



## AC DC & ENERGY SAVING FANS & MOTORS

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34<sup>th</sup>

Annual Report 2021 - 2022

<b>BOARD OF DIRECTORS</b>	Kishore Chand Talwar Nainy K. Tanna Krishnamoorthy Krishnan Ayyaswami Sundaram Sriram Shrinivasan	Chairman & Managing Director Wholetime Director Director Director Director
<b>CHIEF FINANCIAL OFFICER</b>	Kundan Talwar	
<b>COMPANY SECRETARY</b>	Shweta Kalantri	
<b>AUDITORS</b>	Rakesh Soni & Co. Chartered Accountants Mumbai	
<b>SECRETARIAL AUDITORS</b>	GMJ & Associates, Company Secretaries, Mumbai	
<b>BANKERS</b>	HDFC Bank Limited Bank of Baroda	
<b>REGISTERED OFFICE</b>	92-D, Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai - 400 067	
<b>WORKS</b>	Plot Survey No. 62, 74 & 75 Village - Devadal, Kaman, Taluka - Vasai, Dist - Palghar (MS)	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	Bigshare Services Pvt. Ltd., Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra Tel: 022 – 62638200/222 Email ID : investor@bigshareonline.com • Website : www.bigshareonline.com	

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## DIRECTORS' REPORT TO THE SHAREHOLDERS

To,  
The Shareholders,

Your directors have pleasure in presenting the 34<sup>th</sup> Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2022. The consolidated performance of the company and its Subsidiary has been referred to wherever required.

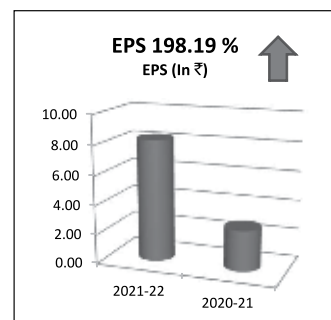
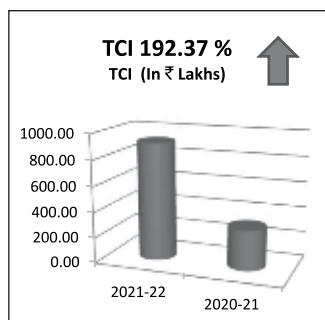
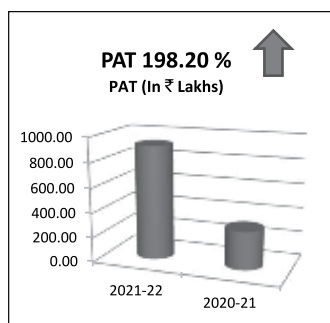
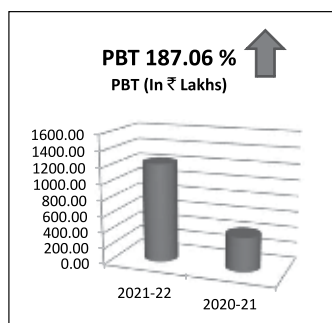
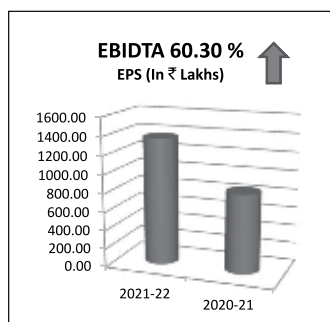
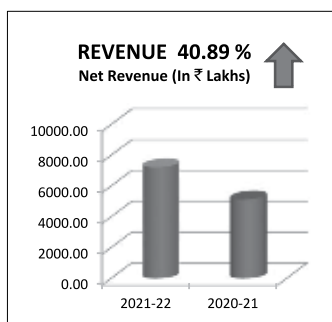
### FINANCIAL HIGHLIGHTS:

(₹ in Lakhs except EPS)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
Total revenue (Net of tax collected)	7216.57	5122.12	7214.81	5121.03
Profit before finance cost, depreciation and amortization	1367.77	853.27	1361.30	819.22
Finance costs	88.67	65.11	88.67	65.12
Profit before depreciation and amortization	1279.10	788.16	1272.63	754.10
Depreciation and amortization	183.98	160.92	187.60	164.29
Profit before exceptional items & tax	1095.12	627.24	1085.03	589.81
Less: Exceptional items	(138.18)	197.61	(138.18)	197.61
<b>Profit before tax</b>	<b>1233.30</b>	<b>429.63</b>	<b>1223.21</b>	<b>392.20</b>
Tax expense	311.39	120.48	311.39	120.48
<b>Net profit after tax</b>	<b>921.91</b>	<b>309.15</b>	<b>911.82</b>	<b>271.72</b>
Add: Other comprehensive income (net of tax)	(1.64)	5.62	(1.64)	5.62
Total comprehensive income	920.27	314.77	910.18	277.34
Balance brought forward	2820.67	2505.90	2722.63	2445.29
Balance carried forward	3740.94	2820.67	3632.81	2722.63
<b>Earning per Equity Share:</b>				
Basic ₹	8.26	2.77	8.17	2.43
Diluted ₹	8.26	2.77	8.17	2.43

### GRAPH OF THE FINANCIAL HIGHLIGHTS (STANDALONE) FOR THE LAST TWO YEARS

#### COMPANY OVERVIEW:



At Rexnord, we offer a wide range of products like AC Axial Fans, DC Brushless fans, Shaded Pole Motors and Energy Saving Fans manufactured at our state-of-the-art factory in Maharashtra, backed by our robust R&D capabilities, well-penetrated distribution network and strong brand recall.

Over the years, we have established a strong presence in the domestic electronic equipment and Refrigeration market, which is being bolstered by increasing penetration in the Global markets.

Despite the challenging macro context, business stayed firm, riding on focused execution and market share gains. Another challenging year was well managed, owing to the strategic choices and perseverance of team Rexnord. While navigating the short-term challenges of the pandemic and cost inflation, we continued with investments towards branding, expanding the distribution network, and innovation.

Our organic growth was strong, with broad-based market share gains. We limited the impact of unprecedented commodity inflation through efficiency and calibrated price increases.

The Electronic equipment and Refrigeration industry has enormous growth potential, given the improvement in electronic equipment and Refrigeration availability and demand. Today, the consumer is far more aware and aspirational. Rising internet penetration has further accelerated the adoption of smart solutions. We, at Rexnord, are cognisant of this opportunity, and are investing in R&D directed towards this. Recently, there has been a lot of attention on self-reliance in manufacturing, as part of the central government's 'Aatmanirbhar Bharat' project. Various government initiatives such as Production Linked Incentive (PLI) scheme, and targeted investment towards manufacturing of electronics, among others, are charting a positive, long-term prospect for the economy, and consequently, the Company. At Rexnord, self-reliance has always been at the core, as we strongly believe in maximising in-house manufacturing to have a better control over quality, supply chain and margins.

#### IMPACT OF COVID-19 ON THE OPERATIONS OF THE COMPANY:

COVID-19 continued to impact the business across segments. With the onset of the second wave in Q1 FY 2021-22, even though the demand for summer products was severely impacted we at Rexnord relied on agility and a pragmatic approach to manage the situation. We worked closely with our channel partners, ensuring their business continuity and well-being thus achieving a pragmatic growth in sales and margins. Accelerated use of technology was encouraged. The latter half of the year continued to be positive with ascending growth of the Electronic as well as Refrigeration segment. Commodity Costs remained volatile and inflationary, impacting our margins as we went for calibrated price increases. We fuelled our growth agenda through disciplined cost management, and improving operational efficiency at all levels of the business. In combination with sales growth, this enabled reinvestment in product innovation, brand building, and sustainability initiatives, while creating value for our shareholders.

#### FINANCIAL REVIEW:

**On Standalone Basis:** Your Company achieved a Total Revenue of ₹ 7216.57 lakhs as against ₹ 5122.12 lakhs in the previous Year. The total expenditure during the Year under review was ₹ 5983.27 lakhs as against ₹ 4692.49 lakhs in the previous year. The Profit before tax was ₹ 1233.30 lakhs as against ₹ 429.63 lakhs in the previous year and the Net Profit after tax was ₹ 921.91 lakhs as against ₹ 309.15 lakhs in the previous year.

**On Consolidated Basis:** Your Company achieved a Total Revenue of ₹ 7214.81 lakhs as against ₹ 5121.03 lakhs in the previous Year. The total expenditure during the year under review was ₹ 5991.60 lakhs as against ₹ 4728.80 lakhs in the previous Year. The Profit before tax was ₹ 1223.21 lakhs as against ₹ 392.20

lakhs in the previous year and the Net Profit after tax was ₹ 911.82 lakhs as against ₹ 271.72 lakhs in the previous year.

#### FUTURE OUTLOOK:

Sustainability has always been at the core. We remain committed to inclusive growth with due consideration towards social impact. The thrust in our value proposition has been to create opportunities for our stakeholders, where we can be partners in sustainable growth. As a part of our commitment to combat climate change, we have taken our step towards installing the solar-energy plant during the year with a capital cost of ₹ 120.93 Lakhs and are aggressively pursuing means and technologies of switching to cleaner fuels. Product stewardship would be a key approach in our climate action. In line with this, we are ramping up investments in R&D on aspects of energy efficiency, circularity, long-term durability and performance of our products, to provide our consumers sustainable and eco-conscious product offerings.

Over 90% of all our products are manufactured in-house. We have always been at the forefront of adopting and integrating new and innovative systems of manufacturing, to create globally benchmarked products that cater to the diverse demands of our customers across geographies. We continuously invest to upgrade our plant machineries and equipment, and also drive efficiency.

We have developed a strong financial capital framework with adequate foresight and agility to drive effective growth. Our strong balance sheet enables us to direct our growth capital swiftly and efficiently towards emerging opportunities for long-term value creation. Armed with this prudent approach, we navigated through exceptional circumstances brought on by the pandemic, transforming into a future-ready organization with confidence and purpose.

#### CHANGE IN THE NATURE OF BUSINESS:

During the year, there was no change in the nature of business of the Company.

#### DIVIDEND:

To consolidate the financial position of the Company, the Board does not recommend any dividend for the year ended March 31, 2022.

#### TRANSFER TO RESERVES:

No amount is proposed to be transferred to Reserves out of the profits earned during the Financial Year 2021-2022.

#### 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.

#### SHARE CAPITAL OF THE COMPANY:

##### ➤ Authorised Share Capital

The Authorised Capital of the Company as at March 31, 2022 was ₹ 1500.00 Lakhs (Rupees One Thousand Five Hundred Lakhs Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of ₹ 10/- each.

##### ➤ Issued and Paid-up Share Capital

The Paid-up Equity Share Capital as at March 31, 2022 was ₹ 1116 Lakhs divided into 1,11,60,000 Equity Shares, having face value of ₹ 10/- each fully paid up.

During the year under review, the Company has not issued any shares or convertible securities with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2022, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

#### 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 outstanding as on 31<sup>st</sup> March, 2022:

i. Investments in Equity Shares:

(₹ in Lakhs)

Name of entity	Amount as at March 31, 2022
Rexnord Enterprise Private Limited (WOS)	200.00
Infosys Limited of Face Value of ₹ 5/- each	0.10

ii. Investments in Debentures & Bonds:

(₹ in Lakhs)

Name of entity	Amount as at March 31, 2022
Reliance Capital Limited (Face Value of ₹1,00,000/- each)	31.12

iii. Investments in Mutual funds:

(₹ in Lakhs)

Name of entity	Amount as at March 31, 2022
SBI Liquid Fund Regular Growth of face value of ₹ 1000/- per unit	26.09
UTI Liquid Cash Plan- Regular Plan Growth of face value of ₹ 1000/- per unit	25.09
ICICI Prudential banking and PSU Debt Fund - Growth of face Value of ₹ 10/- per unit	25.10

B. Details of loans given by the Company to its wholly owned subsidiary outstanding as on 31<sup>st</sup> March, 2022:

(₹ in Lakhs)

Name of entity	Amount as at March 31, 2022
Rexnord Enterprise Private Limited	28.00

C. The Company has also granted loans to its employees other than directors in accordance with the Remuneration Policy of the Company. The Outstanding loans to employees as on 31<sup>st</sup> March 2022 are ₹ 8.16 lakhs.

D. 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.

#### 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, 2022.

##### ii) Re-appointments:

##### Director liable to retire by rotation:

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.

##### Independent Non-Executive Directors:

Based on performance evaluation and recommendations of Nomination and Remuneration Committee and in terms of the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, the Board recommends re-appointment of Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan as Independent Non-Executive Directors for a second term of five consecutive years with effect from May 16, 2023 to May 15, 2028, for the approval of Members.

##### Executive Directors:

The Board of Directors on the recommendation of Nomination and Remuneration Committee has approved the re-appointment of Mr. Kishorechand Talwar as Chairman & Managing Director and Mrs. Nainy Tanna as Whole Time Director of the Company for a period of 3 years with effect from April 01, 2023. Their appointment is subject to approval of members of the Company at the forthcoming Annual General Meeting.

Also Members approval is sought by way of Special Resolution for continuation of employment of Mr. Kishorechand Talwar at his office upon attaining the age of 70 (seventy) years on April 3, 2023. While such continuation of employment may not require any further approval of the shareholders, as a matter of abundant caution, it

is proposed to obtain approval of the shareholders at the ensuing Annual General Meeting.

**b) 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.	Mrs. Shweta Kalantri	Company Secretary & Compliance Officer

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

**DECLARATION BY INDEPENDENT DIRECTORS:**

All the Independent Directors of the Company have given their respective declaration/ disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

**SUBSIDIARIES & ASSOCIATE COMPANIES AND JOINT VENTURE:**

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, 2022.

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 forms part of this Annual Report and is appended as **Annexure 'A'**.

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

**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, 2022 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 has 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.

**ANNUAL RETURN:**

In accordance with the Companies Act, 2013, read with the applicable Rules, the Annual Return in the prescribed format can be accessed at [www.rexnordindia.com](http://www.rexnordindia.com).

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

The Board of Directors met Seven (7) 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.

**COMMITTEES OF BOARD OF DIRECTORS:**

The Company has constituted various Committees pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. Presently, the Company has following Committees of the Board of Directors:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

The details with respect to the composition, meetings, powers, roles, terms of reference, etc. of these Committees are given in the 'Corporate Governance Report' of the Company which forms part of this Annual Report.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 of the Act, with respect to Directors Responsibility statement it is hereby confirmed:

- 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

**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 Executive Directors was also carried out by the Independent Directors in their meeting held on February 12, 2022.

Similarly, the performance of various committees, individual Independent and Executive 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.

**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).

**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)

#### AUDITORS:

##### a) Statutory Auditor

M/s. Rakesh Soni & Co., Chartered Accountants (ICAI Firm Registration No. 114625W) were appointed as the Statutory Auditors for a period of five (5) years commencing from the conclusion of the 29<sup>th</sup> Annual General Meeting until the conclusion of the 34<sup>th</sup> Annual General Meeting. Accordingly, M/s. Rakesh Soni & Co., Chartered Accountants will be completing their term of five (5) years and retiring at the conclusion of the forthcoming Annual General Meeting.

Your Board proposes to appoint M/s. R. S. Agrawal & Associates (Firm Registration No. 100156W), Chartered Accountants, as Statutory Auditors for a term of five (5) years commencing from the conclusion of the 34<sup>th</sup> Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held in 2027.

M/s. R. S. Agrawal & Associates, Chartered Accountants have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits mentioned under Section 141(3)(g) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

The Audit Committee and the Board of Directors recommend the appointment of M/s. R. S. Agrawal & Associates, Chartered Accountants as Statutory Auditors of the company from the conclusion of the 34<sup>th</sup> Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting.

The Board places on record its appreciation for the services of M/s. Rakesh Soni & Co., Chartered Accountants, Chartered Accountants, during their tenure as the Statutory Auditors of your company.

The Auditors' Report for financial year 2021-2022 on the financial statements forms part of this Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. The Auditors have also confirmed that they satisfy the independence criteria required under Companies Act, 2013 and Code of Ethics issued by Institute of Chartered Accountants of India. The Auditors attend the Annual General meeting of the Company.

During the year under review, the Statutory Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

##### b) Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee has appointed M/s. R J Rathi & Co. Chartered Accountants, as internal auditors of the Company for the financial year ending 31<sup>st</sup> March, 2023.

##### c) Secretarial Auditor

The Secretarial Audit was carried out by M/s. GMJ & Associates, Company Secretaries for the Financial Year 2021-2022. The Report given by the Secretarial Auditors is annexed as **Annexure 'B'** to this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors have appointed M/s. GMJ & Associates, Company Secretaries as the Secretarial Auditors of the Company in relation to the financial year ending March 31, 2023. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed there under.

**Secretarial Compliance Report:** - The Company has undertaken an audit for the Financial Year ended March 31, 2022 for all applicable compliances as per the Securities and Exchange Board of India Regulations and

Circulars/Guidelines issued thereunder. The Secretarial Compliance Report issued by M/s. GMJ & Associates, Company Secretaries has been submitted to the Stock Exchange within 60 days of the end of the Financial Year.

##### d) Cost Auditor:

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 2021-2022 and 2022-23.

#### CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 for Corporate Social Responsibility (CSR) are applicable to the Company for the Financial Year 2021-2022 and accordingly, the Company has in place the Corporate Social Responsibility Committee.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and Annual Report on CSR activities during the year under review are set out in **Annexure 'C'** of this report. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on [www.rexnordindia.com](http://www.rexnordindia.com). The role of the committee has been defined as per section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII thereof.

#### CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This Code of Conduct deals with ethical issues and also foster a culture of accountability and integrity. The Code is in accordance with the requirements of Listing Regulations has been posted on the Company's website [www.rexnordindia.com](http://www.rexnordindia.com).

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

#### PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection by the members at the registered office of the Company during working hours on working days upto the date of the Annual General Meeting and if any member is interested in obtaining a copy thereof, such member may write to the Company Secretary.

#### 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 Chairperson of the Audit Committee of the Board.

The Internal Auditor 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.

#### 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.

#### 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 with the Objective to formalize the process of Identification of Potential risk and adopt appropriate risk mitigation measures through a risk management structure. The Policy is a step by the Company towards strengthening the existing internal controls and updating the same as may be required from time to time.

#### VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company [www.rexnordindia.com](http://www.rexnordindia.com)

#### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has a Policy on prohibition, prevention and redressal of sexual harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013".

During the financial year 2021-2022, no complaint was received under the policy.

#### 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 equipment's, improved operating practice and installation of most modern machinery has resulted in lot of saving in energy cost and consumption of raw materials.

- (i) 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:
  - Due consideration has been given to energy consumption while procuring equipment's.
  - As a responsible Corporate Citizen and in adherence to our climate change strategy, Company is continuously taking effective steps to conserve energy.
  - With the installation of solar energy plant, the Company is saving a substantial cost of power consumption.
  - 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.
- (ii) 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.
- (iii) The Capital invested on energy equipment's: ₹ 120.93 Lakhs on Solar Energy plant

##### B. TECHNOLOGY ABSORPTION:

###### a) Research & Development

The Research & Development department of the Company has been arduously working to provide quality and value for money to the

customer in keeping with market trends. Research and Development is being carried out in the following areas.

- Making design modifications in the products so as to simplify the manufacturing process and enhance productivity.
- Developing Jigs, Fixtures and devices to increase productivity.
- Improvements to tool design.
- Up gradation of machines.
- Design and development of special machines required for increasing capacity.
- Development of equipment required for testing product reliability at various stages.

###### b) Technology absorption, adaptation and innovation.

Technology for the manufacture of Instrument Cooling Fans of various sizes has been successfully absorbed.

##### C. FOREIGN EXCHANGE EARNED AND USED:

The particulars regarding foreign exchange earnings and expenditure during the Financial Year 2021-22 is as under:

(₹ in Lakhs)

Particulars	2021-2022	2020-21
Foreign Exchange Earning	1513.15	957.68
Foreign Exchange Outgo	1512.06	1295.73

##### ENVIRONMENT AND SAFETY:

The Company is committed to:

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

##### 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.

##### MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

##### THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant or material orders which were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

##### CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 15(2) read with Schedule V of SEBI Listing Regulations the Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure's 'D' & 'E', together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Listing Regulations.

The Company is complying with the Regulations of SEBI Listing Regulations with regard to Corporate Governance and reports to that effect are regularly filed with the Stock Exchange.

**BUSINESS RESPONSIBILITY REPORTING:**

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI Listing Regulations is not applicable to the Company for the financial year ending March 31, 2022.

**FINANCIAL YEAR:**

The Company and its subsidiary Company in India which have been following April to March as the Financial Year.

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:**

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

During the year under review, no such application or proceeding has been initiated or pending against the Company. The requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

**ISO CERTIFICATION:**

The Company's products are awarded as ISO 9001:2015 Certification.

**ACKNOWLEDGMENT:**

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

For and on behalf of the Board 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: August 10, 2022

## ANNEXURE 'A' TO THE DIRECTORS' REPORT 2021-2022

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts ₹ in Lakhs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Rexnord Enterprise Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	Authorised Share Capital: 300.00 Paid Up Share Capital: 200.00
5.	Reserves & surplus (Other equity)	(108.13)
6.	Total assets	120.57
7.	Total Liabilities (excluding share capital and reserves & surplus)	28.70
8.	Investments	-
9.	Turnover	0.00
10.	Profit before taxation	(10.09)
11.	Provision for taxation	-
12.	Profit after taxation	(10.09)
13.	Proposed Dividend	-
14.	% of shareholding	100%

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable

For and on behalf of the Board of Directors  
**Rexnord Electronics and Controls Limited**

**Kishore Chand Talwar**  
Chairman & Managing Director  
DIN 00351751

**Nainy K. Tanna**  
Wholetime Director  
DIN 00351762

**Krishnamoorthy Krishnan**  
Director  
DIN 08129657

**Kundan Talwar**  
Chief Financial Officer

**Shweta Kalantri**  
Company Secretary

Place : Mumbai  
Dated : May 30, 2022

## ANNEXURE 'B' TO THE DIRECTORS' REPORT 2021-2022

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Members,  
**REXNORD ELECTRONICS AND CONTROLS LIMITED**  
92-D, Govt Ind. Estate, Charkop,  
Kandivali (West),  
Mumbai – 400067.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **REXNORD ELECTRONICS AND CONTROLS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2022**, complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **REXNORD ELECTRONICS AND CONTROLS LIMITED** for the Financial Year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
  - a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Except as specified in the Secretarial Compliance Report)
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**
  - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [Formerly known as Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]; **[Not applicable during the period of audit]**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the period of audit]**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards 1 & 2 with respect to Board and General meetings, respectively, issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company being into manufacturing and trading of Instrument Cooling Fans, Motors and other related goods, there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, to the extent applicable.

We report having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by us the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We report that the Compliance by the Company of applicable financial laws, like Direct, Indirect tax laws and Goods and Service Tax Act, has not been reviewed in this Audit since the same has been subject to review by statutory auditor and other designated professionals.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.
2. That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
3. Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.