



Annual Report

2013 - 2014



INFORMATION TO SHAREHOLDERS

BOARD OF DIRECTORS

Shravan Sharma, Chairman
S.Venkatraman-Managing Director
Philippe Arsonneau (Up to 27th May, 2014)
Ganesh Vaidyanathan
Nikhil Pathak
Rajani Kesari
Anil Chaudhry
Javed Ahmad
V. S Vasudevan
Pankaj Sharma

MANAGER

Dharani Babu (Up to 13th August, 2013)

COMPANY SECRETARY

Vighneshwar G Bhat

REGISTERED OFFICE

5C/1, KIADB Industrial Area,
Attibele, Bangalore 562107,
Karnataka.

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, 12th & 13th Floor
No. 24, Vittal Mallya Road,
Bangalore 560 001.

LISTING DETAILS

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

REGISTRAR & TRANSFER AGENTS

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

INDEX

CONTENT	PAGE No.
Financial Statistics	1
Notice to the Shareholders	2
Directors' Report	11
Management Discussion and Analysis	15
Report on Corporate Governance	22
Auditor's Report	32
Balance Sheet	35
Statement of Profit and Loss	36
Cash Flow Statement	37
Notes to Financial Statements	38
Attendance Slip and Proxy Form	59

FINANCIAL STATISTICS

(₹ in Lacs)

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Sale of Products	15,692.66	10,375.58	9,705.70	9,536.93	13,719.86	13,604.49
Sale of Services	645.77	550.26	193.70	328.85	43.40	127.20
Other Operating Income	192.20	105.47	135.14	113.88	36.94	11.19
Other Income	15.86	62.37	45.37	45.66	189.66	192.12
Total Income	16,546.49	11,093.68	10,079.91	10,025.32	13,989.76	13,935.00
EBITDA	171.80	219.87	(158.89)	430.04	1,387.28	1,854.44
Financial Expenses (Net)	233.14	233.56	244.89	188.88	190.27	127.00
Depreciation	420.58	414.06	489.73	397.22	364.14	374.13
(Loss)/Profit before Taxation	(481.92)	(427.75)	(873.51)	(156.06)	832.87	1,353.31
(Loss)/Profit after Taxation	(481.92)	(332.95)	(577.92)	(114.48)	539.52	921.23
Dividend Payout	--	-	-	-	120.96	181.44
Corporate Tax on Dividend	--	-	-	-	20.09	30.84
Retained earnings	(481.92)	(332.95)	(577.92)	(114.48)	398.47	708.95
Dividend (%)	--	-	-	-	20.00	30.00
Earning per Share	(7.97)	(5.51)	(9.56)	(1.89)	8.92	15.23
Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Equity and Liabilities						
Share Capital	604.80	604.80	604.80	604.80	604.80	604.80
Reserves & Surplus	2,972.26	3,454.19	3,787.14	4,365.06	4,479.55	4,081.08
Total Shareholder's Funds	3,577.06	4,058.99	4,391.94	4,969.86	5,084.35	4,685.88
Non Current Liabilities						
Long-term borrowings	1,503.60	1,507.10	1,049.21	711.27	887.59	534.84
Other long-term liabilities	9.47	27.93	88.09	112.03	-	44.40
Deferred tax liability (net)	--	-	94.80	390.38	397.99	356.65
Long-term provisions	229.80	190.02	131.38	118.43	110.83	76.60
	1,742.87	1,725.05	1,363.48	1,332.11	1,396.41	1,012.49
Current Liabilities						
Short-term borrowings	1,586.20	281.72	679.82	756.71	317.64	14.25
Trade Payables	4,419.60	3,117.64	1,821.68	1,931.56	1,795.28	1,947.13
Other current liabilities	820.19	644.76	641.57	737.93	349.03	330.05
Short-term provisions	146.82	158.10	159.91	102.83	219.45	297.95
	6,972.81	4,202.22	3,302.98	3,529.03	2,681.40	2,589.38
Total	12,292.74	9,986.26	9,058.40	9,831.00	9,162.16	8,287.75
Non Current Assets						
Fixed assets						
Tangible assets	3,856.57	4,012.83	4,160.08	4,395.22	4,304.41	3,974.86
Intangible assets	179.54	51.89	77.26	106.58	62.06	50.55
Capital work-in-progress	66.13	31.79	13.52	25.47	251.74	108.48
Non-current investments	--	-	-	0.18	0.18	17.55
Long-term loans and advances	464.70	751.19	107.65	149.55	143.91	190.15
Other Non current assets	1.65	--	--	--	--	--
	4,568.59	4,847.70	4,358.51	4,677.00	4,762.30	4,341.59
Current assets						
Inventories	2,247.21	1,417.51	1,045.96	820.67	911.10	1,062.47
Trade receivables	4,494.74	2,699.36	2,312.23	3,345.76	2,664.30	2,172.12
Cash and bank balances	68.20	71.51	318.38	124.51	149.72	376.93
Short-term loans and advances	862.15	689.41	1,023.06	844.14	657.70	329.80
Other current assets	51.85	260.77	0.26	18.92	17.04	4.84
	7,724.15	5,138.56	4,699.89	5,154.00	4,399.86	3,946.16
Total	12,292.74	9,986.26	9,058.40	9,831.00	9,162.16	8,287.75
Statement of Accounting Ratios of the Company						
Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
EBIDTA Rs.	175.09	224.24	(158.89)	430.04	1,387.28	1,854.44
EBIDTA % to Net Sales	1.10	2.14	(1.61)	4.46	10.11	13.63
Return on Net Worth (%)	(13.47)	(8.20)	(13.16)	(2.30)	10.63	19.66
Net Asset Value per share	59.14	67.11	72.62	82.17	83.88	77.48

SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED

Regd. Office: 5C/1, KIADB Industrial Area, Attibele, Bangalore -562107. CIN: L32109MH1984PLC034340
Phone:(080) 33437104, (080) 43333058 Fax: (080) 27820333 Website: www.schneiderelectricpresident.com
e-mail: vighneshwar.bhat@schneider-electric.com

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED will be held on Tuesday, 12th August, 2014, at 11.00 a.m. at 5C/1, KIADB Industrial Area, Attibele, Bangalore- 562107, Karnataka to transact the following business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March 2014 and the Balance Sheet as on that date and the Reports of the Directors and the Auditor's thereon.
2. To appoint a Director in place of Ms. Rajani Kesari (holding DIN:02384170) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Messrs S. R. Batliboi & Associates LLP, Chartered Accountants, (Reg. No. 101049W) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the Thirty Second Annual General Meeting of the Company subject to ratification by the shareholders annually, and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Nikhil Priyavadanbhai Pathak (holding DIN:01668137) be and is hereby appointed as a Director of the Company"
5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Pankaj Sharma (holding DIN:02669725) be and is hereby appointed as a Director of the Company"
6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Shravan Vijaykumar Sharma, (holding DIN:00041009) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one year from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting."
7. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Ganesh Vaidyanathan, (holding DIN:03571438) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one year from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting."
8. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Subramanian Vishar Vasudevan, (holding DIN:00130205) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for one year from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting."
9. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
"RESOLVED THAT as recommended by the Audit Committee and the Board of Directors of the Company, the payment of remuneration of ₹1,00,000/- plus service tax as applicable and out-of-pocket expenses at actual if any, to M/s. Rao Murthy & Associates, Cost Accountants, (ICWA Registration No. 000065), to carry out the audit of the Cost Accounting Records of the Company for the financial year ending 31st March, 2015 be and is hereby approved and ratified".

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."
10. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government if any, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Swaminathan Venkatraman (holding DIN: 03139440) as Managing Director of the Company with effect from 13th August, 2014 for a period of one year, upon the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty and power to the Board of Directors (hereinafter referred to as "the Board" which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment.

RESOLVED FURTHER THAT the remuneration as contained in the said statement be paid to Mr. Swaminathan Venkatraman as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification(s) as may be deemed to be in the best interest of the Company."

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

"RESOLVED THAT in supersession of the Resolutions adopted earlier in this regard, the consent of the Members be and is hereby accorded in terms of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) to the Board of Directors of the Company for borrowing from time to time any sum or sums of money (exclusive of interest) not exceeding at any time the sum of ₹100 crores (Rupees One Hundred crores only) on such terms and conditions as the Board may deem fit, notwithstanding that the amount to be borrowed together with the sum already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose".

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

"RESOLVED THAT in supersession of the Resolution passed earlier in this regard, the consent of the Members be and is hereby accorded in terms of Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations if any, in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company wheresoever situate, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, in favour of all or any of the following, namely: Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Bodies Corporate incorporated under any statute and trustees for the holders of debentures/ secured premium notes/bonds/other securities/debt instruments, and other secured lenders (hereinafter referred to as "the Lenders") to secure repayment of any loans (both rupee loans and foreign currency loans) and/or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the Lenders by the Company, and/or to secure redemption of debentures (whether partly/fully convertible or non-convertible)/secured premium notes/bonds/other securities/debt instruments and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached, already issued or that may hereafter be issued by the Company, together with all interest, compound additional interest, commitment charge, liquidated damages, premium on prepayment or on redemption, trustees' remuneration, costs, charges, expenses and all other moneys including revaluation/devaluation/fluctuation in the rates of foreign currencies involved, payable by the Company to the Lenders concerned, in terms of their respective Loan Agreements/Heads of Agreements/Hypothecation Agreements/ Trustees Agreements/Letters of Sanction/Memorandum of terms and conditions/Debt Certificate entered into/to be entered into/issued/to be issued by the Company, provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and/or any other financial assistance and/or guarantee facilities and/or issue of debentures/secured premium notes/other securities/debt instruments to be secured as aforesaid (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed the limit of ₹100 crores (Rupees One Hundred crores only)".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise and execute with any of the Lenders jointly or severally, the documents, instruments and writings for creating aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

Bangalore
1st July, 2014

By Order of the Board
Vighneshwar G Bhat
Company Secretary

Notes:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A proxy form duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

- b. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to the business at item 4 to 12 of the Notice as set out above, is annexed hereto.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 1st August, 2014 to Tuesday, 12th August, 2014 (both days inclusive) for annual closing.

- d. The Register of Directors and Key Managerial Personnel and their Shareholding and Register of Contracts or Arrangements in which Directors are interested, will be available for inspection by the members at the AGM.
- e. Pursuant to the provisions of Section 124 of the Companies Act, 2013 (corresponding Section 205A of the Companies Act,1956), unclaimed dividend for the financial year ended 31st March, 2006 was transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.
- f. Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be.
- g. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/ Proxies should bring the Attendance Slip to the Meeting duly filled in, for attending the Meeting.
- h. Members, who hold shares under more than one folio in name(s) in the same order, are requested to send the relative Share Certificate(s) to the Company's Registrar and Transfer Agents for consolidating the holdings into one account. The Share Certificate(s) will be returned after consolidation.
- i. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.
- j. 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 the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents.
- k. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed direct to the Company's Registrar & Transfer Agents, at the address mentioned below:
Universal Capital Securities Private Limited
21, Shakil Nivas, Mahakali Caves Road, Andheri (E) Mumbai 400 093
Telephone : +91-22-28207203-05 Fax : +91-22-28207207, E-mail : karlekar@unisec.in
Contact Person : Mr. Rajesh Karlekar/ Mr. Ravi Utekar
- l. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- m. Electronic copy of the Annual Report for the year 2013-14 is being sent to all the Members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for the year 2013-14 is being sent in the permitted mode.
- n. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year 2013-14 will also be available on the Company's website www.schneiderelectricpresident.com and NSDL Evoting website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bangalore for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company Secretary at email id: vighneshwar.bhat@schneider-electric.com
- o. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 and Rule 21 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). A separate document containing e-voting details is enclosed to this Annual Report.
- p. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the business at Items 4 to 12 of the accompanying Notice.

Resolution No. 4

The Board of Directors at their meeting held on 27th May, 2013 appointed Mr. Nikhil Priyavadanbhai Pathak as the Director in the casual vacancy caused due to resignation of Mr. Shrinivas Chebbi from the directorship.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office as Director up to the date of ensuing Annual General Meeting i.e. up to the date Mr. Shrinivas Chebbi would have hold the office. The Company has received a Notice under Section 160 of the Companies Act, 2013, from a shareholder proposing the name of Mr. Nikhil Priyavadanbhai Pathak as Director of the Company. A brief resume of Mr. Nikhil Priyavadanbhai Pathak as required in terms of Clause 49 of the Listing Agreement is given elsewhere in this Notice.

Except Mr. Nikhil Priyavadanbhai Pathak, no other Director of the Company is in any way concerned or interested in this Resolution.

The Board recommends that he may be appointed as Director liable to retire by rotation.

Resolution No. 5

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors at their meeting held on 27th May, 2014 had appointed Mr. Pankaj Sharma as an Additional Director of the Company with effect from 27th May, 2014.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office as Director up to the date of ensuing Annual General Meeting. The Company has received a Notice under section 160 of the Companies Act, 2013, from a shareholder proposing the name of Mr. Pankaj Sharma as Director of the Company. A brief resume of Mr. Pankaj Sharma as required in terms of Clause 49 of the Listing Agreement is given elsewhere in this Notice.

The Board recommends that he may be appointed as Director liable to retire by rotation.

Except Mr. Pankaj Sharma, no other Director of the Company is in any way concerned or interested in this Resolution.

Resolution No.6

Mr. Shravan Vijaykumar Sharma is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Shravan Vijaykumar Sharma being eligible for appointment, is proposed to be appointed as an Independent Director for one year from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting. A Notice has been received from a member proposing Mr. Shravan Vijaykumar Sharma as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Shravan Vijaykumar Sharma fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder, for his appointment as an Independent Director of the Company and is independent of the Management.

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. Shravan Vijaykumar Sharma as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Shravan Vijaykumar Sharma as an Independent Director, for the approval by the shareholders of the Company.

A brief resume of Mr. Shravan Vijaykumar Sharma as required in terms of Clause 49 of the Listing Agreement is given elsewhere in this Notice.

Except Mr. Shravan Vijaykumar Sharma, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 6.

Resolution No.7

Mr. Ganesh Vaidyanathan is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ganesh Vaidyanathan being eligible for appointment, is proposed to be appointed as an Independent Director for one year from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting. A Notice has been received from a member proposing Mr. Ganesh Vaidyanathan as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Ganesh Vaidyanathan fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

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. Ganesh Vaidyanathan as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Ganesh Vaidyanathan as an Independent Director, for the approval by the shareholders of the Company.

A brief resume of Mr. Ganesh Vaidyanathan as required in terms of Clause 49 of the Listing Agreement is given elsewhere in this Notice.

Except Mr. Ganesh Vaidyanathan, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 7.

Resolution No. 8

Mr. Subramanian Vishar Vasudevan is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Subramanian Vishar Vasudevan being eligible for appointment, is proposed to be appointed as an Independent Director for one year from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting. A Notice has been received from a member proposing Mr. Subramanian Vishar Vasudevan as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Subramanian Vishar Vasudevan fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management.

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. Subramanian Vishar Vasudevan as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Subramanian Vishar Vasudevan as an Independent Director, for the approval by the shareholders of the Company.

A brief resume of Mr. Subramanian Vishar Vasudevan as required in terms of Clause 49 of the Listing Agreement is given elsewhere in this Notice.

Except Mr. Subramanian Vishar Vasudevan, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the

Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 8.

Resolution No. 9

The Board on the recommendation of the Audit Committee has appointed, M/s. Rao Murthy & Associates, Cost Accountants, (ICWA Registration No. 000065) as Cost Auditors of the Company for the financial year 2014-15.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders. It is proposed to pay a remuneration of ₹ 1,00,000/- plus service tax as applicable and out-of-pocket expenses at actual for the year 2014-15 to M/s. Rao Murthy & Associates.

None of the Directors and Key Managerial Personnel or relatives of them are interested in the above Resolution.

The Board of Directors recommends the Resolution for your approval and ratification.

Resolution No. 10

The Current tenure of Mr. Swaminathan Venkatraman as Managing Director expires on 12th August, 2014. The Board of Directors at their meeting held on 27th May, 2014 subject to the approval of the Shareholders and Central Government if required, has recommend the re-appointment of Mr. Swaminathan Venkatraman as Managing Director of the Company for a period of one year with effect from 13th August, 2014.

Mr. Swaminathan Venkatraman is BE (Mech) and has also done Diploma in Marketing Management. He is currently the Managing Director of the Company and also heading operations of Uniflair India Pvt. Ltd., a group company. Prior to this Mr. Swaminathan Venkatraman has also worked as VP - Sales & Service at Schneider Electric President Systems Limited (Formerly APW President Systems Limited) for 4 years. As Managing Director, he will be responsible for the complete operations of Schneider Electric President Systems Limited i.e Sales, Manufacturing, R&D and Administration.

The Company would entered into an agreement with him to re-appoint him as Managing Director of the Company with effect from 13th August, 2014 for a term of one year.

The material terms and conditions to be included contained in the agreement are as under.

Remuneration

Basic Salary	₹ 2,594,891 p.a.
House Rent Allowance	₹ 1,297,446 p.a.
Other Allowances	₹ 2,732,366 p.a.
Performance Incentive	₹ 1,510,449 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 Rules
Group Mediclaim and Group Personal Accident Premium	₹ 9,231/- p.a.

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

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

Resolutions 11 & 12

In view of the notification of the Companies Act, 2013, the provisions of Sections 180 (1) (a) and 180 (1) (c) of the Companies Act, 2013 stand to have replaced the corresponding provisions of Section 293 (1) (a) and Section 293 (1) (d) of the Companies Act, 1956.

For the future requirement if any, the Board of Directors sought the Members approval by way of Special Resolution, pursuant to Sections 180 (1) (a) and 180 (1) (c) of the Companies Act, 2013, to authorize the Board to borrow amounts upto ₹100 Crores (Rupees One Hundred Crores) and to create charge / mortgage etc., in the said regard for a corresponding amount.

None of the Directors and Key Managerial Personnel and their relatives are interested in this Resolutions except to the extent of their shareholding in the Company.

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

Name of Director	Ms. Rajani Kesari	Mr. Nikhil Priyavadanbhai Pathak	Mr. Shravan Vijaykumar Sharma	Mr. Ganesh Vaidyanathan	Mr. Subramanian Vishar Vasudevan	Mr. Pankaj Sharma
Date of birth	02.07.1971	03.09.1965	13.07.1957	15.08.1953	21.06.1951	19.02.1973
Date of Appointment	27.05.2013	27.05.2013	14.07.2011	14.07.2011	12.08.2013	27.05.2014
Qualification	ACMA, CA. CPA	Mechanical Engineer, MBA	FCA	B. Sc., Electric Engineering	FCA	BE, MBA
Expertise in specific functional area	More than 21 years experience in the field of Finance, Audit and Merger and Acquisition	Experience in developing sales – distribution network, Service support, Customer support, Supply Chain, Sales & Operation planning, Strategic Sourcing, Inventory management.	Expert in Income Tax, Audits, Banking, Public Trust, Stock Exchange, Finance and related knowledge	35 years of managerial experience in various industries	More than 23 years Experience in Finance and Administration	Sales, Marketing and Operation Management
List of Companies in which Directorship is held	Schneider Electric India Pvt. Ltd., Energy Grid Automation Transformers and Switchgears India Ltd. CST Sensors India Pvt. Ltd., Schneider Electric Infrastructure Limited, Mckinnon and Clarke (India) Private Limited, Invensys India Private Limited, Schneider Electric Sri Lanka (Private) Limited, Spreading Happiness Foundation	Schneider Electric IT Business India Private Limited	Sheel Private Limited	Nil	Schneider Electric Infrastructure Limited Vishar Portfolio Investment Private Limited Win Information Technology Private Limited	Nil
Chairman/ Member of the Committee(s) of Board of Directors of Other Companies	Member of Audit Committee of Schneider Electric Infrastructure Limited	Member, CSR Committee of Schneider Electric IT Business India Private Limited	Nil	Nil	Member of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, CSR Committee, Stakeholders Relationship Committee of Schneider Electric Infrastructure Limited	Nil
Committee Membership if any in Schneider Electric President Systems Limited	Member, Audit Committee	Member, Risk Management Committee,	Chairman, Audit Committee and, Chairman, Risk Management Committee Chairman, Nomination and Remuneration Committee and Member, Stakeholders Relationship Committee	Member Audit Committee and Member, Stakeholders Relationship Committee Member, Nomination and Remuneration Committee	Member, Nomination and Remuneration Committee	Nil
No. of Shares held in the Company	Nil	Nil	7353	Nil	Nil	Nil

By Order of the Board

Vighneshwar G Bhat
Company Secretary

[SCHEDULE V PART II SECTION II]

I. GENERAL INFORMATION

1. Nature of Industry

Schneider Electric President Systems Limited, is a leading designer, manufacturer and supplier of standard and customized enclosure systems in India and has been the market leader in 19-inch enclosures for IT and Telecom infrastructure, systems management and operations.

The Company caters to three major business segments: enclosure systems, contract manufacturing and trading activities – all with a focus on the IT/Networking and ITES, Telecom, General and Industrial Electronics sectors.

Schneider Electric President is the only manufacturer in India offering standard and customized enclosure solutions to the IT and Networking, Telecom, General and Industrial Electronics sectors.

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 of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable.

4. Financial Performance based on given indicators

	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Income :	15,692.66	10,375.58	9,705.70	9,536.93	13,179.86
Sale of Products	645.77	550.26	193.70	328.85	43.30
Sale of Services	192.20	105.47	135.14	113.88	36.94
Other Operating Income	15.86	62.37	45.37	45.66	189.66
Other Income	16,546.49	11,093.68	10,079.91	10,025.32	13,989.76
Total Income	171.80	219.87	(158.89)	430.04	1,387.28
EBITDA	233.14	233.56	224.89	188.88	190.27
Financial Expenses (net)	420.58	414.06	489.73	397.22	364.14
Depreciation	-481.92	-427.75	-873.51	-156.06	832.87
Profit before Taxation	-481.92	-332.95	-577.92	-114.48	539.52
Profit After Taxation	--	-	-	-	120.96
Dividend Payout	--	-	-	-	20.09
Corporate Tax on Dividend	--	-	-	-	398.47
Retained earnings	--	-	-	-	20.00
Dividend (%)	-7.97	-5.51	-9.56	-1.89	8.92
Earning per Share					

5. Foreign investments or collaborations, if any

Schneider Electric South East Asia (HQ) Pte Ltd., the global specialist in energy management holds 75% of the Equity in the Company of which 55% is acquired from the then 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.

II. Information about the appointee:

a) Background details of Mr. Swaminathan Venkatraman

Mr. Swaminathan Venkatraman is BE (Mech) and has also done Diploma in Marketing Management. He is currently the Managing Director of the Company and also heading the operations of Uniflair India Pvt. Ltd, another group Company. Prior to this Mr. Swaminathan Venkatraman has also worked as VP - Sales & Service at Schneider Electric President Systems Limited (Formerly APW President Systems Limited) for 4 years. As Managing Director, he will be responsible for the complete operations of Schneider Electric President Systems Limited i.e Sales, Manufacturing, R&D and Administration.

b) Past remuneration of Mr. S. Venkataraman from Schneider Electric President Systems Ltd.

Particulars	
Basic Salary	₹ 2,451,628 p.a.
House Rent Allowance	₹ 1,225,814 p.a.
Other Allowances	₹ 2,030,280 p.a.
Performance Incentive	₹ 1,141,544 p.a.
Relocation Allowance	₹ 612,907 p.a.
Total	₹ 6,910,557 p.a.
Perquisites	
Contribution of Provident Fund	12% on the basic
Car	For official and personal use
Telephone	As per the policy of the company
Other amenities	As per the Company's rule - Group Medclaim and Group Personal Accident Premium ₹ 9,231/-p.a