profit / (Loss) after tax</b>	<b>395.81</b>	<b>344.14</b>	<b>391.71</b>	<b>343.48</b>
Other comprehensive Income (Net of Tax)	(0.48)	0.01	(0.48)	0.01
<b>Total Comprehensive Income</b>	<b>395.33</b>	<b>344.15</b>	<b>391.23</b>	<b>343.49</b>
<b>Earning per Equity Share</b>				
Basic	3.55	3.08	3.51	3.08
Diluted	3.55	3.08	3.51	3.08

### 2. GRAPH OF THE FINANCIAL HIGHLIGHTS (STANDALONE) FOR THE LAST FEW YEARS



### 3. COMPANY OVERVIEW:

Your Company is one of India's leading manufacturing companies present in the Shaded Pole motor and Fans segment. It manufactures and markets a wide range of products ranging from AC Axial Fans, DC Brushless Fans, Exhaust Fans, Shaded Pole Motors and Energy saving fans.

Your Company remains focussed on three key objectives – growing sales faster than the market, operating profits in line with sales and ensuring maximum productivity. It expects growth to remain robust across all key segments with a combination of product innovation and driving go-to-market better and across more geographies. On a macro note, rising GDP growth, increasing urbanisation, consumerism among the affluent segment, rising disposable incomes and improving electrification across India is seen driving macro growth.

Your Company is integrating technology with its core business to streamline and strengthen its supply chain. It has realigned the end-to-end supply chain for optimisation under the new tax regime, with the aim of maintaining quality and cost control and ensuring better availability and service to the customers. Its Sales and Operational Planning enables it to forecast sales in terms of value and volume and calibrate that with Sales Team for supply sufficiency, while keeping control on working capital.

Your Company is the market leader in Fans and Motors segment and has reported faster than industry growth during the year. It grew its market share driven by several key initiatives, especially in the energy saving segment.

A wide range of Fans and Motors were introduced during the year, with a clear aim of providing meaningful consumer benefits to consumers in terms of saving energy and providing value for money.

Moving forward, your Company will continue its aim of filling the gaps in the portfolio by introducing technologically advanced products, and better designs.

### 4. FINANCIAL REVIEW:

On Standalone Basis: Your Company achieved a Total Revenue of ₹ 6348.68 lakhs as against ₹ 5864.46 lakhs in the previous Year. The total expenditure during the Year under review was ₹ 5797.71 lakhs as against ₹ 5380.42 lakhs in the previous Year. The Profit before tax was ₹ 550.97 lakhs as against ₹ 484.04 lakhs in the previous year and the Net Profit after tax was ₹ 395.81 lakhs as against ₹ 344.14 lakhs in the previous Year.

On Consolidated Basis: Your Company achieved a Total Revenue of ₹ 6345.35 lakhs as against ₹ 5864.46 lakhs in the previous Year. The total expenditure during the Year under review was ₹ 5798.48 lakhs as against ₹ 5381.08 lakhs in the previous Year. The Profit before tax was ₹ 546.87 lakhs as against ₹ 483.38 lakhs in the previous and the Net Profit after tax was ₹ 391.71 lakhs as against ₹ 343.48 lakhs in the previous Year.

### 5. FUTURE OUTLOOK:

Five-Dimensional Growth Strategy:

Your Company's strategic objective is to grow faster than the market in each of its Product lines. It focusses on developing a robust and wide product portfolio, creating brand excellence, adopting an effective go-to-market approach, and developing operational and organisational excellence.

➤ **Brand Excellence:** Your Company has been investing in the brand to create awareness and develop the market with innovative products. With a focus on enhancing brand recognition, it is stepping up brand investment through innovative and sustained brand campaigns to achieve the targeted outcome.

- **Portfolio Excellence:** Your Company remains focussed on product innovation with consumer needs. Based on its learning's, it has developed energy-efficient products, improving product aesthetics and communicating the inherent durability promise. It has worked on products for specific consumer need.
- **Go-to-Market Excellence:** Your Company's Go-To-Market strategy is aimed towards expanding distribution reach beyond Tier 1 and 2 cities and increasing market presence in untapped markets. This initiative is now being deployed pan-India. The focus is on creating a widespread reach and brand awareness.
- **Operational Excellence:** Your Company's aim is to deliver the best product quality, at lowest cost and improve product availability. The drive on cost optimisation is aimed towards value engineering, new designs, alternative material usage and negotiation with vendors.
- **Organisational Excellence:** Your Company looks to enable the key impact areas through capability development across functions and enhancing leadership development. The focus is on employee empowerment through transparency, training and clear expectations and nurturing employee engagement through out the organisation.

## 6. CHANGE IN THE NATURE OF BUSINESS:

During the year, the Company has closed its Branch office situated in Singapore, due to non-commencement of business.

## 7. DIVIDEND:

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2019.

## 8. TRANSFER TO RESERVES:

No amount is proposed to be transferred to Reserves out of the profits earned during the Financial Year 2018-2019.

## 9. DEPOSITS:

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

## 10. SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital, as at March 31, 2019 was ₹ 11,16 Crores divided into 111,60,000 Equity shares, having face value of ₹ 10/- each fully paid up. During the Year under review, the Company has not issued any shares with differential voting rights, neither granted any stock options nor sweat equity.

## 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans given and investment made by the Company which are required to be disclosed in the financial statements of the Company as per the provisions of section 186 (4) of the Companies Act, 2013 and Regulation 34 (3) read with Schedule V to the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations)** are as follows:

A. Details of investments made by the Company as on 31<sup>st</sup> March, 2019:

i. Investments in Equity Shares of wholly owned subsidiary:

(₹ In Lakhs)

Name of entity	Amount as at March 31, 2019
Rexnord Enterprise Private Limited	10.00

ii. Investments in Debentures & Bonds:

(₹ In Lakhs)

Name of entity	Amount as at March 31, 2019
Reliance Securities Limited	25.63
Reliance Capital Limited	26.03

iii. Investments in Mutual Fund:

(₹ In Lakhs)

Name of entity	Amount as at March 31, 2019
AXIS Focused 25 Fund-Growth	19.82
TATA Equity P/E Fund Regular Plan-Growth	19.57
HDFC Capital Builder Value Fund-Growth	20.78

B. Details of loans given by the Company to its wholly owned subsidiary as on 31<sup>st</sup> March, 2019:

(₹ In Lakhs)

Name of entity	Amount as at March 31, 2019
Rexnord Enterprise Private Limited	85.00

C. The company has not given any guarantee and provided any security in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued there under.

## 12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### a) DIRECTORS

#### i) Composition:

The Board of Directors includes the Executive and Independent Directors so as to ensure proper governance and management. The Board consists of Five (5) Directors comprising of Two (2) Executive Director including One (1) Woman Director and Three (3) Independent Directors as on March 31, 2019.

#### ii) Re-appointments:

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Nainy K Tanna, Director of the Company, retires by rotation, and being eligible, has offered herself for reappointment.

#### iii) Resignation:

Mr. Ram Senhi and Mr. Ganapathy Dharmarajan resigned as Independent Directors w.e.f. April 1, 2018 and May 7, 2018 respectively. The Board of Directors has placed on record its warm appreciation for the rich contribution made by them and the guidance provided by them during their tenure as Independent Directors of the Company.

#### iv) Inductions / Appointments:

The Board has appointed Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan as Additional Directors on the Board of the Company in Independent capacity w.e.f. May 16, 2018. Further, Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan were appointed as Non-Executive Independent Directors of the Company for a period of Five (5) years at the 30<sup>th</sup> Annual General Meeting held on September 28, 2018 (i.e. From May 16, 2018 to May 15, 2023).

#### v) Key Managerial Personnel:

The Company is having the following persons as the Key Managerial Personnel.

Sr. No.	Name of Personnel	Designation
1.	Mr. Kishore Chand Talwar	Chairman & Managing Director
2.	Mr. Kundan Talwar	Chief Financial Officer
3.	*Mr. Krunal Wala	Company Secretary & Compliance Officer
4.	**Mrs. Shweta Kalantri	Company Secretary & Compliance Officer

\*Mr. Krunal Wala has resigned from the post of Company Secretary & Compliance Officer w.e.f. May 31, 2018

\*\* Mrs. Shweta Kalantri was appointed as a Company Secretary & Compliance Officer of the Company w.e.f. June 1, 2018

## 13. DECLARATION BY INDEPENDENT DIRECTORS:

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)

(b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

#### 14. SUBSIDIARIES & ASSOCIATE COMPANIES:

The Company has One (1) Wholly Owned Subsidiary Company i.e. Rexnord Enterprise Private Limited within the meaning of Section 2(87) of the Companies Act, 2013.

The Subsidiary Company is carrying on the business of Agro & Trading Activities and the Company holds 100% of the Equity Share Capital in Rexnord Enterprise Private Limited as on March 31, 2019.

Pursuant to provisions of Section 129(3) of the Act read with rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of its Subsidiary Company in Form AOC-1 is attached with the Financial Statements and forms part of this report and the Annual Report.

The Company does not have joint venture or associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

#### 15. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2019 along with Auditors' Report forms part of this Annual Report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Audited Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, [www.rexnordindia.com](http://www.rexnordindia.com).

Further, as per fourth proviso of the said section, Audited Annual Accounts of the subsidiary company have also been placed on the website of the Company, [www.rexnordindia.com](http://www.rexnordindia.com). Shareholders interested in obtaining a copy of the Audited Annual Accounts of the subsidiary company may write to the Company at the Company's registered office.

#### 16. EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return in Form MGT-9, as required under Section 92 (3) of the Act, is annexed as **Annexure 'A'** which forms an integral part of this Report and is also available on the Company's website viz. [www.rexnordindia.com](http://www.rexnordindia.com)

#### 17. NUMBER OF MEETING:

##### a) Board of Directors

The Board of Directors met Eight (8) times in the financial year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of the Annual Report.

##### b) Audit Committee

During the year, Four (4) Audit Committee Meetings were convened and held. The Audit Committee was reconstituted at the Board Meeting held on May 16, 2018. The details pertaining to composition of Audit Committee and the attendance of the Audit Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

##### c) Nomination & Remuneration Committee

During the year, Three (3) Nomination and Remuneration Committee Meetings were convened and held. The Nomination and Remuneration Committee was reconstituted at the Board Meeting held on May 16, 2018. The details pertaining to composition of Nomination and Remuneration Committee and the attendance of the Nomination and Remuneration Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

##### d) Stakeholders Relationship Committee

During the year, Four (4) Stakeholders Relationship Committee Meetings were convened and held. The Stakeholders Relationship Committee was reconstituted at the Board Meeting held on May 16, 2018. The details pertaining to composition of Stakeholders Relationship Committee and the attendance of the Stakeholders Relationship Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

#### 18. DIRECTORS RESPONSIBILITY STATEMENT:

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

(a) 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;

(b) 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;

(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.

(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.

#### 19. ANNUAL PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations the company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual directors on the basis of evaluation criteria suggested by the Nomination and Remuneration Committee and the SEBI Listing Regulations. Accordingly, the Board has carried out an evaluation of its performance after taking into consideration various performance related 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 Board as a whole, Chairperson and Non-Independent Directors was also carried out by the Independent Directors in their meeting held on February 14, 2019.

Similarly, the performance of various committees, individual Independent and Non Independent Directors was evaluated by the entire Board of Directors (excluding the Director being evaluated) on various parameters like engagement, analysis, decision making, communication and interest of stakeholders.

The Board of Directors expressed its satisfaction with the performance of the Board, its committees and individual directors.

#### 20. POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS:

The Company's policy on Directors' appointment, remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance report, which forms part of the Annual Report and is also available on the Company's website viz. [www.rexnordindia.com](http://www.rexnordindia.com).

#### 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 in compliance with the provisions of Section 188 of the Companies Act, 2013 and SEBI 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 defined by the Board.

All Related Party Transactions are placed on a quarterly basis before the Audit Committee for which Omnibus approval was obtained from the Committee and also before the Board for approval.

The Policy for determining the materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website [www.rexnordindia.com](http://www.rexnordindia.com)

#### 22. AUDITORS:

##### a) Statutory Auditor

Members of the Company at the Annual General Meeting ('AGM') held on September 1, 2017, approved the appointment of M/s. Rakesh Soni & Co., Chartered Accountants (Firm Registration No. 114625W), as the statutory auditors of the Company for a period of five years commencing from the conclusion of the 29th Annual General Meeting held on September 1, 2017 until the conclusion of 34th AGM of the Company to be held in the year 2022.

The first proviso to section 139(1) of the Companies Act, 2013 (the Act) has been omitted vide section 40 of the Companies (Amendment) Act, 2017 notified on May 7, 2018. Therefore, it is not mandatory for the Company to place the matter relating to appointment of statutory auditor for ratification by members at every Annual General Meeting. Hence the Company has not included