



Date: September 28, 2018

To
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai- 400 001

Scrip Code: 531888

Sub: 30th Annual General Meeting

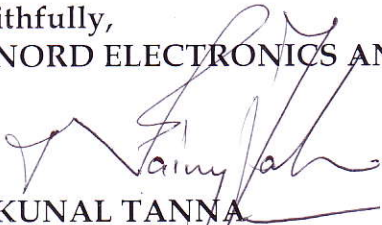
Dear Sirs,

We are enclosing herewith Annual Report of the Company for the Financial Year 2017-18 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approved and adopted at the 30th Annual General Meeting of the Company held on Friday, September 28, 2018 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. The Annual General Meeting concluded at 10:55 AM

Kindly take the above on record.

Thanking you,

Yours faithfully,
For REXNORD ELECTRONICS AND CONTROLS LIMITED

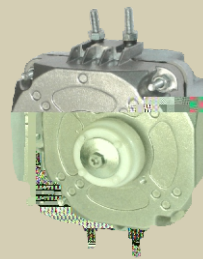
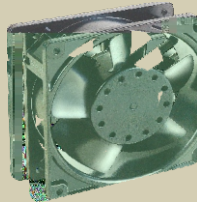
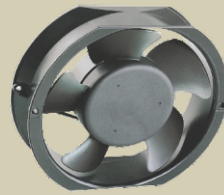

NAINY KUNAL TANNA
(DIN: 00351762)
WHOLE TIME DIRECTOR

Encl: as above.



AC DC & ENERGY SAVING FANS & MOTORS

For Ventilation & Air Circulation



Cooling System to Rely On

30th

Annual Report 2017 - 2018

BOARD OF DIRECTORS	Kishore Chand Talwar Nainy K. Tanna Krishnamoorthy Krishnan Ayyaswami Sundaram Sriram Shrinivasan	Chairman & Managing Director Wholetime Director Director Director Director
AUDITORS	Rakesh Soni & Co. Chartered Accountants Mumbai	
COMPANY SECRETARY	Krunal S. Wala	
BANKERS	HDFC Bank Limited Bank of Baroda	
REGISTERED OFFICE	92-D, Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai - 400 067	
WORKS	Plot Survey No. 62, 74 & 75 Village - Devadal, Kaman, Taluka - Vasai, Dist - Palghar (MS)	
BRANCH OFFICE	77, High Street, # 09-14, High Street Plaza Singapore - 179 433	
REGISTRAR & SHARE TRANSFER AGENTS	Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai - 400 059, Maharashtra Tel No. 022 62638200 • Fax No. 022 62638299 Email ID : info@bigshareonline.com • Web site : www.bigshareonline.com	

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 30th Annual General Meeting (AGM) of the Members of **REXNORD ELECTRONICS AND CONTROLS LIMITED** will be held on Friday, September 28, 2018 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:

- To receive, consider and adopt:
 - the Audited Standalone Financial Statements of the Company for the year ended March 31, 2018, including the Audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Statement of Changes in Equity & Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.
 - the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2018, including the Audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Statement of Changes in Equity & Cash Flow Statement for the year ended on that date together with the Auditors Reports thereon.
- To appoint a Director in place of Mrs. Nainy Kunal Tanna (DIN 00351762), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

- Appointment of Mr. Krishnamoorthy Krishnan as Independent Director for a term of 5 years.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Krishnamoorthy Krishnan (DIN: 08129657), who was appointed as an Additional Director of the Company with effect from May 16, 2018 in terms of Section 161 of the Act and who holds office upto the ensuing Annual General Meeting of the Company and who is eligible for appointment as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act, be and is hereby appointed as a Director of the Company, not liable to retire by rotation;

RESOLVED FURTHER THAT Mr. Krishnamoorthy Krishnan, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 years from May 16, 2018 to May 15, 2023;

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and matters as may be deemed necessary to give effect to this resolution.”

- Appointment of Mr. Sriram Shrinivasan as Independent Director for a term of 5 years.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sriram Shrinivasan (DIN: 08129642), who was appointed as an Additional Director of the Company with effect from May 16, 2018 in terms of Section 161 of the Act and who holds office upto the ensuing Annual General Meeting of the Company and who is eligible for appointment as a Director of the Company and in respect of whom the Company has received a

notice in writing under Section 160 of the Act, be and is hereby appointed as a Director of the Company, not liable to retire by rotation;

RESOLVED FURTHER THAT Mr. Sriram Shrinivasan, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 years from May 16, 2018 to May 15, 2023;

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and matters as may be deemed necessary to give effect to this resolution.”

- Approval of re-appointment of Mr. Ayyaswami Sundaram, Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ayyaswami Sundaram (DIN:02997721), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from April 1, 2019 to March 31, 2024.

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and matters as may be deemed necessary to give effect to this resolution.”

- Approval for providing service/delivery document(s) to the Member(s) on actual cost:**

“RESOLVED THAT pursuant to the provisions of section 20 of Companies Act, 2013 and all other applicable provisions, if any, made therein, the consent of the members is hereby accorded for service / delivery of document(s) to member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their registered address, or by such electronic or other mode as prescribed / may be prescribed under the Act, from time to time.

RESOLVED FURTHER THAT upon request of member(s) for delivery of any document(s) through a particular mode of delivery, the Company do serve / deliver document(s) to such member(s) through that particular mode and / or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode and that the fees so charged shall be paid by the member to the Company ten days in advance.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

Kishorechand Talwar
Chairman & Managing Director
(DIN: 00351751)

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

Dated: August 10, 2018

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 19. 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 (LODR) REGULATIONS, 2015:

Name of Director	Mrs. Nainy Kunal Tanna	Mr. Krishnamoorthy Krishnan
Director Identification Number (DIN)	00351762	08129657
Date of Birth	24/09/1981	19/05/1962
Age	36 Years	56 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 17 years to her credit. She looks after Finance, Import and Export related activities of the Company.	He is a Qualified Chartered Account and has experience of 25 years, as practicing Chartered Accountant. He is professionally interacting with entrepreneurs from the fields of Pharmaceuticals, Bulk Drugs, Chemicals, Gems & Jewellery, IT, Infrastructure, Education and Housing Societies.
Disclosure of relationship between directors inter-se	Daughter of Mr. Kishorechand Talwar and sister of Mr. Kundan Talwar	Not related to any Director of the Company
Names of listed entities in which the person also holds the directorship	NIL	NIL
No. of Shares held in the Company	362200 shares	NIL
Membership & Chairmanships of Committees of the Board	Member of below mentioned committees – Audit Committee – Stakeholders Relationship Committee upto 15th May, 2018	Chairperson of the below mentioned committees w.e.f. May 16, 2018. – Audit Committee – Stakeholders Relationship Committee – Nomination & Remuneration Committee

Name of Director	Mr. Sriram Shrinivasan	Mr. Ayyaswami Sundaram
Director Identification Number (DIN)	08129642	02997721
Date of Birth	29/03/1958	18/01/1961
Age	60 Years	57 Years
Brief resume & Nature of expertise in specific functional areas	He is a Master of Financial Management from Jammalal Bajaj Institute of Management Studies, B.E. (Electrical) from University of Mumbai, Certified Project Management Professional and IBM Certified Complex Program Manager. He has experience of over 32 years, in the IT Industry and has managed large and complex system integration and technology transformation projects across diverse industries.	He is Associated with the Company since March 3, 2010. He has experience of over 24 years in Consulting in Business Innovations. He also provides guidance in the field of product quality management as and when required to the Company.
Disclosure of relationship between directors inter-se	Not related to any Director of the Company	Not related to any Director of the Company
Names of listed entities in which the person also holds the directorship	NIL	NIL
No. of Shares held in the Company	NIL	NIL
Membership & Chairmanships of Committees of the Board	Member of the below mentioned committees w.e.f. May 16, 2018. – Stakeholders Relationship Committee – Nomination & Remuneration Committee	Member of the below mentioned committees – Audit Committee – Stakeholders Relationship Committee – Nomination & Remuneration Committee

7. The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, September 22, 2018** to **Friday, September 28, 2018** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
9. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
10. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
11. The Company's shares are listed on BSE Limited, Mumbai.
12. 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.
13. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

M/S. BIG SHARE SERVICES PRIVATE LIMITED
Unit: [Rexnord Electronics and Controls Limited]
Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri - East, Mumbai - 400 059.
Tel: 022 – 62638200
Email: info@bigshareonline.com
14. Relevant documents referred to in the Notice and in the Explanatory Statements are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
15. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
16. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
17. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form, they must quote their DP ID and Client ID Number.
18. 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.
19. 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, 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. **Friday, September 21, 2018**
 - (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. **Friday, September 21, 2018** 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. **Friday, September 21, 2018** 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 three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company (www.rexnordindia.com) and on the website of CDSL 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. **Friday, September 28, 2018**
 - (xi) The instructions for shareholders voting electronically are as under:
 - a) The voting period begins at **9.00 a.m. (IST) on Tuesday, September 25, 2018** and ends at **5.00 p.m. (IST) on Thursday, September 27, 2018**. 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 **Friday, September 21, 2018** 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.
 - 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 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
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/Email) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<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"> 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).

- 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 and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 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, under help section or write an email to 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 **Tuesday, September 25, 2018** and ends at **5.00 p.m. (IST)** on **Thursday, September 27, 2018**. 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 **Friday, September 21, 2018**, 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 under help section or write an email to helpdesk.evoting@cdslindia.com

ANNEXURE TO THE NOTICE

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

ITEM NO. 3 & 4:

Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan were appointed as the Additional Directors of the Company with effect from May 16, 2018. As per Section 161 of Companies Act, 2013 ('the Act'), they hold office as the Additional Directors upto the date of the ensuing Annual General Meeting of the Company. The Company has received notices in writing under Section 160 of the Act, proposing Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan for the office of the Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan as the Independent Additional Directors of the Company to hold office for a term of 5 years with effect from May 16, 2018 to May 15, 2023.

In the opinion of the Board, Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan fulfill the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations for their appointment as Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan as Independent Directors setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during working day's between 11:00 a.m. to 1:00 p.m. upto and including the date of AGM of the Company.

In compliance with the provisions of Sections 149, 152 and 160 read with Schedule IV to the Act, the Member's approval by way of ordinary resolution set out at Item no.3 & 4 is being sought for the appointment of Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan as Independent Directors of the Company.

Further Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan being Independent Directors, shall not be liable to retire by rotation.

Except Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan and their relatives, none of the Directors or Key Managerial personnel of the Company and their relatives, are in anyway concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 5:

Mr. Ayyaswami Sundaram was appointed as an Independent Director of the Company, for five consecutive years from 1st April, 2014 upto 31st March, 2019, by the Members of the Company in the AGM held on August 30, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and the performance evaluation 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, Mr. Ayyaswami Sundaram, being eligible for re-appointment as Independent Director, offers himself for re-appointment, is proposed to be re-appointed as Independent Director for another term of five consecutive years from April 1, 2019 upto March 31, 2024.

In the opinion of the Board, Mr. Ayyaswami Sundaram fulfill the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ayyaswami Sundaram as Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during working day's between 11:00 a.m. to 1:00 p.m. upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ayyaswami Sundaram as Independent Director of the Company.

Accordingly, the Board recommends the Special Resolution in relation to eligibility and re-appointment of Mr. Ayyaswami Sundaram as Independent Director of the Company for another term of five consecutive years with effect from April 1, 2019 to March 31, 2024, for the approval of Members.

Except Mr. Ayyaswami Sundaram and his relatives, none of the Directors or Key Managerial personnel of the Company and their relatives, are in anyway concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 6:

As per the provisions of section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his registered office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting; the Board accordingly recommends the Ordinary Resolution set out at Item No. 6 of the accompanying notice, for the approval by the members of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution.

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

Kishorechand Talwar
Chairman & Managing Director
(DIN: 00351751)

Registered Office:

92-D Govt. Ind. Estate,
Charkop, Kandivli (W),
Mumbai- 400 067

Dated: August 10, 2018

DIRECTORS' REPORT TO THE SHAREHOLDERS

To,
The Shareholders,

(₹ in Lakhs)

It gives us immense pleasure to share with you an update on the performance of your Company for FY 2017-18 and present 30th Annual Report of the Company. It was a metamorphic year in the history of India with the introduction of the Goods and Services Tax (GST), one of the biggest tax reform since Independence and awaited since the longest of times. GST has created a single national market and will benefit both consumers as well as the industry and we have welcomed this move by the honourable Government of India. We are extremely happy to share that your Company has worked very closely with its partners along its entire supply chain to transition its operations to the new tax regime efficiently.

The implementation of GST has streamlined the process of taxation in our country with the one nation one tax motto, we have had initial disrupted demand in our industry purely because of destocking of traders in the month of June and the second quarter. Though the sales in the subsequent quarters remained stable, it will take some time for the benefits of GST to get realised.

In this challenging business environment, our strong brandconnect, the launch of new products, service methods and continuous expansion of our distribution network enabled us to deliver a strong performance.

The Board of Directors would like to thank the entire team at Rexnord Electronics and Controls Ltd. for their great work and dedication throughout the year. The Board of Directors would also like to express its gratitude to you and all the stakeholders for the trust and faith that you have in us. As we move into another exciting year, we continue to seek your support. We would continue our consumer- focussed philosophy to accelerate our growth and deliver success for all our stakeholders while balancing our responsibility to society and the communities at large.

1. FINANCIAL HIGHLIGHTS:

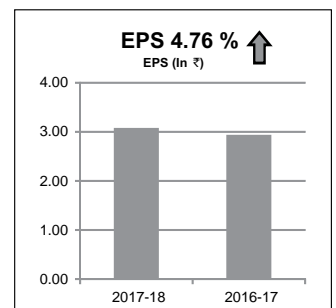
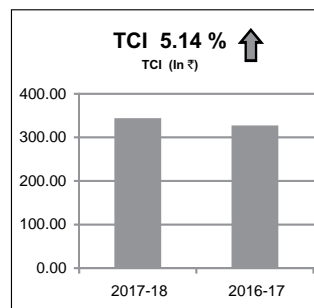
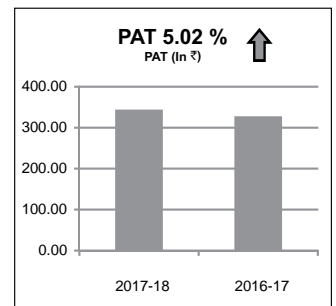
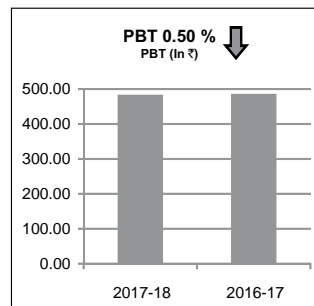
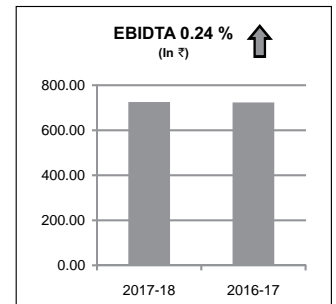
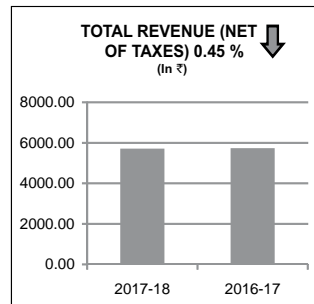
(₹ in Lakhs except EPS)

Particulars	Standalone		Consolidated
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Total Revenue	5864.46	6312.95	5864.46
Profit before Interest, depreciation and amortization	725.34	723.62	724.68
Finance Cost	92.31	100.61	92.31
Profit before depreciation and amortization	633.03	623.01	632.37
Depreciation and amortization	148.99	136.55	148.99
Profit before exceptional items & tax	484.04	486.46	483.38
Exceptional items	-	-	-
Profit before tax	484.04	486.46	483.38
Tax Expense	139.90	158.78	139.90
Net Profit after tax	344.13	327.68	343.48
Other comprehensive income (net of tax)	0.01	(0.36)	0.01
Total comprehensive income	344.15	327.32	343.49
Earning per Equity Share			
Basic	3.08	2.94	3.08
Diluted	3.08	2.94	3.08

The Total Revenue for the year ended March 31, 2017 and period ended 30th June 2017 include excise duty on goods sold, which is discontinued w.e.f. July 1, 2017 upon implementation of Goods and Service Tax (GST) in India. In the view of the aforesaid restructuring of indirect tax, total revenue for the year ended is not comparable with the previous year. The following additional information is being provided to facilitate such understanding.

Particulars	Standalone		Consolidated
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
Total Revenue	5864.46	6312.95	5864.46
Less: Excise duty	150.56	573.30	150.56
Total Revenue (net of tax collected)	5713.90	5739.65	5713.90

2. GRAPH OF THE FINANCIAL HIGHLIGHTS FOR THE LAST FEW YEARS



3. COMPANY OVERVIEW:

The Company is a well-established brand in the Refrigeration industry and holds the leadership position in the Axial Fan and Shaded Pole Motor segment. The Company recorded steady performance in FY 2017- 18 despite some challenges faced due to demonetization effect, GST, fall in demand, and adjustments as per Ind AS. Though there was some drop in sales, margin growth was better led by effective procurement and increased sales realization.

Leveraging its brand name, mass appeal and broad understanding of the consumer markets, it has also entered into opening up a Branch office in Singapore to exploit opportunities in the Asian Market.

To achieve higher economies of scale, improve synergies and expand its reach, the Company also plans to increase its revenue by exploring Agricultural segment. With the ongoing efforts of the Government to improve power supply, help increase agricultural produce demand has led to the company to explore this segment and thus has opened up a subsidiary company Rexnord Enterprises Private Limited to create a strong foothold.

4. FINANCIAL REVIEW:

Your Company achieved a Total Revenue (net of taxes collected) of ₹ 5713.90 lakhs as against ₹ 5739.65 lakhs in the previous Year. The total expenditure during the Year under review was ₹ 5229.86 lakhs as against ₹ 5253.19 lakhs in the previous Year. The Profit before tax was ₹ 484.04 lakhs as against ₹ 486.46 lakhs in the previous and the Net Profit after tax was ₹ 344.14 lakhs as against ₹ 327.68 lakhs in the previous Year.

5. FUTURE OUTLOOK:

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

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

6. CHANGE IN THE NATURE OF BUSINESS:

i) Change in Object Clause

The Board of Directors at their meeting held on January 23, 2018 has decided to diversify into the business of Trading Activities and sought approval of members vide postal ballot for amending the main objects of the Memorandum of Association of the Company. The details of Voting Results are provided in the Corporate Governance Report, which forms part of the Annual Report.

ii) Branch Office

During the year, the Company has opened its Branch office in Singapore, the details of the Branch at Singapore are provided in the Corporate Governance Report, which forms part of the Annual Report.

7. DIVIDEND:

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2018.

8. TRANSFER TO RESERVES:

No amount is proposed to be transferred to Reserves out of the profits earned during the Financial Year 2017-2018.

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 31st March, 2018 was ₹11,15,91,000/- divided into 1,11,60,000 Equity shares, having face value of ₹ 10/- each fully paid up. During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, your Company has not given loan to any bodies corporates or any other persons or has not provided any corporate guarantee or security under section 186 of the Companies Act, 2013.

As regards investments, during the year under review, your Company incorporated a Wholly Owned Subsidiary viz. "Rexnord Enterprise Private Limited" and subscribed its initial share capital of ₹ 10.00 lakhs. Further, during the year under review, your Company has made investment in certain mutual funds.

Particulars of investments and disclosure required under Section 186(4) of the Companies Act, 2013 read with Companies (meeting of Board and its Powers) Rules, 2014 are provided in the note 48 to the standalone financial statements.

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, 2018.

ii) Re-appointments:

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. Ayyaswami Sundaram as Independent Director for a second term of five consecutive years with effect from April 1, 2019 to March 31, 2024, for the approval of Members.

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Nainy Kunal 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 from 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. The Board proposes to appoint Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan as Regular Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013 and under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for one term of Five (5) years subject to approval of Members.

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

13. DECLARATION BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013, Independent Directors have submitted declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

14. SUBSIDIARIES & ASSOCIATE COMPANIES:

During the reporting period, the Company has incorporated 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, 2018.

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 the Subsidiary Company in Form AOC-1 is appended as Annexure 'A' and forms part of 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 31st March 2018 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 i.e www.rexnordindia.com

Further, as per fourth proviso of the said section, Audited Annual Accounts of each of the subsidiary companies have also been placed on the website of the Company, 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 as provided under sub-section (3) of Section 92 in the Form MGT 9 for the financial year under review is appended as **Annexure 'B'** and forms part of this report.

17. NUMBER OF MEETING:

a) Board of Directors

The Board of Directors met Six (6) 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:

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

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

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

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

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

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

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

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

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

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.

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 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 i.e. 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 has been omitted vide section 40 of the Companies (Amendment) Act, 2017 notified on 7th May, 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 the resolution for ratification of appointment of statutory auditors in the Notice of AGM. However M/s. Rakesh Soni & Co. Chartered Accountants has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and accordingly M/s. Rakesh Soni & Co.,

Chartered Accountants will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2019.

The Report given by M/s. Rakesh Soni & Co., Chartered Accountants, on the financial statements of the Company for the financial year 2017-2018 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the 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. Rath & Co., as internal auditors of the Company.

c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended as **Annexure 'C'** and forms part of 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.

23. 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 2017-2018 and 2018-2019.

24. CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the net profit of the Company was below ₹ 5 Crores during the three immediately preceding Financial Years. Accordingly, the provisions of CSR policy were not applicable for the Financial Year 2017-18.

25. 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 will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code with revision made in accordance with the requirements of Listing Regulations has been posted on the Company's website www.rexnordindia.com

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

26. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

27. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexures 'D' & 'E'** forms part of this Report.

28. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

29. 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.

30. RISK MANAGEMENT:

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

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

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

31. 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 has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company (www.rexnordindia.com)

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Company affirms that during the year under review, no complaints were received by the Committee for redressal.

33. 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.
 - 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: Nil

B. TECHNOLOGY ABSORPTION:

a) Research & Development :

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

- 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 2017-18 are as under :

(₹ in lakhs)

Particulars	2017-18	2016-17
Foreign Exchange Earning	841.77	1128.17
Foreign Exchange Outgo	2007.70	1778.89

34. 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.

35. INDIAN ACCOUNTING STANDARDS:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company and its subsidiaries has adopted "IND AS" with effect from April 01, 2017, with the comparatives for the periods ending March 31, 2017.

36. GOODS AND SERVICE TAX (GST):

During the Financial Year, the Company has migrated to GST and has accelerate economic growth in the long run by simplifying the tax structure, enhancing tax compliances and facilitating the ease of doing business in a unified common market.

37. 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.

38. 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.

39. 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 are 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.

40. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, compliance with the corporate governance provisions is applicable to your Company during the financial year 2017-18.

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as a separate Annexures "F" & "G", together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Listing Regulations.

41. BUSINESS RESPONSIBILITY REPORTING:

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to the Company for the financial year ending March 31, 2018.

42. FINANCIAL YEAR:

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

43. 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.

44. ISO CERTIFICATION:

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

45. ACKNOWLEDGMENT:

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

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

Kishorechand Talwar
Chairman & Managing Director
(DIN: 00351751)

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

Dated: May 30, 2018

ANNEXURES TO THE DIRECTORS REPORT

ANNEXURE 'A'

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: ₹ 10.00 Lakhs Paid Up Share Capital: ₹ 10.00 Lakhs
5.	Reserves & surplus	-
6.	Total assets	10.00
7.	Total Liabilities	10.00
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(0.66)
11.	Provision for taxation	-
12.	Profit after taxation	(0.66)
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
REXNORD ELECTRONICS AND CONTROLS LIMITED

Kishorechand Talwar
Chairman & Managing Director
(DIN: 00351751)

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

Dated: May 30, 2018

ANNEXURE 'B'

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L31200MH1988PLC047946
ii) Registration Date	4th July, 1998
iii) Name of the Company	REXNORD ELECTRONICS AND CONTROLS LIMITED
iv) Category / Sub-Category of the Company	Company limited by shares Indian Non-Government Company
v) Address of the Registered office and contact details	92-D Govt Ind. Estate, Charkop, Kandivali (W), Mumbai - 400067
vi) Whether listed company	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/S. BIG SHARE SERVICES PRIVATE LIMITED Unit: [Rexnord Electronics and Controls Limited] Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road Marol, Andheri – East, Mumbai – 400059. Tel: 022 – 62638200 Email: info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacturing and sale of instrument cooling Fans and shaded pole motors used for industrial purpose	28199, 27103, 46699	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	REXNORD ENTERPRISE PRIVATE LIMITED	U01110MH2018PTC304913	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the Beginning of the Year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual / HUF	6820600	0	6820600	61.12	6820600	0	6820600	61.12	0.00
b)	Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
		0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A) (1)	6820600	0	6820600	61.12	6820600	0	6820600	61.12	0.00
(2)	Foreign									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter (A) = (A) (1) + (A) (2)	6820600	0	6820600	61.12	6820600	0	6820600	61.12	0.00
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
b)	Bank / FI	1000	1000	2000	0.02	1000	1000	2000	0.02	0.00
c)	Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
d)	Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0.00
e)	Insurance companies	0	0	0	0.00	0	0	0	0.00	0.00
f)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
g)	Foreign Venture Capital fund	0	0	0	0.00	0	0	0	0.00	0.00
h)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(B)(1)	1000.00	1000.00	2000.00	0.02	1000.00	1000.00	2000.00	0.02	0.00
(2)	Non-Institutions									
a)	Bodies Corp.									
	i) Indian	108129	32000	140129	1.26	172246	31000	203246	1.82	0.56
	ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individual shareholders holding									
	i) Upto ₹ 2 lacs	1358421	601720	1960141	17.56	1492689	586320	2079009	18.63	1.07
	ii) Excess of 2 Lacs	1845600	10100	1855700	16.63	1624306	10100	1634406	14.65	(1.98)
c)	Clearing Member	51101	0	51101	0.46	61006	0	61006	0.55	0.09
d)	NRI / FN	20629	309700	330329	2.96	50033	309700	359733	3.22	0.26
	Sub Total(B)(2)	3383880	953520	4337400	38.87	3400280	937120	4337400	38.87	0.00
	Total shareholding of Public (B) = (B) (1) + (B) (2)	3384880	954520	4339400	38.88	3401280	938120	4339400	38.88	0.00
C.	Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A + B + C)	10205480	954520	11160000	100.00	10221880	938120	11160000	100.00	0.00

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)			Share holding at the end of the year (31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Kishorechand Talwar	43,52,000	39.00	–	43,52,000	39.00	–	–
2	Mrs. Sharda K Talwar	19,26,400	17.26	–	19,26,400	17.26	–	–
3	Mrs. Nainy Kunal Tanna	3,62,200	3.25	–	3,62,200	3.25	–	–
4	Mr. Kundan Talwar	1,80,000	1.61	–	1,80,000	1.61	–	–
	TOTAL	68,20,600	61.12	–	68,20,600	61.12	–	–

iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	68,20,600	61.12	68,20,600	61.12
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.	Not Applicable			
3	At the End of the year	68,20,600	61.12	68,20,600	61.12

Sr. No.	Name	Shareholdings		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total Shares of the company				No. of Shares	% of total Shares of the company
Not Applicable								

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Name	Shareholding		Date	Increasing / Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	SUBRAMANIAN P	5,92,000	5.30	01.04.2017				
				13.10.2017	-1710	Sell	5,90,290	5.29
		5,92,000	5.30	31.03.2018			5,90,290	5.29
2	ROBERTO BRIOSCHI	3,00,000	2.69	01.04.2017				
		3,00,000	2.69	31.03.2018			3,00,000	2.69
3	PURUSHOTTAM R SONI	2,20,000	1.97	01.04.2017				
		2,20,000	1.97	31.03.2018			2,20,000	1.97
4	P K SONI (HUF)	2,15,000	1.93	01.04.2017				
				06.10.2017	-23672	Sell	1,91,328	1.71
		2,15,000	1.93	31.03.2018			1,91,328	1.71
5	NAND KISHORE SONI	1,34,495	1.21	01.04.2017				
		1,34,495	1.21	31.03.2018			1,34,495	1.21
6	NAND KISHORE SONI (HUF)	1,15,461	1.03	01.04.2017				
		1,15,461	1.03	31.03.2018			1,15,461	1.03
7	DINESH BABUBHAI SHAH	71,049	0.64	01.04.2017				
				06.10.2017	-8783	Sell	62,266	0.56
				15.12.2018	-5000	Sell	57,266	0.51
		57,266	0.51	31.03.2018			57,266	0.51
8	UDAY R SHAH (HUF)	45000	0.4	01.04.2017				
				21.04.2017	4500	Purchase	49,500	0.44
				21.07.2017	-9000	Sell	40,500	0.36

Sr. No	Name	Shareholding		Date	Increasing / Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total Shares of the company				No. of Shares	% of total Shares of the company
				04.08.2017	-4500	Sell	36,000	0.32
				27.10.2017	-9000	Sell	27,000	0.24
				22.12.2017	-18000	Sell	9,000	0.08
				05.01.2018	-9000	Sell	0	0.00
		0	0	31.03.2018	0		0	0.00
9	LEXICON SECURITIES LTD	37,700	0.34	01.04.2017				
		37,700	0.34	31.03.2018			37,700	0.34
10	SMC GLOBAL SECURITIES LIMITED	900	0.01	01.04.2017				
				21.04.2017	1000	Purchase	1,900	0.02
				28.04.2017	5400	Purchase	7,300	0.07
				05.05.2017	2200	Purchase	9,500	0.09
				12.05.2017	4400	Purchase	13,900	0.12
				19.05.2017	9500	Purchase	23,400	0.21
				26.05.2017	-14	Sell	23,386	0.21
				02.06.2017	-2486	Sell	20,900	0.19
				16.06.2017	-208	Sell	20,692	0.19
				23.06.2017	808	Purchase	21,500	0.19
				07.07.2017	1200	Purchase	22,700	0.20
				14.07.2017	800	Purchase	23,500	0.21
				21.07.2017	1089	Purchase	24,589	0.22
				01.09.2017	111	Purchase	24,700	0.22
				08.09.2017	-1636	Sell	23,064	0.21
				15.09.2017	236	Purchase	23,300	0.21
				22.09.2017	-6800	Sell	16,500	0.15
				29.09.2017	8500	Purchase	25,000	0.22
				06.10.2017	1500	Purchase	26,500	0.24
				13.10.2017	7600	Purchase	34,100	0.31
				27.10.2017	1499	Purchase	35,599	0.32
				31.10.2017	-1499	Sell	34,100	0.31
				10.10.2017	1000	Purchase	35,100	0.31
				24.11.2017	-100	Sell	35,000	0.31
				01.12.2017	-4850	Sell	30,150	0.27
				08.12.2017	-5798	Sell	24,352	0.22
				15.12.2017	500	Purchase	24,852	0.22
				22.12.2017	-100	Sell	24,752	0.22
				29.12.2017	148	Purchase	24,900	0.22
				05.01.2018	600	Purchase	25,500	0.23
				12.01.2018	-1100	Sell	24,400	0.22
				19.01.2018	1900	Purchase	26,300	0.24
				26.01.2018	600	Purchase	26,900	0.24
				09.02.2018	-800	Sell	26,100	0.23
				16.02.2018	8500	Purchase	34,600	0.31
				23.02.2018	3600	Purchase	38,200	0.34
				02.03.2018	300	Purchase	38,500	0.35
				09.03.2018	8750	Purchase	47,250	0.42
				16.03.2018	649	Purchase	47,899	0.43
				23.03.2018	-899	Sell	47,000	0.42
				30.03.2018	-12361	Sell	34,639	0.31
		34639	0.31	31.03.2018	0	34,639	0.31	
11	SARITA DILIP KOLE	33921	0.30	01.04.2017				
				01.12.2017	-1421	Sell	32500	0.29
		32500	0.29	31.03.2018			32500	0.29

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding		Date	Increasing / Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	MR. KISHORECHAND TALWAR	43,52,000	39.00	01.04.2017			0	0.00
		43,52,000	39.00	31.03.2018	0	0	43,52,000	39.00
2	MRS. NAINY KUNAL TANNA	3,62,200	3.25	01.04.2017				
		3,62,200	3.25	31.03.2018	0	0	3,62,200	3.25
3	MR. KUNDAN TALWAR	1,80,000	1.61	01.04.2017				
		1,80,000	1.61	31.03.2018	0	0	1,80,000	1.61

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	135.59	335.75	–	471.34
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	0.68	2.62	–	3.30
Total (i+ii+iii)	136.27	338.37	–	474.64
Change in Indebtedness during the financial year				
• Addition	71.45	1,488.42	–	1,559.87
• Reduction	23.84	1,062.23	–	1,086.07
Net Change	47.61	426.19	–	473.80
Indebtedness at the end of the financial year				
i) Principal Amount	183.20	761.94	–	945.14
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	1.22	4.74	–	5.96
Total (i+ii+iii)	184.42	766.68	–	951.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹ Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Kishorechand Talwar	Mrs. Nainy Kunal Tanna	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	113.64	47.04	160.68
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	0.00*	0.05	0.05
	(c) Profits in lieu of salary under	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	29.51	–	29.51
	as % of profit	–	–	–
	Contribution to PF	0.36	0.36	0.72
5	Others, please specify	–	–	–
	Total (A)	143.51	47.45	190.96
	Ceiling as per the Act	168.00	168.00	336.00

* Below ₹ 500/-

B. Remuneration to other directors:

(Amount in ₹ Lakhs)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total
		Mr. Ram Sanehi	Mr. Ayyaswami Sundram	Mr. D. Ganapathy	
1	Independent Directors				
	• Fee for attending board committee meetings	0.60	0.60	0.60	1.80
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	0.60	0.60	0.60	1.80
2	Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	0.60	0.60	0.60	1.80
	Total Managerial Remuneration	0.60	0.60	0.60	1.80
	Overall Ceiling as per the Act	₹ 1.00 Lakhs per board meeting			

C. Remuneration to key managerial personnel other than MD / MANAGER / WTD

(Amount in ₹ Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Krunal Wala (Company Secretary)	Mr. Kundan Talwar (Chief Financial Officer)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.20	24.84	29.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.15	0.01	0.16
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	Contribution to PF	0.00	0.36	0.36
5	Others, please specify			
	Total	4.35	25.21	29.56

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

 For and on behalf of the Board
REXNORD ELECTRONICS AND CONTROLS LIMITED
Registered Office:
 92-D Govt. Ind. Estate, Charkop,
 Kandivli (W), Mumbai- 400 067

Dated: May 30, 2018

Kishorechand Talwar
 Chairman & Managing Director
 (DIN: 00351751)

ANNEXURE 'C'

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2018

(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,
Kandivli (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, 2018 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 the Company for the financial year ended on March 31, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Companies Amendment Act, 2017 (to the extent notified).
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
- v. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- vi. 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.
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**.
 - f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**.
 - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; **[Not applicable during the period of audit]**.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**.
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable during the period of audit]**.
- vii. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II, issued by The Institute of Company Secretaries of India.

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

We report that the Company operates in 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.

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

We further report that based on the information provided and representation made by the officers and authorized representatives, taken on record by the Board of Directors of the Company, in our opinion, 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, standards and guidelines and general laws like various Labour and Employment Laws, Environmental Laws, Factories Act, etc.

We further report that -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.
- Adequate notices are given to all Directors to schedule the Board 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 of the decisions being carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

During the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations,

guidelines, standards etc.

1. The Company had altered Object and Liability Clause of the Memorandum of Association of the Company by seeking approval of the Members vide Special Resolutions passed through Postal Ballot, the Results were declared on March 19, 2018.
2. The Company has incorporated a Wholly Owned Subsidiary ("WOS") Company under Registrar of Companies, Mumbai.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For **GMJ & ASSOCIATES**
Company Secretaries

[Sonia Chettiar]

Partner

ACS: 27582 COP: 10130

PLACE: MUMBAI

DATE: MAY 30, 2018.

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE' and forms an integral part of this report.

ANNEXURE

To,

The Members,

REXNORD ELECTRONICS AND CONTROLS LIMITED

92-D, Govt Ind. Estate, Charkop,

Kandivli (West),

Mumbai – 400067.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**
Company Secretaries

[Sonia Chettiar]

Partner

ACS: 27582 COP: 10130

PLACE: MUMBAI

DATE: MAY 30, 2018.

ANNEXURE 'D'

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014	
1. The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18	
Director's Name	Ratio to median Remuneration
Mr. Kishorechand Talwar	114.92:1
Mrs. Nainy Kunal Tanna	37.99:1
Mr. Ram Sanehi	00.48:1
Mr. Ayyaswami Sundaram	00.48:1
Mr. D. Ganapathy	00.48:1
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2017-18 compared to 2016-17 means part of the year	
Director's/CFO/CEO/CS/Mgr Name	% age increase in remuneration
Mr. Kishore Chand Talwar	75.45%
Mrs. Nainy Kunal Tanna	5.39%
Mr. Ram Sanehi	20.00%
Mr. Ayyaswami Sundaram	20.00%
Mr. D. Ganapathy	20.00%
*Mr. Krunal Sanjaykumar Wala	118.66%
Mr. Kundan Talwar	-0.42%
3. Percentage increase in the median remuneration of employees in the financial year 2017-18 compared to 2016-17 : 2.53%	
4. Number of permanent employees on the rolls of the company : 71 employees as on 31.03.2018	
5. Average percentile increase in salaries of Employees other than managerial personnel : 1%	
6. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year : - Not Applicable	
Note:- 1) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.	

ANNEXURE 'E'

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH THE RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31-03-2018											
a)	Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹ 1,02,00,000/- per annum.										
	Name	Age	Designation	Qualification	Experience	Nature of Employment	Remuneration	Date of Commencement of employment	Last employment / Designation	% of Shareholding	Relatives
	Mr. Kishore Chand Talwar	64	Managing Director	B.A. (Diploma in Export Marketing)	29 Years	Permanent	14351215	July 4, 1988	Not Applicable	39.00%	Mrs. Nainy Kunal Tanna and Mr. Kundan Talwar
b)	Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹ 8,50,000/- per month : - Not Applicable										
c)	Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company :- Not Applicable										

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

Kishorechand Talwar
Chairman & Managing Director
(DIN: 00351751)

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

Dated: May 30, 2018

ANNEXURE “F”

REPORT ON CORPORATE GOVERNANCE:

IN ACCORDANCE WITH THE SEBI (LODR) REGULATIONS, 2015 (LISTING REGULATIONS) ON CORPORATE GOVERNANCE, THE REPORT CONTAINING THE DETAILS IS AS UNDER:

CORPORATE GOVERNANCE AND STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

Rexnord Electronics and Controls Limited (“the Company” or “Rexnord”) is committed to do business in an efficient, responsible, honest and ethical manner. The core values of the Company’s Governance process include independence, integrity, accountability, transparency, responsibility and fairness.

The Corporate Governance structure specifies the distribution of rights, responsibilities and powers among different participants in the corporation. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are preceded ahead after approval of the Board.

The Company is also committed to enhance shareholders value in the fair and transparent manner and has been in the forefront for bench marking itself with the best business practices globally.

Roles of various constituents of Corporate Governance in the Company

a) Board of Directors (Board):

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of stakeholder value. The Board reviews and approves management’s strategic business plan & business objectives and monitors the Company’s strategic direction.

b) Chairman & Managing Director (CMD):

The CMD is the Chairman of the Board and also the Managing Director of the Company. His primary role is to provide leadership to the Board and the Corporate Management Committee for realizing the approved strategic business plan and business objectives. He presides over the meetings of the Board and the Shareholders.

c) Non-Executive Independent Directors:

The Non-Executive Directors play a vital role in improving the Board effectiveness with their independent judgment on issues of strategy, performance, resources, standards of conduct etc., besides providing the Board with valuable inputs.

BOARD OF DIRECTORS:

a) Composition and Meetings

As on March 31, 2018 the Board consists of Five (5) Directors. Besides the Chairman & Managing Director, who is an Executive Director, the Board comprises of 1 Executive Woman Director and 3 Independent Directors. The composition of the Board represents an optimal mix of eminent personalities from various walks of life having rich experience in the field of marketing, finance, industry, business and management.

The Board met Six (6) times during the year on May 30, 2017, July 17, 2017, September 14, 2017, December 14, 2017, January 23, 2018 and February 14, 2018 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-I issued by the Institute of Company Secretaries of India i.e. One hundred twenty days. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2018 are given herein below.

Sr. No.	Name of Director	Category	No. of Board Meeting attended	Attendance at last AGM	No. of other companies in which directorships is held		*No. of committee position held in public companies	
					Public	Private	Member	Chairman
1.	Mr. Kishore Chand Talwar (CMD)	Promoter and Executive Director	6	Yes	-	1	-	-
2.	Mrs. Nainy Kunal Tanna (WTD)	Promoter and Executive Director	6	Yes	-	1	2	-
3.	#Mr. Ram Sanahi	Non-Executive Independent Director	6	No	-	-	1	-
4.	Mr. Ayyaswami Sundaram	Non-Executive Independent Director	6	Yes	-	1	2	-
5.	#Mr. Ganapathy Dharmarajan	Non-Executive Independent Director	6	Yes	3	1	2	2

CMD stands for Chairman & Managing Director, WTD stands for Whole-time Director.

Mr. Ram Sanahi Resigned w.e.f. April 1, 2018

Mr. Ganapathy Dharmarajan Resigned w.e.f. May 7, 2018

The Board of Directors have appointed Mr. Krishnamoorthy Krishnan and Mr. Sriram Shrinivasan as Additional Directors on the Board of the Company w.e.f. May 16, 2018 in independent category and accordingly reconstituted the various committees of the Board.

Relationships between Directors inter-se

Mr. Kishore Chand Talwar is related to Mrs. Nainy Kunal Tanna as father. None of the other Directors except as aforementioned are related to each other.

Shareholding of Independent Directors

Non-Executive Independent Directors do not hold any shares in the Company.

***Note:** Membership/Chairmanship in only Audit Committee and Stakeholders Relationship Committee including Rexnord Electronics & Controls Limited has been considered for Committee positions as per the Listing Regulations.

None of the Directors of the Company hold directorships in more than 10 Public Limited Companies or acts as Independent Directors in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies.

b) Information Supplied To The Board:

The Board has complete access to all information with the Company.

All Board meetings are governed by a structured agenda which is backed by comprehensive background information. Inter-alia, the following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings, or is tabled in the course of the Board meeting.

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.

- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Any transactions that involves substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board has an effective post meeting follow up procedure. The Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

The performance evaluation of the Independent Directors has been carried out by the entire Board of Directors to its satisfaction. In the above evaluation process the Directors, who were subjected to evaluation did not participate.

c) Board Procedures:

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively. Where it is not practicable to attach the relevant information as a part of agenda papers, the same are tabled at the Meeting of the Board.

COMMITTEES OF BOARD:

Currently the Board has 3 (three) Committees: the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The Composition of various committees and compliances, as per the applicable provisions of the Companies Act, 2013 and the Rules thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as follows:

AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in accordance with the Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 comprising of Three qualified members (i.e. 2 Independent Directors and 1 Executive Director) All the members have financial and accounting knowledge.

The Committee acts as a link between the Management, the Internal Auditors, the Statutory Auditors and the Board of Directors of the Company. The Committee focuses its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal control system, audit methodology

and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

a) The terms of reference of the Audit Committee in accordance with section 177 (4) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinions in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit functions;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management, if any;
- Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses, if any.
- Statement of deviations, if any; in terms of Regulation 32(1) & 32(7) of the Listing Regulations.
- Review of appointment, removal and terms of remuneration of the Internal Auditors.

b) Composition & Meetings:

The Committee met Four (4) times during the year on May 30, 2017, September 14, 2017, December 14, 2017 and February 14, 2018 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present throughout all the meetings.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Audit Committee Meetings Dates (2017-2018)				No. Meetings held	No. of Meetings Attended
		May 30, 2017	Sep 14, 2017	Dec 14, 2017	Feb 14, 2018		
		*Mr. Ganapathy Dharmarajan	Chairperson Non-Executive Independent	Yes	Yes		
Mr. Ayyaswami Sundaram	Independent Non-Executive	Yes	Yes	Yes	Yes	4	4
Mrs. Nainy K. Tanna	Executive Director	Yes	Yes	Yes	Yes	4	4

*Mr. Ganapathy Dharmarajan Resigned w.e.f. May 7, 2018

The Audit Committee invites executives, as it considers appropriate particularly the head of the Finance and Accounts Department, representatives of the statutory auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on September 1, 2017 and was attended by Mr. Ganapathy Dharmarajan, Chairperson of the Audit Committee.

The Audit Committee was reconstituted at the Board Meeting held on May 16, 2018. Now, the committee comprises of Mr. Krishnamoorthy Krishnan as the Chairperson and Mr. Ayyaswami Sundaram and Mrs. Nainy K. Tanna as Members.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in accordance with the Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013 comprising of Three members (i.e. 3 Independent Directors).

a) Terms of Reference of the Nomination & Remuneration Committee, inter-alia are as follows:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- To decide whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

The role of the committee has been defined as per section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

b) Composition & Meetings:

The Committee met Three (3) times during the year on May 30, 2017, December 14, 2017 and February 14, 2018. The necessary quorum was present throughout all the meetings.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	NRC Meetings Dates (2017-2018)			No. Meetings held	No. of Meetings Attended
		May 30, 2017	Dec 16, 2017	Feb 14, 2018		
*Mr. Ganapathy Dharmarajan	Chairperson Non-Executive Independent	Yes	Yes	Yes	3	3
Mr. Ayyaswami Sundaram	Independent Non-Executive	Yes	Yes	Yes	3	3
**Mr. Ram Sanehi	Independent Non-Executive	Yes	Yes	Yes	3	3

*Mr. Ganapathy Dharmarajan Resigned w.e.f. May 7, 2018.

** Mr. Ram Sanehi Resigned w.e.f. April 1, 2018

The Nomination & Remuneration Committee was reconstituted at the Board Meeting held on May 16, 2018. Now, the committee comprises of Mr. Krishnamoorthy Krishnan as the Chairperson and Mr. Sriram Shrinivasan and Mr. Ayyaswami Sundaram as Members.

c) Nomination and Remuneration Policy:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-**
 - Responsibilities and duties;
 - Time & efforts devoted;
 - Value addition;

- Profitability of the Company & growth of its business;
 - Analyzing each and every position and skills for fixing the remuneration yardstick;
 - Standards for certain functions where there is a scarcity of qualified resources.
 - Ensuring tax efficient remuneration structures.
 - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
 - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
 - Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
 - Whenever, there is any deviation from the Policy, the justification / reasons should also be indicated / disclosed adequately.

d) Details of remuneration paid to Executive Directors for the year ended March 31, 2018:

The Company pays remuneration to its Chairman & Managing Director and Whole-time Director by way of Salary, commission, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per Schedule V to the Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the Financial Year 2017-18.

The details of remuneration paid to Executive Directors during the Financial Year 2017-18 are given below:

(Amount in ₹ Lakhs)

Particulars	Mr. Kishore Chand Talwar	Mrs. Nainy K. Tanna
Salary	113.64	47.04
Allowances & Perquisites	—*	0.05
Bonus	—	—
Pension	—	—
Fixed Components:		
Contribution to Provident Fund	0.36	0.36
Performance linked Incentive	—	—
Commission	29.51	—
Service Contract	3 years	3 years
Severance Fees	—	—
Stock Options	—	—
Total	143.51	47.45

* Below ₹ 500/-

e) Details of remuneration paid to Non-Executive Directors during the Financial Year 2017-18 are given below:

Non-Executive Directors are paid sitting fees of ₹ 10,000/- for every meeting of the Board of Directors, Audit Committee, Nomination & Remuneration Committee and Independent Directors Meeting.

The details of remuneration paid to Non-Executive directors during the financial year 2017-18 are as follows:

(Amount in ₹ Lakhs)

Particulars	Mr. Ram Sanehi	Mr. Ayyaswami Sundaram	Mr. Ganapathy Dharmarajan
Sitting Fees (₹)*	0.60	0.60	0.60
Shareholding in the Company	Nil	Nil	Nil

The Company does not have any stock option plans and hence such instrument does not form part of the remuneration package payable to any Executive Director and / or Non-Executive Director.

During the period under review, none of the directors were paid any performance linked incentive.

The performance of Independent Directors was evaluated on the following criteria:

- Exercise of independent judgment in the best interest of Company;
- Ability to contribute to and monitor corporate governance practice;
- Adherence to the code of conduct for independent directors.

The Committee reviewed the performance of the Directors i.e. Non-Executive Independent, Executive Directors and also the senior managerial personnel including Key Managerial Personnel during the year. The Director being evaluated did not participate in the Evaluation process at the time of the respective evaluation process of the individual director.

f) Details of Equity Shares held by Directors as on March 31, 2018 are given below:

Name	Number of Equity Shares
Mr. Kishore Chand Talwar	4352000
Mrs. Nainy Kunal Tanna	362200

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Company is constituted in accordance with the Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013 comprising of Three members (i.e. 2 Independent Directors and 1 Executive Director).

The role and functions of the Stakeholders Relationship Committee are the effective redressal of grievances of shareholders, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee overviews the steps to be taken for further value addition in the quality of service to the investors.

The Company has designated the e-mail ID info@rexnordindia.com exclusively for the purpose of registering complaint by investors electronically. This e-mail ID is displayed on the Company's website i.e. www.rexnordindia.com

The following table shows the nature of complaints received from the shareholders during the years 2017-2018.

Sr.No.	Nature of Complaints	Received	Disposed off	Pending
1	Non receipt of Share Certificate (Split)	1	1	—
2	Non receipt of Demat Rejected S/C's	—	—	—
3	Non receipt of Dividend Warrant	—	—	—
4	Non receipt of Annual Report	—	—	—
5	From SEBI	1	1	—
6	Others	1	1	—
	Total	3	3	—

There were no complaints pending as on 31st March, 2018.

Composition & Meetings

The Committee met Four (4) times during the year on May 30, 2017, September 14, 2017, December 14, 2017 and February 14, 2018. The necessary quorum was present at the meeting.

The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Audit Committee Meetings Dates (2017-2018)				No. Meetings held	No. of Meetings Attended
		May 30, 2017	Sep 14, 2017	Dec 14, 2017	Feb 14, 2018		
*Mr. Ganapathy Dharmarajan	Chairperson Non-Executive Independent	Yes	Yes	Yes	Yes	4	4
Mr. Ayyaswami Sundaram	Independent Non-Executive	Yes	Yes	Yes	Yes	4	4
Mrs. Nainy K. Tanna	Executive Director	Yes	Yes	Yes	Yes	4	4

*Mr. Ganapathy Dharmarajan Resigned w.e.f. May 7, 2018

The Stakeholders Relationship Committee was reconstituted at the Board Meeting held on May 16, 2018. Now, the committee comprises of Mr. Krishnamoorthy Krishnan as the Chairperson and Mr. Sriram Shrinivasan and Mr. Ayyaswami Sundaram as Members.

INDEPENDENT DIRECTORS MEETING:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in a year without the presence of Non Independent Directors and members of the management. All the independent directors shall strive to be present at such meeting.

The independent directors in their meeting shall, inter alia-

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairman of the Company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the management of the Company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Independent Directors met once during the year on February 14, 2018. The meeting was attended by all Independent Directors.

Familiarisation Programme for Independent Directors:

The Company has framed a policy for familiarization programme for Independent Directors and the same is disclosed on the website of the Company i.e. <http://www.rexnordindia.com/investors-relations/Policies/Familiarisation-Programme.pdf>

GENERAL BODY MEETINGS:

a) Annual General Meeting:

The particulars of Annual General Meetings of the Company held in last three years are as under:

Financial Year ended on	Date	Time	Venue
31.03.2015	30.09.2015	9.30 a.m.	Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite MangalMurti Hospital, Gorai-II, Borivali (West), Mumbai – 400 092
31.03.2016	11.08.2016	10.30 a.m.	Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite MangalMurti Hospital, Gorai-II, Borivali (West), Mumbai – 400 092
31.03.2017	01.09.2017	10.00 a.m.	Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite MangalMurti Hospital, Gorai-II, Borivali (West), Mumbai – 400 092

(b) Whether any Special Resolution passed in previous 3 AGM's:

Date of AGM	Description of Special Resolution
30.09.2015	i) Special Resolution for adoption of new set of Articles of Association ii) Special Resolution for entering into Related Party Transactions.
11.08.2016	No Special Resolution was passed
01.09.2017	i) Special Resolution for appointment of Mr. Kishore Chand Talwar as Chairman & Managing Director of the Company. ii) Special Resolution for appointment of Mrs. Nainy K. Tanna as Whole-Time Director of the Company.

c) Postal Ballot:

- Whether any Special Resolution passed last year through Postal Ballot:** Yes (Two (2) Special Resolutions were passed through Postal Ballot).

Voting Pattern Details of Postal Ballot are as under:

Item of Notice	Particulars of Business	Votes in Favour of the Resolution		Votes in Against of the Resolution		Invalid Votes	
		No. of Shares	%age	No. of Shares	%age	No. of Shares	%age
Item No. 1 of the Notice (As a Special Resolution) for Alteration of the Object Clause of the Memorandum of Association of the Company.	E-Voting	96273	99.9979	2	0.0020	-	-
	Postal Ballot	6822249	100	-	-	*2	-
Item No. 2 of the Notice (As a Special Resolution) for Alteration of the Liability Clause of the Memorandum of Association of the Company.	E-Voting	96273	99.9979	2	0.0020	-	-
	Postal Ballot	6822249	100	-	-	*2	-

* Treated Invalid because Members have Voted Twice (i.e. in Postal Ballot & E-Voting)

- Person who conducted the postal ballot exercise:** Mr. Mahesh Soni, Partner of M/s. GMJ & Associates, Company Secretaries
- Whether any special resolution is proposed to be conducted through postal ballot:** No
- Procedure for Postal Ballot:** Not Applicable

MEANS OF COMMUNICATION:

- Quarterly results: Results are submitted to Stock Exchanges electronically as provided by the respective exchange & published in newspapers and uploaded on the Company's website.
- Newspapers wherein results normally published: Navshakti and Free Press Journal
- Any website where displayed : www.rexnordindia.com
- Whether it also displays official news releases : No official news release was made
- The presentations made to institutional investors or to the analysts : No presentations were made during the year

GENERAL SHAREHOLDERS INFORMATION:

a) 30th Annual General Meeting Schedule to be held on

DAY & DATE	: Friday, September 28, 2018
TIME	: 10:30 a.m.
VENUE	: Sangam Banquets, Plot No. 366-386, RSC 37, MangalMurti Road, Opposite MangalMurti Hospital, Gorai-II, Borivali (West), Mumbai – 400 092

b) Financial Year:

The Company follows the period of April to March, as the Financial Year. Tentative financial calendar for the financial year 2018-19 is as under:

Financial Reporting for the Financial Year 2018-19	Tentative date of reporting
Un-audited Financial Results for the quarter ending June 30, 2018	On or before August 14, 2018
Un-audited Financial Results for the quarter and half year ending September 30, 2018	On or before November 14, 2018
Un-audited Financial Results for the quarter and nine months ending December 31, 2018	On or before February 14, 2019
Audited Financial Results for the quarter and year ending March 31, 2019	On or before May 30, 2019

c) Book Closure:

The Register of Members and Share Transfer Books will remain closed from Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive) for the purpose of AGM.

d) Dividend Payment Date: Not Applicable

e) Listing on Stock Exchanges:

Equity Shares of the Company are listed on BSE Limited, Mumbai (BSE). Annual listing fee for the financial year 2017-2018 has been paid to the BSE Limited, Mumbai.

f) Stock Code:

Scrip Name : Rexnord Electronics and Controls Ltd.
Scrip Code : 531888
Electronic Mode (ISIN) : INE687C01012

g) Stock Price / Market Price Data:

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2017 to March, 2018 are as under:

Month	Company's Share [₹]		BSE Sensex	
	High	Low	High	Low
April, 2017	67.40	59.75	30184.22	29241.48
May, 2017	66.00	52.60	31255.28	29804.12
June, 2017	64.00	53.60	31522.87	30680.66
July, 2017	61.80	51.00	32672.66	31017.11
August, 2017	57.95	39.00	32686.48	31128.02
September, 2017	68.00	49.95	32524.11	31081.83
October, 2017	85.50	58.00	33340.17	31440.48
November, 2017	88.50	65.10	33865.95	32683.59
December, 2017	98.00	71.00	34137.97	32565.16
January, 2018	80.90	60.00	36443.98	33703.37
February, 2018	72.00	55.00	36256.83	33482.81
March, 2018	71.00	58.00	34278.63	32483.84

h) Registrar to an issue and Share Transfer Agents:

M/S. BIG SHARE SERVICES PRIVATE LIMITED
Bharat Tin Works Building, 1st Floor,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri – East, Mumbai – 400059
Tel: 022 – 62638200 Email: info@bigshareonline.com

i) Share Transfer System:

Share Transfer Requests are received at the registered office of the Company as well as directly at RTAs office. RTA does the verification and processing of documents. In order to comply with the requirements of SEBI Circular Nos.CIR/MIRSD/8/2012 dated July 5, 2012 to effect transfer of shares within 15 days, the RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days.

j) Shareholding pattern as on March 31, 2018:

The shareholding of different categories of the shareholders as on March 31, 2018 is given below:

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	68,20,600	61.12
Mutual Funds/UTI	–	–
Financial Institutions/Banks	2,000	0.02
Bodies Corporate	2,03,246	1.82
Indian Public	37,13,415	33.27
Clearing Members	61,006	0.55
NRI/FN	3,59,733	3.22
Total	1,11,60,000	100

k) Distribution of Shareholding as on March 31, 2018:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto -500	4503	737663	6.61
501-1000	460	396453	3.55
1001-2000	197	301763	2.70
2001-3000	88	230653	2.08
3001-4000	22	80439	0.72
4001-5000	29	139783	1.25
5000-10000	51	368179	3.30
10001- & Above	38	8905067	79.79
Total	5007	11160000	100

l) Dematerialization of Shares and Liquidity:

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from January 29, 2001 as per notification issued by the Securities & Exchange Board of India (SEBI). As on March 31, 2018, out of total Equity Capital 11160000 Equity Shares, 10221880 Equity Shares representing 91.59% of the total Equity Shares are held in de-materialized form with NSDL and CDSL.

m) Liquidity: Average Monthly Trading of the Company's Shares on BSE during the year:

Number of Trades : 1708
Number of Shares : 343959 Equity Shares

n) In case the securities are suspended from trading, the Directors report shall explain the reason thereof : Not Applicable

o) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

NIL

p) Commodity price risk or foreign exchange risk and hedging activities:

The Company carries the normal foreign exchange risk as no hedging is done by the Company in view of exports and imports made by the Company.

q) i) Plant Locations: Plot Survey No. 62, 74 & 75, Village –Devadal, Kaman, Taluka Vasai, Dist Palghar

ii) **Branch Office:** 77 High Street, #9-14 High Street Plaza, Singapore - 179433

r) Address for Correspondence:

REXNORD ELECTRONICS AND CONTROLS LIMITED
92D, Government Industrial Estate, Charkop,
Kandivali (West), Mumbai - 400067
E-mail :info@rexnordindia.com
Telephone No. 022-62401800

OTHER INFORMATION / DISCLOSURES:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large: 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. None of the transactions with any of the related parties were conflicting with the interests of the Company. All the related party transactions as per Ind AS 24 have been disclosed in note 42 to the Standalone Financial Statement.

b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: None

c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee: Pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations the Company has adopted a Vigil Mechanism/Whistle Blower Policy. The Company believes

in professionalism, transparency, integrity and ethical behaviour and had thus established a 'Whistle Blower Policy' to facilitate employees to report concerns of any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.

d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:** The Company has complied with all mandatory requirements of Listing Regulations and has implemented the following non mandatory requirements:

- **The Board:** Not Applicable since the Company has an Executive Chairman
- **Shareholders Rights:** Presently the Company is not sending half yearly communication.
- **Modified opinion(s) in the Audit Report:** It is always the Company's endeavor to present unqualified financial statements. There are no audit modified opinions in the Company's financial statement for the year under review.
- **Separate posts of Chairman and CEO:** The Company is not having separate posts of Chairman & CEO during the year.
- **Reporting of Internal Auditor :** The Internal Auditor is directly reporting to Audit Committee

e) **Web link where policy for determining 'material' subsidiaries is disclosed:** Not Applicable

f) **Web link where policy on dealing with related party transactions:** http://www.rexnordindia.com/wpcontent/uploads/2016/06/Related_Party_Transactions_Policy.pdf

g) **Non Compliance of any requirement of Corporate Governance Report of sub-paras(2) to (10) of para C of Corporate Governance Report of Schedule V Annual Report of Listing Regulations:** None

h) **Disclosures Of The Compliance With Corporate Governance Requirements Specified In Regulation 17 To 27 And Clauses (B) To (I) Of Sub-Regulation (2) Of Regulation 46 shall be made in the section on corporate governance of the Annual Report.**

The Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations, required information has been hosted on the Company's website www.rexnordindia.com

i) **Code of Conduct & Declaration:**

The Company has adopted a Code of Conduct for the Directors, Senior Management Personnel and Employees of the Company. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code for the effective period. Certificate from the Managing Director affirming compliance of the said code by all the Board members and members of senior management of the Company to whom the code is applicable is annexed separately to this report.

j) **Disclosure of Events or Information:**

In accordance with Regulation 30(4)(ii) of Listing Regulations, the Company has framed a policy for determination of materiality, based on criteria specified in Regulation 30(4)(i), duly approved by the Board of Directors, which is disclosed on the Company's website at www.rexnordindia.com

Further, the Company has authorized KMP's for the purpose of determining the materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under the said regulation and the contact details of such personnel has been disclosed to the stock exchange(s) and as well is placed on the Company's website at www.rexnordindia.com.

The Company has framed an Archival Policy for the disclosures posted on the website of the Company under Regulation 30 of the Listing Agreement which has been disclosed on the Company's website.

k) **Prevention of Insider Trading:**

As per regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the "Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of conduct to regulate, monitor and report trading by insiders".

All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code.

l) **CEO / CFO Certification:**

Managing Director / Chief Financial Officer (CFO) have issued certificate as specified in Part B of Schedule II of the regulation 17 (8) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2018 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

m) **Auditors' Certificate on Corporate Governance:**

The Company has obtained a Certificate from Auditors of the Company regarding compliance with the provisions relating to the corporate governance laid down in the Listing Regulations. This Certificate is annexed to the report.

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

Kishorechand Talwar
Chairman & Managing Director
(DIN: 00351751)

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

Dated: May 30, 2018

ANNEXURE TO CORPORATE GOVERNANCE REPORT DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of regulation 26 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the senior managerial personnel have affirmed compliance with the code of conduct for the year ended March 31, 2018.

Kishorechand Talwar
Chairman & Managing Director
(DIN : 00351751)

Place: Mumbai

Dated: May 30, 2018

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

To
The Board of Directors
Rexnord Electronics and Controls Limited
92-D, Govt. Industrial Estate,
Charkop, Kandivli (West),
Mumbai – 400 067

We, the undersigned, in our capacity as Chairman & Managing Director and Chief Financial Officer of Rexnord Electronics and Controls Limited ("the Company"), to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2018 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to take to rectify these deficiencies.
- d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Kishore Chand Talwar
Chairman & Managing Director
(DIN : 00351751)

KundanTalwar
Chief Financial Officer

Place: Mumbai

Dated: May 30, 2018

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Rexnord Electronics and Controls Limited
92-D, Govt. Industrial Estate,
Charkop, Kandivli (West),
Mumbai – 400 067,

1. We, Rakesh Soni & Co., Chartered Accountants, the Statutory Auditors of Rexnord Electronics and Controls Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2018
5. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI) and as per the Guidance Note on Reports or Certificates for Special Purposes issued by ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rakesh Soni & Co.**
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place: Mumbai.
Dated : May 30, 2018

ANNEXURE 'G'

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT:

Your Company is engaged in the manufacturing of Instrument cooling Fans and shaded pole motors used for industrial purposes and have emerged to be a leader in this segment. Our supply is aimed at Information Technology, refrigeration and power supply equipments.

Your Company wants to become more future ready, and continue to delight its consumers by enhancing, innovating and providing superior quality products at affordable prices. With this objective, your Company is continuously investing in Research & Development, in order to bring about a continual improvement in its existing product line. Your Company has also been strengthening its leadership positions, and investing in making its sales & marketing, supply chain and employee policies more robust, intensifying its efforts to expand distribution reach and tapping opportunities in emerging markets. Your Company has set up a strategic sourcing team to procure quality raw materials and reduce its procurement costs and also introduced an eminent marketing team to plan and execute the company's strategies. These initiatives will definitely help the Company in creating great value for its stakeholders. Your Company is committed to delivering long-term value creation for all its stakeholders.

OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS:

While risk continues to dominate the business agenda, competition is becoming just as dominant a feature. Market volatility, pricing pressure, variations in market performance, demanding stakeholders — all have contributed to a global economy that encourages competitive drive. The new policies being framed by the new government for boosting the manufacturing sector, have certainly boosted our confidence however the results will take time to show up and we shall see gradual progress. Some of the key raw materials like steel and copper have been extremely fluctuating in pricing which has played a major factor in the costing of our products.

Despite the above mentioned challenges your company excelled and has achieved new heights with successfully notching up good sales numbers both domestically and overseas. With the Advent of GST the current financial year however looks promising with the company achieving its targets and looking at a steady growth.

With the current year showing signs of a stronger performance by your company, with corrective measures by the government we hope to have a fruitful year.

Competition:

Your company does everything in its legal capacity to combat competition from direct competitors domestically and overseas. There is presence of direct importers of the same products however that hasn't affected the company's growth aspect because we clearly maintain a quality competitive advantage which places our product in the top quality bracket thereby eliminating any chances of stiff competition.

Your company has always capitalized on its reach and presence in the Indian market. The following strategies have been adopted in order to suppress competition faced from imported products:

- 1) We have gradually aimed at widening our product base in order to include high profit making products and there thereby increase the turnover of the company.
- 2) We have also planned in investing in advanced technology in order to produce and provide Low cost and high efficiency products.
- 3) We also set customer satisfaction in the highest platform by providing customized products to suit the ever changing needs of the industry and our customers thereby proving an edge over the cheaper competition.
- 4) The technical competence of our engineers is the key success factor for your organization. Our comprehensive understanding of customer's business and his processes, deep know-how of key equipment and applications help us in designing and providing efficient and sustainable solutions far beyond a mere supply of products to our customers.
- 5) The Company is regularly investing in modernization and up gradation of its production facilities which poised the Company to take maximum advantage of demand of its products.

- 6) The Company aims at improving its cost management by providing a focus on better cost management, reducing inefficiency, improving supply chain and improving productivity so that it can continue to improve its operating performance.

EXPORTS:

The previous financial year was steady in terms of exports with a consistent performance and gradual reach in our export customer base. Your company aims at creating more overseas opportunities thereby increasing its distribution network. The primary agenda still remains to be a global player by maintaining excellent quality standards at very affordable prices. Your Company will continue to develop new products and expand the portfolio to get increased share with our customers in focus sectors. Your Company will also aim at increasing brand awareness by participating in Trade Shows and through intensified advertisement at a global level.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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.

FINANCIAL AND OPERATIONAL PERFORMANCE:

During the year under review, the Company has achieved total revenue of ₹ 5864.46 Lakhs as against total revenue of ₹ 6312.95 Lakhs in the previous year. The Company has earned profit before tax of ₹ 484.04 Lakhs during the year as against the profit before tax of ₹ 486.46 Lakhs in the previous year.

Despite the recessionary trend and the impact on demonetisation on industries, your company has continued to excel in its field and keeping an upward trend in terms of Sales and Profitability, in-turn showing the true capacity of your company.

HUMAN RESOURCES:

Your company has always believed in the statement "Employees are the true strength of the company". We take great pride in the commitment, competence and vigour shown by its workforce in all realms of business. The Company continues to provide better staff welfare facilities and further enhance its labour policies to make them more labour friendly. The company further aligned its HR policies to meet the growing needs of business. People development continues to be a key focus area at Rexnord.

Your Company aims at training its employees by providing regular training Programs to enhance their employability and entrepreneurial abilities. Your Company has implemented many in house training programs to keep them abreast of the latest developments in the industry and economy. To establish direct link between performance and reward, your Company has been steadily increasing the weightage of actual performance in remuneration packages. Finally we would like to take this opportunity to thank all our employees without whom the success of the company is incomplete.

The Company has, under its employment 71 officers and other staff including executive directors.

The Focus of the Company for the next financial year is:

✓ **Market Leadership**

To provide quality, reliability and good value in the products we sell. To be sensitive and responsive to changing customer needs right from product development stage to after-sales-service. To aim to become market leaders in whatever we take up.

✓ **Price Competitiveness**

To improve our competitiveness by constantly enhancing the performance of our manufacturing, development, marketing and administrative functions. We would like to improve our profits by higher market share rather than by higher margin.

✓ **Customer Satisfaction**

To develop the right relationship between the Company and all its customers so that customer's needs are met simply and effectively.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement due to external factors. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

INDEPENDENT AUDITOR'S REPORT

To

The Members of
REXNORD ELECTRONICS AND CONTROLS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Rexnord Electronics and Controls Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and Other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 30, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - e) on the basis of written representations received from the directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36(i)(c) to the standalone Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - (iv) The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

For **Rakesh Soni & Co.**
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place: Mumbai
Dated: May 30, 2018

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT – 31st MARCH 2018

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) the Company has maintained records, showing particulars including quantitative details and situation of its fixed assets;
- (b) as explained to us, all the fixed assets have been physically verified by the management at the close of the year. We were informed that no material discrepancy have been noticed by the management on such verification as compared to the aforesaid records of fixed assets; and
- (c) According to the information and explanations given to us, in our opinion, the title deeds of immoveable properties are held in the name of the Company except in the case of a plot of land purchased during the financial year 2016-17 by the Company as detailed below:

Particulars	Area (In Hectare)	Gross Block (₹ in lakhs)	Net Block (₹ in lakhs)	Remarks
A plot of land situated at S. No. 61, H. No. 1 Part at Village- Kaman, Taluka -Vasai District - Palghar (MS)	0.242	14.50	14.50	Plot purchased by executing Memorandum of Understanding and possession taken. Sale deed is yet to be executed and registered.

- (ii) as certified by the management, physical verification of inventories was conducted by the management at the close of the year. There were no material discrepancies noticed on physical verification of inventories as compared to book records and the same have been properly dealt with in the books of account.
- (iii) the Company has, during the year, not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of clauses (a), (b) and (c) of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) in our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 the Act in respect of the investment made by it during the year. The Company has, during the year, not granted any loans and given any guarantee or provided any security in connection with a loan covered under the sections 185 and 186 of the Act.
- (v) the Company has not accepted any deposit from public during the year in accordance with the provisions of sections 73 to 76 of the Act and rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of the products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view of determine whether they are accurate or complete.
- (vii) (a) on the basis of books and records examined by us, amount deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance,

income-tax, sales-tax, service tax, goods and services tax w.e.f. 1 July 2017, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. There are no arrears of undisputed statutory dues as at the last day of financial year concerned, outstanding for a period of more than six months from the date they became payable except Central Sales Tax ₹ 26255.00.

- (b) on the basis of books and records examined by us, there are no dues of income tax, sales tax, service tax, goods and services tax w.e.f. 1 July 2017, duty of customs, duty of excise and value added tax which have not been deposited with appropriate authorities on account of any dispute.
- (viii) on the basis of selective checks carried out during the course of audit, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. There are no dues payable to the debenture holders and Government.
- (ix) As per the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In respect of term loans obtained during the year, we are of the opinion that the term loans were applied for the purpose for which they were obtained.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Rakesh Soni & Co.**
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place: Mumbai
Dated: May 30, 2018

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT – 31st MARCH 2018

Referred to in paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rexnord Electronics and Controls Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal

financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Rakesh Soni & Co.**
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place: Mumbai
Dated: May 30, 2018

BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in ₹ Lakhs)

Particulars	Note	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
ASSETS				
Non-current assets				
Property, plant and equipment	3A	1708.79	1634.75	1562.43
Capital work in progress	3B	0.00	0.00	13.50
Intangible assets	3C	0.97	2.00	1.48
Financial assets				
Investments	4	10.00	0.00	0.00
Loans	5	14.48	13.85	9.15
Income tax assets (net)	6	3.94	0.00	0.00
Other non-current assets	7	22.34	19.01	4.71
Total non-current assets		1760.52	1669.61	1591.27
Current assets				
Inventories	8	1707.51	1370.24	1153.84
Financial assets				
Investments	9	230.15	50.26	0.00
Trade receivables	10	810.20	726.08	799.76
Cash and cash equivalents	11	171.92	147.03	13.64
Bank balances other than cash and cash equivalents	12	150.00	150.00	352.90
Loans	13	3.17	3.05	1.74
Other financial assets	14	2.16	2.55	3.49
Other current assets	15	153.34	76.45	69.42
Total current assets		3228.45	2525.66	2394.79
TOTAL ASSETS		4988.97	4195.27	3986.06
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	1115.91	1115.91	995.91
Other equity	17	1995.37	1651.22	1223.40
Total equity		3111.28	2767.13	2219.31
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	18	145.64	114.81	178.42
Other financial liabilities	19	3.11	0.00	0.00
Provisions	20	19.12	19.54	14.60
Deferred tax liabilities (net)	21	114.01	120.67	107.09
Total non-current liabilities		281.88	255.02	300.11
Current liabilities				
Financial Liabilities				
Borrowings	22	761.94	335.75	514.60
Trade payables	23	671.90	657.17	682.44
Other financial liabilities	24	133.36	108.17	168.36
Other current liabilities	25	22.92	59.33	94.76
Provisions	26	5.69	0.81	2.72
Current tax liabilities (net)	27	0.00	11.89	3.76
Total current liabilities		1595.81	1173.12	1466.64
TOTAL EQUITY AND LIABILITIES		4988.97	4195.27	3986.06
Contingent liabilities and commitments (To the extent not provided for)	36			
Significant accounting policies	2			
The accompanying notes form part of the financial statements	1 to 50			

As per our attached report of even date

For Rakesh Soni & Co.
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place : Mumbai
Dated : May 30, 2018

For and on behalf of the Board of Directors of
Rexnord Electronics and Controls Limited
CIN: L31200MH1988PLC047946

Kishore Chand Talwar
Chairman & Managing Director
DIN 00351751

Kundan Talwar
Chief Financial Officer

Place : Mumbai
Dated : May 30, 2018

Nainy K. Tanna
Wholtime Director
DIN 00351762

Krunal S. Wala
Company Secretary

Krishnamoorthy Krishnan
Director
DIN 08129657

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in ₹ Lakhs)

Particulars	Note	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue from operations	28	5806.08	6243.91
Other income	29	58.38	69.04
Total Revenue		5864.46	6312.95
Expenses:			
Cost of materials consumed	30	3461.13	3456.91
Changes in inventories of finished goods and work in progress	31	(242.11)	(152.47)
Excise duty		150.56	573.30
Employee benefits expense	32	495.84	416.99
Finance costs	33	92.31	100.61
Depreciation and amortisation expense	3A & 3C	148.99	136.55
Other expenses	34	1273.70	1294.60
Total expenses		5380.42	5826.49
Profit before exceptional items and tax		484.04	486.46
Exceptional items		0.00	0.00
Profit before tax		484.04	486.46
Tax expense:			
Current tax		145.15	149.52
Deferred tax		(6.67)	13.76
Tax adjustment for earlier years		1.42	(4.50)
		139.90	158.78
Profit for the year (A)		344.14	327.68
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans		0.02	(0.54)
Income tax on above		0.01	(0.18)
Other comprehensive income for the year (B)		0.01	(0.36)
Total comprehensive income for the year (A+B)		344.15	327.32
Earning per equity share	35		
Basic ₹		3.08	2.94
Diluted ₹		3.08	2.94
Significant accounting policies	2		
The accompanying notes form part of the financial statements	1 to 50		

As per our attached report of even date

For Rakesh Soni & Co.
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place : Mumbai
Dated : May 30, 2018

For and on behalf of the Board of Directors of
Rexnord Electronics and Controls Limited
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Kishore Chand Talwar
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Wholetime Director
DIN 00351762

Krunal S. Wala
Company Secretary

Krishnamoorthy Krishnan
Director
DIN 08129657

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

A. Equity Share Capital

(Amount in ₹ Lakhs)

Particulars	Value
Balance at the beginning of the reporting period i.e. 1st April, 2016	995.91
Changes during the year	120.00
Balance at the end of the reporting period i.e. 31st March, 2017	1115.91
Balance as at April 1, 2017	1115.91
Changes during the year	0.00
Balance at the end of the reporting period i.e. 31st March, 2018	1115.91

B. Other Equity

(Amount in ₹ Lakhs)

Particulars	Reserves and Surplus		Other Comprehensive income	Money received against share warrants	Total
	Securities Premium Reserve	Retained Earnings			
Balance at the beginning of the reporting period i.e. 1st April, 2016	118.28	1032.41	(0.79)	73.50	1223.40
Profit for the year	0.00	327.68	0.00	0.00	327.68
Other Comprehensive Income for the year*	0.00	0.00	(0.36)	0.00	(0.36)
On account of issue of equity shares on conversion of share warrants	174.00	0.00	0.00	0.00	174.00
Conversion of share warrants into equity share capital	0.00	0.00	0.00	(73.50)	(73.50)
Balance at the end of the reporting period i.e. 31st March, 2017	292.28	1360.09	(1.15)	0.00	1651.22
Balance at the beginning of the reporting period i.e. 1st April, 2017	292.28	1360.09	(1.15)	0.00	1651.22
Profit for the year	0.00	344.14	0.00	0.00	344.14
Other Comprehensive Income for the year*	0.00	0.00	0.01	0.00	0.01
Balance at the end of the reporting period i.e. 31st March, 2018	292.28	1704.23	(1.14)	0.00	1995.37

*Movement in other comprehensive income relates to remeasurements of the net defined benefit plans.

Nature of reserves

- Securities Premium Reserve: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
- Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to other reserve, dividends or other distributions paid to shareholders.

Significant accounting policies

2

The accompanying notes form part of the financial statements

1 to 50

As per our attached report of even date

For Rakesh Soni & Co.

Chartered Accountants

(Firm Registration No. 114625W)

Rahul Chomal

Partner

Membership No. 427631

Place : Mumbai

Dated : May 30, 2018

For and on behalf of the Board of Directors of

Rexnord Electronics and Controls Limited

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Kishore Chand Talwar

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Chief Financial Officer

Place : Mumbai

Dated : May 30, 2018

Nainy K. Tanna

Wholetime Director

DIN 00351762

Krunal S. Wala

Company Secretary

Krishnamoorthy Krishnan

Director

DIN 08129657

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in ₹ Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	484.04	486.46
Adjustments for		
Depreciation and amortization	148.99	136.55
Allowance for doubtful debts provided/written back (net)	(2.11)	1.00
(Profit)/loss on sale/discarding of fixed assets (net)	1.75	0.01
Unrealised exchange (gain)/ loss	2.68	(14.17)
Net gain on investments	(7.01)	(0.26)
Interest income	(11.11)	(22.51)
Dividend income	(5.87)	0.00
Interest and other borrowing costs	86.97	100.08
Operating profit before working capital changes	698.33	687.16
Adjustments for :		
Trade receivables	(81.05)	71.99
Other receivables	(80.85)	(24.34)
Inventories	(337.27)	(216.40)
Trade payables	13.71	(24.52)
Other payables	(23.29)	(13.32)
Cash generated from operations	189.58	480.57
Direct taxes paid	(162.40)	(138.42)
Cash flow before extraordinary items	27.18	342.15
Extraordinary items	0.00	0.00
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	27.18	342.15
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of tangible assets	1.01	0.66
Purchase of tangible assets	(224.77)	(195.11)
Proceeds from sale of intangible assets	0.00	0.00
Purchase of intangible assets	0.00	(1.48)
Proceeds from sale of investments	52.13	0.00
Purchase of investments	(235.00)	(50.00)
(Increase)/ decrease in deposits	(0.49)	(4.78)
(Increase)/ decrease in bank fixed deposits	0.00	202.90
Interest income	11.49	23.45
Dividend income	5.88	0.00
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(389.75)	(24.36)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018 (Contd..)

(Amount in ₹ Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital & premium	0.00	220.50
Proceeds from long term borrowings	71.45	108.27
Repayment of long term borrowings	(23.84)	(250.97)
Proceeds from short term borrowings	1488.42	1468.19
Repayment of short term borrowings	(1064.38)	(1440.71)
Change in working capital borrowings from banks	0.00	(190.55)
Interest and other borrowing costs	(84.19)	(99.16)
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES	387.46	(184.43)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	24.89	133.36
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	147.03	13.64
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	171.92	147.00

Notes :

- The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 on "Statement of Cash Flow" notified u/s 133 of Companies Act, 2013 ("Act") read with relevant rules issued thereunder and the relevant provisions of the Act.
- Change in liability arising from financing activities.

Particulars	Non-current borrowing	Current borrowing
Balance as at 1st April 2016	278.29	514.60
Net cash flows	(142.70)	(163.07)
Effect of unrealised exchange gain/loss	0.00	(15.78)
Balance as at 31st March 2017	135.59	335.75
Net cash flows	47.61	424.04
Effect of unrealised exchange gain/loss	0.00	2.15
Balance as at 31st March 2018	183.20	761.94

- Refer Note no. 11 for details of cash and cash equivalents.
- All figures in brackets reflects cash outflow.
- Figures of the previous year have been regrouped wherever necessary.

Significant accounting policies 2
The accompanying notes form part of the financial statements 1 to 50

As per our attached report of even date

For Rakesh Soni & Co.
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place : Mumbai
Dated : May 30, 2018

For and on behalf of the Board of Directors of
Rexnord Electronics and Controls Limited
CIN: L31200MH1988PLC047946

Kishore Chand Talwar
Chairman & Managing Director
DIN 00351751

Kundan Talwar
Chief Financial Officer

Place : Mumbai
Dated : May 30, 2018

Nainy K. Tanna
Wholetime Director
DIN 00351762

Krunal S. Wala
Company Secretary

Krishnamoorthy Krishnan
Director
DIN 08129657

Notes to the financial statements for the year ended 31st March 2018

Note 1: CORPORATE INFORMATION

Rexnord Electronics and Controls Limited ("the Company") is a public limited Company domiciled in India with its registered office located at 92-D, Government Industrial Estate, Sahyadri Nagar Charkop, Kandivali (West), Mumbai-400067. The Company is listed on the Bombay Stock Exchange (BSE). The Company is manufacturer of fans & motors. The Company has manufacturing facility at Survey no. 62, 74, 75, 20, Village Devdal (Sagpada), Opp Sagar Hotel Kaman Bhiwandi Road, Kaman Tal- Vasai, Dist Thane- 401208 and sells Indian Market and is regularly exporting.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

2.1) BASIS OF PREPARATION

A) Statement of Compliance

- a) These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- b) These financial statements for the year ended 31st March, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note 49.
- c) The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.
- d) The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 30th May, 2018.

B) Basis of Measurement

These financial statements are prepared under the historical cost convention, except for the following:

- a) Certain financial assets and liabilities that are measured at fair value (refer- Accounting policy regarding financial instruments).
- b) Defined benefit plans – present value of defined benefit obligation unless otherwise indicated.

C) Functional and Presentation Currency

These financial statements are presented in Indian Rupees, the functional currency of the Company. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated. Items included in the financial statements of the Company are recorded using the

currency of the primary economic environment in which the Company operates (the 'functional currency').

D) Use of Estimates

- a) The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities prospectively.
- b) Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:
 - i) Measurement of defined benefit obligations - Note 38.
 - ii) Measurement and likelihood of occurrence of provisions and contingencies - Note 20 & 26 and 36.
 - iii) Recognition of deferred tax liabilities - Note 21.

E) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the Note 40.

2.2) REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes and duties collected on behalf of the Government.

Sale of goods

Revenue from sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be

Notes to the financial statements for the year ended 31st March 2018

incurred in respect of the transaction can be measured reliably. Depending on the contractual terms, risks and rewards of ownership is transferred when the delivery is completed. In case of exports

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

Rental income

Rental income is recognised on a straight line basis over the term of the relevant arrangements.

2.3) EXPORT INCENTIVE

The benefits, on account of entitlement to import duty free raw material under the Advance License Scheme in respect of goods already exported, are not valued and brought into the books in the year of export. The raw materials are recorded at cost at which they are procured in the year of import.

The benefits under FMS/FPS/Incremental Export Incentivisation Scheme and Duty Drawback Scheme are recognized when the exports are made.

2.4) EMPLOYEE BENEFITS

a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term benefits such as salaries, wages, bonus, ex gratia, short-term compensation absences, etc., are determined on an undiscounted basis and recognized in the period in which the employee renders the related service.

b) Post-employment benefits

Defined contribution plans

Obligations for contributions to defined contribution plans such as Provident Fund maintained with Regional Provident Fund Office is expensed as the related service is provided.

Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

c) Other long-term employee benefits

Compensated absences

The Company does not have any leave encashment policy. Further any unutilised leave at the end of the year is lapsed and not eligible for carry forward.

2.5) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items (assets and liabilities) are restated using the exchange rate prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to finance costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.6) ACCOUNTING FOR TAXES ON INCOME

Income tax expense for the period comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

MAT credit entitlement is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

2.7) PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Notes to the financial statements for the year ended 31st March 2018

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

2.8) INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Upon first-time adoption of Ind AS, the Company has elected to measure all its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

2.9) RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.10) DEPRECIATION

Depreciation on Property, Plant & Equipment is provided on straight line method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. In the case of revalued assets, depreciation is calculated on straight line method on the revalued amounts as determined by the valuer.

Depreciation on Property, Plant & Equipment added/disposed off/discarded during the period is provided on the pro-rata basis with reference to the date of addition/disposal/discarding.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

2.11) AMORTIZATION

Intangible assets (Application Software) acquired by the Company are amortised on a straight line basis over its useful life i.e. three years, as decided by the management.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

2.12) BORROWING COSTS

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such

assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.13) LEASES

Where the Company has substantially acquired all risks and rewards of ownership of the assets, leases are classified as financial lease. Such assets are capitalized at the inception of the lease, at the lower of the fair value or present value of minimum lease payment and liability is created for equivalent amount. Each lease payment is allocated between liability and finance cost so as to obtain constant periodic rate of interest on the outstanding liability for each period. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired/given under leases other than finance leases are classified as operating leases. Operating lease payments/receivable are recognised as an expense/income in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

2.14) PROVISION, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability. The company does not recognize a contingent liability but discloses its existence in the financial statement.

Contingent assets are neither recognized nor disclosed in the financial statements.

2.15) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the

Notes to the financial statements for the year ended 31st March 2018

risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

2.16) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all years presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17) INVENTORIES

Inventories are valued at lower of cost and estimated net realisable value. Obsolete, defective and unserviceable stocks are provided for. Materials-in-process are valued at raw material cost and estimated cost of conversion. Cost of finished goods includes conversion and other costs incurred in bringing the inventories to their present location and condition

Cost of Inventories is computed on FIFO basis. Goods in transit, if any, are stated at actual cost incurred upto the date of balance sheet.

2.18) FINANCIAL INSTRUMENTS

I. FINANCIAL ASSETS

A) Initial Recognition And Measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset. Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B) Classification And Subsequent Measurement

- a) Amortised cost: A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) Fair value through other comprehensive income (FVOCI): A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) Fair value through profit and loss (FVTPL): A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

C) Cash and bank balances

- (i) Cash and cash equivalents which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of 3 months or less from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- (ii) Other bank balances which includes balances and deposits with banks that are restricted for withdrawal and usage.

D) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

E) Equity instruments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

F) Trade receivables and loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

G) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

H) Impairment of Financial Asset

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, security deposits, bank deposits and bank balance.
- b) Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

Notes to the financial statements for the year ended 31st March 2018

II. FINANCIAL LIABILITIES

A) Initial Recognition And Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

B) Classification And Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

III. DERECOGNITION OF FINANCIAL INSTRUMENTS

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

IV. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.20) RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2018:

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 115 Revenue from Contracts with Customers ("Standard")

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective from 1 April 2018.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is evaluating the impact of this Standard on its financial statements.

Notes to the financial statements for the year ended 31st March 2018

NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹ Lakhs)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 31.03.2017	Additions during the year	Sold/discarded during the year	Total as at 31.03.2018	Provided upto 31.03.2017	Provided for the Year	Written back during the year	Total upto 31.03.2018	Total as at 31.03.2018
Property, plant & equipment									
Leasehold land	45.79	0.00	0.00	45.79	0.00	0.00	0.00	0.00	45.79
Land	14.50	0.00	0.00	14.50	0.00	0.00	0.00	0.00	14.50
Factory buildings	870.73	0.00	0.00	870.73	39.08	39.08	0.00	78.16	792.57
Residential flats	15.83	0.00	0.00	15.83	0.35	0.35	0.00	0.70	15.13
Plant and machineries	444.39	86.18	0.71	529.86	39.51	44.32	0.24	83.59	446.27
Moulds and dies	109.74	49.57	0.00	159.31	16.96	18.25	0.00	35.21	124.10
Furniture and fixtures	57.81	32.73	0.00	90.54	5.71	8.86	0.00	14.57	75.97
Office equipments	16.54	5.86	0.00	22.40	5.38	4.41	0.00	9.79	12.61
Vehicles	159.64	20.93	6.95	173.62	20.43	23.76	4.66	39.53	134.09
Computers	13.79	1.74	0.00	15.53	3.45	4.28	0.00	7.73	7.80
Factory equipments	20.29	27.76	0.01	48.04	3.43	4.65	0.00	8.08	39.96
Total as at 31.03.2018	1769.05	224.77	7.67	1986.15	134.30	147.96	4.90	277.36	1708.79

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK
	Deemed cost as at 01.04.2016	Additions during the year	Sold/discarded during the year	Total as at 31.03.2017	Provided upto 31.03.2016	Provided for the Year	Written back during the year	Total upto 31.03.2017	Total as at 31.03.2017
Property, plant & equipment									
Leasehold land	45.79	0.00	0.00	45.79	0.00	0.00	0.00	0.00	45.79
Land	0.00	14.50	0.00	14.50	0.00	0.00	0.00	0.00	14.50
Factory buildings	870.73	0.00	0.00	870.73	0.00	39.08	0.00	39.08	831.65
Residential flats	15.83	0.00	0.00	15.83	0.00	0.35	0.00	0.35	15.48
Plant and machineries	378.31	66.08	0.00	444.39	0.00	39.51	0.00	39.51	404.88
Moulds and dies	108.89	0.85	0.00	109.74	0.00	16.96	0.00	16.96	92.78
Furniture and fixtures	24.39	33.42	0.00	57.81	0.00	5.71	0.00	5.71	52.10
Office equipments	11.34	5.74	0.54	16.54	0.00	5.46	0.08	5.38	11.16
Vehicles	82.32	78.75	1.43	159.64	0.00	21.66	1.23	20.43	139.21
Computers	7.53	6.26	0.00	13.79	0.00	3.45	0.00	3.45	10.34
Factory equipments	17.30	2.99	0.00	20.29	0.00	3.43	0.00	3.43	16.86
Total as at 31.03.2017	1562.43	208.59	1.97	1769.05	0.00	135.61	1.31	134.30	1634.75

3A(i) Cost of factory building include ₹ 1000.00 (31.03.2017 ₹ 1000.00 and 01.04.2016 ₹ 1000.00,) being cost of shares in the Kandivli Co-operative Industrial Estate Limited.

3A(ii) Security

Property, plant and equipment are hypothecated /pledged against borrowings refer note 18 and 22

NOTE 3B: CAPITAL WORK IN PROGRESS

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Capital work in progress	0.00	0.00	13.50

NOTE 3C: INTANGIBLE ASSETS

(Amount in ₹ Lakhs)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 31.03.2017	Additions during the year	Sold/discarded during the year	Total as at 31.03.2018	Provided upto 31.03.2017	Provided for the Year	Written back during the year	Total upto 31.03.2018	Total as at 31.03.2018
Intangible assets									
Computer software - acquired	2.93	0.00	0.00	2.93	0.93	1.03	0.00	1.96	0.97
Total as at 31.03.2018	2.93	0.00	0.00	2.93	0.93	1.03	0.00	1.96	0.97

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK
	Deemed cost as at 01.04.2016	Additions during the year	Sold/discarded during the year	Total as at 31.03.2017	Provided upto 31.03.2016	Provided for the Year	Written back during the year	Total upto 31.03.2017	Total as at 31.03.2017
Intangible assets									
Computer software - acquired	1.48	1.45	0.00	2.93	0.00	0.93	0.00	0.93	2.00
Total as at 31.03.2017	1.48	1.45	0.00	2.93	0.00	0.93	0.00	0.93	2.00

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Number	Amount	Number	Amount	Number	Amount
NOTE 4: NON-CURRENT INVESTMENTS						
Investments measured at Cost						
In equity shares of subsidiary company						
Unquoted, fully paid up						
Rexnord Enterprise Private Limited of ₹10 each	100000	10.00	0	0.00	0	0.00
Total		<u>10.00</u>		<u>0.00</u>		<u>0.00</u>
Aggregate amount of Unquoted Investments		10.00		0.00		0.00
Aggregate provision for diminution in the value of Investments		0.00		0.00		0.00
NOTE 5: NON-CURRENT LOANS						
Unsecured, considered good						
Security deposits		14.48		13.85		9.15
Total		<u>14.48</u>		<u>13.85</u>		<u>9.15</u>
NOTE 6: INCOME TAX ASSETS (NET)						
	Amount	Amount	Amount	Amount	Amount	Amount
Taxes paid during the year		160.98		0.00		0.00
Opening balance	11.89		0.00		0.00	
Add: Current tax payable for the year	145.15	157.04	0.00	0.00	0.00	0.00
Total		<u>3.94</u>		<u>0.00</u>		<u>0.00</u>
NOTE 7: OTHER NON-CURRENT ASSETS						
Unsecured, considered good						
Capital advances		21.31		17.98		3.68
Security deposits		1.03		1.03		1.03
Total		<u>22.34</u>		<u>19.01</u>		<u>4.71</u>
NOTE 8: INVENTORIES						
Raw Materials and components including packing materials*		959.84		865.06		800.74
Work in progress		516.38		377.46		262.11
Finished goods		228.36		125.18		88.06
Stores and spares		2.93		2.54		2.93
Total		<u>1707.51</u>		<u>1370.24</u>		<u>1153.84</u>
* Includes stock in transit		0.00		0.00		0.00
NOTE 9: CURRENT INVESTMENTS						
Investments measured at fair value through Profit & Loss						
In mutual funds (Unquoted)						
Birla Sunlife Dynamic Bond Fund - Retail Plan - Growth of face value of ₹ 10/- each unit	0	0.00	173125.998	50.26	0	0.00
ICICI Prudential Dynamic Plan -Growth of face value of ₹ 10/- each unit	51925.687	130.92	0	0.00	0	0.00
ICICI Prudential Balanced Fund -Growth of face value of ₹ 10/- each unit	20463.289	25.55	0	0.00	0	0.00
ICICI Prudential Balanced Fund Monthly Dividend of face value of ₹ 10/- each unit	203665.988	48.98	0	0.00	0	0.00
L&T India Prudence Fund - Dividend of face value of ₹ 10/- each unit	126141.581	24.70	0	0.00	0	0.00
Total		<u>230.15</u>		<u>50.26</u>		<u>0.00</u>
Aggregate amount of Unquoted Investments		230.15		50.26		0.00
Aggregate provision for diminution in the value of Investments		0.00		0.00		0.00

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
	Amount	Amount	Amount
NOTE 10: TRADE RECEIVABLES			
Debts outstanding for a period exceeding six months from the date they are due for payments			
Unsecured, considered good	0.23	1.00	1.39
Unsecured, considered doubtful	0.00	0.00	1.07
Less: Allowance for doubtful trade receivables	0.00	0.00	(1.07)
	<u>0.23</u>	<u>1.00</u>	<u>1.39</u>
Others			
Unsecured, considered good	809.97	725.08	798.37
Unsecured, considered doubtful	0.00	2.11	0.42
Less: Allowance for doubtful trade receivables	0.00	(2.11)	(0.42)
	<u>809.97</u>	<u>725.08</u>	<u>798.37</u>
Total	<u>810.20</u>	<u>726.08</u>	<u>799.76</u>
NOTE 11: CASH AND CASH EQUIVALENTS			
Balances with banks			
In cash credit account	125.10	128.77	0.00
In current accounts	44.23	14.17	5.13
Cash on hand	2.59	4.09	8.51
Total	<u>171.92</u>	<u>147.03</u>	<u>13.64</u>
NOTE 12: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
Other bank balances:			
In fixed deposit account with maturity less than 12 months	0.00	0.00	0.00
Fixed deposits with banks held as margin money for letter of credit issued, gurantee given and overdraft facility			
With maturity period less than 12 months*	150.00	150.00	352.90
Total	<u>150.00</u>	<u>150.00</u>	<u>352.90</u>
*Details of lien on fixed deposit as under:			
Lien for margin money for letter of credit issued	85.58	84.78	138.88
Lien for margin money for gurantee issued	NIL	NIL	2.90
Lien as securities for overdraft facility	NIL	NIL	200.00
NOTE 13: CURRENT LOANS			
Unsecured, considered good			
Security deposits	0.46	0.60	0.52
Loan to employees	2.71	2.45	1.22
Total	<u>3.17</u>	<u>3.05</u>	<u>1.74</u>
NOTE 14: OTHER CURRENT FINANCIAL ASSETS			
Unsecured, considered good			
Interest accrued on deposits	2.16	2.55	3.49
Total	<u>2.16</u>	<u>2.55</u>	<u>3.49</u>

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
NOTE 15: OTHER CURRENT ASSETS						
Unsecured, considered good						
Advances to suppliers		45.68		28.01		17.90
GST/Cenvat credit receivable		61.93		14.81		10.41
Balance with excise department		0.00		0.00		0.00
Export benefit receivable		0.02		0.11		1.63
Export Benefits in Duty Credit Scrips receivable		21.52		11.30		26.94
Prepaid expenses		23.59		21.37		12.46
Other receivables		0.60		0.85		0.08
Total		153.34		76.45		69.42

NOTE 16: EQUITY SHARE CAPITAL

Authorised

Equity shares of ₹ 10/- each	15000000	1500.00	15000000	1500.00	15000000	1500.00
Total		1500.00		1500.00		1500.00

Issued, subscribed and paid-up

Equity shares of ₹ 10/- each fully paid up	11160000	1116.00	11160000	1116.00	9960000	996.00
Less: calls in arrears by others		0.09		0.09		0.09
Total		1115.91		1115.91		995.91

2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

Particulars	Numbers	Amount	Numbers	Amount	Numbers	Amount
At the beginning of the year	11160000	1116.00	9960000	996.00	7579500	757.95
Add : Equity shares issued on conversion of warrants	0	0.00	1200000	120.00	2380500	238.05
At the end of the year	11160000	1116.00	11160000	1116.00	9960000	996.00

2.b The company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of preferential amounts, in proportion of their shareholding.

2.c Shareholders holding more than 5% of share capital at the end of the year :

Name of shareholders	Numbers	% of Holding	Numbers	% of Holding	Numbers	% of Holding
1 Shri Kishore Chand Talwar	4352000	39.00	4352000	39.00	3652000	36.67
2 Smt. Sharda Talwar	1926400	17.26	1926400	17.26	1426400	14.32
3 Shri Subramanian P	590290	5.29	592000	5.30	0	0.00

NOTE 17: OTHER EQUITY

Securities Premium Reserve

Balance at the beginning of the year	292.28		118.28		118.28	
Add : on account of issue of equity shares on conversion of share warrants	0.00		174.00		0.00	
Balance at the end of the year		292.28		292.28		118.28

Retained Earnings

Balance at the beginning of the year	1360.09		1032.41		1032.41	
Add : Profit (loss) after tax for the year	344.14		327.68		0.00	
Balance at the end of the year		1704.23		1360.09		1032.41

Other Comprehensive income

Balance at the beginning of the year	(1.15)		(0.79)		(0.79)	
Add: Movement in OCI (Net) during the year	0.01		(0.36)		0.00	
Balance at the end of the year		(1.14)		(1.15)		(0.79)

Money received against share warrants

Balance at the beginning of the year	0.00		73.50		73.50	
Conversion of share warrants into equity share capital	0.00		(73.50)		0.00	
Balance at the end of the year	0.00		0.00		0.00	
Total		0.00		0.00		73.50

Total		1995.37		1651.22		1223.40
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Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE 18: NON-CURRENT BORROWINGS			
Secured loans:			
Term loans			
From banks	97.94	56.46	170.31
From other parties	47.70	58.35	8.11
Total	145.64	114.81	178.42

Secured Loans:

A Terms of repayment of secured loans

Name of the banks / other parties	HDFC Bank Limited	HDFC Bank Limited	Yes Bank Limited	Toyota Financial Services India Ltd.	BMW India Financial Services Pvt. Ltd.
Type of loan	Term Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan
Loan account no.	82503119	29165164	ALN000100249265	NMUM1046300	CN00118492
Amount sanctioned (₹)	100.00	35.00	14.72	11.90	65.00
Sanction date	27-01-2017	01-08-2014	17-11-2017	25-06-2015	31-05-2016
Interest rate	Base Rate +2.85%	10.25%	8.11%	10.00%	9.50%
Total No. of EMIs	60	84	60	60	84
No. of EMIs paid	11	44	4	34	21
No. of balance EMIs to be paid	49	40	56	26	63
Current EMI amount (Principal and interest)	2.27	0.58	0.30	0.25	1.06
Maturity profile (Principal):					
2018-19	19.16	5.20	2.56	2.54	8.11
2019-20	21.09	5.76	2.77	2.81	8.91
2020-21	23.24	6.38	3.00	0.46	9.79
2021-22	25.60	2.27	3.26	0.00	10.77
2022-23	2.25	0.00	2.32	0.00	11.84
2023-24	0.00	0.00	0.00	0.00	3.12

B Nature of security:

(I) Term loans from HDFC Bank Limited are :

- primarily secured by hypothecation of stocks, book debts and plant & machineries of the company ;
- further secured by way of equitable mortgage of land and building at Plot No. 92-D Government Industrial Estate, Charkop, Kandivli (W), Mumbai 400067;
- further collaterally secured by way of equitable mortgage of Residential Flats at 802A and 802B, Beach Classic, J.P. Road, Versova, Andheri (W) Mumbai 400061 belonging to Shri Kishore Chand Talwar, Smt. Sharda Talwar and Shri Kundan Talwar and a plot of land at Survey No. 62, 74, 75, 20 Village Devdal (Sagpada), Kaman, Vasai (E), Palghar 401202 belonging to Shri Kundan Talwar; and
- also personally guaranteed by Chairman & Managing Director, Wholetime Director and two relatives of the Chairman & Managing Director of the Company.

(II) All the vehicle loans are secured by hypothecation of specific vehicles acquired from the loans.

NOTE 19: NON-CURRENT OTHER FINANCIAL LIABILITIES

Security deposits	3.11	0.00	0.00
	<u>3.11</u>	<u>0.00</u>	<u>0.00</u>

NOTE 20: NON-CURRENT PROVISIONS

Provision for employees benefits (Refer note 38)	19.12	19.54	14.60
Total	19.12	19.54	14.60

Notes to the financial statements for the year ended 31st March 2018

NOTE 21: INCOME TAX

A) The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(Amount in ₹ Lakhs)

Particulars	For the year ended	
	31.03.2018	31.03.2017
Profit before Tax	484.04	486.46
Enacted tax rate	33.063%	33.063%
Expected income tax expense at statutory income tax rate	160.04	160.84
Tax on Income exempt from tax/Items not deductible (net)	0.62	2.43
Effect of differential future tax rates	(21.48)	0.00
Tax in respect of earlier years	0.72	(4.49)
Tax expense as reported	139.90	158.78

B) Deferred tax liabilities (net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred tax liabilities	121.23	127.77	113.69
Deferred tax assets	7.22	7.10	6.60
Total	114.01	120.67	107.09

The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:

Particulars	As at 01.04.2016 Deferred Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31.03.2017 Deferred Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31.03.2018 Deferred Tax Liabilities/ (Asset)
Depreciation	113.47	14.21	127.68	(7.99)	119.69
Income Taxable in the year of realisation	0.00	0.09	0.09	1.34	1.43
Expenses allowed in the year of payment*	(6.60)	(0.50)	(7.10)	(0.12)	(7.22)
Other	0.22	(0.22)	0.00	0.11	0.11

*Including the deferred tax charge/(credit) recognized through other comprehensive income

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE 22: CURRENT BORROWINGS			
Secured loans:			
Working capital loans			
From a bank	0.00	0.00	14.18
Overdraft against fixed deposits			
From a bank	0.00	0.00	176.37
Unsecured loans:			
Buyers credit in foreign currency			
From banks	761.94	335.75	324.05
Total	761.94	335.75	514.60

Secured Loans:

Nature of security:

I Working capital loans from HDFC Bank Limited are :

- primarily secured by hypothecation of stocks, book debts and plant & machineries of the company ;
- further secured by way of equitable mortgage of land and building at Plot No. 92-D Government Industrial Estate, Charkop, Kandivli (W), Mumbai 400067;
- further collaterally secured by way of equitable mortgage of Residential Flats at 802A and 802B, Beach Classic, J.P. Road, Versova, Andheri (W) Mumbai 400061 belonging to Shri Kishore Chand Talwar, Smt. Sharda Talwar and Shri Kundan Talwar and a plot of land at Survey No. 62, 74, 75, 20 Village Devdal (Sagpada), Kaman, Vasai (E), Palghar 401202 belonging to Shri Kundan Talwar; and
- also personally guaranteed by Chairman & Managing Director, Wholetime Director and two relatives of the Chairman & Managing Director of the Company.

II Overdraft against fixed deposit is secured by lien on fixed deposit of ₹ Nil (as at 31.03.2017 ₹ Nil, as at 01.04.2016 ₹ 200.00 Lakhs)

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE 23: TRADE PAYABLES			
Micro and small enterprises (Refer note 44)	132.22	76.84	149.72
Others*	539.68	580.33	532.72
Total	671.90	657.17	682.44
* Other trade payables include acceptances	110.37	145.38	105.53
NOTE 24: OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of long term debts (Refer note 18)	37.56	20.78	99.87
Interest accrued but not due	6.08	3.30	3.91
Security deposits	1.80	4.30	0.00
Creditors for capital expenditure*	8.00	5.69	9.85
Accrued expenses	79.92	74.10	54.73
Total	133.36	108.17	168.36
*Includes micro and small enterprises (Refer note 44)	0.04	0.04	0.04
NOTE 25: OTHER CURRENT LIABILITIES			
Advances from customers	2.96	35.18	78.17
Deferred Revenue	1.77	0.00	0.00
Statutory dues	18.19	24.15	16.59
Total	22.92	59.33	94.76
NOTE 26: CURRENT PROVISIONS			
Provision for employees benefits (Refer note 38)	5.69	0.81	2.72
Total	5.69	0.81	2.72
NOTE 27: CURRENT TAX LIABILITIES (NET)			
Opening balance	0.00	3.76	17.46
Add: Current tax payable for the year	0.00	149.52	91.59
Less: Taxes paid during the year	0.00	141.39	105.29
Total	0.00	11.89	3.76
NOTE 28: REVENUE FROM OPERATIONS			
Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017	
Sale of products*		5727.72	6111.29
Other operating revenue			
Scrap sales	60.75	103.73	
Export incentives	17.61	28.89	
Total		78.36	132.62
Total		5806.08	6243.91
*Sale of Products			
Instrument cooling fans		3330.62	3248.26
Shaded pole motors		2180.34	2578.42
Components		216.76	284.61

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
NOTE 29: OTHER INCOME		
Interest Income :		
On fixed deposits with banks	9.20	20.84
On security deposits	1.27	1.27
On staff loans	0.50	0.32
On delay payment by customers	0.14	0.08
	11.11	22.51
Dividend on investments	5.88	0.00
Sundry balances written back/off (net)	0.23	0.00
Discount on purchase of FPS/FMS/MEIS entitlements	3.10	5.34
Profit on sale of investment	1.86	0.00
Gain/(Loss) on investments carried at fair value through Profit & Loss	5.15	0.27
Rent Income	11.75	4.80
Net gain on exchange rate fluctuations	17.19	35.88
Allowance for doubtful debts written-back	2.11	0.00
Provision for interest on income tax written back/off	0.00	0.24
Total	58.38	69.04
NOTE 30: COST OF MATERIALS CONSUMED*		
(Raw materials and components including packing materials)		
Opening stock	865.06	800.74
Add : Cost of purchases	3555.90	3521.23
Less: Closing stock	959.83	865.06
Total	3461.13	3456.91
*Cost of materials consumed		
Aluminium ingots	651.03	574.42
Aluminium sheets	76.92	93.88
Ball bearings	93.41	99.15
Brass Insert	139.00	182.52
Copper wires	603.58	556.29
Plastic powders	298.78	243.24
Rotor lamination	210.68	205.58
Stator lamination	498.74	451.09
Others	888.99	1050.74
NOTE 31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Opening stocks:		
Finished goods	125.18	88.06
Work in progress	377.45	262.11
	502.63	350.17
Less: Closing stocks:		
Finished goods	228.36	125.18
Work in progress	516.38	377.46
	744.74	502.64
Total	(242.11)	(152.47)
NOTE 32: EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	432.54	365.55
Contribution to provident and other funds	13.28	11.69
Staff welfare expenses	50.02	39.75
Total	495.84	416.99

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
NOTE 33: FINANCE COSTS		
Interest expense on:		
Borrowings	28.79	31.84
Others	21.94	25.96
Other Borrowing Costs	36.24	42.28
Net loss(gain) on foreign currency transactions	5.34	0.53
Total	92.31	100.61

NOTE 34: OTHER EXPENSES

Manufacturing expenses				
Consumption of stores and spares		17.31		18.29
Processing and labour charges		622.62		667.34
Power and fuel		183.97		161.53
Rent		2.69		2.52
Repairs to :				
factory buildings	58.96		21.14	
machineries	25.34		20.49	
mould & dies	6.10		4.55	
others	18.06	108.46	14.17	60.35
Inward transportation and freight		5.62		7.88
Administrative and other expenses				
Auditors' remuneration (Refer note 37)		7.82		6.80
Communication expenses		13.96		11.94
Directors' sitting fees		1.80		1.51
Electricity expenses		4.01		3.81
Insurance		10.30		9.09
Loss on sale of fixed assets (net)		1.75		0.01
Professional charges		27.68		24.46
Allowance for doubtful debts		0.00		1.00
Repairs and maintenance		19.43		20.48
Rates and taxes		10.69		10.69
Travelling and conveyance		96.30		92.29
Sundry balances written off/back (net)		0.00		2.53
Miscellaneous expenses		40.10		44.74
Selling and distribution expenses				
Advertisement and business promotion		60.35		59.59
Commission and brokerage		23.65		63.59
Outward transportation and freight		15.19		24.16
Total		1273.70		1294.60

2017-2018 2016-2017

NOTE 35: EARNING PER EQUITY SHARE

Net profit / (loss) after tax	₹ in Lakhs	344.14	327.68
Weighted average number of shares used in computing basic earnings per share	Numbers in Lakhs	111.60	111.35
Effect of potential equity shares on allotment of shares on conversion of warrants	Numbers in Lakhs	0.00	0.00
Weighted average number of shares used in computing basic earnings per share	Numbers in Lakhs	111.60	111.35
Basic earnings per share	₹	3.08	2.94
Diluted earnings per share	₹	3.08	2.94

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
NOTE 36: CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)			
(i) Contingent liabilities:			
(a) Letter of credit issued by the bankers of the company	183.54	117.16	104.28
(b) Export sales bills discounted with the bankers of the company	0.00	41.59	46.40
(c) Disputed demand in the matters of Income tax	0.00	0.00	3.28
(d) Bonds/Undertakings given under duty exemption under advance licence scheme pending fulfilment of export obligation.	280.00	1603.50	1323.50
(e) Bonds/Undertakings given under duty exemption under EPCG licence scheme pending fulfilment of export obligation.	21.00	21.00	0.00
(f) Bonds given for import of goods for re-export under duty exemption scheme pending fulfilment of export obligation.	0.00	0.00	32.41
(ii) Contingent commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	26.85	13.18	0.45

(Amount in ₹ Lakhs)

NOTE 37: PAYMENT TO AUDITORS*

	2017-2018	2016-2017
Statutory audit fees	3.50	3.20
Tax audit fees	2.25	1.42
Sales tax audit fees	0.76	0.55
Certification work	0.95	1.19
Out of pocket expenses	0.35	0.35
Krashi Kalyan Cess or Swachh Bharat Cess (not claimable as Cenvat Credit)	0.01	0.09
	<u>7.82</u>	<u>6.80</u>

* excluding service tax wherever cenvat credit taken

NOTE 38: EMPLOYEE BENEFITS EXPENSE

The disclosures required under Indian Accounting Standard 19 "Employee Benefits" are given below:

(a) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

(Amount in ₹ Lakhs)

	2017-2018	2016-2017
Contribution to defined contribution plan recognised, charged off for the year, are as under:		
Employer's contribution to provident fund	8.12	8.34

(b) Defined benefit plan:

Gratuity :

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee.

The employee's gratuity scheme is non-fund based. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date.

(Amount in ₹ Lakhs)

	2017-2018	2016-2017
I) Reconciliation of defined benefit obligation		
Present value of defined benefit obligation at start of year	19.90	16.21
<i>Recognised in Statement of Profit and Loss</i>		
Current service cost	3.12	2.89
Interest cost	1.47	1.26
Benefits paid	0.47	1.00
<i>Recognised in Other Comprehensive Income -Actuarial (gains)/losses on obligations</i>		
Remeasurements - due to demographic assumptions	0.00	0.00
Remeasurements - due to financial assumptions	0.00	0.92

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

	2017-2018	2016-2017
Remeasurements - due to experience adjustments	(0.02)	(0.38)
Past service cost	0.00	0.00
Present value of defined benefit obligation at end of the year	24.00	19.90
II) Net liability / (asset) recognised in the balance sheet		
Present value of defined benefit obligation	24.00	19.90
Fair value of plan assets	0.00	0.00
Net liability / (asset)	24.00	19.90
Effect of asset ceiling / onerous liabilities	0.00	0.00
Liability / (asset) recognised in the balance sheet	24.00	19.90
Of which short term defined benefit obligation at end of the year	4.88	0.36
III) Expenses recognized during the year		
Current service cost	3.12	2.89
Interest cost	1.47	1.26
Defined benefit cost included in Statement of profit and loss	4.59	4.15
Remeasurements of the net defined benefit plans-Actuarial (gains)/losses on obligations	(0.02)	0.54
Defined benefit included in Other Comprehensive Income	(0.02)	0.54
Total defined benefit recognized in Statement of profit & loss and Other Comprehensive Income	4.57	4.69
IV) Actuarial assumptions		
Salary growth rate	6.00%	6.00%
Discount rate	7.50%	7.50%
Withdrawal rate	1% to 3%	1% to 3%
Mortality Rate	IALM 2006-08 (Mod.) (Ult.) Mortality Table	IALM 2006-08 (Mod.) (Ult.) Mortality Table
Normal retirement age	58 years	58 years
Adjusted average future service	15.41 years	17.32 years

V) Bifurcation of present value of defined benefit obligations

	31.03.2018			31.03.2017			01.04.2016		
	Directors	Others	Total	Directors	Others	Total	Directors	Others	Total
Current liabilities	1.23	3.65	4.88	0.04	0.33	0.37	0.53	1.09	1.62
Non current liabilities	4.91	14.21	19.12	5.60	13.93	19.53	4.76	9.83	14.59
Total	6.14	17.86	24.00	5.64	14.26	19.90	5.29	10.92	16.21

VI) Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Assumption	Change in assumption	Defined benefit obligations as on 31.03.2018	% Change	Defined benefit obligations as on 31.03.2017	% Change
Salary rate	Increase by 1%	26.38	9.9%	21.98	10.5%
	Decrease by 1%	21.96	-8.5%	18.08	-9.1%
Withdrawal rate	Increase by 1%	24.23	0.9%	20.02	0.6%
	Decrease by 1%	23.74	-1.1%	19.73	-0.9%
Discount rate	Increase by 1%	22.13	-7.8%	18.14	-8.8%
	Decrease by 1%	26.21	9.2%	21.98	10.5%

VII) The Company's philosophy is to not to externally fund these liabilities but instead create an accounting provisions in its books of accounts and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company. The expected contribution payable to the plan next year is therefore Nil. If the Company opts for externally fund these liabilities in the next year, the best estimate contribution for the Company during the next year would be ₹ 12.00Lakhs.

VIII) The expected maturity profile of defined benefit obligations is as follows::

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
31.03.2018	4.88	1.34	6.75	5.98	18.95
31.03.2017	0.36	4.70	3.62	7.99	16.67

The weighted average duration of the above defined benefit obligation is 15.04 years(31.03.2017 - 15.79 years)

IX) Discontinuance Liability : Amount payable upon discontinuance of all employment is ₹ 25.48 Lakhs (31.03.2017 - ₹ 15.48 Lakhs)

Notes to the financial statements for the year ended 31st March 2018

NOTE 39: CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total borrowings less cash & cash equivalents, bank deposit (including earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

	(Amount in ₹ Lakhs)		
	2017-18	2016-17	2015-16
Equity share capital	1115.91	1115.91	995.91
Other equity	1995.37	1651.22	1223.40
Total Equity (A)	3111.28	2767.13	2219.31
Non-current borrowings	145.64	114.81	178.42
Short term borrowings	761.94	335.75	514.60
Current maturities of long term borrowing	37.56	20.78	99.87
Gross Debt (B)	945.14	471.34	792.89
Total Capital (A+B)	4056.42	3238.47	3012.20
Gross Debt as above	945.14	471.34	792.89
Less: Current investments	230.15	50.26	0.00
Less: Cash and cash equivalents	171.92	147.03	13.64
Less: Other balances with bank (including earmarked balances)	150.00	150.00	352.90
Net Debt (C)	393.07	124.05	426.35
Net debt to equity	0.13	0.04	0.19

NOTE 40: FINANCIAL INSTRUMENTS AND RISK REVIEW

A) Financial Instruments

Fair value measurement hierarchy

The fair value of financial instruments as below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows

Level 1: Quoted prices (unadjusted) in active markets: This level of hierarchy includes financial assets or liabilities that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments.

Level 2: Valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following tables presents the carrying value and Fair value measurement hierarchy of each category of financial assets and liabilities

	31.03.2018		31.03.2017		01.04.2016	
	Carrying Amount	Fair Value - Level 1	Carrying Amount	Fair Value - Level 1	Carrying Amount	Fair Value - Level 1
Financial Assets						
Financial assets measured at fair value through profit and loss						
Investments*	230.15	230.15	50.26	50.26	0.00	0.00
Financial assets measured at amortised cost						
Trade receivables	810.20	0.00	726.08	0.00	799.76	0.00
Cash and cash equivalents	171.92	0.00	147.03	0.00	13.64	0.00
Bank balances other than cash and cash equivalents	150.00	0.00	150.00	0.00	352.90	0.00
Loans	17.65	0.00	16.90	0.00	10.89	0.00
Other financial assets	2.16	0.00	2.55	0.00	3.49	0.00
	<u>1382.08</u>	<u>230.15</u>	<u>1092.82</u>	<u>50.26</u>	<u>1180.68</u>	<u>0.00</u>
Financial Liabilities						
Financial liabilities measured at amortised cost						
Borrowings	907.58	0.00	450.56	0.00	693.02	0.00
Trade payables	671.90	0.00	657.17	0.00	682.44	0.00
Other financial liabilities	136.47	0.00	108.17	0.00	168.36	0.00
	<u>1715.95</u>	<u>0.00</u>	<u>1215.90</u>	<u>0.00</u>	<u>1543.82</u>	<u>0.00</u>

* Excludes financial assets measured at Cost

Notes to the financial statements for the year ended 31st March 2018

There have been no financial assets and financial liabilities which has been fair valued under level 2 and level 3 categories therefore no details for the same given in the table above.

Valuation

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

- (i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- (ii) The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date.
- (iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

B) Financial Risk Management Framework

The Company's business activities are exposed to a variety of financial risks, namely credit risk, liquidity risk and market risk (currency risk and interest rate risk). The Company's management and the Board of Directors has the overall responsibility for establishing and governing the Company's risk management framework. The Board of Directors which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee and Board of Directors of the Company.

i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Financial instruments that are subject to credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material credit risk.

Credit risk with respect to trade receivables are limited as the Company has a policy of dealing only with credit worthy customers. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is very low. Hence, trade receivables are considered to be a single class of financial assets.

Credit risk on cash and cash equivalents, other bank balances with bank is limited as the Company generally invest in deposits with banks. Investments primarily include investment in liquid mutual fund units. The Company reviews credit worthiness of the counter parties to whom security deposits and loans given. The managements believes that there is no credit risk lies with the security deposits given and loans to employees.

The Company's maximum exposure to credit risk as at 31st March, 2018, 2017 and 1st April, 2016 is the carrying value of each class of financial assets

ii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2018 and 31st March, 2017. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company has obtained fund and non-fund based working capital lines from banks. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities. Cash flows in foreign currencies are translated using the period end spot rates.

(Amount in ₹ Lakhs)

Particulars	31.03.2018				31.03.2017				01.04.2016			
	Carring Value	0-1 years	1-3 years	above 3 years	Carring Value	0-1 years	1-3 years	above 3 years	Carring Value	0-1 years	1-3 years	above 3 years
Borrowings	945.14	799.50	126.11	19.53	471.34	356.53	75.53	39.28	792.89	614.47	163.88	14.54
Trade payables	671.90	671.90	0.00	0.00	657.17	657.17	0.00	0.00	682.44	682.44	0.00	0.00
Other financial liabilities	98.91	95.80	0.00	3.11	87.39	87.39	0.00	0.00	68.49	68.49	0.00	0.00
Total	<u>1715.95</u>	<u>1567.20</u>	<u>126.11</u>	<u>22.64</u>	<u>1215.90</u>	<u>1101.09</u>	<u>75.53</u>	<u>39.28</u>	<u>1543.82</u>	<u>1365.40</u>	<u>163.88</u>	<u>14.54</u>

iii) Market Risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency Risk

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment. As at 31st March, 2018, 31st March, 2017 and 1st April 2016, the net unhedged exposure to the Company on holding assets (trade receivables, advance to suppliers and capital advances) and liabilities (trade payables, advance from customers, borrowing and accrued interest) other than in their functional currency is as under.

Notes to the financial statements for the year ended 31st March 2018

The Company is exposed to foreign exchange risk arising from US Dollar.

	(Amount in Lakhs)					
	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	USD	₹	USD	₹	USD	₹
Receivables	1.61	103.19	0.88	56.38	1.39	90.64
Payables	13.35	883.73	5.97	393.95	6.58	443.66
Net unhedged exposure	(11.74)	(780.54)	(5.09)	(337.57)	(5.19)	(353.02)

Sensitivity analysis of 1% change in exchange rate at the end of reporting period net unhedged exposure (Amount in ₹ Lakhs)

	31.03.2018	31.03.2017
1% Depreciation in INR		
Impact on Statement of profit and loss	(7.81)	(3.38)
1% Appreciation in INR		
Impact on Statement of profit and loss	7.81	3.38

b) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to borrowing obligations.

The interest rate profile of the Company's interest-bearing financial liabilities is as follows.

	(Amount in ₹ Lakhs)		
	31.03.2018	31.03.2017	01.04.2016
Long term borrowing-floating rate instruments	91.34	43.27	239.56
Long term borrowing-fixed rate instruments	91.86	92.32	38.73
Short term borrowing-fixed rate instruments	761.94	335.75	514.60
	<u>945.14</u>	<u>471.34</u>	<u>792.89</u>

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

Impact on Interest Expenses for the year on 1% change in Interest rate (Amount in ₹ Lakhs)

	31.03.2018	31.03.2017
1% Increase in interest rates		
Impact on Statement of profit and loss	(0.87)	(0.38)
1% Decrease in interest rates		
Impact on Statement of profit and loss	0.87	0.38

NOTE 41: SEGMENT REPORTING

The Company is engaged in the business of manufacturing and selling of Instrument cooling fans/ motors. The company is presenting its Consolidated financial statements which is form parts of this report. In terms of para 4 of Ind AS 108 "Segment Reporting " no disclosures related to segments are required in Standalone financial statements.

NOTE 42: RELATED PARTY DISCLOSURES:

1) Names of related parties and description of relationships

- Enterprises over which exercising control
Rexnord Enterprise Pvt Ltd (w.e.f. 08/02/2018)
- Persons owning directly or indirectly, an interest in the voting power of the Company that gives him significant influence over the Company.
Shri Kishore Chand Talwar
- Key management personnel :
Executive directors
Shri Kishore Chand Talwar (Chairman & Managing Director)
Smt. Nainy K. Tanna (Wholetime Director)
Non-executive directors (Independent directors)
Shri Ayyaswami Sundram
Shri D.Ganapathy (director upto 06.05.2018)
Shri Ram Sanehi (director upto 31.03.2018)

Notes to the financial statements for the year ended 31st March 2018

- d) Relatives of persons referred in b) and c) above
 Smt. Sharda Talwar (Wife of Chairman and Managing Director of the company)
 Shri Kundan Talwar (Son of Chairman and Managing Director of the company)
 Smt. Ramandeep Talwar (Daughter in law of Chairman and Managing Director of the company)
 Shri Kunal Tanna (Spouse of Smt. Nainy K. Tanna, Wholetime Director of the company)
- e) Enterprises over which any person described in (d) above is able to exercise significant influence.
 Excelum Enterprises (A proprietary concern of Shri Kunal Tanna)

II) Transactions during the year and balances outstanding as at year end with the related parties are as follows:

(Amount in ₹ Lakhs)

Particulars	Parties	Parties	Parties	Parties	Total
	mentioned in I (a)	mentioned in I (b) & (c)	mentioned in I (d)	mentioned in I (e)	
Purchases including taxes	0.00	0.00	0.00	6.41	6.41
	0.00	0.00	0.00	(27.56)	(27.56)
Director's Remuneration (including commission if any)	0.00	191.22	0.00	0.00	191.22
	0.00	(127.07)	0.00	0.00	(127.07)
Director sitting fees	0.00	1.80	0.00	0.00	1.80
	0.00	(1.50)	0.00	0.00	(1.50)
Salary	0.00	0.00	62.89	0.00	62.89
	0.00	0.00	(63.22)	0.00	(63.22)
Rent	0.00	0.00	1.20	0.00	1.20
	0.00	0.00	(1.20)	0.00	(1.20)
Reimbursement of expenses incurred by others	0.00	3.57	0.28	0.00	3.85
	0.00	(4.03)	(0.19)	0.00	(4.22)
Recovery of expenses incurred for others	0.00	0.34	0.24	0.00	0.58
	0.00	0.00	(0.23)	0.00	(0.23)
Investments	10.00	0.00	0.00	0.00	10.00
	0.00	0.00	0.00	0.00	0.00
Allotment of share capital with premium (including conversion)	0.00	0.00	0.00	0.00	0.00
	0.00	(171.50)	(122.50)	0.00	(294.00)
Conversion of Warrants	0.00	0.00	0.00	0.00	0.00
	0.00	(42.88)	(30.63)	0.00	(73.51)
Outstanding Balances					
Investments	10.00	0.00	0.00	0.00	10.00
	0.00	0.00	0.00	0.00	0.00
Trade Payables	0.00	0.46	0.06	2.41	2.93
	0.00	(0.17)	0.00	0.00	(0.17)
Director's Remuneration/Commission Payable	0.00	18.57	0.00	0.00	18.57
	0.00	(21.92)	0.00	0.00	(21.92)
Salary Payable	0.00	0.00	3.11	0.00	3.11
	0.00	0.00	(4.10)	0.00	(4.10)
Rent Payable	0.00	0.00	0.60	0.00	0.60
	0.00	0.00	(1.20)	0.00	(1.20)

Note:

- 1) Related party relationship is identified by the Company and relied upon by the auditors.
- 2) Figure in the brackets pertains to previous year.
- 3) Personal guarantee of the Chairman & Managing Director, Wholetime Director and two relatives of the Chairman & Managing Director namely Smt. Sharda Talwar and Shri Kundan Talwar has been provided for the facilities sanctioned to the Company- Refer Note 18 and Note 22."

Details of transactions with individual related parties are as under

(Amount in ₹ Lakhs)

Particulars	31.03.2018	31.03.2017
Purchases including taxes		
Excelum Enterprises	6.41	27.56
Professional charges for marketing including service tax		
Excelum Enterprises	0.00	34.45

Notes to the financial statements for the year ended 31st March 2018

Particulars	(Amount in ₹ Lakhs)	
	31.03.2018	31.03.2017
Director's Remuneration (including commission if any)		
Shri Kishore Chand Talwar	143.66	81.94
Smt. Nainy K. Tanna	47.56	45.13
Director sitting fees		
Shri Ayyaswami Sundram	0.60	0.50
Shri D.Ganapathy	0.60	0.50
Shri Ram Sanehi	0.60	0.50
Salary		
Shri Kundan Talwar	25.21	25.31
Smt. Sharda Talwar	28.00	28.17
Smt. Ramandeep Talwar	9.68	9.73
Rent		
Shri Kundan Talwar	1.20	1.20
Reimbursement of expenses incurred by others		
Smt. Sharda Talwar	0.06	0.10
Smt. Nainy K. Tanna	3.02	3.28
Shri Kundan Talwar	0.22	0.07
Smt. Ramandeep Talwar	0.00	0.02
Shri Ram Sanehi	0.55	0.75
Recovery of expenses incurred for others		
Shri Kishore Chand Talwar	0.34	0.00
Smt. Sharda Talwar	0.22	0.15
Shri Kundan Talwar	0.02	0.08
Investments		
Rexnord Enterprise Pvt Ltd	10.00	0.00
Allotment of share capital with premium		
Shri Kishore Chand Talwar	0.00	171.50
Smt. Sharda Talwar	0.00	122.50
Conversion of Warrants		
Shri Kishore Chand Talwar	0.00	42.88
Smt. Sharda Talwar	0.00	30.63
Outstanding Balances		
Investments		
Rexnord Enterprise Pvt Ltd	10.00	0.00
Trade Payables		
Smt. Nainy K. Tanna	0.52	0.17
Excelum Enterprises	2.41	0.00
Director's Remuneration Payable		
Shri Kishore Chand Talwar	15.59	19.12
Smt. Nainy K. Tanna	2.98	2.79
Salary Payable		
Shri Kundan Talwar	1.65	1.53
Smt. Sharda Talwar	0.67	1.82
Smt. Ramandeep Talwar	0.79	0.75
Rent Payable		
Shri Kundan Talwar	0.60	1.20
III) Compensation of Key management personnel	31.03.2018	31.03.2017
Short-term benefits	190.96	126.82
Post employment benefits	0.26	0.25
Sitting fees paid to independent director	1.80	1.50
	<u>193.02</u>	<u>128.57</u>
IV) Terms and conditions of transactions with related parties:		

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and settlement occurs in cash."

Notes to the financial statements for the year ended 31st March 2018

NOTE 43: LEASES

Cancellable leases

- a) The Company has taken certain equipments under operating lease or on rental basis. This contract is not non-cancellable and for a period of three months and are renewable at the mutual consent on mutually agreeable terms. The rent paid in accordance with this agreement is debited to the statement of profit and loss for the year.
- b) The Company has given its industrial galas under operating lease or on leave and licence basis. These agreements are generally not non-cancellable and for a period ranging between 11 months and above and are renewable at mutual consent on mutually agreeable terms. The company has taken refundable interest free security deposits in accordance with the agreed terms. The rent received in accordance with these agreements is credited to the statement of profit and loss for the year.

Non-cancellable leases

The Company has given its part premises under operating lease or on leave and licence basis for a period of 3 years. The company has taken refundable interest free security deposits in accordance with the agreed terms. The lease rentals income for the year recognized in the Statement of profit and loss and future lease rental receivable as per the rentals stated in respective agreement are as follows:

(Amount in ₹ Lakhs)

Particulars	2017-18	2016-17	
	31.03.2018	31.03.2017	01.04.2016
Lease rental recognised in Statement of Profit and Loss	5.20	0.00	
Total	5.20	0.00	0.00
Future minimum lease payments under non-cancellable operating lease			
Not later than one year	15.86	0.00	0.00
Later than one year and not later than five years	65.14	0.00	0.00
Later than five years	0.00	0.00	0.00
Total	81.00	0.00	0.00

NOTE 44: DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as micro and small enterprises. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

(Amount in ₹ Lakhs)

Sl. No.	Particulars	As at	As at	As at
		31.03.2018	31.03.2017	01.04.2016
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year			
	– principal amount	132.26	76.88	149.76
	– interest thereon	0.88	0.16	0.44
2	The amount of interest paid in terms of section 16, along with the amount of the payment made to the suppliers beyond the appointed day:			
	– principal amount	261.22	300.50	243.09
	– interest thereon	0.00	0.00	0.00
3	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the act.	4.61	4.41	4.30
4	The amount of interest accrued and remaining unpaid.	21.59	16.10	11.53
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues about are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this act.	5.49	4.57	4.74

NOTE 45: TAXATION MATTERS:

- a) The sales tax assessments of the company have been completed upto financial year 2006-2007 for its Daman unit and upto financial year 2014-15 for its Kandivali unit.
- b) The income tax assessments of the company have been completed upto assessment Year 2016-2017.

NOTE 46 : ISSUE OF SHARE WARRANTS, THEIR CONVERSION AND UTILIZATION OF ITS PROCEEDS

- (a) (i) The Company, during the financial year 2014-15, had allotted 1200000 Warrants at a price of ₹ 24.50 per warrant carrying an entitlement to subscribe to an equivalent number of equity shares of face value of ₹ 10/- each within 18 months from the date of allotment of warrants to promoter/promoter group in accordance of Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, on 23rd December 2014 and received 25% of issue price as warrant allotment money aggregating to ₹ 73,50,000. The company had utilized this proceeds for its working capital requirements and other corporate purposes in accordance with the object of the issue.
- (ii) Out of the above warrants, the Company had, during the year 2016-17, allotted 1200000 equity shares on conversion of 1200000 warrants on 11th April 2016 and had realized the balance 75% allotment money aggregating to ₹ 22050000. The Company had utilized this proceed for its working capital requirements and other corporate purposes in accordance with the objects of the said Issue.

Notes to the financial statements for the year ended 31st March 2018

NOTE 47:

The Company had, during the 2016-17, purchased a plot of land admeasuring 0.242 Hectare at S. No. 61, H. No. 1 Part at Village- Kaman, Taluka -Vasai District - Palghar by executing Memorandum of Understanding and taken possession of the same. The Company is in process of executing Sale Deed and getting the same registeted with the appropriate authorities.

NOTE 48: DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

During the year the Company has made investments in equity shares of wholly owned subsidiary namely Rexnord Enterprise Private Limited and units of various mutual funds. The required details of the investments made during the year and investments outstanding as on 31.03.2018 are given in note 4 and 9 to the financial statements.

NOTE 49: FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

A. Transition to Ind AS:

For the purposes of reporting as set out in Note 2.1(A), the Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the "transition date").

In preparing opening Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is explained in this note.

B. Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

i) Estimates

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under IGAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

ii) Classification and measurement of financial assets/liabilities

The classification of financial assets to be measured at amortised cost or fair value through profit & loss is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

C. Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

i) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

D. The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- i) Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017
- ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017
- iii) Adjustments to Statement of Cash Flows for the year ended 31st March, 2017
- i) Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017

(Amount in ₹ Lakh)

Particulars	Ref No.	As at	Ind AS	As at	As at	Ind AS	As at
		31.03.2017 IGAAP		31.03.2017	01.04.2016-I GAAP		01.04.2016
ASSETS							
Non-current assets							
Property, plant and equipment		1634.75	0.00	1634.75	1562.43	0.00	1562.43
Capital work in progress		0.00	0.00	0.00	13.50	0.00	13.50
Intangible assets		2.00	0.00	2.00	1.48	0.00	1.48
Financial assets							
Loans		13.85	0.00	13.85	9.15	0.00	9.15
Other non-current assets		19.01	0.00	19.01	4.71	0.00	4.71

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakh)

Particulars	Ref No.	As at 31.03.2017 IGAAP	Ind AS	As at 31.03.2017	As at 01.04.2016-I GAAP	Ind AS	As at 01.04.2016
Current assets							
Inventories		1370.24	0.00	1370.24	1153.84	0.00	1153.84
Financial assets							
Investments	1	49.99	0.27	50.26	0.00	0.00	0.00
Trade receivables		726.08	0.00	726.08	799.76	0.00	799.76
Cash and cash equivalents		147.03	0.00	147.03	13.64	0.00	13.64
Bank balances other than cash and cash equivalents above		150.00	0.00	150.00	352.90	0.00	352.90
Loans		3.05	0.00	3.05	1.74	0.00	1.74
Other financial assets		2.55	0.00	2.55	3.49	0.00	3.49
Other current assets		76.45	0.00	76.45	69.42	0.00	69.42
TOTAL		<u>4195.00</u>	<u>0.27</u>	<u>4195.27</u>	<u>3986.06</u>	<u>0.00</u>	<u>3986.06</u>
EQUITY AND LIABILITIES							
Equity							
Equity share capital		1115.91	0.00	1115.91	995.91	0.00	995.91
Other equity		1651.04	0.18	1651.22	1222.94	0.46	1223.40
Liabilities							
Non-current liabilities							
Financial Liabilities							
Borrowings		114.81	0.00	114.81	178.42	0.00	178.42
Provisions		19.54	0.00	19.54	14.60	0.00	14.60
Deferred tax liabilities (net)	4	120.58	0.09	120.67	106.86	0.23	107.09
Current liabilities							
Financial Liabilities							
Borrowings		335.75	0.00	335.75	514.60	0.00	514.60
Trade payables		657.17	0.00	657.17	682.44	0.00	682.44
Other financial liabilities	2	108.17	0.00	108.17	169.05	(0.69)	168.36
Other current liabilities		59.33	0.00	59.33	94.76	0.00	94.76
Provisions		0.81	0.00	0.81	2.72	0.00	2.72
Current tax liabilities (net)		11.89	0.00	11.89	3.76	0.00	3.76
TOTAL		<u>4195.00</u>	<u>0.27</u>	<u>4195.27</u>	<u>3986.06</u>	<u>0.00</u>	<u>3986.06</u>

ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹ Lakh)

Particulars	Ref. No	For the year ended 31.03.2017-I GAAP	Ind AS	For the year ended 31.03.2017
Revenue from operations (net)	5	5670.61	573.30	6243.91
Other income	1	68.78	0.26	69.04
Total Revenue		<u>5739.39</u>	<u>573.56</u>	<u>6312.95</u>
Expenses:				
Cost of materials consumed		3456.91	0.00	3456.91
Changes in inventories of finished goods and work in progress		(152.47)	0.00	(152.47)
Excise duty	5	0.00	573.30	573.30
Employee benefits expense	3	417.53	(0.54)	416.99
Finance costs	2	99.93	0.68	100.61
Depreciation and amortisation expense		136.55	0.00	136.55
Other expenses		1294.60	0.00	1294.60
Total expenses		<u>5253.05</u>	<u>573.44</u>	<u>5826.49</u>
Profit before exceptional items and tax		486.34	0.12	486.46
Exceptional items		0.00	0.00	0.00
Profit before tax		486.34	0.12	486.46
Tax expense:				
Current tax		149.52	0.00	149.52
Deferred tax	4	13.72	0.04	13.76
Tax adjustment for earlier years		(4.50)	0.00	(4.50)
		<u>158.74</u>	<u>0.04</u>	<u>158.78</u>
Profit for the year (A)		<u>327.60</u>	<u>0.08</u>	<u>327.68</u>

Notes to the financial statements for the year ended 31st March 2018

(Amount in ₹ Lakh)

Particulars	Ref. No	For the year ended 31.03.2017-I GAAP	Ind AS	For the year ended 31.03.2017
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit plans	3	0.00	(0.54)	(0.54)
Income tax on above	4	0.00	(0.18)	(0.18)
Other comprehensive income for the year (B)		0.00	(0.36)	(0.36)
Total comprehensive income for the year (A+B)		327.60	(0.28)	327.32

1 Investments

Under Previous GAAP, the current investment were measured at lower of cost and fair value. Under Ind AS, the Company has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. Fair value changes are recognised in the Statement of Profit and Loss for the year ended 31st March, 2017.

2 Borrowings

In accordance with Ind AS 109 "Financial Instruments", transaction costs on issue of debentures are required to be considered as effective finance costs and recognised in the statement of profit and loss using the effective interest rate. Consequently, transaction costs recognised directly in equity or amortised using a different approach under the Previous GAAP has been reversed and are now recognised through the statement of profit and loss using the effective interest rate.

3 Employee benefits & Other comprehensive Income

In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous GAAP.

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income include re-measurement gains or losses on defined benefit plans. The concept of other comprehensive Income did not exist under the Previous GAAP.

4 Deferred Taxes

In accordance with Ind AS 12, "Income Taxes", the Company on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences, i.e. profit and loss approach. The tax impacts as above primarily represent deferred tax consequences arising out of Ind AS re-measurement changes.

5 Excise Duty

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses.

iii) Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

NOTE 50:

Previous year figures have been regrouped, rearranged and recasted to make them comparable with the current year figures

As per our attached report of even date

For Rakesh Soni & Co.

Chartered Accountants

(Firm Registration No. 114625W)

Rahul Chomal

Partner

Membership No. 427631

Place : Mumbai

Dated : May 30, 2018

For and on behalf of the Board of Directors of

Rexnord Electronics and Controls Limited

CIN: L31200MH1988PLC047946

Kishore Chand Talwar

Chairman & Managing Director

DIN 00351751

Kundan Talwar

Chief Financial Officer

Place : Mumbai

Dated : May 30, 2018

Nainy K. Tanna

Wholetime Director

DIN 00351762

Krunal S. Wala

Company Secretary

Krishnamoorthy Krishnan

Director

DIN 08129657

INDEPENDENT AUDITOR'S REPORT

To

The Members of
REXNORD ELECTRONICS AND CONTROLS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Rexnord Electronics and Controls Limited** ("Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued there under.

The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, their consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
- c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- e) on the basis of written representations received from the directors of the Holding and Subsidiary Company as on 31 March 2018, taken on record by the Board of Directors of the respective Company, none of the directors of the Group's companies is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - (i) The Group does not have any pending litigations which would impact its consolidated financial position;
 - (ii) The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding and Subsidiary company; and
 - (iv) The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

For **Rakesh Soni & Co.**
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place: Mumbai
Dated: May 30, 2018

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT – 31st MARCH 2018

Referred to in paragraph (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rexnord Electronics and Controls Limited ("the Holding") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") as of 31 March 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its Subsidiary Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its Subsidiary Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Rakesh Soni & Co.**
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place: Mumbai
Dated: May 30, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in ₹ Lakhs)

Particulars	Note	As at 31.03.2018
ASSETS		
Non-current assets		
Property, plant and equipment	3A	1708.79
Intangible assets	3B	0.97
Financial assets		
Loans	4	14.48
Income tax assets (net)	5	3.94
Other non-current assets	6	22.34
Total non-current assets		1750.52
Current assets		
Inventories	7	1707.51
Financial assets		
Investments	8	230.15
Trade receivables	9	810.20
Cash and cash equivalents	10	181.92
Bank balances other than cash and cash equivalents	11	150.00
Loans	12	3.17
Other financial assets	13	2.16
Other current assets	14	153.34
Total current assets		3238.45
TOTAL ASSETS		4988.97
EQUITY AND LIABILITIES		
Equity		
Equity share capital	15	1115.91
Other equity	16	1994.71
Total equity		3110.62
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	17	145.64
Other financial liabilities	18	3.11
Provisions	19	19.12
Deferred tax liabilities (net)	20	114.01
Total non-current liabilities		281.88
Current liabilities		
Financial Liabilities		
Borrowings	21	761.94
Trade payables	22	672.26
Other financial liabilities	23	133.66
Other current liabilities	24	22.92
Provisions	25	5.69
Total current liabilities		1596.47
TOTAL EQUITY AND LIABILITIES		4988.97
Contingent liabilities and commitments (To the extent not provided for)	34	
Significant accounting policies	2	
The accompanying notes form part of the financial statements	1 to 49	

As per our attached report of even date

For Rakesh Soni & Co.
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place : Mumbai
Dated : May 30, 2018

For and on behalf of the Board of Directors of
Rexnord Electronics and Controls Limited
CIN: L31200MH1988PLC047946

Kishore Chand Talwar
Chairman & Managing Director
DIN 00351751

Kundan Talwar
Chief Financial Officer

Place : Mumbai
Dated : May 30, 2018

Nainy K. Tanna
Wholetime Director
DIN 00351762

Krunal S. Wala
Company Secretary

Krishnamoorthy Krishnan
Director
DIN 08129657

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

A. Equity Share Capital

(Amount in ₹ Lakhs)

Particulars	Value
Balance as at April 1, 2017	1115.91
Changes during the year	0.00
Balance at the end of the reporting period i.e. 31st March, 2018	1115.91

B. Other Equity

(Amount in ₹ Lakhs)

Particulars	Reserves and Surplus		Other Comprehensive income	Total
	Securities Premium Reserve	Retained Earnings		
Balance at the beginning of the reporting period i.e. 1st April, 2017	292.28	1360.09	(1.15)	1651.22
Profit for the year	0.00	343.48	0.00	343.48
Other Comprehensive Income for the year*	0.00	0.00	0.01	0.01
Balance at the end of the reporting period i.e. 31st March, 2018	292.28	1703.57	(1.14)	1994.71

*Movement in other comprehensive income relates to remeasurements of the net defined benefit plans

Nature of reserves

- Securities Premium Reserve: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
- Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to other reserve, dividends or other distributions paid to shareholders.

Significant accounting policies

2

The accompanying notes form part of the financial statements

1 to 49

As per our attached report of even date

For Rakesh Soni & Co.

Chartered Accountants

(Firm Registration No. 114625W)

Rahul Chomal

Partner

Membership No. 427631

Place : Mumbai

Dated : May 30, 2018

For and on behalf of the Board of Directors of

Rexnord Electronics and Controls Limited

CIN: L31200MH1988PLC047946

Kishore Chand Talwar

Chairman & Managing Director

DIN 00351751

Kundan Talwar

Chief Financial Officer

Place : Mumbai

Dated : May 30, 2018

Nainy K. Tanna

Wholetime Director

DIN 00351762

Krunal S. Wala

Company Secretary

Krishnamoorthy Krishnan

Director

DIN 08129657

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in ₹ Lakhs)

Particulars	For the year ended 31.03.2018
A) CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before exceptional items and tax	483.38
Adjustments for	
Depreciation and amortization	148.99
Allowance for doubtful debts provided/written back (net)	(2.11)
(Profit)/loss on sale/discarding of fixed assets (net)	1.75
Unrealised exchange (gain)/ loss	2.68
Net gain on investments	(7.01)
Interest income	(11.11)
Dividend income	(5.87)
Interest and other borrowing costs	86.97
Operating profit before working capital changes	697.67
Adjustments for :	
Trade receivables	(81.05)
Other receivables	(80.85)
Inventories	(337.27)
Trade payables	14.07
Other payables	(22.99)
Cash generated from operations	189.58
Direct taxes paid	(162.40)
Cash flow before extraordinary items	27.18
Extraordinary items	0.00
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	27.18
B) CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of tangible assets	1.01
Purchase of tangible assets	(224.77)
Proceeds from sale of intangible assets	0.00
Purchase of intangible assets	0.00
Proceeds from sale of investments	52.13
Purchase of investments	(225.00)
(Increase)/ decrease in deposits	(0.49)
(Increase)/ decrease in bank fixed deposits	0.00
Interest income	11.49
Dividend income	5.88
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(379.75)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018 (Contd..)

Particulars	For the year ended 31.03.2018
C) CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital & premium	0.00
Proceeds from long term borrowings	71.45
Repayment of long term borrowings	(23.84)
Proceeds from short term borrowings	1488.42
Repayment of short term borrowings	(1064.38)
Change in working capital borrowings from banks	0.00
Interest and other borrowing costs	<u>(84.19)</u>
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES	387.46
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	34.89
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	147.03
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	181.92

Notes :

1. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 on "Statement of Cash Flow" notified u/s 133 of Companies Act, 2013 ("Act") read with relevant rules issued thereunder and the relevant provisions of the Act.

2. Change in liability arising from financing activities

Particulars	Non-current borrowing	Current borrowing
Balance as at 31st March 2017	135.59	335.75
Net cash flows	47.61	424.04
Effect of unrealised exchange gain/loss	0.00	2.15
Balance as at 31st March 2018	183.20	761.94

3. Refer Note no. 10 for details of cash and cash equivalents.

4. All figures in brackets reflects cash outflow.

Significant accounting policies	2
The accompanying notes form part of the financial statements	1 to 49

As per our attached report of even date

For Rakesh Soni & Co.
Chartered Accountants
(Firm Registration No. 114625W)

Rahul Chomal
Partner
Membership No. 427631

Place : Mumbai
Dated : May 30, 2018

For and on behalf of the Board of Directors of
Rexnord Electronics and Controls Limited
CIN: L31200MH1988PLC047946

Kishore Chand Talwar
Chairman & Managing Director
DIN 00351751

Kundan Talwar
Chief Financial Officer

Place : Mumbai
Dated : May 30, 2018

Nainy K. Tanna
Wholetime Director
DIN 00351762

Krunal S. Wala
Company Secretary

Krishnamoorthy Krishnan
Director
DIN 08129657

Notes to the consolidated financial statements for the year ended 31st March 2018

NOTE 1: CORPORATE INFORMATION

The Consolidated Financial Statements comprise financial statements of Rexnord Electronics and Controls Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Group") for the year ended 31st March 2018. The principle activity of the Group is manufacturer of instrument cooling fans & motors.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1) BASIS OF PREPARATION

A) Statement of Compliance

- a) These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- b) The Consolidated Financial Statements comprises of the Holding Company and its subsidiary, being the entity that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.
- c) The financial statements of the Group for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 30th May, 2018.

B) Principles of Consolidation

- a) The financial statements of the Holding Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b) Profits or losses resulting from intra-group transactions that are recognised in assets are eliminated in full.
- c) Goodwill/ capital reserve, if any, represents the difference between the Holding Company's share in the net worth of subsidiary and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- d) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- e) The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
- f) Non-Controlling Interest's share of profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Holding Company.
- g) Non-Controlling Interest's share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet.

C) Basis of Measurement

These financial statements are prepared under the historical cost convention, except for the following:

- a) Certain financial assets and liabilities that are measured at fair value (refer- Accounting policy regarding financials instruments).
- b) Defined benefit plans – present value of defined benefit obligation unless otherwise indicated.

D) Functional and Presentation Currency

These financial statements are presented in Indian Rupees, the functional currency of the Group. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated. Items included in the financial statements of the Group are recorded using the

currency of the primary economic environment in which the Holding Company operates (the 'functional currency').

E) Use of Estimates

- a) The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities prospectively.
- b) Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:
 - i) Measurement of defined benefit obligations - Note 36.
 - ii) Measurement and likelihood of occurrence of provisions and contingencies - Note 19 & 25 and 34.
 - iii) Recognition of deferred tax liabilities - Note 20.

F) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for, both financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the Note 38.

2.2) REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes and duties collected on behalf of the Government.

Sale of goods

Revenue from sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership, no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated

Notes to the consolidated financial statements for the year ended 31st March 2018

with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Depending on the contractual terms, risks and rewards of ownership is transferred when the delivery is completed. In case of exports

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

Rental income

Rental income is recognised on a straight line basis over the term of the relevant arrangements.

2.3) EXPORT INCENTIVE

The benefits, on account of entitlement to import duty free raw material under the Advance License Scheme in respect of goods already exported, are not valued and brought into the books in the year of export. The raw materials are recorded at cost at which they are procured in the year of import.

The benefits under FMS/FPS/Incremental Export Incentivisation Scheme and Duty Drawback Scheme are recognized when the exports are made.

2.4) EMPLOYEE BENEFITS

a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term benefits such as salaries, wages, bonus, ex gratia, short-term compensation absences, etc., are determined on an undiscounted basis and recognized in the period in which the employee renders the related service.

b) Post-employment benefits

Defined contribution plans

Obligations for contributions to defined contribution plans such as Provident Fund maintained with Regional Provident Fund Office is expensed as the related service is provided.

Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

• Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

c) Other long-term employee benefits

Compensated absences

The Group does not have any leave encashment policy. Further any unutilised leave at the end of the year is lapsed and not eligible for carry forward.

2.5) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items (assets and liabilities) are restated using the exchange rate prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to finance costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

2.6) ACCOUNTING FOR TAXES ON INCOME

Income tax expense for the period comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

MAT credit entitlement is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

2.7) PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Notes to the consolidated financial statements for the year ended 31st March 2018

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

2.8) INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9) RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.10) DEPRECIATION

Depreciation on Property, Plant & Equipment is provided on straight line method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. In the case of revalued assets, depreciation is calculated on straight line method on the revalued amounts as determined by the valuer.

Depreciation on Property, Plant & Equipment added/disposed off/discarded during the period is provided on the pro-rata basis with reference to the date of addition/disposal/discarding.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

2.11) AMORTIZATION

Intangible assets (Application Software) acquired by the Group are amortised on a straight line basis over its useful life i.e. three years, as decided by the management.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

2.12) BORROWING COSTS

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.13) LEASES

Where the Group has substantially acquired all risks and rewards of ownership of the assets, leases are classified as financial lease. Such assets are capitalized at the inception of the lease, at the lower of the fair value or present value of minimum lease payment and liability is created for equivalent amount. Each lease payment is allocated between liability and finance cost so as to obtain constant periodic rate of interest on the outstanding liability for each period. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired/given under leases other than finance leases are classified as operating leases. Operating lease payments/receivable are recognised as an expense/income in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

2.14) PROVISION, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized when the Group has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability. The Group does not recognize a contingent liability but discloses its existence in the financial statement.

Contingent assets are neither recognized nor disclosed in the financial statements.

2.15) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Notes to the consolidated financial statements for the year ended 31st March 2018

2.16) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all years presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17) INVENTORIES

Inventories are valued at lower of cost and estimated net realisable value. Obsolete, defective and unserviceable stocks are provided for. Materials-in-process are valued at raw material cost and estimated cost of conversion. Cost of finished goods includes conversion and other costs incurred in bringing the inventories to their present location and condition

Cost of Inventories is computed on FIFO basis. Goods in transit, if any, are stated at actual cost incurred upto the date of balance sheet.

2.18) FINANCIAL INSTRUMENTS

I. FINANCIAL ASSETS

A) Initial Recognition And Measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset. Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B) Classification And Subsequent Measurement

- a) Amortised cost: A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) Fair value through other comprehensive income (FVOCI): A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) Fair value through profit and loss (FVTPL): A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

C) Cash and bank balances

- (i) Cash and cash equivalents which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of 3 months or less from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

- (ii) Other bank balances which includes balances and deposits with banks that are restricted for withdrawal and usage.

D) Equity instruments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

E) Trade receivables and loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

F) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

G) Impairment of Financial Asset

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, security deposits, bank deposits and bank balance.
- b) Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

II. FINANCIAL LIABILITIES

A) Initial Recognition And Measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

B) Classification And Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Notes to the consolidated financial statements for the year ended 31st March 2018

III. DERECOGNITION OF FINANCIAL INSTRUMENTS

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

IV. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.20) RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after 1 April 2018:

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction

is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

Ind AS 115 Revenue from Contracts with Customers ("Standard")

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective from 1 April 2018.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group is evaluating the impact of this Standard on its financial statements.

Notes to the consolidated financial statements for the year ended 31st March 2018

NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹ Lakhs)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 31.03.2017	Additions during the year	Sold/discarded during the year	Total as at 31.03.2018	Provided upto 31.03.2017	Provided for the Year	Written back during the year	Total upto 31.03.2018	Total as at 31.03.2018
Property, plant & equipment									
Leasehold land	45.79	0.00	0.00	45.79	0.00	0.00	0.00	0.00	45.79
Land	14.50	0.00	0.00	14.50	0.00	0.00	0.00	0.00	14.50
Factory buildings	870.73	0.00	0.00	870.73	39.08	39.08	0.00	78.16	792.57
Residential flats	15.83	0.00	0.00	15.83	0.35	0.35	0.00	0.70	15.13
Plant and machineries	444.39	86.18	0.71	529.86	39.51	44.32	0.24	83.59	446.27
Moulds and dies	109.74	49.57	0.00	159.31	16.96	18.25	0.00	35.21	124.10
Furniture and fixtures	57.81	32.73	0.00	90.54	5.71	8.86	0.00	14.57	75.97
Office equipments	16.54	5.86	0.00	22.40	5.38	4.41	0.00	9.79	12.61
Vehicles	159.64	20.93	6.95	173.62	20.43	23.76	4.66	39.53	134.09
Computers	13.79	1.74	0.00	15.53	3.45	4.28	0.00	7.73	7.80
Factory equipments	20.29	27.76	0.01	48.04	3.43	4.65	0.00	8.08	39.96
Total as at 31.03.2018	1769.05	224.77	7.67	1986.15	134.30	147.96	4.90	277.36	1708.79

3A(i) Cost of factory building include ₹ 1000.00 being cost of shares in the Kandivli Co-operative Industrial Estate Limited.

3A(ii) Security

Property, plant and equipment are hypothecated /pledged against borrowings refer note 17 and 21

NOTE 3B: INTANGIBLE ASSETS

(Amount in ₹ Lakhs)

PARTICULARS	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK
	As at 31.03.2017	Additions during the year	Sold/discarded during the year	Total as at 31.03.2018	Provided upto 31.03.2017	Provided for the Year	Written back during the year	Total upto 31.03.2018	Total as at 31.03.2018
Intangible assets									
Computer software - acquired	2.93	0.00	0.00	2.93	0.93	1.03	0.00	1.96	0.97
Total as at 31.03.2018	2.93	0.00	0.00	2.93	0.93	1.03	0.00	1.96	0.97

(Amount in ₹ Lakhs)

Particulars

As at 31.03.2018

Amount

NOTE 4: NON-CURRENT LOANS

Unsecured, considered good

Security deposits

Total

14.48

14.48

NOTE 5: INCOME TAX ASSETS (NET)

Taxes paid during the year

Opening balance

Add: Current tax payable for the year

Total

160.98

11.89

145.15

157.04

3.94

NOTE 6: OTHER NON-CURRENT ASSETS

Unsecured, considered good

Capital advances

Security deposits

Total

21.31

1.03

22.34

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

As at 31.03.2018

Particulars

NOTE 7: INVENTORIES

Raw Materials and components including packing materials*	959.84
Work in progress	516.38
Finished goods	228.36
Stores and spares	2.93
Total	<u>1707.51</u>
* Includes stock in transit	0.00

NOTE 8: CURRENT INVESTMENTS

	Numbers	Amount
Investments measured at fair value through Profit & Loss		
In mutual funds (Unquoted)		
ICICI Prudential Dynamic Plan -Growth of face value of ₹ 10/- each unit	51925.687	130.92
ICICI Prudential Balanced Fund -Growth of face value of ₹ 10/- each unit	20463.289	25.55
ICICI Prudential Balanced Fund Monthly Dividend of face value of ₹ 10/- each unit	203665.988	48.98
L&T India Prudence Fund - Dividend of face value of ₹ 10/- each unit	126141.581	24.70
Total		<u>230.15</u>
Aggregate amount of Unquoted Investments		230.15
Aggregate provision for diminution in the value of Investments		0.00

NOTE 9: TRADE RECEIVABLES

Unsecured, considered good		
Debts outstanding for a period exceeding six months from the date they are due for payments		0.23
Others		809.97
Total		<u>810.20</u>

NOTE 10: CASH AND CASH EQUIVALENTS

Balances with banks		
In cash credit account		125.10
In current accounts		54.23
Cash on hand		2.59
Total		<u>181.92</u>

NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Other bank balances:		
In fixed deposit account with maturity less than 12 months		0.00
Fixed deposits with banks held as margin money for letter of credit issued, guarantee given and overdraft facility		
With maturity period less than 12 months		150.00
Total		<u>150.00</u>
*Details of lien on fixed deposit as under:		
Lien for margin money for letter of credit issued		85.58

NOTE 12: CURRENT LOANS

Unsecured, considered good		
Security deposits		0.46
Loan to employees		2.71
Total		<u>3.17</u>

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

As at 31.03.2018

Particulars

NOTE 13: OTHER CURRENT FINANCIAL ASSETS

Unsecured, considered good	
Interest accrued on deposits	2.16
Total	2.16

NOTE 14: OTHER CURRENT ASSETS

Unsecured, considered good	
Advances to suppliers	45.68
GST/Cenvat credit receivable	61.93
Export benefit receivable	0.02
Export Benefits in Duty Credit Scrips receivable	21.52
Prepaid expenses	23.59
Other receivables	0.60
Total	153.34

NOTE 15: EQUITY SHARE CAPITAL

Authorised

	Numbers	Amount
Equity shares of ₹ 10/- each	15000000	1500.00
Total		1500.00

Issued, subscribed and paid-up

Equity shares of ₹ 10/- each fully paid up	11160000	1116.00
Less: calls in arrears by others		0.09
Total		1115.91

2.a Reconciliation of number of equity shares outstanding at the beginning and at the end of the year :

Particulars	Numbers	Amount
At the beginning of the year	11160000	1116.00
Add : Equity shares issued on conversion of warrants	0	0.00
At the end of the year	11160000	1116.00

2.b The company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of preferential amounts, in proportion of their shareholding.

2.c Shareholders holding more than 5% of share capital at the end of the year :

Name of shareholders		% of Holding
1 Shri Kishore Chand Talwar	4352000	39.00
2 Smt. Sharda Talwar	1926400	17.26
3 Shri Subramanian P	590290	5.29

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

As at 31.03.2018

Particulars

NOTE 16: OTHER EQUITY

Securities Premium Reserve		
Balance at the beginning of the year	292.28	
Add : on account of issue of equity shares on conversion of share warrants	<u>0.00</u>	
Balance at the end of the year		292.28
Retained Earnings		
Balance at the beginning of the year	1360.09	
Add : Profit (loss) after tax for the year	<u>343.48</u>	
Balance at the end of the year		1703.57
Other Comprehensive income		
Balance at the beginning of the year	(1.15)	
Add: Movement in OCI (Net) during the year	<u>0.01</u>	
Balance at the end of the year		<u>(1.14)</u>
Total		<u><u>0.00</u></u>

NOTE 17: NON-CURRENT BORROWINGS

Secured loans:

Term loans		
From banks		97.94
From other parties		<u>47.70</u>
Total		<u><u>145.64</u></u>

Secured Loans:

A Terms of repayment of secured loans

Name of the banks / other parties	HDFC Bank Limited	HDFC Bank Limited	Yes Bank Limited	Toyota Financial Services India Ltd.	BMW India Financial Services Pvt. Ltd.
Type of loan	Term Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan
Loan account no.	82503119	29165164	ALN000100249265	NMUM1046300	CN00118492
Amount sanctioned (₹)	100.00	35.00	14.72	11.90	65.00
Sanction date	27-01-2017	01-08-2014	17-11-2017	25-06-2015	31-05-2016
Interest rate	Base Rate +2.85%	10.25%	8.11%	10.00%	9.50%
Total No. of EMIs	60	84	60	60	84
No. of EMIs paid	11	44	4	34	21
No. of balance EMIs to be paid	49	40	56	26	63
Current EMI amount (Principal and interest)	2.27	0.58	0.30	0.25	1.06
Maturity profile (Principal):					
2018-19	19.16	5.20	2.56	2.54	8.11
2019-20	21.09	5.76	2.77	2.81	8.91
2020-21	23.24	6.38	3.00	0.46	9.79
2021-22	25.60	2.27	3.26	0.00	10.77
2022-23	2.25	0.00	2.32	0.00	11.84
2023-24	0.00	0.00	0.00	0.00	3.12

B Nature of security:

(I) Term loans from HDFC Bank Limited are :

- primarily secured by hypothecation of stocks, book debts and plant & machineries of the company ;
- further secured by way of equitable mortgage of land and building at Plot No. 92-D Government Industrial Estate, Charkop, Kandivli (W), Mumbai 400067;
- further collaterally secured by way of equitable mortgage of Residential Flats at 802A and 802B, Beach Classic, J.P. Road, Versova, Andheri (W) Mumbai 400061 belonging to Shri Kishore Chand Talwar, Smt. Sharda Talwar and Shri Kundan Talwar and a plot of land at Survey No. 62, 74, 75, 20 Village Devdal (Sagpada), Kaman, Vasai (E), Palghar 401202 belonging to Shri Kundan Talwar; and
- also personally guaranteed by Chairman & Managing Director, Wholetime Director and two relatives of the Chairman & Managing Director of the Company.

(II) All the vehicle loans are secured by hypothecation of specific vehicles acquired from the loans.

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018
NOTE 18: NON-CURRENT OTHER FINANCIAL LIABILITIES	
Security deposits	3.11
	<u>3.11</u>
NOTE 19: NON-CURRENT PROVISIONS	
Provision for employees benefits (Refer note 36)	19.12
Total	<u>19.12</u>

NOTE 20: INCOME TAX

A) The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(Amount in ₹ Lakhs)

	For the year ended 31.03.2018
Profit before Tax	483.38
Enacted tax rate	33.063%
Expected income tax expense at statutory income tax rate	159.82
Tax on Income exempt from tax/Items not deductible (net)	0.62
Effect of differential future tax rates	(21.48)
Tax in respect of earlier years	0.72
Others	0.22
Tax expense as reported	139.90

B) Deferred tax liabilities (net)

Particulars	As at 31.03.2018
Deferred tax liabilities	121.23
Deferred tax assets	7.22
Total	114.01

The movement in deferred tax assets and liabilities during the year ended March 31, 2018:

Particulars	As at 31.03.2017 Deferred Tax Liabilities/ (Asset)	Charge/(Credit) in statement of Profit and Loss	As at 31.03.2018 Deferred Tax Liabilities/ (Asset)
Depreciation	127.68	(7.99)	119.69
Income Taxable in the year of realisation	0.09	1.34	1.43
Expenses allowed in the year of payment	(7.10)	(0.12)	(7.22)
Other	0.00	0.11	0.11

NOTE 21: CURRENT BORROWINGS

Unsecured loans:

Buyers credit in foreign currency	
From banks	761.94
Total	<u>761.94</u>

NOTE 22: TRADE PAYABLES

Micro and small enterprises (Refer note 42)	132.22
Others*	540.04
Total	<u>672.26</u>
* Other trade payables include acceptances	110.37

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	As at 31.03.2018
NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES	
Current maturities of long term debts (Refer note no. 17)	37.56
Interest accrued but not due	6.08
Security deposits	1.80
Creditors for capital expenditure*	8.00
Accrued expenses	<u>80.22</u>
Total	<u><u>133.66</u></u>
*Includes micro and small enterprises (Refer no. 42)	0.04

NOTE 24: OTHER CURRENT LIABILITIES	
Advances from customers	2.96
Deferred Revenue	1.77
Statutory dues	<u>18.19</u>
Total	<u><u>22.92</u></u>

NOTE 25: CURRENT PROVISIONS	
Provision for employees benefits (Refer note no. 36)	<u>5.69</u>
Total	<u><u>5.69</u></u>

Particulars	For the year ended 31.03.2018	
NOTE 26: REVENUE FROM OPERATIONS		
Sale of products*		5727.72
Other operating revenue		
Scrap sales	60.75	
Export incentives	<u>17.61</u>	
		<u>78.36</u>
Total		<u><u>5806.08</u></u>
*Sale of Products		
Instrument cooling fans		3330.62
Shaded pole motors		2180.34
Components		216.76
NOTE 27: OTHER INCOME		
Interest Income :		
On fixed deposits with banks	9.20	
On security deposits	1.27	
On staff loans	0.50	
On delay payment by customers	<u>0.14</u>	
		11.11
Dividend on investments		5.88
Sundry balances written back/off (net)		0.23
Discount on purchase of FPS/FMS/MEIS entitlements		3.10
Profit on sale of investment		1.86
Gain/(Loss) on investments carried at fair value through Profit & Loss		5.15
Rent Income		11.75
Net gain on exchange rate fluctuations		17.19
Allowance for doubtful debts written-back		2.11
Total		<u><u>58.38</u></u>

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	For the year ended 31.03.2018	
NOTE 28: COST OF MATERIALS CONSUMED*		
(Raw materials and components including packing materials)		
Opening stock		865.06
Add : Cost of purchases		3555.90
Less: Closing stock		<u>959.83</u>
Total		<u><u>3461.13</u></u>
*Cost of materials consumed		
Aluminium ingots		651.03
Aluminium sheets		76.92
Ball bearings		93.41
Brass Insert		139.00
Copper wires		603.58
Plastic powders		298.78
Rotor lamination		210.68
Stator lamination		498.74
Others		888.99
 NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Opening stocks:		
Finished goods	125.18	
Work in progress	<u>377.45</u>	
		502.63
Less: Closing stocks:		
Finished goods	228.36	
Work in progress	<u>516.38</u>	
		<u>744.74</u>
Total		<u><u>(242.11)</u></u>
 NOTE 30: EMPLOYEE BENEFITS EXPENSE		
Salaries and wages		432.54
Contribution to provident and other funds		13.28
Staff welfare expenses		<u>50.02</u>
Total		<u><u>495.84</u></u>
 NOTE 31: FINANCE COSTS		
Interest expense on:		
Borrowings		28.79
Others		21.94
Other Borrowing Costs		36.24
Net loss(gain) on foreign currency transactions		<u>5.34</u>
Total		<u><u>92.31</u></u>

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

For the year ended 31.03.2018

Particulars

NOTE 32: OTHER EXPENSES

Manufacturing expenses		
Consumption of stores and spares		17.31
Processing and labour charges		622.62
Power and fuel		183.97
Rent		2.69
Repairs to :		
factory buildings	58.96	
machineries	25.34	
mould & dies	6.10	
others	18.06	108.46
Inward transportation and freight		5.62
Administrative and other expenses		
Auditors' remuneration (Refer note 35)		8.07
Communication expenses		13.96
Directors' sitting fees		1.80
Electricity expenses		4.01
Insurance		10.30
Loss on sale of fixed assets (net)		1.75
Professional charges		28.04
Repairs and maintenance		19.43
Rates and taxes		10.69
Travelling and conveyance		96.30
Miscellaneous expenses		40.15
Selling and distribution expenses		
Advertisement and business promotion		60.35
Commission and brokerage		23.65
Outward transportation and freight		15.19
Total		1274.36

2017-2018

NOTE 33: EARNING PER EQUITY SHARE

Net profit / (loss) after tax	₹ in Lakhs	343.48
Weighted average number of shares used in computing basic earnings per share	Numbers in Lakhs	111.60
Effect of potential equity shares on allotment of shares on conversion of warrants	Numbers in Lakhs	0.00
Weighted average number of shares used in computing basic earnings per share	Numbers in Lakhs	111.60
Basic earnings per share	₹	3.08
Diluted earnings per share	₹	3.08

Particulars

As at 31.03.2018

NOTE 34: CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent liabilities:		
(a) Letter of credit issued by the bankers of the company		183.54
(b) Bonds/Undertakings given under duty exemption under advance licence scheme pending fulfilment of export obligation.		280.00
(c) Bonds/Undertakings given under duty exemption under EPCG licence scheme pending fulfilment of export obligation.		21.00
(ii) Contingent commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).		26.85

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	2017-2018
NOTE 35: PAYMENT TO AUDITORS*	
Statutory audit fees	3.75
Tax audit fees	2.25
Sales tax audit fees	0.76
Certification work	0.95
Out of pocket expenses	0.35
Krashi Kalyan Cess or Swachh Bharat Cess (not claimable as Cenvat Credit)	0.01
	8.07
	8.07

* excluding service tax wherever cenvat credit taken

NOTE 36: EMPLOYEE BENEFITS EXPENSE

The disclosures required under Indian Accounting Standard 19 "Employee Benefits" are given below:

(a) Defined contribution plan

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

(Amount in ₹ Lakhs)

Contribution to defined contribution plan recognised, charged off for the year, are as under:

Employer's contribution to provident fund	8.12
---	------

(b) Defined benefit plan:

Gratuity :

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee.

The employee's gratuity scheme is non -fund based. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date.

(Amount in ₹ Lakhs)

	2017-2018
I) Reconciliation of defined benefit obligation	
Present value of defined benefit obligation at start of year	19.90
<i>Recognised in Statement of Profit and Loss</i>	
Current service cost	3.12
Interest cost	1.47
Benefits paid	0.47
<i>Recognised in Other Comprehensive Income -Actuarial (gains)/losses on obligations</i>	
Remeasurements - due to demographic assumptions	0.00
Remeasurements - due to financial assumptions	0.00
Remeasurements - due to experience adjustments	(0.02)
Past service cost	0.00
Present value of defined benefit obligation at end of the year	24.00
II) Net liability / (asset) recognised in the balance sheet	
Present value of defined benefit obligation	24.00
Fair value of plan assets	0.00
Net liability / (asset)	24.00
Effect of asset ceiling / onerous liabilities	0.00
Liability / (asset) recognised in the balance sheet	24.00
Of which short term defined benefit obligation at end of the year	4.88

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

2017-2018

III) Expenses recognized during the year

Current service cost	3.12
Interest cost	1.47
Defined benefit cost included in Statement of profit and loss	4.59
Remeasurements of the net defined benefit plans-Actuarial (gains)/losses on obligations	(0.02)
Defined benefit included in Other Comprehensive Income	(0.02)
Total defined benefit recognized in Statement of profit & loss and Other Comprehensive Income	4.57

IV) Actuarial assumptions

Salary growth rate	6.00%
Discount rate	7.50%
Withdrawal rate	1% to 3%
Mortality Rate	IALM 2006-08 (Mod.) (Ult.) Mortality Table
Normal retirement age	58 years
Adjusted average future service	15.41 years

V) Bifurcation of present value of defined benefit obligations

	31.03.2018		
	Directors	Others	Total
Current liabilities	1.23	3.65	4.88
Non current liabilities	4.91	14.21	19.12
Total	6.14	17.86	24.00

VI) Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below::

(Amount in ₹ Lakhs)

Assumption	Change in assumption	Defined benefit obligations as on 31.03.2018	% Change
Salary rate	Increase by 1%	26.38	9.9%
	Decrease by 1%	21.96	-8.5%
Withdrawal rate	Increase by 1%	24.23	0.9%
	Decrease by 1%	23.74	-1.1%
Discount rate	Increase by 1%	22.13	-7.8%
	Decrease by 1%	26.21	9.2%

VII) The Group's philosophy is to not to externally fund these liabilities but instead create an accounting provisions in its books of accounts and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Group. The expected contribution payable to the plan next year is therefore Nil. If the Group opts for externally fund these liabilities in the next year, the best estimate contribution for the Group during the next year would be ₹ 12.00Lakhs.

VIII) The expected maturity profile of defined benefit obligations is as follows::

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
31.03.2018	4.88	1.34	6.75	5.98	18.95

The weighted average duration of the above defined benefit obligation is 15.04 years.

IX) **Discontinuance Liability** : Amount payable upon discontinuance of all employment is ₹ 25.48 Lakhs.

Notes to the consolidated financial statements for the year ended 31st March 2018

NOTE 37: CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total borrowings less cash & cash equivalents, bank deposit (including earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Group.

	(Amount in ₹ Lakhs)
	2017-18
Equity share capital	1115.91
Other equity	1994.71
Total Equity (A)	3110.62
Non-current borrowings	145.64
Short term borrowings	761.94
Current maturities of long term borrowing	37.56
Gross Debt (B)	945.14
Total Capital (A+B)	4055.76
Gross Debt as above	945.14
Less: Current investments	230.15
Less: Cash and cash equivalents	181.92
Less: Other balances with bank (including earmarked balances)	150.00
Net Debt (C)	383.07
Net debt to equity	0.12

NOTE 38: FINANCIAL INSTRUMENTS AND RISK REVIEW

A) Financial Instruments

Fair value measurement hierarchy

The fair value of financial instruments as below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows

Level 1: Quoted prices (unadjusted) in active markets: This level of hierarchy includes financial assets or liabilities that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments.

Level 2: Valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following tables presents the carrying value and Fair value measurement hierarchy of each category of financial assets and liabilities

	(Amount in ₹ Lakhs)	
	31.03.2018	
	Carrying Amount	Fair Value - Level 1
Financial Assets		
Financial assets measured at fair value through profit and loss		
Investments*	230.15	230.15
Financial assets measured at amortised cost		
Trade receivables	810.20	0.00
Cash and cash equivalents	181.92	0.00
Bank balances other than cash and cash equivalents	150.00	0.00
Loans	17.65	0.00
Other financial assets	2.16	0.00
	<u>1392.08</u>	<u>230.15</u>
Financial Liabilities		
Financial liabilities measured at amortised cost		
Borrowings	907.58	0.00
Trade payables	672.26	0.00
Other financial liabilities	136.77	0.00
	<u>1716.61</u>	<u>0.00</u>

* Excludes financial assets measured at Cost

There have been no financial assets and financial liabilities which has been fair valued under level 2 and level 3 categories therefore no details for the same given in the table above.

Notes to the consolidated financial statements for the year ended 31st March 2018

Valuation

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

- (i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- (ii) The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date.
- (iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

B) Financial Risk Management Framework

The Group's business activities are exposed to a variety of financial risks, namely credit risk, liquidity risk and market risk (currency risk and interest rate risk). The Group's management and the Board of Directors has the overall responsibility for establishing and governing the Group's risk management framework. The Board of Directors which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee and Board of Directors of the Group.

i) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. Financial instruments that are subject to credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Group result in material credit risk.

Credit risk with respect to trade receivables are limited as the Group has a policy of dealing only with credit worthy customers. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is very low. Hence, trade receivables are considered to be a single class of financial assets.

Credit risk on cash and cash equivalents, other bank balances with bank is limited as the Group generally invest in deposits with banks. Investments primarily include investment in liquid mutual fund units. The Group reviews credit worthiness of the counter parties to whom security deposits and loans given. The managements believes that there is no credit risk lies with the security deposits given and loans to employees.

The Group's maximum exposure to credit risk as at 31st March 2018 is the carrying value of each class of financial assets

ii) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2018. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group has obtained fund and non-fund based working capital lines from banks. The Group invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's financial liabilities. Cash flows in foreign currencies are translated using the period end spot rates.

Particulars	(Amount in ₹ Lakhs)			
	Carring Value	0-1 years	1-3 years	31.03.2018 above 3 years
Borrowings	945.14	799.50	126.11	19.53
Trade payables	672.26	672.26	0.00	0.00
Other financial liabilities	99.21	96.10	3.11	0.00
Total	<u>1716.61</u>	<u>1567.86</u>	<u>129.22</u>	<u>19.53</u>

iii) Market Risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency Risk

The Group is subject to the risk that changes in foreign currency values impact the Group's exports revenue and imports of raw material and property, plant and equipment. As at 31st March, 2018, the net unhedged exposure to the Group on holding assets (trade receivables, advance to suppliers and capital advances) and liabilities (trade payables, advance from customers, borrowing and accrued interest) other than in their functional currency is as under.

The Group is exposed to foreign exchange risk arising from US Dollar.

	(Amount in Lakhs)	
	USD	₹
Receivables	1.61	103.19
Payables	13.35	883.73
Net unhedged exposure	<u>(11.74)</u>	<u>(780.54)</u>

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

31.03.2018

Sensitivity analysis of 1% change in exchange rate at the end of reporting period net unhedged exposure

1% Depreciation in INR

Impact on Statement of profit and loss (7.81)

1% Appreciation in INR

Impact on Statement of profit and loss 7.81

b) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Group is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to borrowing obligations.

The interest rate profile of the Group's interest-bearing financial liabilities is as follows.

(Amount in ₹ Lakhs)

31.03.2018

Long term borrowing-floating rate instruments	91.34
Long term borrowing-fixed rate instruments	91.86
Short term borrowing-fixed rate instruments	761.94
	<u>945.14</u>

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

Impact on Interest Expenses for the year on 1% change in Interest rate

(Amount in ₹)

31.03.2018

1% Increase in interest rates

Impact on Statement of profit and loss (0.87)

1% Decrease in interest rates

Impact on Statement of profit and loss 0.87

NOTE 39: SEGMENT REPORTING

The segment reporting as required under Indian Accounting Standard 108 "Operating Segments" is not applicable to the Group as the Group's operations are predominantly comprises of only one business segment - Instrument cooling fans/ motors for the year.

NOTE 40: RELATED PARTY DISCLOSURES:

l) Names of related parties and description of relationships

- a) Persons owning directly or indirectly, an interest in the voting power that gives him significant influence.

Shri Kishore Chand Talwar

- b) Key management personnel :

Executive directors

Shri Kishore Chand Talwar (Chairman & Managing Director)

Smt. Nainy K. Tanna (Wholetime Director)

Non-executive directors (Independent directors)

Shri Ayyaswami Sundram

Shri D.Ganapathy (director upto 06.05.2018)

Shri Ram Sanehi (director upto 31.03.2018)

- c) Relatives of persons referred in a) and b) above

Smt. Sharda Talwar (Wife of Chairman and Managing Director of the company)

Shri Kundan Talwar (Son of Chairman and Managing Director of the company)

Smt. Ramandeep Talwar (Daughter in law of Chairman and Managing Director of the company)

Shri Kunal Tanna (Spouse of Smt. Nainy K. Tanna, Wholetime Director of the company)

- d) Enterprises over which any person described in (c) above is able to exercise significant influence.

Excelum Enterprises (A proprietary concern of Shri Kunal Tanna)

Notes to the consolidated financial statements for the year ended 31st March 2018

II) Transactions during the year and balances outstanding as at year end with the related parties are as follows:

(Amount in ₹ Lakhs)

Particulars	Parties	Parties	Parties	Total
	mentioned in I (a) & (b)	mentioned in I (c)	mentioned in I (d)	
Purchases including taxes	0.00	0.00	6.41	6.41
Director's Remuneration (including commission if any)	191.22	0.00	0.00	191.22
Director sitting fees	1.80	0.00	0.00	1.80
Salary	0.00	62.89	0.00	62.89
Rent	0.00	1.20	0.00	1.20
Reimbursement of expenses incurred by others	3.57	0.28	0.00	3.85
Recovery of expenses incurred for others	0.34	0.24	0.00	0.58
Outstanding Balances				
Trade Payables	0.46	0.06	2.41	2.93
Director's Remuneration/Commission Payable	18.57	0.00	0.00	18.57
Salary Payable	0.00	3.11	0.00	3.11
Rent Payable	0.00	0.60	0.00	0.60

Note:

- 1) Related party relationship is identified by the Company and relied upon by the auditors.
- 2) Personal guarantee of the Chairman & Managing Director, Wholetime Director and two relatives of the Chairman & Managing Director namely Smt. Sharda Talwar and Shri Kundan Talwar has been provided for the facilities sanctioned to the Company- Refer Note 17.

Details of transactions with individual related parties are as under

(Amount in ₹ Lakhs)

Particulars	31.03.2018
Purchases including taxes	
Excelum Enterprises	6.41
Director's Remuneration (including commission if any)	
Shri Kishore Chand Talwar	143.66
Smt. Nainy K. Tanna	47.56
Director sitting fees	
Shri Ayyaswami Sundram	0.60
Shri D.Ganapathy	0.60
Shri Ram Sanehi	0.60
Salary	
Shri Kundan Talwar	25.21
Smt. Sharda Talwar	28.00
Smt. Ramandeep Talwar	9.68
Rent	
Shri Kundan Talwar	1.20
Reimbursement of expenses incurred by others	
Smt. Sharda Talwar	0.06
Smt. Nainy K. Tanna	3.02
Shri Kundan Talwar	0.22
Shri Ram Sanehi	0.55
Recovery of expenses incurred for others	
Shri Kishore Chand Talwar	0.34
Smt. Sharda Talwar	0.22
Shri Kundan Talwar	0.02
Outstanding Balances	
Trade Payables	
Smt. Nainy K. Tanna	0.52
Excelum Enterprises	2.41
Director's Remuneration Payable	
Shri Kishore Chand Talwar	15.59
Smt. Nainy K. Tanna	2.98
Salary Payable	
Shri Kundan Talwar	1.65
Smt. Sharda Talwar	0.67
Smt. Ramandeep Talwar	0.79

Notes to the consolidated financial statements for the year ended 31st March 2018

(Amount in ₹ Lakhs)

Particulars	31.03.2018
Rent Payable	
Shri Kundan Talwar	0.60
III) Compensation of Key management personnel	31.03.2018
Short-term benefits	190.96
Post employment benefits	0.26
Sitting fees paid to independent director	1.80
	<u>193.02</u>

IV) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured and settlement occurs in cash.

NOTE 41: LEASES

Cancellable leases

- a) The Group has taken certain equipments under operating lease or on rental basis. This contract is not non-cancellable and for a period of three months and are renewable at the mutual consent on mutually agreeable terms. The rent paid in accordance with this agreement is debited to the statement of profit and loss for the year.
- b) The Group has given its industrial galas under operating lease or on leave and licence basis. These agreements are generally not non-cancellable and for a period ranging between 11 months and above and are renewable at mutual consent on mutually agreeable terms. The Group has taken refundable interest free security deposits in accordance with the agreed terms. The rent received in accordance with these agreements is credited to the statement of profit and loss for the year.

Non-cancellable leases

The Group has given its part premises under operating lease or on leave and licence basis for a period of 3 years. The Group has taken refundable interest free security deposits in accordance with the agreed terms. The lease rentals income for the year recognized in the Statement of profit and loss and future lease rental receivable as per the rentals stated in respective agreement are as follows:

(Amount in ₹ Lakhs)

Particulars	2017-18	31.03.2018
Lease rental recognised in Statement of Profit and Loss	5.20	
Future minimum lease payments under non-cancellable operating lease		
Not later than one year	15.86	
Later than one year and not later than five years	65.14	
Later than five years	0.00	
Total		<u>81.00</u>

NOTE 42: DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as micro and small enterprises. Disclosures as required by section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

(Amount in ₹ Lakhs)

SI. No.	Particulars	As at 31.03.2018
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year	
	- principal amount	132.26
	- interest thereon	0.88
2	The amount of interest paid in terms of section 16, along with the amount of the payment made to the suppliers beyond the appointed day:	
	- principal amount	261.22
	- interest thereon	0.00
3	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the act.	4.61
4	The amount of interest accrued and remaining unpaid.	21.59
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues about are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this act.	5.49

Notes to the consolidated financial statements for the year ended 31st March 2018

NOTE 43: TAXATION MATTERS:

- a) The sales tax assessments of the Holding Company have been completed upto financial year 2006-2007 for its Daman unit and upto financial year 2014-15 for its Kandivali unit.
- b) The income tax assessments of the Holding Company have been completed upto assessment Year 2016-2017.

NOTE 44 : ISSUE OF SHARE WARRANTS, THEIR CONVERSION AND UTILIZATION OF ITS PROCEEDS

- (a) (i) The Holding Company, during the financial year 2014-15, had allotted 1200000 Warrants at a price of ₹ 24.50 per warrant carrying an entitlement to subscribe to an equivalent number of equity shares of face value of ₹ 10/- each within 18 months from the date of allotment of warrants to promoter/ promoter group in accordance of Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, on 23rd December 2014 and received 25% of issue price as warrant allotment money aggregating to ₹ 73,50,000. The Holding Company had utilized this proceeds for its working capital requirements and other corporate purposes in accordance with the object of the issue.
- (ii) Out of the above warrants, the Holding Company had, during the year 2016-17, allotted 1200000 equity shares on conversion of 1200000 warrants on 11th April 2016 and had realized the balance 75% allotment money aggregating to ₹ 22050000. The Holding Company had utilized this proceed for its working capital requirements and other corporate purposes in accordance with the objects of the said Issue.

NOTE 45:

The Holding Company had, during the 2016-17, purchased a plot of land admeasuring 0.242 Hectare at S. No. 61, H. No. 1 Part at Village- Kaman, Taluka -Vasai District - Palghar by executing Memorandum of Understading and taken possession of the same. The Company is in process of executing Sale Deed and getting the same registeted with the appropriate authorities.

NOTE 46: DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

During the year the Group has made investments in units of various mutual funds. The required details of the investments made during the year and investments outstanding as on 31.03.2018 are given in note 8 to the financial statements.

NOTE 47: PRIOR PERIOD COMPARATIVES

This is the first period of the preparation of the consolidated financial statements. Accordingly, the disclosure of the comparative figures is not applicable.

NOTE 48: INTERESTS IN OTHER ENTITY

Name of Company	Country of incorporation	Proportion of ownership of interest 31.03.2018
Subsidiary Rexnord Enterprise Private Limited	India	100%

NOTE 49: STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST

Name of the Enterprise	Net Assets, i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amounts (₹ Lakhs)	As % of consolidated Profit or Loss	Amounts (₹ Lakhs)	As % of consolidated other comprehensive income	Amounts (₹ Lakhs)	As % of consolidated total comprehensive income	Amounts (₹ Lakhs)
Parent								
Rexnord Electronics and Controls Limited	100.02%	3111.28	100.19%	344.14	100.00%	0.01	100.19%	344.15
Subsidiary								
Rexnord Enterprise Private Limited	0.00%	0.00	-0.19%	(0.66)	0.00%	0.00	-0.19%	(0.66)
Total	100.02%	3111.28	100.00%	343.48	100.00%	0.01	100.00%	343.49
Adjustment due to consolidation	-0.02%	(0.66)	0.00%	0.00	0.00%	0.00	0.00%	0.00
Total	100.00%	3110.62	100.00%	343.48	100.00%	0.01	100.00%	343.49
Non Controlling Interest in Subsidiary		0.00		0.00		0.00		0.00

As per our attached report of even date

For Rakesh Soni & Co.

Chartered Accountants

(Firm Registration No. 114625W)

Rahul Chomal

Partner

Membership No. 427631

Place : Mumbai

Dated : May 30, 2018

For and on behalf of the Board of Directors of

Rexnord Electronics and Controls Limited

CIN: L31200MH1988PLC047946

Kishore Chand Talwar

Chairman & Managing Director

DIN 00351751

Kundan Talwar

Chief Financial Officer

Place : Mumbai

Dated : May 30, 2018

Nainy K. Tanna

Wholetime Director

DIN 00351762

Krunal S. Wala

Company Secretary

Krishnamoorthy Krishnan

Director

DIN 08129657

Route MAP to the Venue of AGM

Address : Sangam Banquets, Plot No. 366-386, RSC 37, Mangalmurti Road, Opposite Mangalmurti Hospital, Gorai - II, Borivali (W), Mumbai - 400 092





REXNORD ELECTRONICS AND CONTROLS LIMITED

Regd. Office: 92-D, GOVT IND ESTATE, CHARKOP, KANDIVLI (W) MUMBAI 400067.

Tel. No. 91-22-62401800 Fax: 022-62401816;

Email Id: info@rexnordindia.com Website: www.rexnordindia.com

CIN: L31200MH1988PLC047946

ATTENDANCE SLIP

DP ID*

Register Folio No.

Client ID*

No. of Share(s)

Name & Address of Shareholder:

.....

I/We hereby record my / our presence at the 30th Annual General Meeting at Sangam Banquets, Plot No. 366 – 386, RCS 37, Mangalmurti Road, Opposite Mangal Murti Hospital, Gorai – II, Borivali (West) Mumbai – 400 092 on Friday, September 28, 2018 at 10:30 a.m.

Signature of Shareholder / Proxy

- A member or his duly appointed Proxy wishing to attend the meeting must complete this admission slip and hand it over at the entrance of the meeting hall.
- Name of the Proxy in BLOCK letters _____ (in case a Proxy attends the meeting)

* Applicable for investors holdings shares in electronic form.

.....

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), 2014]

CIN: L31200MH1988PLC047946

Name of the Company: REXNORD ELECTRONICS AND CONTROLS LIMITED

Registered Office: : 92-D, GOVT IND ESTATE, CHARKOP, KANDIVLI (W) MUMBAI 400067

Name of the Member(s): _____

Registered Address: _____

_____ E-Mail Id: _____

Folio No. / Client id:

DP ID:

I/We being the member(s) of _____ shares of RECL, hereby appoint:

- 1) _____ of _____ having email id _____ or failing him
- 2) _____ of _____ having email id _____ or failing him
- 3) _____ of _____ having email id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held Friday, September 28, 2018 at 10:30 a.m. at Sangam Banquets, Plot No. 366 – 386, RCS 37, Mangalmurti Road, Opposite Mangal Murti Hospital, Gorai – II, Borivali (West) Mumbai – 400 092, and at any adjournment thereof in respect of such resolution as are indicated below.

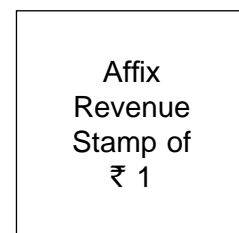
** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars	For	Against
Ordinary Business			
1.	To approve and adopt Audited Financial Statement, for the year ended March 31, 2018 and reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Nainy Kunal Tanna (DIN 00351762), who retires by rotation and being eligible, offers herself for re-appointment.		
Special Business			
3.	Regularisation of Additional Director, Mr. Krishnamoorthy Krishnan as Non- Executive Director in Independent Capacity.		
4.	Regularisation of Additional Director, Mr. Sriram Shrinivasan as Non- Executive Director in Independent Capacity.		
5.	Approval of re-appointment of Mr. Ayyaswami Sundaram, Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019.		
6.	Approval for providing service / delivery document(s) to the Member(s) on actual cost.		

Signed this..... day of2018.

Signature of Shareholder: _____

Signature of Proxy holder(s): _____



Notes :

- (1) This form duly completed should be deposited at the Registered Office of the Company Not later than 48 hours before the commencement of Annual General Meeting of the Company.
- (2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the 30th Annual General Meeting.
- ** (3) This is only optional. Please put a 'X' in the appropriate column against a resolutions indicated in the box.
- (4) Please complete all details including details of Members (S) in above box before Submission.

BOOK POST



If undelivered, Please return to:



Rexnord Electronics & Controls Ltd.

92 - D, Govt. Indl. Estate, Charkop, Kandivali (W),
Mumbai - 400 067, **INDIA.**

<https://www.youtube.com/watch?v=zPPzC9sZNIA>

website : www.rexnordindia.com