

PRÉsIDENT

Annual Report

2014-2015

Schneider
 **Electric**

INFORMATION TO SHAREHOLDERS

BOARD OF DIRECTORS

Shravan Sharma, Chairman
S. Venkatraman, Managing Director
Philippe Arsonneau (Upto 27th May, 2014)
Ganesh Vaidyanathan
Nikhil Pathak
Rajani Kesari (Upto 8th November, 2014)
Anil Chaudhry (Upto 11th February, 2015)
Javed Ahmad
V. S. Vasudevan
Pankaj Sharma (From 27th May, 2014)
Sugata Sircar (From 13th November, 2014)
Rachna Mukhrjee (From 11th February, 2015)

COMPANY SECRETARY

Vighneshwar G Bhat

CHIEF FINANCIAL OFFICER

Neeraj Garg (Upto 14th May, 2015)
Damodar Kalavala (From 21st May, 2015)

REGISTERED OFFICE

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

MAIN BANKERS

Citi Bank NA, No.5, 2nd Floor,
M G Road,
Bangalore – 560 001

AUDITORS

Messrs. S. R. Batliboi & Associates LLP
UB City, Canberra Block, 12th & 13th Floor
No. 24, Vittal Mallya Road,
Bangalore 560001

REGISTRAR & TRANSFER AGENT

Universal Capital Securities Private Limited
21 Shakil Nivas, Mahakali Caves Road
Andheri (E), Mumbai 400093

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FINANCIAL STATISTICS

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Sale of Products	15,883.90	15,692.66	10,375.58	9,705.70	9,536.93
Sale of Services	573.85	645.77	550.26	193.70	328.85
Other Operating Income	256.54	192.20	105.47	135.14	113.88
Other Income	51.45	15.86	62.37	45.37	45.66
Total Income	16,765.74	16,546.49	11,093.68	10,079.91	10,025.32
EBITDA	380.15	171.80	219.87	(158.89)	430.04
Financial Expenses (Net)	250.88	233.14	233.56	224.89	188.88
Depreciation	501.1	420.58	414.06	489.73	397.22
(Loss)/Profit before Taxation	(371.83)	(481.92)	(427.75)	(873.51)	(156.06)
(Loss)/Profit after Taxation	(371.83)	(481.92)	(332.95)	(577.92)	(114.48)
Dividend Payout	-	--	-	-	-
Corporate Tax on Dividend	-	--	-	-	-
Retained earnings	(371.83)	(481.92)	(332.95)	(577.92)	(114.48)
Dividend (%)	--	--	-	-	-
Earning per Share	(6.15)	(7.97)	(5.51)	(9.56)	(1.89)
Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Equity and Liabilities					
Share Capital	604.80	604.80	604.80	604.80	604.80
Reserves & Surplus	2,489.11	2,972.26	3,454.19	3,787.14	4,365.06
Total Shareholder's Funds	3,093.91	3,577.06	4,058.99	4,391.94	4,969.86
Non Current Liabilities					
Long-term borrowings	1,999.70	1,503.60	1,507.10	1,049.21	711.27
Other long-term liabilities	4.99	9.47	27.93	88.09	112.03
Deferred tax liability (net)	--	--	-	94.80	390.38
Long-term provisions	156.58	229.80	190.02	131.38	118.43
	2,161.27	1,742.87	1,725.05	1,363.48	1,332.11
Current Liabilities					
Short-term borrowings	798.21	1,586.20	281.72	679.82	756.71
Trade Payables	5,745.78	4,419.60	3,117.64	1,821.68	1,931.56
Other current liabilities	973.85	820.19	644.76	641.57	737.93
Short-term provisions	183.48	146.82	158.10	159.91	102.83
	7,701.32	6,972.81	4,202.22	3,302.98	3,529.03
Total	12,956.50	12,292.74	9,986.26	9,058.40	9,831.00
Non Current Assets					
Fixed assets					
Tangible assets	3,747.50	3,856.57	4,012.83	4,160.08	4,395.22
Intangible assets	141.96	179.54	51.89	77.26	106.58
Capital work-in-progress	127.46	66.13	31.79	13.52	25.47
Non-current investments	--	--	-	-	0.18
Long-term loans and advances	639.43	464.70	751.19	107.65	149.55
Other Non current assets	1.81	1.65	--	--	--
	4,658.16	4,568.59	4,847.70	4,358.51	4,677.00
Current assets					
Inventories	2,856.88	2,247.21	1,417.51	1,045.96	820.67
Trade receivables	4,186.07	4,494.74	2,699.36	2,312.23	3,345.76
Cash and bank balances	196.51	68.20	71.51	318.38	124.51
Short-term loans and advances	1058.57	862.15	689.41	1,023.06	844.14
Other current assets	0.31	51.85	260.77	0.26	18.92
	8,298.34	7,724.15	5,138.56	4,699.89	5,154.00
Total	12,956.50	12,292.74	9,986.26	9,058.40	9,831.00
Statement of Accounting Ratios of the Company					
Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
EBIDTA ₹ *	383.85	175.09	224.24	(158.89)	430.04
EBIDTA % to Net Sales	2.42	1.12	2.16	(1.64)	4.51
Return on Net Worth (%)	(12.02)	(13.47)	(8.20)	(13.16)	(2.30)
Net Asset Value per share	51.16	59.14	67.11	72.62	82.17

* EBIDTA includes interest income

SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED

Regd. Office: 5C/1, KIADB Industrial Area, Attibele, Bangalore -562107. CIN: L32109KA1984PLC079103
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 Thirty First Annual General Meeting of the Members of Schneider Electric President Systems Limited will be held on 22nd September, 2015 at 11.00 a.m. at 5C/1, KIADB Industrial Area, Attibele Bangalore- 562107, Karnataka, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Javed Ahmad (holding DIN No.01705373) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) and the Ordinary Resolution passed by the Members at the Thirtieth Annual General Meeting of the Company, the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, (Reg. No. 101049W) as Auditors of the Company be and is hereby ratified for the financial year 2015-16 to hold the Office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company."

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 pursuant to the provisions of the Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Mr. Sugata Sircar (DIN: 01119161), who was appointed as an Additional Director pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 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."
5. 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 the Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Ms. Rachna Mukherjee (holding DIN No. 06970986), who was appointed as an Additional Director pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 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."
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) Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for three years from the conclusion of this Annual General Meeting to the conclusion of thirty fourth 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) Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for three years from the conclusion of this Annual General Meeting to the conclusion of thirty fourth 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. Vishar Subramanian Vasudevan, (holding DIN:00130205) Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for three years from the conclusion of this Annual General Meeting to the conclusion of thirty fourth 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 approved by the Board of Directors of the Company, the payment of remuneration of Rs.1,00,000/- + service tax as applicable + out-of-pocket expenses at actual 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, 2016, be and is hereby approved and ratified.

RESOLVED FURTHER THAT the Directors and Company Secretary of the Company be and are hereby severally 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 an Ordinary Resolution:
- “RESOLVED THAT** pursuant to the provisions of the Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Mr. Swaminathan Venkatraman (holding DIN: 03139440), and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”
11. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as a 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, 2015 for a period of two years, 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** as recommended by the Nomination and Remuneration Committee and subject to the approval of the Central Government, payment of excess remuneration upto ₹ 10,50,000/- to Mr. Swaminathan Venkatraman, Managing Director for the year 2014-15, over and above the limit approved at the previous Annual General Meeting be and is hereby approved.
- 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.”
12. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:
- “RESOLVED THAT** in accordance with the provisions of Section 67 and other applicable provisions of the Companies Act, 2013 and the rules, regulations, circulars, guidelines prescribed by any other authority, from time to time, to the extent applicable, approval of the Shareholders be and is hereby accorded to participate in the World Employee Share Ownership Plan (WESOP) Scheme (the Scheme) of the Ultimate Holding Company, Schneider Electric SA, France and to ratify the financial assistance provided by the Company pursuant to the Scheme to the employees of the Company during the year 2014-15.
- RESOLVED FURTHER THAT** the Board be and is hereby authorized to make modification(s), suspend, withdraw or revive the Scheme as suggested by Schneider Electric SA, France, from time to time, and to approve, support by means of financial assistance or any other kind of support for the benefit of such person(s) who are/will be in the employment of the Company including Managing Director, Whole-time Director(s), Executive Director(s), Key Managerial Personnel of the Company and to approve such number of shares and at such price, in such manner, during such period in one or more tranches as it may deem fit under the Scheme.
- RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers to any Committee of Directors of the Company or to any officer of the Company to give effect to this Resolution and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary and to settle any question, difficulty or doubt, whatsoever, as may arise with respect to the Scheme.”
13. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:
- “RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions if any, of the Companies Act, 2013 and the Rules framed thereunder including any amendment, modification, variation or re-enactment thereof, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the company to enter into the transactions for sale, purchase of goods and to provide/avail services to / from Schneider Electric IT Business India Private Limited, a related party, subject to a maximum aggregate transactions value of Rs. 100 crores (Rupees One Hundred Crores only) in any financial year with the said related party.
- RESOLVED FURTHER THAT** the Board of Directors and/ or any of the Key Managerial Personnel of the Company be and is/ are hereby authorized jointly and/or severally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

By Order of the Board

Place: Bangalore
Date: 6th August, 2015
Registered Office: 5C/1, KIADB Industrial Area,
Attibele,
Bangalore -562107

Vighneshwar G Bhat
Company Secretary
ACS: 16651,
Address: No. 14, Sapthagiri Nilaya,
6th Cross Kavery Layout,
G.M. Palya, New Tippasandra,
Bangalore-560075, Karnataka, India

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 13 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 Wednesday, 16th September, 2015 to Tuesday 22nd September, 2015 (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, 2007 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. All documents, transfers, dematerialization requests and other communications in relation thereto may be addressed to the Company's Registrar & Share 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
- k. Details under Clause 49 of the Listing Agreement with the Stock Exchange 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.
- l. Electronic copy of the Annual Report for the year 2014-15 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 2014-15 is being sent in the permitted mode.
- m. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year 2014-15 will also be available on the Company's website www.schneiderelectricpresident.com and NSDL E-voting 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
- n. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with 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.
- o. 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 13 of the accompanying Notice.

Resolution No. 4

Pursuant to Section 161 of the Companies Act, 2013 the Board of Directors at their Meeting held on 13th November, 2014 appointed Mr. Sugata Sircar as an Additional Director of the Company effective 13th November, 2014.

Mr. Sugata Sircar 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. Sugata Sircar as Director of the Company. A brief resume of Mr. Sugata Sircar is given elsewhere in this Notice.

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

Except Mr. Sugata Sircar, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise and do not have any conflict of interest in the Resolution.

Resolution No. 5

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors at their meeting held on 11th February, 2015 had appointed Ms. Rachna Mukherjee as an Additional Director of the Company with effect from 11th February, 2015.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, she 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 Ms. Rachna Mukherjee as Director of the Company. A brief resume of Ms. Rachna Mukherjee is given elsewhere in this Notice.

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

Except Ms. Rachna Mukherjee, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise and do not have any conflict of interest in the Resolution.

Resolution No.6

At the previous Annual General Meeting held on 12th August, 2014, the members have appointed Mr. Shravan Vijaykumar Sharma as an Independent Director for a period of one year. 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 a further period of three years from the conclusion of this Annual General Meeting to the conclusion of thirty fourth 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 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.

Resolution No.7

At the previous Annual General Meeting held on 12th August, 2014, the members have appointed Mr. Ganesh Vaidyanathan as an Independent Director for a period of one year. 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 a further period of three years from the conclusion of this Annual General Meeting to the conclusion of thirty fourth 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 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.

Resolution No.8

At the previous Annual General Meeting held on 12th August, 2014, the members have appointed Mr. Vishar Subramanian Vasudevan as an Independent Director for a period of one year. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Vishar Subramanian Vasudevan being eligible for appointment, is proposed to be appointed as an Independent Director for a further period of three years from the conclusion of this Annual General Meeting to the conclusion of thirty fourth Annual General Meeting. A Notice has been received from a member proposing Mr. Vishar Subramanian Vasudevan as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Vishar Subramanian 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. Vishar Subramanian Vasudevan as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Vishar Subramanian Vasudevan as an Independent Director, for the approval by the shareholders of the Company.

A brief resume of Mr. Vishar Subramanian Vasudevan is given elsewhere in this Notice.

Except Mr. Vishar Subramanian 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 this Resolution.

Resolution No. 9

The Board on the recommendation of the Audit Committee, appointed M/s. Rao Murthy & Associates, Cost Accountants, (ICWA Registration No. 000065) as Cost Auditors of the Company for the financial year 2015-16.

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 Rs. 100,000/- + service tax as applicable + out-of-pocket expenses at actual for the year 2015-16 to M/s. Rao Murthy & Associates.

None of the Directors and Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in this Resolution.

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

Resolution No. 10 and 11

The current tenure of Mr. Swaminathan Venkatraman as Managing Director expires on 12th August, 2015. The Board of Directors at their meeting held on 21st May, 2015, subject to the approval of the Shareholders and Central Government, if required, has recommended for re-appointment Mr. Swaminathan Venkatraman as Managing Director of the Company for a period of two year with effect from 13th August, 2015.

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, Administration etc.

The Company would enter into an agreement with him to re-appoint him as Managing Director of the Company with effect from 13th August, 2015 for a term of two years.

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

Remuneration per annum:

Description	2015 – 2016 (₹)	2016- 2017 (₹)
Basic Salary	2,854,381	3,425,257
House Rent Allowance	1,427,197	1,712,637
Other Allowances	3,086,942	3,704,330
Performance Incentive	2,606,659	3,127,992
Total Cost	9,975,179	11,970,216
WESOP	145,750	174,900
Perquisites on free loan	40,978	49,173
Gross Cost	10,161,907	12,194,289

Perquisites:

Contribution to Provident Fund	12% on Basic Salary
Car	For official and personal use
Telephone, Mobile, Other amenities	As per the Company Rules

It is also brought to the Notice of the shareholders that under the leadership of Mr. Swaminathan Venkatraman, the Company has made a turnaround in its operations and made a positive result during last two quarters of the 2014-15. Accordingly, to appreciate his efforts and to retain the talent, it is proposed to pay additional performance pay and other allowance not exceeding Rs. 10,50,000/- for the year 2014-15 to Mr. Venkatraman.

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, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise and do not have any conflict of interest in the Resolution. The details required pursuant to schedule V are provided elsewhere in this notice.

Resolution No. 12

Schneider Electric, at the group level has an Employee Stock Option Scheme called World Employee Share Ownership Plan (WESOP) Scheme (the Scheme) whereby employees of the Schneider Group have the option to subscribe the shares of Schneider Electric SA, France ("SE France") as employees of the group company. All in all, today, a quarter of the employees of Schneider Group are also shareholders of SE France.

The Scheme is available in 33 countries, covering more than 90% of Schneider Electric Group total number of employees. This evolution is due to Schneider Electric Group commitment to step up and to put an even greater part of our company in the hands of its employees so as to inculcate a sense of participation in the fortunes of the Company.

SE France is Ultimate Holding Company of your Company. Accordingly, employees of your Company are also entitled to subscribe shares of SE France.

Pursuant to Section 67 of the Companies Act, 2013, no public company shall give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company unless the same is approved by the Company through a special resolution.

Under the Scheme, since the employer makes a matching contribution up to a limit mentioned above, the net gains to the employees are expected to be positive, subject to unforeseen circumstances. This scheme has been found to be very effective for retention of key talent and hence will benefit the Company.

The full scheme is available for inspection by the members at the Registered Office of the Company and on its website.

None of the Directors except Mr. S. Venkatraman, Managing Director, Mr. Damodar Kalavala, Mr. Neeraj Garg (Resigned effective 14th May, 2015) Mr. Vighneshwar G Bhat, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise and do not have any conflict of interest in the Resolution.

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

Resolution No. 13

The Audit Committee Members and the Board of Directors of the Company at the Board Meeting held on 6th August, 2015, approved the enhancement of the limit of related party transactions with Schneider Electric IT Business India Private Limited (SEITB) for sale, purchase of goods and to provide/avail services to / from Schneider Electric IT Business India Private Limited, a related party, subject to a maximum aggregate transactions value of Rs. 100 crores (Rupees One Hundred crores only) in a financial year. The transactions with SEITB as detailed below are estimated to be upto Rs. 100 crores (Rupees One Hundred Crores only) in a financial year, which exceeds the 10% of the annual turnover of the company as per the audited financial statements as on 31st March, 2015. The said transactions are in the ordinary course of business of the Company and wherever required are on a cost plus appropriate mark-up in adherence with the arms length principle.

Though the transaction is at arm length basis and in the ordinary course of business, but by way of abundant caution the matter is placed before the shareholders for approval.

Other details as required as per the Companies (Meetings of Board and its Powers) Rules, 2014.

1. Name of the Related Party

Schneider Electric IT Business India Private Limited

2. Name of the Director or Key Managerial Personnel who is related, if any

Mr. Nikhil Pathak – Common Director
Mr. Javed Ahmad – Common Director
Mr. Pankaj Sharma – Common Director

3. Nature of relationship

Fellow Subsidiary

4. Nature, material terms, monetary value and particulars of the contract or arrangement:

Nature	Particulars of the contracts and the material terms	Term of the Contracts	Monetary value
Sale, Purchase of goods, materials, equipments etc., and rendering / providing /availing services including but not limited to manpower and support services and sharing of cost of certain common facility related services	<p>For Sale / Purchase of Goods, Materials, Equipments etc., <u>On a cost plus mark-up basis:</u> The buyer shall pay to the supplier all relevant direct and indirect costs (Including the overhead costs, other allocable costs and such other category of costs as mutually agreed to by both the Parties) plus an appropriate mark-up up to 15% determined in adherence to the arm's length principle. The mark-up shall be determined on a year to year basis.</p> <p><u>On Profit Split basis:</u> Where the buyer purchase goods, materials, equipment from the Supplier for supplying it to a Third party customer under an independent execution contract ('Project'), the Customer shall pay to the Supplier all relevant direct and indirect costs (including the overhead costs, other allocable costs and such other category of costs as mutually agreed to by both the Parties) of manufacturing/sales /supply /purchase, plus a proportion of the total profit earned by the Customer under the Project, to be allocated on certain parameters mutually agreed to by both the Parties.</p> <p><u>On Comparable Uncontrolled Prices (CUP) basis:</u> Where the supplier is selling the product in the market to an unrelated party customer including distributor, the Customer shall pay to the Supplier as per the published distributor price list.</p> <p>For rendering/ availing/sharing of services etc.,: <u>On a cost plus mark-up basis:</u> In consideration of the performance of services, the Recipient shall pay to the Provider a consideration determined based on cost plus mark up principle. Cost shall mean all direct and indirect costs incurred by Provider in fulfilling the provisions for each Project (including the overhead costs, other allocable costs and such other category of costs as mutually agreed to by both the Parties). The mark-up shall be up to 16% determined in adherence to the arm's length principle.</p> <p>The mark-up shall be determined on a year to year basis.</p> <p><u>Actual cost basis (including Common services taken from third party):</u> In case of cost sharing, total charges/cost will be shared between the parties on the basis of head count or any other methodology agreed between the parties from time to time.</p>	The contracts with the said related party shall be in effect and shall continue unless terminated by either Party with a notice period of Three (3) months	Upto Rs. 100 crores (Rupees One Hundred crores only) in aggregate, in any financial year

5. Any other information relevant or important for the members to take a decision on the proposed resolution.

None

The copies of the Contracts are available at the registered office of the Company for inspection by any member of the Company during business hours.

The Board recommends the above item of the notice for approval of members.