

**INFORMATION TO SHAREHOLDERS****Board Of Directors**

Shravan Sharma , Chairman  
Pankaj Sharma  
Philippe Arsonneau  
Ganesh Vaidhyanathan  
Nikhil Pathak  
Ms. Rajani Kesari

**Manager**

Dharani Babu

**Company Secretary**

K. K. Bhavsar

**Registered Office**

303, New India Industrial Estate,  
Off Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093

**Works****PUNE**

Plot S-73,74, MIDC,  
Bhosari, Pune 411 026

**BANGALORE**

Plot 5, 5A, 5C/1, 6A KIADB Industrial Area,  
Attibele, Bangalore 562 107

**Correspondent Address**

C/o Schneider Electric  
Marwah House, 2<sup>nd</sup> Floor  
Krishnalal Marwah Marg, Chandivali  
Andheri (East), Mumbai 400072

**Main Bankers**

Syndicate Bank, Industrial Finance Branch  
Manipal Centre, 204-205, North Block  
Bangalore – 560 042

**Auditors**

Messrs. S. R. Batliboi & Associates LLP

UB City, Canberra Block, 12<sup>th</sup> & 13<sup>th</sup> Floor  
No. 24, Vittal Mallya Road, Bangalore 560001

**Listing Details**

Company's Equity Shares are listed at:  
Pune Stock Exchange Ltd (Scrip Code 160225)  
Bangalore Stock Exchange (Scrip Code VEROPNDSYS)  
At Bombay Stock Exchange, Company's Shares are  
permitted to be traded with effect from Jan 7, 2005  
(Scrip Code 590033)

**Registrar & Transfer Agent**

Universal Capital Securities Pvt. Ltd.,  
Andheri (E), Mumbai 400093  
21, Shakil Nivas, Mahakali Caves Road,  
Andheri (E), Mumbai 400 093  
Tel.: (022) 2836 6620, 2826 2920

**ISIN No.**

INE 155 D 01018

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**29TH ANNUAL GENERAL MEETING**  
**DATE: FRIDAY , SEPTEMBER 27, 2013**  
**TIME: 11.00 am**

**Venue:** Tribune I, 6th floor, Hotel Tunga International,  
Central Road, MIDC, Andheri (E), Mumbai 400 093

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**FINANCIAL STATISTICS**

Particulars	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Sales	<b>10,481.05</b>	9,840.84	9,650.81	Stand Alone 13,719.86	Stand Alone 13,604.49	Stand Alone 12,903.88
Commission Income	<b>21.84</b>	40.82	126.25	43.30	127.20	180.74
Other Operating Income	<b>528.42</b>	152.88	202.59	36.94	11.19	5.38
Other Income	<b>66.74</b>	45.37	45.66	189.66	192.12	101.84
<b>Total Income</b>	<b>11,098.05</b>	10,079.91	10,025.31	13,989.76	13,935.00	13,191.84
<b>EBITDA</b>	<b>224.24</b>	(158.89)	430.04	1,387.28	1,854.44	1,876.11
Financial Expenses	<b>237.93</b>	224.89	188.88	190.27	127.00	123.48
Depreciation	<b>414.05</b>	489.73	397.22	364.14	374.13	274.20
<b>(Loss)/Profit before Taxation</b>	<b>(427.75)</b>	(873.51)	(156.06)	832.87	1,353.31	1,478.43
<b>(Loss)/Profit after Taxation</b>	<b>(332.95)</b>	(577.92)	(114.48)	539.52	921.23	913.04
<b>Dividend Payout</b>	-	-	-	120.96	181.44	181.44
<b>Corporate Tax on Dividend</b>	-	-	-	20.09	30.84	30.84
<b>Retained earnings</b>	<b>(332.95)</b>	(577.92)	(114.48)	398.47	708.95	700.76
<b>Dividend (%)</b>	-	-	-	20.00	30.00	30.00
<b>Earning per Share</b>	<b>(5.51)</b>	(9.56)	(1.89)	8.92	15.23	15.10

Particulars	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
<b>Equity and Liabilities</b>				Stand Alone	Stand Alone	Stand Alone
Share Capital	<b>604.80</b>	604.80	604.80	604.80	604.80	604.80
Reserves & Surplus	<b>3,454.19</b>	3,787.14	4,365.06	4,479.55	4,081.08	3,372.13
Total Shareholder's Funds	<b>4,058.99</b>	4,391.94	4,969.86	5,084.35	4,685.88	3,976.93
<b>Non Current Liabilities</b>						
Long-term borrowings	<b>1,507.10</b>	1,049.21	711.27	887.59	534.84	278.13
Other long-term liabilities	<b>27.93</b>	88.09	112.03	-	44.40	133.20
Deferred tax liability (net)	-	94.80	390.38	397.99	356.65	363.49
Long-term provisions	<b>190.02</b>	131.38	118.43	110.83	76.60	58.28
<b>Current Liabilities</b>	<b>1,725.05</b>	1,363.48	1,332.11	1,396.41	1,012.49	833.10
Short-term borrowings	<b>281.72</b>	679.82	756.71	317.64	14.25	387.02
Trade Payables	<b>3,117.64</b>	1,821.68	1,931.56	1,795.28	1,947.13	2,017.55
Other current liabilities	<b>644.76</b>	641.57	737.93	349.03	330.05	293.29
Short-term provisions	<b>158.10</b>	159.91	102.83	219.45	297.95	292.25
	<b>4,202.22</b>	3,302.98	3,529.03	2,681.40	2,589.38	2,990.11
<b>Total</b>	<b>9,986.26</b>	9,058.40	9,831.00	9,162.16	8,287.75	7,800.14
<b>Non Current Assets</b>						
Fixed assets						
Tangible assets	<b>4,012.83</b>	4,160.08	4,395.22	4,304.41	3,974.86	3,293.60
Intangible assets	<b>51.89</b>	77.26	106.58	62.06	50.55	56.69
Capital work-in-progress	<b>31.79</b>	13.52	25.47	251.74	108.48	57.03
Non-current investments	-	-	0.18	0.18	17.55	17.55
Long-term loans and advances	<b>751.19</b>	107.65	149.55	143.91	190.15	129.64
	<b>4,847.70</b>	4,358.51	4,677.00	4,762.30	4,341.59	3,554.51
<b>Current assets</b>						
Inventories	<b>1,417.51</b>	1,045.96	820.67	911.10	1,062.47	946.21
Trade receivables	<b>2,699.36</b>	2,312.23	3,345.76	2,664.30	2,172.12	2,820.87
Cash and bank balances	<b>71.51</b>	318.38	124.51	149.72	376.93	206.61
Short-term loans and advances	<b>689.41</b>	1,023.06	844.14	657.70	329.80	266.38
Other current assets	<b>260.77</b>	0.26	18.92	17.04	4.84	5.56
	<b>5,138.56</b>	4,699.89	5,154.00	4,399.86	3,946.16	4,245.63
<b>Total</b>	<b>9,986.26</b>	9,058.40	9,831.00	9,162.16	8,287.75	7,800.14

**Statement of Accounting Ratios of the Company**

Particulars	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
EBIDTA Rs.	<b>224.24</b>	(158.89)	430.04	1,387.28	1,854.44	1,876.12
EBIDTA % to Net Sales	<b>2.14</b>	(1.61)	4.46	10.11	13.63	14.54
Return on Net Worth (%)	<b>(8.20)</b>	(13.16)	(2.30)	10.63	19.66	22.96
Net Asset Value per share	<b>67.11</b>	72.62	82.17	83.88	77.48	65.76

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the Twenty-ninth Annual General Meeting of the Members of APW PRESIDENT SYSTEMS LTD. will be held on Friday, the 27th September 2013, at 11.00 am. at Tribune 1, 6th Floor, Hotel Tunga International, Central Road, MIDC, Andheri (E), Mumbai 400093 to transact the following business:-

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date, together with the reports of the Directors and Auditors thereon.
2. To appoint S. R. Batliboi & Associates LLP as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors and Auditors, plus out of pocket expenses.

**SPECIAL BUSINESS**

3. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Ganesh Vaidyanathan who was appointed a Director of the Company to fill in the casual vacancy caused by the resignation of Mr. Ashok Kunte and who vacates office at this meeting under section 262 of the Companies Act, 1956 but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."
4. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Ms. Rajani Kesari who was appointed a Director of the Company to fill in the casual vacancy caused by the resignation of Ms. Rita Marie Harvey and who vacates office at this meeting under section 262 of the Companies Act, 1956 but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation ."
5. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. V.S.Vasudevan, who was appointed as an additional Director of the Company by Board of Directors under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Anil Chaudhry, who was appointed as an additional Director of the Company by Board of Directors under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Javed Ahmad, who was appointed as an additional Director of the Company by Board of Directors under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider, and if thought fit, to pass with or without modification the following Resolution as special Resolution:  
"RESOLVED THAT subject to the approval of the central Government pursuant to section 21 of Companies Act, 1956, the name of the company be and is hereby changed from 'APW President Systems Limited' to 'SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED'.  
"RESOLVED FURTHER THAT the name 'APW President Systems Limited' wherever it occurs in the Memorandum and Articles of Association of the company be substituted by the 'Schneider Electric President Systems Limited'."
9. To consider, and if thought fit, to pass with or without modification the following Resolution as special Resolution:  
"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 & 311 and other applicable provisions, if any, of the Companies Act, 1956, the consent and approval of the Company be and is hereby accorded to the appointment of Mr. Dharani Babu as the Manager of the Company for a period with effect from April 1, 2013 to 12th August 2013 as per the terms and conditions including remuneration as contained in the agreement with him and as set out in the Explanatory Statement annexed to the Notice convening this meeting."  
"RESOLVED FURTHER THAT the remuneration as contained in the said agreement be paid to Mr. Dharani Babu as the Minimum remuneration."  
"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said appointment and /or agreement in such manner as may be agreed to between the Board of Directors and Mr. Dharani Babu from time to time and the terms of the aforesaid agreement shall be suitably modified to give effect to such alteration and/or variation."  
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such acts, deeds and things as may be necessary, proper and expedient in this regard to give effect to this Resolution."
10. To consider, and if thought fit, to pass with or without modification the following Resolution as special Resolution:  
"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 & 311 and other applicable provisions, if any, of the Companies Act, 1956, the consent and approval of the Company be and is hereby accorded to the appointment of Mr. Swaminathan Venkataraman as the Managing Director of the Company with effect from August 13, 2013 for a period of one year as per the terms and conditions including remuneration as contained in the agreement with him and as set out in the Explanatory Statement annexed to the Notice convening this meeting."  
"RESOLVED FURTHER THAT the remuneration as contained in the said agreement be paid to Mr. S. Venkataraman as the Minimum remuneration."  
"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. S. Venkataraman from time to time and the terms of the aforesaid agreement shall be suitably modified to give effect to such alteration and/or variation."  
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such acts, deeds and things as may be necessary, proper and expedient in this regard to give effect to this Resolution."

**Order of the Board**

K.K.Bhavsar

Company Secretary

Bangalore, August 21, 2013

**Notes:-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. The proxies, in order to be valid, shall be duly stamped and executed and should reach the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. Corporate members who are intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting and for easy identification of attendance at the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2013 to Friday, the 27th September 2013. (both days inclusive).
5. Pursuant to section 205A(5) and section 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2004-05 and unclaimed amount of Refund of excess of Right Issue application money to the Investor Education and Protection Fund (IEPF) established by the Central Government.  
Members are requested to expeditiously put their claims for Unclaimed Dividends, if the same are not received/claimed by them for FY 2005-06 as the amount is due for the transfer to IEPF in (Date) October 2013.
6. Members are requested to notify immediately any change of address to the Registrar of the Company, Universal Capital Securities Pvt. Ltd., 21 Shakil Nivas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 in respect of their physical share folios and to notify their Depository Participants (DPs) in respect of their holdings in electronic form, if any.
7. Members are requested to:
  - i) Send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarification during the meeting.
  - ii) Bring their copy of Annual Report and Attendance Slip to the Annual General Meeting.
  - iii) Intimate to the Registrar & Share Transfer Agent (RTA) of the Company immediately about any change in their addresses, if the shares are held in physical form and to Depository Participant (DP) if the shares are held in electronic form.
  - iv) Approach the RTA of the Company for consolidation of folios.
  - v) Avail Nomination facility by filling in and forwarding the nomination form to the RTA, if not already done

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

**Item No. 3.**

Pursuant to Article 148 of Articles of Association of the Company and in terms of Section 262 of the Companies Act, 1956, Mr. Ganesh Vaidyanathan was appointed as Director to fill up casual vacancy in place of Mr. Ashok Kunte with effect from July 11, 2011 on the Board of the Company.

Pursuant to the provisions of Section 262 of the Companies Act, 1956, he holds office as Director up to the date Mr. Ashok Kunte would have held the office. The Company has received a notice under section 257 of the Companies Act, 1956, from a shareholder proposing the name of Mr. Ganesh Vaidyanathan as Director of the Company. A brief resume of Mr. Ganesh Vaidyanathan as required in terms of clause 49 of the Listing Agreement is enclosed with the notice. The Board recommends that he may be appointed as Director liable to retire by rotation.

Except Mr. Ganesh Vaidyanathan, no other Director of the Company is in any way concerned or interested in the proposed resolution.

**Item No. 4.**

Pursuant to Article 148 of Articles of Association of the Company and in terms of Section 262 of the Companies Act, 1956, Ms. Rajani Kesari was appointed as Director to fill up casual vacancy in place of Ms. Rita Marie Harvey with effect from May 27, 2013 on the Board of the Company.

Pursuant to the provisions of Section 262 of the Companies Act, 1956, Ms. Rajani Kesari holds office as Director up to the date Ms. Rita Marie Harvey would have held the office. The Company has received a notice under section 257 of the Companies Act, 1956, from a shareholder proposing the name of Ms. Rajani Kesari as Director of the Company. A brief resume of Ms. Rajani Kesari as required in terms of clause 49 of the Listing Agreement is enclosed with the notice. The Board recommends that she may be appointed as Director liable to retire by rotation.

Except Ms. Rajani Kesari, no other director of the Company is in any way concerned or interested in the proposed resolution.

**Item No. 5.**

Pursuant to Article 136 of Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, Mr. V. S. Vasudevan was appointed as an Additional Director with effect from 12<sup>th</sup> August 2013 on the Board of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956, from a shareholder proposing the name of Mr. V. S. Vasudevan as Director of the Company. A brief resume of Mr. V. S. Vasudevan as required in terms of clause 49 of the Listing Agreement is enclosed with the notice. The Board recommends that he may be appointed as Director liable to retire by rotation.

Except Mr. Vasudevan, no other director of the Company is in any way concerned or interested in the proposed resolution.

**Item No. 6.**

Pursuant to Article 136 of Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, Mr. Anil Chaudhary was appointed as an Additional Director with effect from August 13, 2013 on the Board of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956, from a shareholder proposing the name of Mr. Anil Chaudhary as Director of the Company. A brief resume of Mr. Anil Chaudhary as required in terms of clause 49 of the Listing Agreement is enclosed with the notice. The Board recommends that he may be appointed as Director liable to retire by rotation.

Except Mr. Anil Chaudhary, no other Director of the Company is in any way concerned or interested in the proposed resolution.

**Item No. 7.**

Pursuant to Article 136 of Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, Mr. Javed Ahmad was appointed as an Additional Director with effect from August 13, 2013 on the Board of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of ensuing Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956, from a shareholder proposing the name of Mr. Javed Ahmad as Director of the Company. A brief resume of Mr. Javed Ahmad as required in terms of clause 49 of the Listing Agreement is enclosed with the notice. The Board recommends that he may be appointed as Director liable to retire by rotation.

Except Mr. Javed Ahmad, no other Director of the Company is in any way concerned or interested in the proposed resolution.

**Item No. 8.**

Schneider Electric South East Asia (HQ) Pte Ltd holds 75% equity and is Promoter of the Company. Schneider Electric is world wide popular brand name and has presence all over the world. There is need to reflect the Promoter Schneider Electric name in the name of Company to enable get maximum mileage out of association with Schneider Electric. Hence management is proposing the change in name of company to "SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED" which will require the approval of Central Government and Shareholder in General Meeting. by passing as special resolution. You are requested to consider the same and approve the proposed changes.

**Item No. 9.**

Mr. Dharani Babu is Engineer Professional with over 23 years of work experience across various functional areas of Manufacturing operations and projects gained at BPL group of companies.

He joined Company in May 2006 as Assistant Vice President, Works. He was elevated to the post of Vice President, Works in 2009. He was appointed as the Manager of the Company from April 1, 2012 for term of one year which ended on March 31, 2013. Management of the Company, considering his contribution decided to extend his appointment upto 12<sup>th</sup> August 2013.

Company has entered into an agreement with him to reappoint him as Manager of the Company for period upto 12<sup>th</sup> August 2013. The material terms and conditions as contained in the agreement are as under.

**REMUNERATION**

Basic Salary	Rs. 1,573,186 p.a.
House Rent Allowance	Rs. 786,593 p.a.
Other Allowances	Rs. 1,299,504 p.a.
Performance Incentive	Rs. 731,856 p.a.
Total	Rs. 4,391,139 p.a.

**Perquisites**

Contribution to Provident Fund	12% on Basic Salary
Car	For official and personal use
Telephone	Mobile
Other amenities	As per the Company's rule – Group Mediclaim and Group Personal Accident Premium Rs. 9231/- p.a.

The draft agreement referred to above is open for inspection by the members at the Registered office between 10.00 a.m. and 12 noon on all days except Saturdays, Sundays and holidays.

This Explanatory Statement together with the accompanying Notice is and shall be treated as an abstract under Section 302 of the Companies Act, 1956

The Board recommends the resolutions as set out in the accompanying Notice for your approval in the interest of the Company.

Except Mr. Dharani Babu, no other Director of the Company is concerned or interested in the resolution.

**Item 10.**

Mr. Swaminathan Venkatraman is BE (Mech) and has also done Diploma in Marketing Management. He has been with Schneider for over 3 years heading up Uniflair India operations and has been successful in transforming Uniflair operations into a profitable business. Last year, he had taken on the additional responsibility of the commercial operations of APW President, and he has been responsible for bringing in the fast and profitable growth of revenue in racks and PDUs business. Currently he is Managing Director of the sister company, Uniflair India Pvt. Ltd.

Prior to joining Uniflair, Swaminathan Venkatraman was VP - Sales & Service at APW President for 4 years. As Managing Director, he will be responsible for the complete operations of APW President i.e Sales, Manufacturing, R&D and Administration.

Company has entered into an agreement with him to appoint him as Managing Director of the Company with effect from 13<sup>th</sup> August 2013 for a term of one year. The material terms and conditions as contained in the agreement are as under.

**REMUNERATION**

Basic Salary	Rs. 2,451,628 p.a.
House Rent Allowance	Rs. 1,225,814 p.a.
Other Allowances	Rs. 2,030,280 p.a.
Performance Incentive	Rs. 1,141,544 p.a.
Relocation Allowance	Rs. 61,291 p.a.
Total	Rs. 6,910,557 p.a.

**Perquisites**

Contribution to Provident Fund	12% on Basic Salary
Car	For official and personal use
Telephone	Mobile
Other amenities	As per the Company's rule – Group Mediclaim and Group Personal Accident Premium Rs. 9231/- p.a.

The draft agreement referred to above is open for inspection by the members at the Registered office between 10.00 a.m. and 12 noon on all days except Saturdays, Sundays and holidays.

This Explanatory Statement together with the accompanying Notice is and shall be treated as an abstract under Section 302 of the Companies Act, 1956

The Board recommends the resolutions as set out in the accompanying Notice for your approval in the interest of the Company.

Except Mr. S. Venkatraman, no other Director of the Company is concerned or interested in the resolution.

**Details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting  
(In pursuance of clause 49 (VI) (A) of the Listing Agreement)**

Name of Director	Mr. Ganesh Vaidyanathan	Ms. Rajani Kesari	Mr. V. S. Vasudevan	Mr. Anil Chaudhry	Mr. Javed Ahmad
Date of Birth	15.08.1953	02.07.1971	21.06.1951	11.03.1961	11.05.1967
Date of Appointment	14.07.2011	27.05.2013	12.08.2013	13.08.2013	13.08.2013
Qualification	B. Sc., Electric Engineering	ACMA, CA. CPA	FCA	BE (Electronic & telecommunication)	BE, MBA
Expertise in specific functional area	35 years of managerial experience in various industries	More than 20 years experience in field of Finance, Audit and Merger and Acquisition	More than 22 years experience in Finance and Administration	Wide experience in sales and efficient Energy Management	Wide experience in Material Management & oracle development
List of Companies in which Directorship is held APW President Systems Limited	None	Schneider Electric India Pvt. Ltd., Energy Grid Automation Transformers and Switchgears India Ltd. CST Censors India Pvt. Ltd., Luminous Power Technologies Pvt. Ltd, Schneider Electric Infrastructure Limited	Schneider Electric Infrastructure Limited	Schneider Electric India Pvt. Ltd., Energy Grid Automation Transformers and Switchgears India Ltd, Schneider Electric Infrastructure Limited	Schneider Electric IT Business India Pvt Limited
Chairman/Member of the Committee(s) of Board of Directors of the Company	Member of Audit Committee & Chairman of Shareholder's Grievance /Transfer Committee	Member of Audit Committee	Member of Audit Remuneration	-	-



Name of Director	Mr. Ganesh Vaidyanathan	Ms. Rajani Kesari	Mr. V. S. Vasudevan	Mr. Anil Chaudhry	Mr. Javed Ahmad
Chairman/Member of the Committee(s) of other Company in India in which he is a Director	None	None	Remuneration Committee OF Schneider Electric Infrastructure Limited	Remuneration Committee OF Schneider Electric Infrastructure Limited	-
No. of Shares held in Company	-	-	-	-	-

**By Order of the Board**

K. K. Bhavsar  
Company Secretary

Bangalore, August 21, 2013

**[SCHEDULE XIII PART II SECTION II 1(B) (iv)]**

**I. GENERAL INFORMATION**

**1) Nature of Industry**

**Evolution of industry**

The Indian economy has continuously recorded high growth rates and has become an attractive destination for investments.

India's economic growth is expected to slowdown significantly in 2012 and 2013 due to headwind of slowdown in Europe and the US, according to a United Nations' annual economic report - World Economic Situation and Prospects 2012. The Indian economy is expected to grow between 7.7 per cent and 7.9 per cent this year, as per the report. Some of other growth projections are at an even lower level.

India has emerged as the world's top recipient of officially recorded remittances for the fourth straight year. India is expected to receive US\$ 58 billion this year, followed by China, and Mexico, as per the latest issue of the World Bank's Migration and Development Brief.

Indian Rupee has come under severe pressure against US\$ and other currencies due to Current Account deficits of India. This has caused many investors to slowdown their investments into India.

India's Information technology (IT) and information technology enabled services (ITeS) segments are aligned in a way that the growth in one avenue has ripple effects on another. The IT & ITeS industry, as a whole, is the mainstay of Indian technology sector as it has driven growth of the economy in terms of employment, revenue generation, standards of living etc and has played a major part in placing the country on the global canvas.

National Association of Software and Services Companies (NASSCOM) president Som Mittal believes that software exports would be in tune with the estimates and are projected to grow 15-17 per cent to generate about US\$ 70 billion in 2011-12 as against US\$ 59 billion in 2010-11. Furthermore, Internet and Mobile Association of India (IAMAI) has stated that internet users in the country have crossed the 100-million mark (owing to increasing internet penetration and affordability for personal computers (PCs), of which 17 million are online shoppers. It estimates that the number of Internet users in India will triple by 2015.

Rural business process outsourcing (BPO) units account for over US\$ 10 million towards India's IT-BPO revenues. Many big IT-BPO companies in India are getting attracted towards hinterlands due to availability of immense untapped talent and lower costs.

Depreciation of Indian rupee is a positive for this sector. However, overall slowdown in US and Europe has a drag on growth. Recent results of some of the leading Indian IT companies points to ongoing challenges.

**IT & ITeS - Key Developments and Investments**

The Indian IT infrastructure market will reach \$2.05 billion in 2012, showing a growth of 10.3 per cent over the last year's figure.

This market, comprising servers, storage and networking equipment, will touch the \$3-b mark by 2016, research firm Gartner says.

Revenue growth will be primarily driven by ongoing data centre modernisation, as well as new data centre build outs. Servers are the largest segments of the Indian IT infrastructure market, as revenue are forecast to reach \$754.5 million in 2012, and grow to \$967.2 million in 2016.

The external storage disk is the fastest growing segment within the IT infrastructure market. The enterprise network equipment market in India, which includes enterprise LAN and WAN equipment, is expected to grow from \$861 million in 2012 to \$1.2 billion in 2016.

**Contract Manufacturing**

Labor costs for conducting electronics manufacturing in India are between 30 to 40 per cent less than in the United States or in Western Europe. Other equally important benefits from operating in India include a fast-growing domestic market, an excellent education system, the nation's technology parks and the recent improvements in the country's transit and utility infrastructure.

India's contract manufacturing activities primarily serve the nation's indigenous demand. The recent acceleration in EMS activity is mainly due to rapid growth in the electronic Hardware market in all segments particularly rapid growth has taken place in Telecom Infrastructure Equipment, Computers, Consumer & Hand held devices.

**Industry segments in which the Company operates**

The Company is focused on the IT / ITES, Telecom and Contract Manufacturing segments.

**Size of the industry**

According to an ISA - Frost & Sullivan report, India is developing as one of the largest markets for electronic equipment. India's electronic equipment consumption is expected to reach \$363 billion by 2015 growing at a compounded annual growth rate of 29.8 per cent. The consumption by 2015 will be equal to 11 per cent of the global electronic equipment output.

Another encouraging sign is that the semiconductor content in the estimated electronic consumption in 2015 is expected to be \$36.3 billion accounting for 6.5 per cent of the global semiconductor revenues.

India offers high potential for electronic equipment manufacturing companies.

The estimated production of \$155 billion in 2015 is expected to create an opportunity of \$15.52 billion for semiconductor companies and also for Electronic Manufacturing Services (EMS) companies.

While some of the estimates point to high growth in medium term, the recent developments, slowdown of economy could lead to much slower growth in short term.

**2) Date or expected date of commencement of commercial production**

The Company has already commenced its commercial production.

**3) In case of new companies, expected date of commencement**

Not Applicable

## 4) Financial Performance based on given indicators

(Amount In Lakhs)

Income :	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Net Sales	10481.05	9840.84	9650.81	13,719.86	13,604.49
Commission earned	21.84	40.82	126.25	43.30	127.20
Service Charges	528.42	152.88	202.59	36.94	11.19
Other Income	66.74	45.37	45.66	189.66	192.12
Total Income	11098.05	10079.91	10,025.31	13,989.76	13,935.00
Profit before Taxation	-427.75	-873.51	-156.07	832.87	1,353.31
Profit After Taxation	-332.95	-577.92	-114.49	539.52	921.23
Dividend Payout	-	-	-	120.96	181.44
Corporate Tax on Dividend	-	-	-	20.09	30.84
Retained earnings	-	-	-	398.47	708.95
Dividend (%)	-	-	-	20.00	30.00
Earning per Share	-5.51	-9.56	-1.89	8.92	15.23

## 5) Export performance and Net Foreign Exchange Collaborations

## Export Performance

	2012-13	2011-12	2010-11	2009-10	2008-09
F.O.B. value of Export	230,455,405	128,516,135	84,335,472	165,601,341	130,571,630

## Net Foreign Exchange Earnings

Earnings in Foreign Currency	2012-13	2011-12	2010-11	2009-10	2008-09
F.O.B. value of Export	230,455,405	128,516,135	84,335,472	165,601,341	130,571,630
Commission	2,183,862	4,082,671	12,625,738	4,330,426	12,720,414
Other Income	17,733,251	-	-	580,684	634,387
<b>Total (1)</b>	<b>250,372,518</b>	<b>132,598,806</b>	<b>96,961,210</b>	<b>170,512,451</b>	<b>143,926,431</b>

## Expenditures in Foreign Currency

Raw Materials	92,006,567	63,925,946	35,920,914	123,322,169	72,212,457
Traded, Goods (net of returns)	6,488,887	22,929,104	38,906,296	37,565,502	35,461,912
Capital Goods	17,147,507	4,671,810	6,136,377	4,367,191	44,383,586
Commission	-	-	-	6,207,416	7,684,056
Other Expenses	4,111,579	6,741,564	4,785,290	3,648,129	6,240,937
<b>Total (2)</b>	<b>119,754,540</b>	<b>98,268,424</b>	<b>85,748,877</b>	<b>175,110,407</b>	<b>165,982,948</b>
<b>Total (1-2)</b>	<b>130,617,978</b>	<b>34,330,382</b>	<b>11,212,333</b>	<b>(4,597,956)</b>	<b>(22,056,517)</b>

## 6) Foreign Investments or Collaborators, if any

Schneider Electric South East Asia (HQ) PTE LTD, the global specialist in energy management, has acquired 75% of the Equity in the Company of which 55% is acquired from the than Promoters and another 20% by open offer from the Indian Public Shareholders.

Schneider Electric has become a key player in integrated data center infrastructure market and further accelerates its development in this domain.

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in energy and infrastructure, industrial processes, building automation, and data centres/networks, as well as a broad presence in residential applications. Focused on making energy safe, reliable, and efficient, the company's 110,000 plus employees achieved sales of 23.9 billion euros in 2012, through an active commitment to help individuals and organizations "Make the most of their energy."

## INFORMATION ABOUT THE APPOINTEE

## 1) a) Background details of Mr. Dharani Babu

Mr. Dharani Babu has over 23 years of experience across various functional areas of Manufacturing operations and projects gained at BPL group of companies. He joined the company in May 2006. He holds a Mechanical Engineering Degree from Calicut University, as well as a Post graduation specialised in Production Engineering from PSG TECH, Coimbatore. He was promoted as Vice President, Manufacturing Operations in 2009.

The Board of Directors considering his expertise and leadership qualities, appointed him as the Manager of the Company with effect from April 1, 2012 for term of one year which ended on March 31, 2013. As Management was considering appointment of Managing Director for the Company, has decided to extend his term upto 13th August 2013.

## b) Background details of Mr. S. Venkatraman

Mr. S. Venkatraman has been with Schneider for over 3 years heading up Uniflair India operations and has been successful in transforming Uniflair operations into a profitable business. Last year, he had taken on the additional responsibility of the commercial operations of APW President, and he has been responsible for bringing in the fast and profitable growth of revenue in racks and PDUs business. Currently he is Managing Director of sister company Uniflair India Pvt.Ltd.

Prior to joining Uniflair, he was VP-Sales & Service at APW President for 4 years. As Managing Director, he will be responsible for the complete operations of APW President i.e Sales, Manufacturing, R&D and Administration.

## 2) a) Past Remuneration of Mr. Dharani Babu

Description	2012-13	2011-12	2010-11	2009-10	2008-09
Salary-Basic	1,573,186	1,229,496	853,068	539,220	516,000
HRA	786,593	614,700	426,510	269,610	258,000
Other Allowances	1,289,904	1,198,293	1,221,053	1,488,980	1,455,733
Performance Incentives	731,856	261,683	255,300	330,000	400,000
Retention Bonus	500,000	-	-	-	-
Perquisites	48,831	28,800	28,800	28,800	28,800
<b>TOTAL</b>	<b>4,930,370</b>	<b>3,332,972</b>	<b>2,784,731</b>	<b>2,656,610</b>	<b>2,658,533</b>

**b) Past remuneration of Mr. S. Venkataraman from APW PRESIDENT SYSTEMS LTD.: NIL**

**3) Recognition or Awards: NIL**

**4) a) Job Profile of Mr. Dharani Babu and his suitability:**

Mr. Dharani Babu is Engineer by Profession with over 23 years of work experience across various functional areas of Manufacturing operations and projects. He holds a Mechanical Engineering Degree from Calicut University, as well as a Post graduation specialised in Production Engineering from PSG TECH, Coimbatore. He joined APW President in 2006 as Assistant Vice President-Works.

He was elevated to the post of Vice President, Works in April 2009. He has strongly contributed to various facets of manufacturing success. He is responsible for the production activities carried out in the manufacturing plants located in Attiebele, Bangalore, Pune and Puducherry.

**b) Job Profile of Mr. S. Venkataraman and his suitability:**

Venkataraman has been with Schneider for over 3 years heading up Uniflair India operations and has been successful in transforming Uniflair operations into a profitable business. Last year, he had taken on the additional responsibility of the commercial operations of APW President, and he has been responsible for bringing in the fast and profitable growth of revenue in racks and PDUs business.

Prior to joining Uniflair, he was VP - Sales & Service at APW President for 4 years. As Managing Director, he will be responsible for the complete operations of APW President i.e Sales, Manufacturing, R&D and Administration.

**5) Remuneration Proposed for**

	<b>Mr. Dharani Babu</b>	<b>Mr. S. Venkataraman</b>
Basic Salary	Rs. 1,573,186 p.a.	Rs. 2,451,628 p.a.
House Rent Allowance	Rs. 786,593 p.a.	Rs. 1,225,814 p.a.
Other Allowances	Rs. 1,299,504 p.a.	Rs. 2,030,280 p.a.
Performance Incentive	Rs. 731,856 p.a.	Rs. 1,141,544 p.a.
Relocation Allowance	-	Rs. 61,291 p.a.
<b>Total</b>	<b>Rs. 4,391,139 p.a.</b>	<b>Rs.6,910,557 p.a.</b>
<b>Perquisites</b>		
Contribution of Provident Fund	12% on the basic	12% on the basic
Car	For official and personal use	For official and personal use
Telephone	Mobile	Mobile
Other amenities	As per the Company's rule - Group Mediclaim and Group Personal Accident Premium Rs. 9231-p.a	As per the Company's rule - Group Mediclaim and Group Personal Accident Premium Rs. 9231-p.a

**6) Comparative Remuneration with respect to Industry, size of the Company, profile of the position and the person.**

Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies. (Rs. in lacs)

<b>Name of Company</b>	<b>Equity</b>	<b>Turnover</b>	<b>Profit/(Loss) Before Tax</b>	<b>Managerial Remuneration</b>
ZICOM Electronic Security Ltd	1270	21942	530	54.33
Eimco Elecon (India) Ltd.	577	17677	1657	87.85
GMM Pfaudler Limited	292	20181	1302	100

**7) Pecuniary relationship directly or indirectly with the Company, or relationship of managerial person, if any.**

Besides the remuneration proposed, there is no other pecuniary relationship exists.

## II. OTHER INFORMATION

**1) Reasons of loss or inadequate profit.**

The Company has continuously shown growth over the years except for the last three years. Global slow-down of economy has affected the Company's performance during these years. In FY 2010-11 increase in raw material prices and lower realization coupled with offer of higher discounts to attract and retain business impacted the Company and its Profit Before Tax reduced considerably. In FY 2011-12 Telecom Industries which is one of the main customer segment of the Company was adversely affected due to various scams and also freeze of investment in Telecom Sectors by all major Telecom Industries due to huge investment by them to acquire 3G spectrum under auction and also the uncertainty of Government telecom policy, has adversely impacted the performance of the Company. As a result plants capacity remained under utilised resulting in loss for the Company. Reasons as explained above continued during FY 2012-13 resulting in under utilisation of capacity resulting in loss for consecutive third year.

**2) Steps taken or proposed to be taken for improvement**

With change in control and Management passing over to Schneider Electric South East Asia (HQ) Pty Ltd. (SESEA) Company expects synergies in operations in areas like purchase and sales which will result in benefits to the Company.

Company expects to synchronise purchases of major raw materials along with other companies of SESEA resulting in reduction in prices. Company also expects to gain on wider platform that will be provided by SESEA in sales which will result in higher capacity utilization resulting in reduction in the incidence of overheads and thereby improving the profitability.

**3) Expected increase in productivity and profits in measurable terms;**

Based on the above strategy, the Company expects to achieve improve level of turnover by 10% as reported in FY 2012-13. Company also expects reduction in the procurement costs of major raw materials. Increase in turnover will result in the better utilization of Plants Capacity leading to improvement in profitability. Company also implementing cost reduction drives. This will enable the Company to achieve better performance in the current year as well as year ahead.

## III. DISCLOSURES

**1) The shareholder of the Company shall be informed of the remuneration package of the managerial persons.**

The details of remuneration have been provided elsewhere in this statement

**2) The following disclosure shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report.**

The Company undertakes to disclose the following details in the relevant Report of the Board of Directors of the Company.

- All elements of remuneration package of all the Directors
- Details of fixed component and performance linked incentives along with the performance criteria
- Service contracts, notice period etc
- Stock option details, if any

The Agreement and the draft Revision to the Agreement referred to in this Statement is open for inspection by the members at the Registered office between 10.00 a.m. and 12 noon on all days except (Sundays and holidays).

Except Mr. Dharani Babu, no other Director of the Company is concerned or interested in the proposed Special Resolution at item no.8.

Except Mr. Venkataraman, no other Director of the Company is concerned or interested in the proposed Special Resolution at item no.9.

This Explanatory Statement together with the accompanying Notice is and shall be treated as an abstract under Section 302 of the Companies Act, 1956.

**By Order of the Board**

K. K. Bhavsar  
Company Secretary



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Trends:**

#### **IT and Datacenter Market**

Globally, there has been an explosive growth in the key drivers for IT and data center markets. Data and data storage demand is rising, penetration of internet/mobile devices has been seeing a continuous uptrend, enterprises have been increasing the use of virtualisation/cloud technologies and there has been a renewed focus on cost containment/management. This growth, driven both by consumers and organisations, has resulted in increasing the global demand for data centers.

Data center spending overall has increased modestly over 2011 and 2012; spending went up from USD 99 billion (Rs 53,330 crores) to USD 106 billion (Rs 57,100 crores), an 8 per cent growth over this period. BRIC nations have been instrumental in driving this growth – given their rapidly growing economies, globalisation of firms and a large consumer base. SMBs have also been demanding data center services as they aim to reduce costs by leveraging cloud. Growth is expected to accelerate over the next few years–CAGR of 19 per cent between 2012-15, to reach USD 126 billion (Rs 67,330 crores).

India's data center market is estimated at USD 2.2 billion (Rs 1,180 crores) in 2012 and is expected to grow over 8 per cent over the next 3-4 years. Enterprises, both large and small, are adopting data center services to manage large quantities of data; cloud and virtualization technologies and the availability of platform services is also driving growth as it is enabling firms to reduce their capital assets-a compelling cost advantage.

Data centers are also a key part of the Indian Government's IT infrastructure plan (NeGP); the government is setting up state data centers (17 of these are already operational) to ensure seamless delivery of services to citizens. [1]

Growth in demand for data centers in India is being driven by five broad factors that will support APW President's business.

#### **Growing business needs:**

With local firms aiming to go global, the need to focus on one's core businesses and remain competitive is becoming increasingly important. Additionally, in the face of the rising energy and real estate costs, firms are focusing on lowering carbon footprint and cost reduction, and aiming to shift a large portion of capex to opex.

#### **Connectivity:**

Increasing internet penetration, improved communication infrastructure enabling delivery of 3G and 4G services, the rapid adoption of mobile devices and smartphones and the popularity of social media - these trends are driving more global eCommerce business.

#### **Technology:**

Customers are increasingly adopting virtualisation and cloud technologies to reduce costs and optimise infrastructure. This has led to an increase in demand for data center services Infrastructure Utility Services (IUS), cloud computing, Infrastructure-as-a-Service (IaaS), Software -as-a-Service (SaaS) and Platform-as-a-Service (PaaS).

According to DataQuest [DQ] Infrastructure-as-a-Service (IaaS) is likely to grow as a cloud service segment, which will reduce the traditional data center DIY infrastructure growth. On the demand side, need for high-speed connectivity, increasing investments in IT infrastructure by SMB segment and increasing enterprise data center expenditure are drivers that are expected to contribute to a growing cloud IaaS market.

From the supply perspective, a maturing traditional IT market and an extremely competitive third-party data center market are likely to be primary drivers of cloud IaaS services.

#### **Customers:**

National and state governments are setting up their own data centers to store citizen data and provide better services to their citizens. SMBs are leveraging data center services (hosting services) to access technology solutions at low cost. Among verticals, demand from media and entertainment is increasing due to increase in video content, social media usage; BFSI and telecom verticals are being driven by greater data storage/data analysis demands.

#### **Geographies:**

In India, eGovernment initiatives are driving demand. The ASEAN region is also being looked at as a centre for delivering data center services. [1]

#### **Key Influencing Factors**

Data center design and effectiveness is being influenced by various factors. Current technological trends like consolidation, green computing, virtualisation are impacting the landscape while emerging trends like data center automation, data center-in-a-box, network convergence and ethernet usage are expected to be the game changers for the industry.

There is a marked trend towards consolidation of data centers-to achieve not only cost savings but also consistency of service. A few strategically -positioned centers in appropriate locations enables savings on real estate and maintenance and management staff (less opex), avoids a multiplicity of architectures (less capex) and fewer operating procedures; also, disaster recovery and business continuity planning become more effective. According to Gartner, this trend of consolidation-a reduction in the number of mid-size data centers while the mega data centers enjoy robust growth-is expected to continue. By 2015, 2 per cent of all data centers will account for 71 per cent of all data center hardware spending. [1]

#### **Telecom Market**

According to government estimates, telecom equipment worth Rs 76,940 crore would be required in 2012-13-which will grow to Rs 1,70,091 crore by 2019-20. This is roughly 8 per cent of the global demand. The Government of India has also set targets for value addition for each of the products 'Made in India'. "All the telecom products, which do not meet the minimum value addition criterion for that year, shall be treated as imported telecom products and dealt accordingly," the notification stated.

For example, in the set top box category, manufacturers will get 50 per cent preferential market access and they will have to do 35 per cent value addition in 2013-14. This will have big impact on technology companies that bid for government contracts. They will not only have to set up a factory in India, but also add value here instead of just assembling products. This would need an ecosystem of component suppliers to also set up units in India.[2]

#### **Expansion in Telecom Network Infrastructure**

APW President's range of customized outdoor telecom enclosures will stand to benefit from a projected increase in the market space following the expansion of 3G and 4G sites in India. Indian mobile phone companies may start making larger investments in network rollouts that will trigger demand for telecom gear and equipment towards the end of the next financial year, says a report in the Economic Times, citing five analysts tracking the Indian telecom sector.

In what could be a positive sign for the dwindling network equipment industry in India, telcos will add more cell sites over the next four years as they roll out next generation networks and head deeper into rural areas to increase infrastructure. "More than 200,000 3G and 4G sites are expected to be deployed by 2017. A denser network of sites will be required as 3G and 4G networks operate at higher frequencies (lesser coverage). Additionally, there will be requirements for migration to IP in core network and IPv6," said Mohit Rana, partner at AT Kearney. [3]

To promote electronics system design and manufacturing (ESDM) sector, the government has launched the Modified Special Incentive Package Scheme (M-SIPS), under which it will provide up to Rs 10,000 crore in benefits to the industry during the 12th Five Year Plan period (2012-17). The scheme will provide subsidy for investments in capital expenditure with a limit of 20 per cent for investments in Special Economic Zone and 25 per cent in non-SEZs.[4]

This signifies a positive outlook for APW President's line of electronic and instrumentation enclosure systems.

#### **Industrial Market and Contract Manufacturing**

India needs major infrastructure spend in roads, railways, airports, and power plants which, will be a catalyst for industrial activity. Thus, longer term industrial growth projections remain positive. However, the short term trend is towards modest growth or even negative growth due to reduced FDI, high domestic interest rates and non implementation of reforms. Industrial growth rate in India for the period is projected to improve marginally from 3.1% in 2012-13 to 4.4% in 2013-14.[5]

#### **Opportunities and Threats**

##### **IT, Datacenter and Telecom Market**

The company's in-depth knowledge of the rack and enclosure domain combined with good domestic customer relationships shall continue to provide a strong platform for growth. This opportunity is even stronger now, as the company has a wider and stronger distribution network with the combined strength of companies under the Schneider Electric umbrella. The company now has potential for wider reach and a wider customer base especially outside India which provides an opportunity to expand profitably.

These opportunities come with their own challenges though. Based on current capabilities around products and processes, a significant scale up might be required to meet some of the needs. While the spend will be required to scale up the capabilities, success in these markets takes a long time and success is not guaranteed. APW President will keep examining, prioritizing and pursuing these new opportunities for growth.

A slowdown in the IT markets, uncertainties in the Telecom market clubbed with intense competition continue to be major threats to pursue growth going forward.

##### **Industrial Market and Contract Manufacturing**

There are opportunities for APW President to do Contract manufacturing for some of the products which are marketed under other group companies of Schneider Electric. These opportunities will also need competency build up at APW President and thus investments.

The Company faces fierce competition from Indian as well as global players. Sound business strategies, good quality and a customized approach have enabled the Company to retain its leading edge in the market. However, there has been a consolidation of players in the physical infrastructure space in last few years and, will continue to have new and evolved competitors. The Company endeavors to enhance its competitive advantage through a process of continuous improvements in products and processes, cost reduction, enhancing product utility value and by implementing appropriate coherent business strategies. The Company will try to maintain its leadership position in the Indian enclosure and infrastructure management industry segments going forward.

#### **Business Overview:**

##### **Manufacturing Division:**

Revenues from manufacturing operations were Rs.1043 M as against Rs.979 M in the previous year. Plants utilization was on average remained at 70% as against 63% in previous year which is still 15% below optimal levels. During the year, operations of the plating plant facility operated full capacity due to contract manufacturing tie-ups.

##### **Technology Products Division:**

The domestic sales of Technology Products was Rs.51 M as against Rs.47 M during the previous year, while Commission earned on direct sales were Rs.2 M as against Rs.4 M during the previous year.

#### **Outlook:**

##### **IT and Datacenter Market**

Business growth opportunities are expected to rise in the emerging regions of Asia/Pacific (which exclude the mature markets of Japan, Australia, New Zealand, Singapore, South Korea, Hong Kong and Taiwan), Latin America, the Middle East and Africa (minus mature Israel), and Central and Eastern Europe. Spending on information technology (IT) in Asia Pacific is forecast to reach \$743 billion in 2013, an increase of 7.9 percent over 2012, according to Gartner, Inc.

"As global markets improve in 2013 and resume growth, Asia Pacific remains one of the bright spots of the global IT market, allowing organizations in this region to accelerate competitiveness. Organizations in Asia Pacific will be able to innovate and compete using what we call the nexus of forces, or the intersection of Cloud, Mobile, Social and Information. New business models will emerge in this region." According to Gartner senior vice president and global head of research, Peter Sondergaard.[6]

APW President is in a position to target these international opportunities in a better way and leverage Schneider Electric presence in these countries. However, these opportunities come with their own challenges. Based on current capabilities around products and processes, a significant scale up might be required to meet some of the needs to compete successfully in these markets. Additionally, spend will be required in order to scale up capabilities. Success in these markets take a long time and comes with its own uncertainty. The Company will keep examining and pursuing these new opportunities for growth.

##### **Telecom Market**

The telecom infrastructure industry is expanding and showing signs of aggressive growth as the 3G and 4G networks are getting into place. A considerable amount of network equipment demand will be created by the governments rural expansion plans to connect 250,000 panchayats with estimated fiber requirement of 500,000 route km.

Capex as a percentage of revenues will rise towards the end of 2013 and early 2014 as telcos move to 1800 MHz band as refarming or redistribution of airwaves from the 900 Mhz band, begins. Ernst & Young's Prashant Singhal adds that the significant rise will be seen 2014 onwards when data usage increases manifold and 4G operators like RIL's Infotel invest in countrywide networks.

Cellular Operators Association of India, a body representing GSM operators like Bharti Airtel, Vodafone India and Idea Cellular, said that refarming of spectrum in 900 Mhz band will require replacement of 286,590 base stations and additional installation of 171,954 to provide equivalent coverage on 1800MHz.

"Such replacement of base stations and deployment of additional sites will result in an incremental capex of Rs 54,739 crore, and incremental annual opex of Rs 11,762 crore," it said a couple of months ago.

AT Kearney's Mohit Rana said that capex as percentage of revenue for the industry which was about 15 per cent in 2012-13 will rise to about 20 per cent in 2014-15 even as telcos continue to cut back on expenses over the first few quarters of the next fiscal, indicating that revenues may take a hit before operators begin investing again.