



GROWTH

Annual Report
2017-2018



INFORMATION TO SHAREHOLDERS

Board of Directors

Mr. Shravan Vijaykumar Sharma, Chairman (Non-Executive)
Mr. Javed Ahmad
Mr. Nitin Bakshi*
Ms. Rachna Mukherjee
Mr. Sugata Sircar
Mr. Swaminathan Venkatraman
Mr. Vishar Subramanian Vasudevan

Company Secretary

Ms. Priyanka Gupta

Chief Financial Officer

Mr. Damodar Kalavala

Registered Office

5C/1, KIADB Industrial Area, Attibele
Bengaluru - 562 107 Karnataka
Ph: +91 80 6788 8300
priyanka.aggarwal@schneider-electric.com
CIN: U32109KA1984PLC079103
www.schneiderelectricpresident.com

Main Bankers

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

Auditors

Messer's S. R. Battiboi & Associates LLP
UB City, Canberra Block
12th & 13th Floor
No. 24, Vittal Mallya Road
Bengaluru – 560 001

Registrar & Transfer Agent

Universal Capital Securities Pvt. Ltd
21 Shakil Nivas, Mahakali Caves Road
Andheri (E), Mumbai 400093
Tel.:(022) 28207203, 28207204, 28207205

* Effective 23.11.2017, Mr. Nitin Bakshi appointed as an Additional Director.

34th Annual General Meeting

Date: 19th September, 2018, Time: 10.00 A.M.

Venue: LA Classic Hotel, Plot No. 158, Yadavanahalli, Hosur Main Road, Attibele, Bengaluru - 562107

INDEX

CONTENT

PAGE No.

Financial Statistics	
Notice to the Shareholders	
Director's Report	
Management Discussion and Analysis	
Independent Auditor's Report	
Balance Sheet	
Statement of Profit and Loss	
Cash Flow Statement	
Notes to Financial Statements	

FINANCIAL STATISTICS

(Rs. In Lakhs)

Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Sale of Products	31,456.19	26,333.48	19,468.56	15,695.70	15,692.66	10,375.58	9,705.70
Sale of Services	656.72	581.87	505.63	573.85	645.77	550.26	193.70
Other Operating Income	265.18	167.25	183.07	256.54	192.20	105.47	135.14
Other Income	71.15	71.67	69.71	55.15	15.86	62.37	45.37
Total Income	32,449.24	27,154.27	20,226.97	16,581.24	16,546.49	11,093.68	10,079.91
EBITDA	2,607.83	2,584.83	1,650.83	383.85	171.80	219.87	-158.89
Financial Expenses (Net)	201.96	259.11	317.93	254.58	233.14	233.56	224.89
Depreciation	516.17	520.62	518.90	501.10	420.58	414.06	489.73
(Loss)/Profit before Taxation	1,889.70	1,805.10	814.00	-371.83	-481.92	-427.75	-873.51
(Loss)/Profit after Taxation	1,311.21	1,371.10	638.72	-371.83	-481.92	-332.95	-577.92
Dividend Payout	-	-	-	-	-	-	-
Corporate Tax on Dividend	-	-	-	-	-	-	-
Retained earnings	1,311.21	1,371.10	638.72	-371.83	-481.92	-332.95	-577.92
Dividend (%)					-	-	-
Earning per Share	21.68	22.67	10.56	(6.15)	(7.97)	(5.51)	(9.56)
Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Equity and Liabilities							
Share Capital	604.80	604.80	604.80	604.80	604.80	604.80	604.80
Reserves & Surplus	5,810.14	4,498.93	3,127.83	2,489.11	2,972.26	3,454.19	3,787.14
Total Shareholder's Funds	6,414.94	5,103.73	3,732.63	3,093.91	3,577.06	4,058.99	4,391.94
Non Current Liabilities							
Long-term borrowings	21.37	1,599.35	2,099.36	1,999.70	1,503.60	1,507.10	1,049.21
Deferred tax liability (net)		-	-	-	-	-	94.80
Other long-term liabilities	-	40.63	-	4.99	9.47	27.93	88.09
Long-term provisions	335.81	280.39	191.09	156.58	229.80	190.02	131.38
	357.18	1,920.37	2,290.45	2,161.27	1,742.87	1,725.05	1,363.48
Current Liabilities							
Short-term borrowings	255.21	454.98	1,201.34	798.21	1,586.20	281.72	679.82
Trade Payables	8,291.47	6,128.24	4,022.86	5,745.78	4,419.60	3,117.64	1,821.68
Other current liabilities	3,524.34	1,892.80	1,217.99	973.85	820.19	644.76	641.57
Short-term provisions	420.92	437.39	243.87	183.48	146.82	158.10	159.91
	12,491.93	8,913.41	6,686.06	7,701.32	6,972.81	4,202.22	3,302.98
Total	19,264.05	15,937.51	12,709.14	12,956.50	12,292.74	9,986.26	9,058.40
Non Current Assets							
Fixed assets							
Tangible assets	3,523.92	3,537.63	3,829.15	3,747.50	3,856.57	4,012.83	4,160.08
Intangible assets	46.10	50.78	92.50	141.96	179.54	51.89	77.26
Capital work-in-progress	33.27	179.20	104.91	127.46	66.13	31.79	13.52
Non-current investments		-	-	-	-	-	-
Deferred tax asset (net)	300.39	105.51	-	-	-	-	-

Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Long-term loans and advances	439.61	391.46	626.23	639.43	464.70	751.19	107.65
Other Non current assets	-	-	1.96	1.81	1.65	-	-
	4,343.28	4,264.58	4,654.75	4,658.16	4,568.59	4,847.70	4,358.51
Current assets							
Inventories	3,221.80	3,184.77	2,517.50	2,856.88	2,247.21	1,417.51	1,045.96
Trade receivables	9,295.80	7,169.86	4,208.37	4,186.07	4,494.74	2,699.36	2,312.23
Cash and bank balances	1,575.56	275.45	398.71	171.50	68.20	71.51	318.38
Short-term loans and advances	804.01	1,042.40	906.15	1,058.57	862.15	689.41	1,023.06
Other current assets	23.60	0.45	23.66	25.32	51.85	260.77	0.26
	14,920.77	11,672.93	8,054.39	8,298.34	7,724.15	5,138.56	4,699.89
Total	19,264.05	15,937.51	12,709.14	12,956.50	12,292.74	9,986.26	9,058.40
Statement of Accounting Ratios of the Company	-	-	-	-	-	-	-
Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
EBIDTA Rs.*	2,607.83	2,584.83	1,650.83	383.85	175.09	224.24	-158.89
EBIDTA % to Net Product Sales	8.29	9.82	8.48	2.45	1.12	2.16	-1.64
Return on Net Worth (%)	20.44	26.86	17.11	-12.02	-13.47	-8.20	-13.16
Net Asset Value per share	106.07	84.39	61.72	51.16	59.14	67.11	72.62

*Includes interest income

SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED

Regd. Office: 5C/1, KIADB Industrial Area, Attibele, Bengaluru-562107, Karnataka
CIN: U32109KA1984PLC079103, Phone:080 67888300
Website: www.schneiderelectricpresident.com
E-mail: priyanka.aggarwal@schneider-electric.com

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of Schneider Electric President Systems Limited will be held on Wednesday, 19th day of September, 2018 at 10:00 A.M. at LA Classic Hotel, Plot No. 158, Yadavanahalli, Hosur Main Road, Attibele, Bengaluru – 562107, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Schedules and Notes attached thereto, along with the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the Schedules and Notes attached thereto, along with the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”
2. To appoint a Director in place of Mr. Javed Ahmad (DIN No. 01705373) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment as Director and in this regard, pass the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Javed Ahmad (DIN No. 01705373), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”
3. To appoint a Director in place of Mr. Sugata Sircar (DIN No. 01119161) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment as Director and in this regard, pass the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sugata Sircar (DIN No. 01119161), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

4. To consider appointment of Mr. Nitin Bakshi (DIN: 07837847) as a Non-Executive Director of the Company and, in this regard, pass the following Resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of the Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force) [the Act] Mr. Nitin Bakshi (DIN: 07837847), 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 by the Board of Directors with effect from November 23, 2017, in terms of Section 161(1) of the Act 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 Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”
5. To ratify the remuneration of Cost Auditors for the Financial Year ending March 31, 2019 and in this regard, pass the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 and as recommended by the Audit Committee and approved by the Board of Directors of the Company, the remuneration to be paid to M/s. Rao Murthy & Associates, Cost Accountants, (ICWA Registration No. 000065) for the conduct of the audit of the cost records of the Company at a remuneration of Rs.1,10,000/- (Rupees One Lakh Ten Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year ending March 31, 2019, be and is hereby ratified and confirmed.”
6. To consider, participation in the World Employee Share Ownership Plan (WESOP) Scheme and in this regard, pass 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 Worldwide Employee Share Ownership Plan (WESOP) Scheme (the Scheme) of the Ultimate Holding Company, Schneider Electric SE, France and to ratify the financial assistance provided by the Company pursuant to the Scheme to the employees of the Company during the year 2017-18.

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 SE, 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."

Place: Gurugram
Date: 24th July, 2018

**By Order of the Board of Directors
For Schneider Electric President Systems Limited**

Registered Office: Plot 5C/1,
KIADB Industrial Area, Attibele,
Bengaluru -562107, Karnataka

Priyanka Gupta
Company Secretary
FCS: 9355

Notes:

1. **A member entitled to attend and vote at the 34th Annual General Meeting (AGM), is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the company. The instrument appointing a proxy/ proxies to be effective, should be deposited at the registered office of the Company duly completed and signed not less than Forty-Eight hours (48) before the commencement of the meeting. A Proxy form is enclosed.**

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or member.

2. A statement pursuant to Section 102(1) of the Companies Act, 2013 (Act) relating to the special businesses to be transacted at the AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office and the Corporate office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting, and also at the Meeting.
3. Information regarding particulars of Director seeking appointment/re-appointment requiring disclosure pursuant to the Secretarial Standard-2 on the General Meetings issued by the Institute of Company Secretaries of India are annexed as Annexure I.
The Company has received the consent / declaration for his appointment / re-appointment under the Companies Act, 2013 and the rules thereunder.
4. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice under Note No. 23.
5. Corporate Members intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution/ Authority Letter/ Power of Attorney, authorizing their representatives together with the specimen signatures of the representative(s) to attend and vote on their behalf at the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 13, 2018 to Wednesday, September 19, 2018 (both days inclusive).
7. The Annual Report for the FY 2017-18, Notice of 34th AGM along with the attendance slip and Proxy form, notice of e-voting etc. are being sent to the members through e-mail who have registered their email ids with the Company/Depository Participants (DPs)/ Company's Registrars and Share Transfer Agents (RTA), M/s. Universal Capital Securities Private Limited.

Members are requested to update their preferred e-mail ids with the Company/ DP/ RTA which will be used for purpose of future communications.

Members whose email id is not registered are being sent physical copies of the said Annual Report and Notice at their registered address through permitted mode. To support the 'Green Initiative' the members who have not registered their e-mail addresses are requested to register the same with RTA.

8. Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company Secretary at email id: priyanka.aggarwal@schneider-electric.com or write to the Company at its registered office address or to the RTA at "21, Shakil Nivas, Mahakali Caves Road, Andheri (E) Mumbai 400 093, Telephone: +91-22-28207203-05 Fax: +91- 22-28207207 at e-mail: karlekar@unisec.in.

Contact Person: Mr. Rajesh Karlekar/ Mr. Ravi Utekar

9. The Notice and the Annual report will also be available under the Investors section on the website of the Company at www.schneiderelectricpresident.com and NSDL e-voting website for download.
10. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and / or change in address or updation thereof with the RTA. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.

11. In case you wish to change/update the NEFT/ECS mandate, please write to the RTA. However, for the shares held in demat form, please write to your DP.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
13. Members/ proxies/ Authorized Representatives are requested to bring to the meeting necessary details of their shareholding, duly filled admission/ attendance slip(s) and copy(ies) of their Annual Report.
14. Non-Resident Indian members are requested to inform the RTA/ respective DPs, immediately of (a) change in their residential status on return to India for permanent settlement and (b) particulars of their bank accounts maintained in India with complete details.
15. Members having any question on financial statements or on any agenda item proposed in the notice of AGM are requested to send their queries at least ten days prior to the date of AGM of the Company at its registered office address to enable the Company to collect the relevant information.

16. Appeal to Shareholders:

- a. Email Registration: The members are requested to register their email ids to obtain faster, accurate and complete communications from the Company.
- b. Demat Holding: Holding of securities in demat form instead of physical form, eliminates bad delivery, saves stamp duty on transfers, ensures faster settlement, eases portfolio management and provides 'on-line' access through internet.
17. For the security and safety of the members, the shareholders/ attendees are strictly requested not to bring any article/ baggage including water bottles and tiffin boxes at the AGM venue.
18. A Route map along with prominent landmark for easy location to reach the AGM venue is provided at the end of this notice.
19. 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.
20. 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.
21. 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 Annual General Meeting.
22. Pursuant to the provisions of Section 124 of the Companies Act, 2013 (corresponding Section 205A of the Companies Act, 1956), unclaimed dividend for the previous Financial Years were transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.
23. Voting through Electronic Means- Remote E-Voting
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company is pleased to provide Members with a facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through Poll Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Poll Paper.
 - III. Members who have cast their vote by remote e-voting prior to the AGM may also attend AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	From 9:00 A.M. (IST) on September 16, 2018
End of remote e-voting	Up to 5:00 P.M. (IST) on September 18, 2018

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

Once the vote on the resolutions is cast by the Members, the Member shall not be allowed to change it subsequently.

- V. Any person who acquires shares of the Company and becomes member of the Company after dispatch of Notice of AGM and holding shares as of the cut-off date i.e. September 12, 2018 can obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
- VI. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. September 12, 2018 only shall be entitled to avail the facility of remote e-voting and vote at the AGM through Poll Paper.
- VII. The instructions for remote e-voting are as under:

STEP A

Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

STEP B

Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- VIII. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to biswajit@bmpandco.com with a copy marked to evoting@nsdl.co.in
- IX. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- X. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- XI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- XII. The voting rights of Members shall be in proportion to their shares of the Paid-Up equity share capital of the Company as on the cut-off date i.e. September 12, 2018.
- XIII. Mr. Biswajit Ghosh, Practicing Company Secretary (FCS 8750 and CP 8239) have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of poll paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall immediately after the conclusion of voting at the AGM will count the votes casted at the meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 3 days of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes casted in favor or against, if any, forthwith to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
- XVI. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.schneiderelectricpresident.com and on the website of NSDL immediately after declaration of results.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES 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 6 of the accompanying Notice.

Resolution No. 4

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee have appointed Mr. Nitin Bakshi as an Additional Director of the Company in the capacity of Non-Executive Director with effect from 23.11.2017, liable to retire by rotation, subject to consent by the Members of the Company at the 34th Annual General Meeting ("AGM").

A copy of the letter of appointment, setting out the terms and conditions of appointment of Mr. Nitin Bakshi, is available for inspection, without any fee, by the members at the Company's registered office and corporate office during normal hours on working days up to the date of the AGM, and also at the Meeting.

The Company has received from Mr. Nitin Bakshi (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013.

In terms of Section 160(1) of the Companies Act, 2013, the Company has received notice in writing from a member proposing the candidature of Mr. Nitin Bakshi for the office of Director of the Company.

Details pursuant to Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as **Annexure-I**.

Except Mr. Nitin Bakshi and his relatives to the extent of their shareholding interest, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out in Item No. 4.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the members in the interest of the Company.

Resolution No. 5

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the members of the Company at the General Meeting.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 at remuneration set out in the resolution.

Accordingly, ratification by the members is being sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019 by way of an Ordinary Resolution as set out in Item No. 5 of the Notice.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way concerned or interested financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

Resolution No. 6

Schneider Electric, at the group level has an Employee Stock Option Scheme called Worldwide Employee Share Ownership Plan (WESOP) Scheme (the Scheme) whereby employees of the Schneider Group have the option to subscribe the shares of Schneider Electric SE, France ("SE France") as employees of the group company.

The Scheme is available in 32 Countries, covering approximately 1,15,000 employees of Schneider Electric. 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, 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 www.schneiderelectricpresident.com.

None of the directors and Key Managerial Personnel of the Company and their relatives except Independent Directors and their relatives are concerned or deemed to be interested in the resolutions as set out in Item No. 6 to the extent of the number of shares that may be acquired/ offered to them under the Scheme.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval of the members in the interest of the Company.

Place: Gurugram
Date: 24th July, 2018

**By Order of the Board of Directors
For Schneider Electric President Systems Limited**

Registered Office: Plot 5C/1,
KIADB Industrial Area, Attibele,
Bengaluru -562107, Karnataka

Priyanka Gupta
Company Secretary
FCS: 9355

Annexure-I

Details of Director seeking appointment/re-appointment at this Annual General Meeting of the Company pursuant to the Secretarial Standard-2 on the General Meetings issued by the Institute of Company Secretaries of India.

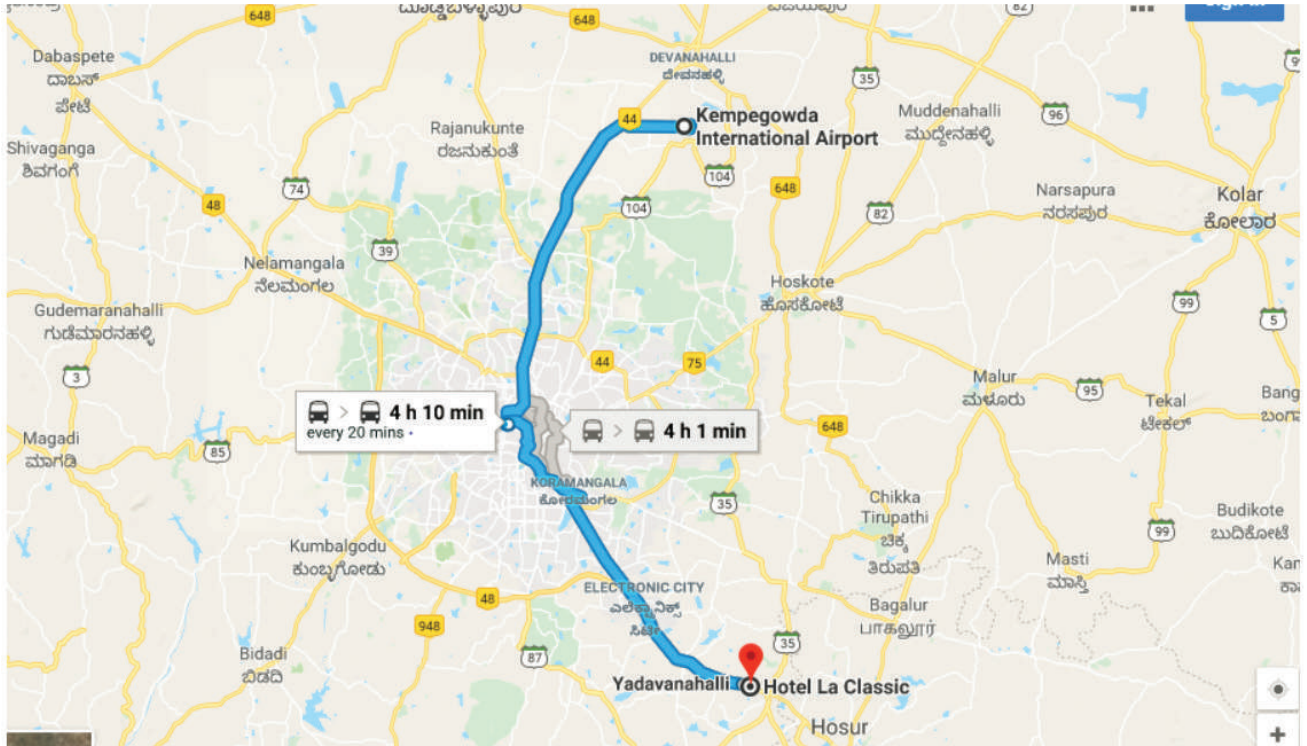
Name of Director	Javed Ahmad
DIN	01705373
Date of Birth	11-05-1967
Date of First Appointment	13-08-2013
Qualification	MBA
Expertise in specific functional area	Manufacturing & Supply Chain Operations.
List of Companies in which Directorship is held	Schneider Electric IT Business India Private Limited
Chairman/Member of the Committee (s) of Board of Directors of Other Companies	Member of the Corporate Social Responsibility Committee of Schneider Electric IT Business India Private Limited
No. of Shares held in the Company	NIL

Name of Director	Sugata Sircar
DIN	01119161
Date of Birth	20-12-1963
Date of First Appointment	13-11-2014
Qualification	FCA
Expertise in specific functional area	His focus areas are business performance management, strategy and business decision support, investment decisions, efficiency improvement, processes and systems, leadership and risk management.
List of Companies in which Directorship is held	<ul style="list-style-type: none"> • Schneider Electric India Private Limited • Schneider Electric Infrastructure Limited • Eurotherm India Private Limited • Schneider Electric Systems India Private Limited • Spreading Happiness Indiya Foundation • Schneider Electric Lanka Private Limited • McKinnon 7 Clarke (India) Private Limited (Under Liquidation) • Schneider Electric Private Limited • Energy Grid Automation Transformers and switchgears India Private Limited
Chairman/Member of the Committee (s) of Board of Directors of Other Companies	Member of the Audit Committee of Schneider Electric Infrastructure Limited Member of the Corporate Social Responsibility Committee of Schneider Electric India Private Limited
No. of Shares held in the Company	NIL

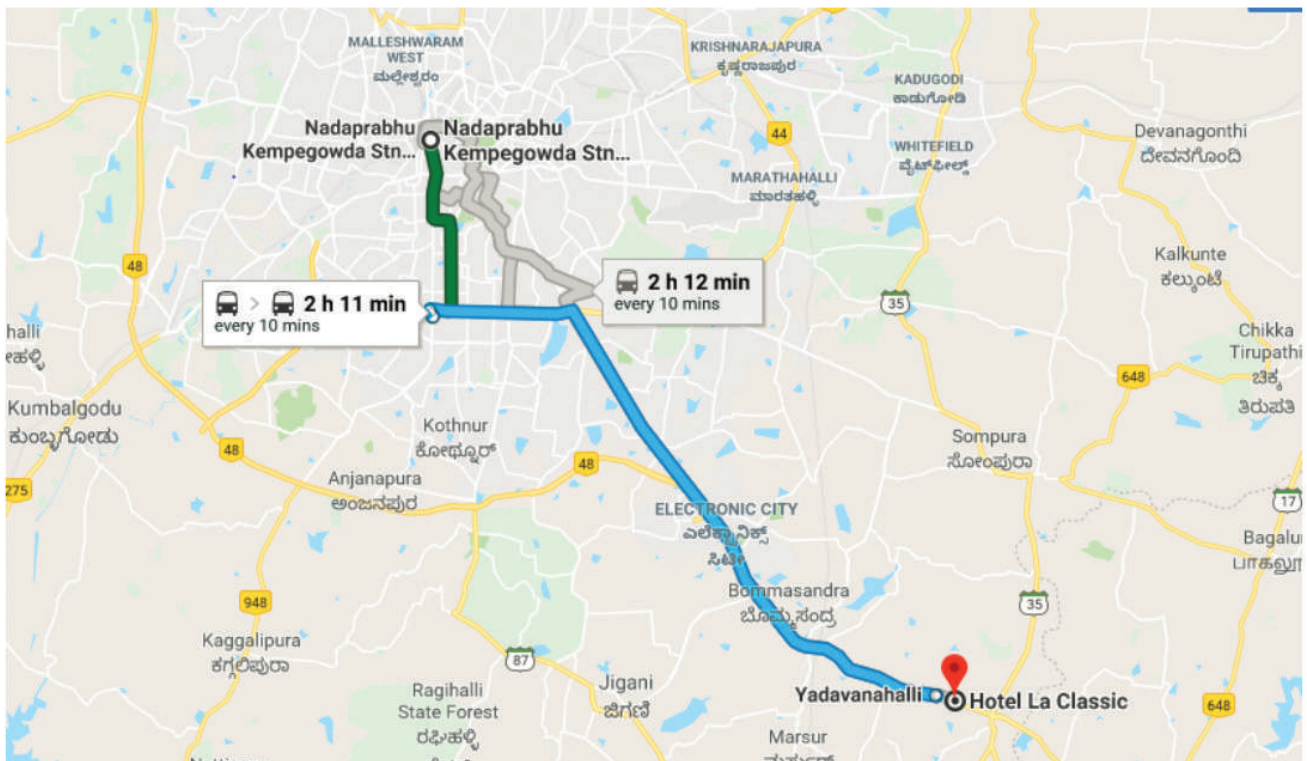
Name of Director	Nitin Bakshi
DIN	07837847
Date of Birth	03-12-1975
Date of First Appointment	23-11-2017
Qualification	BE, MBA
Expertise in specific functional area	Quality, Manufacturing & Supply Chain Management.
List of Companies in which Directorship is held	Schneider Electric IT Business India Private Limited
Chairman/Member of the Committee (s) of Board of Directors of Other Companies	NIL
No. of Shares held in the Company	NIL

Route Map to the Venue of the Annual General Meeting:

From Kempegowda International Airport to LA Classic Hotel, Plot No. 158, Yadavanahalli, Hosur Main Road, Attibele, Bengaluru - 562107.



From Kempegowda Bus Station/ Majestic to LA Classic Hotel, Plot No. 158, Yadavanahalli, Hosur Main Road, Attibele, Bengaluru - 562107.



DIRECTORS' REPORT

The Members,

SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED

Your Directors take pleasure in presenting herewith the Annual Report and Audited Financial Statements for the year ended March 31, 2018.

1. Financial Results

Rs. in Lakhs

Particulars	31.03.2018	31.03.2017
Gross Revenue from Operations	33,103.28	29,082.00
Net Revenue	32,449.24	27,154.27
Earnings before interest and Depreciation (EBITDA)	2,607.83	2,584.83
Less: Interest	201.96	259.11
Depreciation	516.17	520.62
Profit / (Loss) before Tax	1,889.70	1,805.10
Less: Provision for Tax	773.36	539.52
Less: Deferred Tax Liability	(194.87)	(105.51)
Profit After Tax	1,311.21	1,371.10
Add: Balance brought forward	3,240.31	1,869.21
Less: Adjustment on account of depreciation	--	--
Profit available for distribution	4,551.52	3,240.31
Appropriation	--	--
Total Balance carried forward	4,551.52	3,240.31

2. Dividend

After careful assessment of the fund requirement of your Company for the ongoing business, repayment of borrowings and for growth, the Board of Directors have decided not to recommend the declaration of dividend to the Shareholders of the Company.

3. Performance

The Net Revenues (net of duties and taxes) during the year were Rs.32,449.24 lakhs as against Rs. 27,154.27 lakhs in the previous year. Net Sales Turnover increased by 19% over the previous year. During the year, there was increase in employee costs of Rs. 186 lakhs over previous year due to merit increase during the year.

Casual Labour cost was Rs.953 lakhs as against Rs.748 lakhs in previous year due to increase in sales volume. Power costs was Rs. 474 lakhs as against Rs 448 lakhs in previous year. Legal and professional expenses were increased to Rs. 857 lakhs as against Rs. 700 lakhs in previous year. Advertising and sales promotion expenses decreased to Rs. 6 lakhs as against Rs. 33 lakhs in previous year. Loss on account of foreign exchange fluctuations (net) increased to Rs. 37 lakhs as against gain of Rs. 42 lakhs in previous year. Increased sales volumes and effective plant utilization resulted into increase in EBITDA of Rs. 2,608 lakhs as against EBITDA of Rs. 2,585 lakhs in the previous year.

Revenue from processing charges increased to Rs. 623 lakhs against Rs.493 lakhs in previous year. Revenue from services like Commissioning and Installation consulting engineering and other service charges has decreased to Rs. 34 lakhs from Rs. 89 lakhs in previous year.

4. Directors and Key Managerial Personnel

Change in Directors

Mr. Nitin Bakshi appointed as an Additional Director of the Company effective from 23rd November, 2017.

Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Javed Ahmad and Mr. Sugata Sircar, Directors retire by rotation and being eligible, offers themselves.

Considering the background and experience of Mr. Javed Ahmad and Mr. Sugata Sircar, the Board believes their re-appointment will immensely benefit your Company. The Board recommends their re-appointment.

Brief particulars of the Directors to be re-appointed are given elsewhere in this report.

As per the declarations received, none of the Directors of the Company are disqualified for being appointed/re-appointed as Directors as specified in Section 164(2)(a) and (b) of the Companies Act, 2013.

Board of Directors*

The following are the Board of Directors as on 31st March, 2018:

- 1) Mr. Shravan Vijaykumar Sharma - Chairman
- 2) Mr. Javed Ahmad
- 3) Mr. Nitin Bakshi
- 4) Ms. Rachna Mukherjee
- 5) Mr. Sugata Sircar
- 6) Mr. Swaminathan Venkatraman
- 7) Mr. Vishar Subramanian Vasudevan

*Arranged in alphabetical order except Chairman

Key Managerial Personnel

The following are the Key Managerial Personnel as on 31st March, 2018:

- 1) Mr. Damodar Kalavala, Chief Financial Officer
- 2) Ms. Priyanka Gupta, Company Secretary

BRIEF PARTICULARS OF ALL DIRECTORS ARE AS UNDER:

SHRAVAN VIJAYKUMAR SHARMA

Mr. Shravan Vijaykumar Sharma is a Practicing Chartered Accountant primarily practicing in the field of Income Tax, Finance, Capital Markets.

He has over the years held directorships as well as general Consultant positions in the various companies and has continued by way of upscaling business.

He was on the CSR committee of the Institute of Chartered Accountants of India.

He is a Chairman of Audit Committee, Stakeholder's Relationship Committee and Risk Management Committee of the Company and member of Nomination and Remuneration Committee.

Mr. Shravan Vijaykumar Sharma does not hold any shares in the Company.

VISHAR SUBRAMANIAN VASUDEVAN

Mr. Vishar Subramanian Vasudevan held the position of CFO at Dr. Reddy's Laboratories Limited, responsible for Finance and Investor Relations for a period of 23 years. During this period Dr. Reddy's transformed itself from a start up to a US \$ 1 Bn company and was listed in NYSE.

He contributed to molding the Company, post economic liberalization from 1991 onwards (and for Export sector from 1986 onwards). He was instrumental in putting together innovative financial structures for the company's R&D activities and Product Development activities – also a case study in Harvard Business School and complimented by Dr. Anji Reddy as 'Innovations need not happen in labs alone, they can also happen in finance'.

He also held the position of Head of European Operations for a period of 3½ years based in London and during this tenure was responsible for developing the European market for Dr. Reddy's through a series of organic and inorganic moves. As a member of Management Council at Dr. Reddy's, CFO and being on Board of companies in Europe and India, was a key member for developing the strategy and driving execution for Dr. Reddy's growth.

He enabled the company to establish very progressive Corporate Governance policies and practices including ahead of time compliance with Sarbanes Oxley Act and Clause 49 requirements, brought board practices to a world class level in terms of information sharing, analysis of competitor information, detailed analysis and benchmarking of Company information to facilitate decision making. He was a key participant in transforming the company from a regional API manufacturer to a global corporation and key player in formulating strategy and corporate policies.

He is also on the Board of Schneider Electric Infrastructure Limited. Currently he is also doing Equity research and portfolio management with a team of young Management Graduates.

He is a Member of the Audit Committee and Chairman of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company.

Mr. Vasudevan does not hold any shares in the Company.

SUGATA SIRCAR

Mr. Sugata Sircar is a Chartered Accountant with 27 years of experience in various industries including Electrical Energy, Gas Distribution, Manufacturing of Chemicals, Textiles, Tyres and FMCG. He has worked as CFO and as Managing Director of a Public Limited Company

in India. In his current role he sits on the Board of several Schneider Electric India companies and partners the President & MD in managing all businesses of Schneider Electric in India and neighboring countries.

His focus areas are business performance management, strategy and business decision support, investment decisions, efficiency improvement, processes and systems, leadership and risk management. He has been actively involved in various CFO forums and is currently member of The CFO Board and President of the CFO Committee of The Indo French Chamber of Commerce & Industry.

He is a Member of the Audit Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Finance Committee of the Company.

Mr. Sircar does not hold any shares in the Company.

JAVED AHMAD

Mr. Javed Ahmad is a MBA from Rhode Island university in USA class of 1991. Javed Ahmad joined American Power Conversion in US in 1991 and later got transferred to India in 1999 when APC started its India operations.

He spearheaded growth of ITBU Manufacturing and supply chain operations in India from 1999 to 2013 from one factory with 50 employees to currently 8 facilities and nearly 2700 staff, with a present day levels of COGS of 350 Million Euros.

His current role Senior Vice President for GSC India, Middle East & Africa Operations. Javed has been guiding force for behind growth and all around improvement in GSC India.

He is a Member of the Finance Committee of the Company.

Mr. Javed Ahmad does not hold any shares in the Company.

RACHNA MUKHERJEE

Ms. Rachna Mukherjee is currently the Chief Human Resources Officer of Schneider Electric, India Zone, and has worked extensively in the areas of Talent Management, Career/ Succession Planning, Organization Capability, Change Management, Leadership Development, Employee Engagement, Compensation and Organization Design. She also has a rich experience of managing HR operations which enhances her ability to evolve and implement long term transformational initiatives.

Prior to joining Schneider Electric, she was Vice President HR at Aircel Ltd. She has managed HR for the organization through its exponential growth phase of doubling the employee base in a short span, has driven the people agenda for the launch of an additional 13 circle operations and had led various strategic HR initiatives during the most dynamic phase of the organization.

She carries diverse experience of over 25 years. She is a certified Executive and Life Coach from International Coach Federation and certified to conduct a series of leadership and employee development interventions by organizations like Hay, Gallup, DDI, Covey Institute etc. and is an achievement motivation trainer.

She has played key strategic roles in organizations such as Microsoft, IBM, Escotel Mobile Communications, NIC and Blue Star – Hewlett Packard. Rachna Mukherjee is a recipient of the Business world Woman HR Leader of the Year Award, 2016 and the HR Leadership Award – 2010.

She is an Electronics & Electrical Engineer from BITS - Pilani and after an initial contribution to Engineering roles, she moved to Human Resources.

She is a Member of the Nomination and Remuneration Committee of the Company.

Ms. Rachna Mukherjee does not hold any shares in the Company.

SWAMINATHAN VENKATRAMAN

Mr. Swaminathan Venkatraman is a seasoned professional with an extensive experience in the field of sales, service, marketing and business development. He brings with him an illustrious 28 years of industry experience. He is highly proficient in Data Center solutions. He brings a wealth of experience in product based solutioning for Mission Critical Customer applications like Data centers, Mobile Switch Centers, Test laboratories etc. He is a Product domain expert for Power Conditioning (UPS), Precision Cooling, Rack Systems and such other Data Center offers.

He has been with Schneider Electric for over 6 years, managing strategic acquisitions while continuously providing product and people oriented solutions that lead to a consistent growth in the business.

He began his career as a management trainee at Voltas Ltd. in 1989 and took independent charge of Compressor Repair Shop. Very soon he took over as Senior Service Engineer - Mumbai region for all Cooling products. He expanded the regional sales by 25% during his tenure with Voltas Ltd.

Industrial Cooling was clearly Venkat's calling and he then joined Emerson Network Power in 1995 as their Sales Manager for Western Region. He excelled in selling Precision Cooling concepts at early stages of IT & Data Center boom in the country. With this success in his stride, he became Business Manager – Cooling product line for PAN India basis at Emerson in 1998. Working in the role, he managed to increase division revenues by three-folds for each sales associate and achieved the operating profits within 18 months of launching the products. From this pinnacle he went to become the Country Manager – Product Marketing at Emerson in 2002. He was responsible for Strategy & product management – UPS (Power Supplies – small, medium & High kVA UPS Systems), Precision Cooling and DC Power systems.

By 2006, he was a well-known name within the Heating, Ventilation and Air-conditioning (HVAC) industry with over a decade of rich

experience and some major professional accomplishments he yearned for newer challenges and opportunities.

In 2006 he joined APW President Systems Ltd. as Vice President – Enclosure Solutions & Technical Services. APW President was an Indian firm manufacturing IT Enclosures and trading in other IT products from foreign partners. This was a bold move by Venkat as he shifted from a multinational company like Emerson Network Power to an Indian company APW President, moving away from Cooling to IT Enclosures. But with his dedication and perseverance he excelled in his new role and grew President Systems business by 30%+ during 2009-10. He introduced the consultative selling for IT Enclosures, thereby evolved a product for high heat density Server Racks, application note to enable sales person to sell the concept to potential Customers. Successfully implemented Sales CRM for better business functioning.

After streamlining the processes and putting APW President on the growth track he moved back to his first love - Cooling - at Uniflair India. He joined Uniflair in July 2010 as Managing Director handling the India region for the Uniflair cooling business. Under his able leadership company achieved 40% CAGR for 3-year period (2010-13) with capturing large chunk of market share leading to a profitable operation in India.

Uniflair India was acquired by Schneider Electric India in December 2010 and thus he became a Schneider Electric employee managing its IT Cooling line of business under Uniflair brand. Schneider Electric also acquired APW President Systems Ltd in January 2011. These two acquisitions led to an interesting curve in his professional journey as he had the unique positioning of leading both the organizations successfully, had strong People and Customer connect of both entities.

He was appointed as the Managing Director of Schneider Electric President Systems Ltd (formerly known as APW President Systems Ltd) in August'13 while he also headed the Cooling business in India under Schneider Electric. President systems saw a major turnaround under his leadership wherein the company grew profitably and integrated well with Schneider Electric thereby catering to Customers outside of India as well. A robust Distribution and Channel Partner business model was also set-up which led to a wider reach of President Systems products.

President Systems was on downward slope as IT/Telecom Racks business was on a consistent decline, market share dropped resulting in reduced factory utilization therefore increase in product cost spiraling further complications including loss of people morale. P&L was also negative leading to unprecedented Schneider Electric management attention for a reasonably small entity.

He took charge of the situation and along with his team focused on the business priorities catapulting the business to register a strong top line growth between 2013-2015 wherein the turnover jumped almost 40% in 2015 versus 2013. Schneider Electric President Systems turnaround is a success story within Schneider Electric group and is considered as one of the best acquisitions Schneider Electric has done in the region. At President, the situation demanded re-engineering the Sales Organization, getting the back office to collaborate & support Front office and then getting Customer focus, building strategy to win large deals. Venkat ensured all this with his perseverance to achieve high impact results with Goal directed actions.

In 2014, he took additional responsibility of Enterprise Sales & Business Development for Schneider Electric IT Business. While he is also the Managing Director of Schneider Electric President Systems, Venkatraman currently holds the position of VP & Country GM, IT Division- India & SAARC.

He is a high growth individual whose Customer relationships span more than two decades and therefore Customers associate with the organization he represents. He is a people's man and he believes in collective strength of teams which can deliver differentiated performance and business results.

He is a Member of the Stakeholders Relationship Committee, Corporate Social Responsibility, Risk Management Committee and Finance Committee of the Company.

Mr. Swaminathan Venkatraman does not hold any shares in the Company.

NITIN BAKSHI

Mr. Nitin Bakshi has done Engineering from National Institute of Technology, Kurukshetra, India and Master of Business Administration with specialization in Finance from ICFAI, India.

He is a Vice President, Product Cluster 2 joined Schneider Electric on June 6, 2008 and brings 20 years of Industry Leadership experience.

He joined as Head Development & Qualification leading for two and half years and later moved as Director- New Product Development & Qualification and served for a period of 3 years. During this tenure, he has largely contributed in Value engineering and Programme Management and taken up the current role heading Operations as Vice President, PC2 of Schneider Electric India, since Jan 2014.

Prior to joining Schneider Electric, Nitin Bakshi served 1 year as Head of Business Excellence at Sopra Steria, leading Six Sigma Implementation and Quality Innovation.

He had also served as Asia Pacific Quality Head from 2004 to 2007 in APC MGE by Schneider Electric.

Prior to that, he had also served as Head Quality Planning, Manufacturing, Innovation and Vendor Development at LG Electronics from 1997-2003 for a period of 6 years.

He is not a Member of any Committee(s) of the Company.

Mr. Nitin Bakshi does not hold any shares in the Company.

5. Auditors

i. Statutory Auditors and Audit Report

M/s S.R Batliboi & Associates, LLP, Chartered Accountants (Reg. No. 101049W/E300004), Statutory Auditors of the Company, were appointed by the Shareholders of the Company at their 32nd Annual General Meeting (AGM) held on September 29, 2016 from the conclusion of 32nd Annual General Meeting up to the conclusion of the 37th Annual General Meeting of the Company and have furnished a certificate of their eligibility that their appointments is within the limits specified under Section 139(1) and 141 of the Companies Act, 2013 and the rules framed thereunder. The Report given by the Auditors on the Financial Statements of the Company forms part hereof. There is one qualification given by the Auditor in their report on internal financial controls over financial reporting, the Company's internal controls system for manage change, manage access and manage operations for its IT systems and processes needs to be strengthened to operate effectively. The term 'material weakness' is explained by the Auditor as a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In the opinion of the Auditors, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.

Board Comments: The Company has appropriate manual controls to mitigate ITGC risk with respect to manage change, manage access and manage operations. As per recommendation, the Company is in the process of further strengthening the controls.

There were no fraud transactions reported by the Statutory Auditor of the Company.

ii. Cost Auditors

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company has been carrying out audit of cost records. The Board of Directors on the recommendation of Audit Committee has appointed M/s. Rao Murthy & Associates, Cost Accountants, (ICWA Registration No. 000065) as Cost Auditors to audit the cost records of the Company for the Financial Year 2018-19. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the forthcoming 34th Annual General Meeting.

iii. Secretarial Auditor and Secretarial Audit Report

The Board has appointed M/s BMP & Co. LLP, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the Financial Year 2017-18 as required under Section 204 of the Act and rules made thereunder. The Secretarial Audit Report for the Financial Year 2017-18 is attached as **Annexure I** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

6. Public Deposits

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

7. Subsidiary/ Joint Venture/ Associate Companies

Your Company has no Subsidiary/ Joint Venture/ Associate Company.

8. Technical Knowhow

The Company is fully capable of evolving its own designs as well providing the support required for the operations of the Company.

9. Conservation of Energy etc.

Information as per the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure II** forming part of this report.

10. Reserves

Rs. 1,311.21 Lakhs was transferred to General Reserves for the year ended 31st March, 2018.

11. Share Capital

The Paid-Up Equity Share Capital of the Company as on 31st March, 2018 was Rs. 60,480,000. During the year under review, there has been no change in the Equity Share Capital of the Company.

12. Board Meetings and Annual General Meeting

The Board of Directors met Four (4) times (01st June, 2017, 03rd August, 2017, 23rd November, 2017 and 15th March, 2018) during this Financial Year.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting:

S. No.	Name of Directors*	Position	Classification	Number of Board meetings attended FY 2017-18	Attendance at the last AGM held on 19th September, 2017
1	Mr. Shravan Vijaykumar Sharma	Chairman	Independent Director (Non-Executive Director)	4	Yes
2	Mr. Javed Ahmad	Director	Non-Executive	1	No
3.	Mr. Nitin Bakshi*	Director	Non-Executive	0	Not Applicable
4	Ms. Rachna Mukherjee	Director	Non-Executive	3	No
5	Mr. Sugata Sircar	Director	Non-Executive	4	Yes
6	Mr. Swaminathan Venkatraman	Director	Non-Executive	1	Yes
7	Mr. Vishar Subramanian Vasudevan	Director	Independent Director (Non-Executive Director)	4	Yes

*Arranged in Alphabetical order except Chairman.

** Effective 23.11.2017, Mr. Nitin Bakshi was appointed as an Additional Director.

13. Criteria of Independence

The Nomination and Remuneration Committee assesses the independence of Directors at the time of appointment / re-appointment pursuant to the criteria laid down by the Company in line with the requirements of the Companies Act, 2013. Determination of independence is being re-assessed when any new interests or relationships are disclosed by a Director.

14. Declaration from Independent Directors on Annual Basis

The Company has received necessary declaration from all Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6). The Board has duly taken note of the same.

15. Composition of the Committees

Composition of the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Risk Management Committee, CSR Committee and Finance Committee are given below:

(A) Audit Committee

Audit Committee of the Company comprises of three Directors. Out of three Directors, two are Independent Directors. The composition of the Audit Committee during the year was as under:

Name	Designation on the Committee
Mr. Shravan Vijaykumar Sharma	Chairman - Independent Director
Mr. Vishar Subramanian Vasudevan	Member - Independent Director
Mr. Sugata Sircar	Member

The above composition duly meets the requirement of the Companies Act, 2013.

The Internal Auditor, representatives of the Statutory Auditors and Cost Auditors are invitees to the meetings of the Audit Committee. Ms. Priyanka Gupta, Company Secretary is the Secretary to the Committee.

The terms of reference and powers of the Audit Committee include overseeing the Company's financial reporting process and the disclosure of its financial information, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, reviewing reasons for the substantial defaults in the payment to depositors, shareholders and creditors, if any and review the function of the Whistle Blower Mechanism.

The Audit Committee acts as a link between the management, external and Internal Auditors and the Board of Directors.

The Audit Committee met 3 times during the year on 03rd August 2017, 23rd November, 2017, and 15th March, 2018 and the attendance of all the Audit Committee Members at the said meetings are as under:

S. No	Name	Number of Meetings attended
1	Mr. Shravan Vijaykumar Sharma	3
2	Mr. Sugata Sircar	3
3	Mr. Vishar Subramanian Vasudevan	3

Composition of Audit Committee of the Company may be accessed at Company's website at www.schneiderelectricpresident.com.

(B) Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Company comprises of three Directors. Out of three Directors, two are Independent Directors. The composition of the Nomination and Remuneration Committee during the year was as under:

Name	Designation on the Committee
Mr. Vishar Subramanian Vasudevan	Chairman - Independent Director
Mr. Shravan Vijaykumar Sharma	Member - Independent Director
Ms. Rachna Mukherjee	Member

The above composition duly meets the requirement of Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee met 2 times during the year on 23rd November, 2017 and 15th March, 2018 and the attendance of the Committee members at the said meeting is as under:

S. No	Name	Number of Meeting	Attended
1	Mr. Shravan Vijaykumar Sharma	2	2
2	Ms. Rachna Mukherjee	2	1
3	Mr. Vishar Subramanian Vasudevan	2	2

Ms. Priyanka Gupta, Company Secretary is Secretary to this Committee.

Composition of Nomination and Remuneration Committee of the Company may be accessed at Company's website at www.schneiderelectricpresident.com.

(C) Stakeholders Relationship Committee

The Stakeholders Relationship Committee is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievances of the shareholders etc.

The Stakeholders Relationship Committee comprises of the following members:

Name	Designation on the Committee
Mr. Shravan Vijaykumar Sharma	Chairman- Independent Director
Mr. Sugata Sircar	Member
Mr. Swaminathan Venkatraman	Member

The Stakeholders Relationship Committee met once during the year on 15th March, 2018 and the attendance of the Committee members at the said meeting is as under:

S. No	Name	Number of Meeting	Attended
1	Mr. Shravan Vijaykumar Sharma	1	1
2	Mr. Sugata Sircar	1	1
3	Mr. Swaminathan Venkatraman	1	0

Ms. Priyanka Gupta, Company Secretary of the Company is Secretary to this Committee.

Composition of Stakeholders Relationship Committee of the Company may be accessed at Company's website at www.schneiderelectricpresident.com.

(D) Risk Management Committee

As a proactive measure, the Board has constituted the Risk Management Committee. The roles and responsibilities of Risk Management Committee includes monitoring and review of risk management plan and reporting the same to the Board of Directors as it may deem fit.

The Risk Management Committee comprises of the following members:

Name	Designation on the Committee
Mr. Shravan Vijaykumar Sharma	Chairman- Independent Director
Mr. Swaminathan Venkatraman	Member
Mr. Sugata Sircar	Member

Ms. Priyanka Gupta, Company Secretary of the Company is Secretary to this Committee.

Composition of Risk Management Committee of the Company may be accessed at Company's website at www.schneiderelectricpresident.com.

(E) Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee to discharge the duties stipulated under Section 135 of the Companies Act, 2013 which includes formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013; recommendations of the amount of expenditure to be incurred and monitoring the CSR Policy of the Company.

The Corporate Social Responsibility Committee comprises of the following members.

Name	Designation on the Committee
Mr. Vishar Subramanian Vasudevan	Chairman- Independent Director
Mr. Sugata Sircar	Member
Mr. Swaminathan Venkatraman	Member

The above composition duly meets the requirement of the Companies Act, 2013.

The Corporate Social Responsibility Committee met once during the year on 03rd August, 2017 and the attendance of all the Committee Members at the said meeting are as under:

S No	Name of the Director	Number of Meetings held	Attended
1	Mr. Vishar Subramanian Vasudevan	1	1
2	Mr. Sugata Sircar	1	1
3	Mr. Swaminathan Venkatraman	1	0

Ms. Priyanka Gupta, Company Secretary of the Company is Secretary to this Committee.

Composition of Corporate Social Responsibility Committee of the Company may be accessed at Company's website at www.schneiderelectricpresident.com.

(F) Finance Committee

The Company has constituted Finance Committee to carry out the following matters i.e. to borrow monies, to invest the funds of the Company, to grant loans or give guarantee or provide security in respect of loans or any renewals, thereof.

The Finance Committee comprises of the following members:

Name	Designation on the Committee
Mr. Sugata Sircar	Member
Mr. Swaminathan Venkatraman	Member
Mr. Javed Ahmad	Member

The above composition duly meets the requirement of the Companies Act, 2013.

The Finance Committee met 3 times during the year on 19th September, 2017, 23rd November, 2017 and 15th March, 2018.

Ms. Priyanka Gupta, Company Secretary of the Company is Secretary to this Committee.

Composition of Finance Committee of the Company may be accessed at Company's website at www.schneiderelectricpresident.com.

RE-CONSTITUTION OF THE FOLLOWING COMMITTEES:

Since the term of the Independent Directors of the Company is due to expire at this 34th Annual General Meeting of the Company, the Board of Directors of the Company at their meeting held on July 24, 2018, have re-constituted the following Committee(s) of the Company as on date as under:

i. NOMINATION AND REMUNERATION COMMITTEE

As per Section 178 (1) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Nomination and Remuneration Committee of the Company is re-constituted as below:

Name	Designation
Mr. Vishar Subramanian Vasudevan	Chairman-Independent Director
Mr. Shravan Vijaykumar Sharma	Member-Independent Director
Ms. Rachna Mukherjee	Member
Mr. Swaminathan Venkatraman	Member
Mr. Sugata Sircar	Member

ii. AUDIT COMMITTEE

As per Section 177 (2) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Audit Committee of the Company is re-constituted as below:

Name	Designation
Mr. Shravan Vijaykumar Sharma	Chairman-Independent Director
Mr. Vishar Subramanian Vasudevan	Member-Independent Director
Mr. Sugata Sircar	Member
Mr. Swaminathan Venkatraman	Member
Mr. Javed Ahmad	Member

iii. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per Section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee of the Company re-constituted as below:

Name	Designation
Mr. Vishar Subramanian Vasudevan	Chairman-Independent Director
Mr. Sugata Sircar	Member
Mr. Swaminathan Venkatraman	Member
Ms. Rachna Mukherjee	Member

16. Extract of Annual Return

As provided under Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules 2014, the extract of annual return is given in **Annexure III** in the prescribed Form MGT-9, which forms part of this report.

17. Related Party Transactions

The Company has formulated a policy on Related Party Transaction and on dealing with the Material Related Party Transactions. All transactions entered with the Related Parties were as per the RPT Policy adopted by the Company. The policy is available on the website of the Company at www.schneiderelectricpresident.com

18. Remuneration to Directors

We confirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

No remuneration (other than sitting fees are paid to the Independent Directors, the details of which are given elsewhere in the report) is paid to Non-Executive Directors.

19. Particulars of Employees

The Information required pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, ('the Rules') in respect of employees of the Company, are available on the website of the Company.

In terms of first proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars specified under Rule 5(2) & (3) of the Rules. The same are available on the website of the Company viz. www.schneiderelectricpresident.com and is open for inspection by the Members at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof may write to the Company Secretary.

20. Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Directors hereby confirm that:

- in the preparation of the annual accounts for the year ended 31st March 2018, the applicable accounting standards have been followed and there are no material departures;
- we have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and profit and loss of the company as at 31st March, 2018;
- we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- we have prepared the annual accounts on a going concern basis;

- (E) we have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; For ITGC, we have appropriate manual controls to mitigate ITGC risk with respect to manage change, manage access and manage operations.
- (F) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively. And
- (G) the Company has complied with the Secretarial Standard-1 (Meetings of Board of Directors), Secretarial Standard-II (general meeting) issued and amended from time to time, by the Institute of Company Secretaries of India.

21. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rules amended up to date, the Company has constituted Internal Complaints Committee(s) at its Office at 5C/1, KIADB Industrial Area, Attibele, Bengaluru -562107, Karnataka and other places where the Offices of the Company are located. The Committees have been given the responsibility to address the complaint received, if any. The Company has also taken certain steps to create awareness about familiarization to the said policy. There was no instance of alleged sexual harassment reported during the year under review.

22. Internal Audit

The Company has a robust internal audit system, an independent function, designed to provide reasonable assurance with regards to the effectiveness and adequacy of the internal control system, processes and reliability of financial reporting. The in-house internal audit department, along with third party audit firms, provides audit assurance and consulting activities designed to add value and improve the Company processes through a systematic disciplined approach, from inception, through fieldwork, to final reporting, streamlined to fit in the COSO framework- to improve the effectiveness of risk management, control and governance processes.

The audit plan for the year is based on business risk and Internal Control assessment, which is approved by the Audit Committee. The Company has set up a robust risk management and Internal Control assessment framework across the organization which facilitates identification, assessment, communication and management of risk in effective manner.

As per the requirement of Companies Act 2013, a detailed internal financial control framework had been documented through the Risk and Control Matrix (RCMs) in 2015-16. Documented controls are updated and tested annually to ensure its effectiveness. Post controls testing, a diagnostic review of company processes' is completed, highlighting existing risk's and corresponding mitigation plan, with closure of previously identified risks', in compliance with requirements of ICFR guidelines.

23. Particulars of Loans, Guarantees or Investments

The details of Loans, Guarantees and Investments are given in the Schedule and Notes to the Financial Statements.

24. Material Changes and Comments affecting the Financial Position of the Company after 31st March, 2018

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

25. Details of significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's Operation in future

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations.

26. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the Rules made thereunder, the Company has formulated and implemented Vigil Mechanism for disclosing of any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and other improper practice or wrongful conduct by employees or directors of the Company.

During the year under review, the Company has not received any complaints relating to unethical behavior, actual or suspected fraud or violation of Company's code of conduct from any employee or directors.

27. Risk Management Policy

As a proactive measure, the Company has put in place Risk Minimization and Assessment Procedures. In order to effectively and efficiently manage risk and address challenges, the Company has formulated Risk Management Policy.

The objective of any risk identification and assessment process is to evaluate the combination of likelihood and level of negative impacts from an event. The three main components of a risk assessment are business risk, service/operational risk and external risk.

The Company manages the risk in line with current risk management best practices. This facilitates the achievement of our objectives, operational effectiveness and efficiency, protection of people and assets, informed decision-making, and compliance with applicable laws and regulations.

28. Buy back of Securities

The Company has not bought back any of its securities during the year under review.

29. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

30. Bonus Shares

No Bonus shares were issued during the year under review.

31. Status Report-Equity Shares of the Company

The Equity Shares of the Company were listed on the Pune Stock Exchange and permitted to be traded on the Bombay Stock Exchange. Consequent to de-recognition of the Pune Stock Exchange by SEBI, Bombay Stock Exchange had suspended the trading of the Equity Shares of the Company effective 22 May 2015.

As per the circular issued by SEBI for the Exclusively Listed Companies of De-recognized Stock Exchanges placed in the Dissemination Board, Schneider Electric South East Asia (HQ) Pte. Ltd. ("the Promoter") had provided an Exit Offer to the public shareholders of the Company at an offer price of Rs. 200.40 per share. The offer price was as per the valuation carried out by an independent valuer empaneled with the National Stock Exchange (NSE) as per the circular issued by SEBI. The public shareholders had an option to tender their shares to the Promoter until 11 March 2018 at the said price.

In the Exit Offer provided to the public shareholders of the Company, 344 Shareholders have tendered 3,31,939 Equity Shares i.e. (5.49% of the total Share Capital of the Company) to the Promoter of the Company.

Accordingly, as on date, promoter's Shareholding has increased from 75% to 80.49% of the total Share Capital of the Company.

32. Code of conduct and ethics

The Board of the Company has adopted a Code of Conduct and Ethics for the Directors and Senior Executives of the Company. The objective of the code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code sets out a broad policy for one's conduct in dealing with the Company, fellow Directors and Employees and with the environment in which the Company operates. The code is available on the Company's website at www.schneiderelectricpresident.com.

33. Policy on Remuneration to be paid to Directors, Key Managerial Personnel (KMP) and other employees and criteria for appointment of Directors

Your Company has in place Remuneration Policy for Directors, KMP and all other employees of the Company and the policy was recommended by the Nomination and Remuneration Committee and approved by the Board. The Policy may be accessed on the Company's website at www.schneiderelectricpresident.com

34. Corporate Social Responsibility

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure IV**.

The CSR Policy may be accessed on the Company's website at www.schneiderelectricpresident.com.

35. Acknowledgement

Your Directors would like to thank all stakeholders, namely, customers, shareholders, dealers, suppliers, bankers, employees and all other business associates for the continuous support given by them to the Company and its Management.

For and on Behalf of the Board of Directors

Place: Gurugram
Date: 24th July, 2018

(Shravan Vijaykumar Sharma)
Chairman

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Schneider Electric President Systems Limited
5C/1, KIADB Industrial Area,
Attibele, Bangalore -562107

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Schneider Electric President Systems Limited, (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, to the extent of its applicability to an unlisted Company;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - Not applicable as the company is an unlisted Company.
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

The Company has identified the following laws as specifically applicable to the Company:

1. Factories Act, 1948 and the Rules made thereunder
2. Boilers Act, 1923 and the Rules made thereunder
3. Electricity Act, 2003 and the Rules made thereunder
4. Gas Cylinder Rules, 1981 (under Indian Explosives Act) and the Rules made thereunder
5. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (under Indian Explosives Act)
6. Environment (Protection) Act, 1986 & the Rules made thereunder
7. The Water (Prevention and Control of Pollution) Act, and the Rules made thereunder
8. The Air (Prevention and Control of Pollution) Act, 1981 and the Rules made thereunder
9. Hazardous Wastes (Management and Handling) Rules, 1989
10. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
11. The Contract Labour (Regulation and Abolition) Act, 1970 and the Rules made thereunder
12. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and EPF, FPF Schemes

13. The Employees' State Insurance Act, 1948 and the Rules made thereunder
14. The Minimum Wages Act, 1948 and the Rules made thereunder / Notification of Minimum Wages applicable to various class of industries/ Trade
15. The Payment of Wages Act, 1936 and the Rules made thereunder
16. The Payment of Bonus Act, 1965 and the Rules made thereunder
17. The Payment of Gratuity Act and the Rules made thereunder
18. The Maternity Benefit Act, 1961 and the Rules made thereunder
19. The Equal Remuneration Act, 1976 and the Rules made thereunder
20. The Industrial Employment (Standing Orders) Act, 1946 and the Rules made thereunder
21. The Apprentices Act, 1961 and the Rules made thereunder
22. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
23. The Workmen's Compensation Act, 1923 and the Rules made thereunder
24. The Industrial Dispute Act, 1947 and the Rules made thereunder
25. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if Applicable
-Not applicable as the company is an unlisted Company

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

The Equity Shares of the Company were listed on the Pune Stock Exchange and permitted to be traded on the Bombay Stock Exchange. Consequent to de-recognition of the Pune Stock Exchange by SEBI, Bombay Stock Exchange had suspended the trading of the Equity Shares of the Company effective 22 May 2015.

As per the circular issued by SEBI for the Exclusively Listed Companies of De-recognized Stock Exchanges placed in the Dissemination Board, Schneider Electric South East Asia (HQ) Pte. Ltd. ("the Promoter") had provided an Exit Offer to the public shareholders of the Company at an offer price of Rs. 200.40 per share. The offer price was as per the valuation carried out by an independent valuer empaneled with the National Stock Exchange (NSE) as per the circular issued by SEBI. The public shareholders had an option to tender their shares to the Promoter until 11 March 2018 at the said price.

In the Exit Offer provided to the public shareholders of the Company, 344 Shareholders have tendered 3,31,939 Equity Shares i.e. (5.49% of the total Share Capital of the Company) to the Promoter of the Company.

Accordingly, Promoter's Shareholding has increased from 75% to 80.49% of the total Share Capital of the Company.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Company's affairs.

The Secretarial audit report of even date is to be read along with 'Annexure A'

For BMP & Co. LLP
Company Secretaries

Pramod S M
Partner
FCS 7834 / CP No. 13784

'ANNEXURE A' TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Schneider Electric President Systems Limited
5C/1, KIADB Industrial Area,
Attibele, Bangalore -562107

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices for the audit, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Directors have taken on record by the Board of the Company. In our opinion, adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP
Company Secretaries

Pramod S M
Partner
FCS 7834 / CP No. 13784

Place: Bangalore
Date: 24th July 2018

ANNEXURE II

Conservation of Energy:

1. The company production activity is not energy intensive. Adequate measures have been taken to optimize energy usage (e.g. LED Lighting, Low power consumption high speed machines, Gail gas, HVAC system, energy efficient utility machines etc)
2. Following are the project in execution to reduce the energy consumption
 - o **Gail Gas:** - From Tradition Gas bank, we are changing over to Piped Gas, this will allow in reduction of wastages and optimize the consumption of energy. Agreement signed with GAIL.(Gas authority of India)
 - o **Additional New Fiber Laser Machine** (technology and speed) Investment with low power consumption – Rs. 20000000
 - o Conversion of Old sodium vapor lamps to High illumination and low power consumption LED lights (100 nos). Investment – Rs. 500000.
 - o Conversion one more Transformer rectifier to IGBT rectifier in Plating Plant Investment. – Rs. 1500000.
 - o Changing old Air conditioner 2 start rating to HVAC Investment- Rs. 800000
 - o Changing of old air compressor 40HP to new high efficiency motor with variable speed drive. Investment – Rs. 1000000
3. Total energy consumption is 3448688 KWH. Consumption per unit data cannot be provided as the product are not of a standardized in nature.

B. Technology Absorption

I. Research & Development

1.	Specific areas in which R & D Carried by the Company	This is ongoing process in the company
2.	Benefits derived because of the above R & D	New products developed which are reliable and energy efficient meeting the requirements of the various markets
3.	Future of action	Development of new product range to improve product application and to cater to newer demands and markets.
4.	Expenditure on R & D a) Capital b) Recurring	Development work on products and applications is continuous in nature and is debited to profit and loss account under respective head

II. Technology Absorption

1.	Efforts made towards technology absorption	The Company has in-house R&D Facility, in which New product development and continual improvement in products and processes is carried out.
2.	Benefits derived due to above	All products are designed in house, Proto types are then developed and tested before introducing these products into the manufacturing range, the process of manufacturing established is based on the product features.

2. Details on the new product developed during the year FY 2017-18
 - o Industrialized Power Monitoring Management unit with 99.5% Efficiency.
 - o Out Door Enclosure: Developed enclosures for Telecom application with IP55 Capability and Thermal Management, with Remote monitoring and, ready to plugin DCDB for telecom equipment
 - o New self-contained enclosures for data center application was developed and is under testing and validation

C. Foreign Exchange Earnings & Outgo

Sr. No.	Particulars	31.03.2018 (Rs)	31.03.2017 (Rs)
1.	Foreign Exchange earned:		
	a) Export of goods on FOB basis	378,504,176	402,353,255
2.	Foreign Exchange outgo:		
	a) Import of Capital Goods	8,339,283	3,725,594
	b) Import of Raw Materials & Components	182,856,388	237,552,632
	c) Import of Traded Goods	41,200,345	11,868,745
	d) Legal and Professional fees	30,544,459	39,994,117
	e) Staff Welfare Expenses	5,215,500	3,318,371
	f) Freight and forwarding charges	--	802,554
	g) Consumables	650,151	882,168

For and on Behalf of the Board of Directors

Place: Gurugram
Date: 24th July, 2018

(Shravan Vijaykumar Sharma)
Chairman

ANNEXURE III

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN: U32109KA1984PLC079103
- (ii) Name of the Company: Schneider Electric President Systems Limited
- (iii) Category / Sub-Category of the Company: Company Limited by shares/Indian Non-Government Company
- (iv) Address of the Registered office and contact details: 5C/1, KIADB Industrial Area, Attibele, Bengaluru - 562107, Karnataka. Tel. No. 91 080-67888300, Email : priyanka.aggarwal@schneider-electric.com
- (v) Whether listed company: No
- (vi) Name, Address and Contact details of Registrar and Transfer Agent, if any: 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of other structural metal products	C25119	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Schneider Electric South East Asia (HQ) Pte. Ltd., 50, Kallang Ave, Singapore 339505	NA	Holding Company	80.15%	2(46)

IV. SHARE HOLDING PATTERN

Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category - wise Share Holding

Equity Share Capital Breakup as percentage of Total Equity

[illegible]

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Foreign									
a	NRIs - Individuals			0	0.00			0	0.00	0.00
b	Other Individuals			0	0.00			0	0.00	0.00
c	Bodies Corporate	4535994	0	4535994	75.00	4839684.00	7943	4847627	80.15	5.15
d	Banks / FI			0	0.00			0	0.00	0.00
e	Any Others (Specify)									
	Sub Total(A)(2)	4535994	0	4535994	75.00	4839684	7943	4847627	80.15	5.15
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	4535994	0	4535994	75.00	4839684	7943	4847627	80.15	5.15
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds	0	0	0	0.00		0	0	0.00	0.00
(b)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Govt(s)			0	0.00		0	0	0.00	0.00
(d)	State Govt(s)			0	0.00		0	0	0.00	0.00
(e)	Venture Capital Funds			0	0.00		0	0	0.00	0.00
(f)	Insurance Companies			0	0.00		0	0	0.00	0.00
(g)	FIs	0	0	0	0.00		0	0	0.00	0.00
(h)	Foreign Venture Capital Funds			0	0.00			0	0.00	0.00
(i)	Any Other (specify)									
	Sub-Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
B 2	Non-institutions									
(a)	Bodies Corporate									
(i)	Indian	131449	846	132295	2.19	79721	600	80321	1.33	-0.86
(ii)	Overseas			0	0.00			0	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	631772	74579	706351	11.68	537978	47075	585053	9.67	-2.01
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	428566	0	428566	7.09	483182	0	483182	7.99	0.90

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	Others (specify)									
(i)	Clearing Members	5752	0	5752	0.10	4789	0	4789	0.08	-0.02
(ii)	Trusts			0	0.00			0	0.00	0.00
(iii)	NRI / OCBs	6764	0	6764	0.11	5964	0	5964	0.10	-0.01
(iv)	Exit offer - ESCROW A/C	232278		232278	3.84	20306		20306	0.34	-3.50
(v)	IEPF A/C unclaimed dividend	0		0	0.00	20758		20758	0.34	0.34
	Sub-Total (B)(2)	1436581	75425	1512006	25.00	1152698	47675	1200373	19.85	-5.15
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	1436581	75425	1512006	25.00	1152698	47675	1200373	19.85	-5.15
	TOTAL (A)+(B)	5972575	75425	6048000	100.00	5992382	55618	6048000	100.00	0.00
(C)	Shares held by Custodians for GDRs & ADRs								0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	5972575	75425	6048000	100.00	5992382	55618	6048000	100.00	0.00

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1.	Schneider Electric South East Asia (HQ) Pte. Ltd.,	4535994	75.00	0.00	4847627	80.15	0.00	5.15
Total		4535994	75.00	0.00	4847627	80.15	0.00	5.15

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Shareholder Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	Schneider Electric South East Asia (HQ) PTE Ltd		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
			At the beginning of the year/end of the year	4535994	75.00	
	4/17/2017	Transfer	6410	0.11	4542404	75.11
	5/25/2017	Transfer	1133	0.02	4543537	75.12

	6/30/2017	Transfer	260559	4.31	4804096	79.43
	8/4/2017	Transfer	9632	0.16	4813728	79.59
	10/20/2017	Transfer	29270	0.48	4842998	80.08
	11/1/2017	Transfer	200	0.00	4843198	80.08
	2/9/2018	Transfer	4229	0.07	4847427	80.15
	3/23/2018	Transfer	200	0.00	4847627	80.15

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

Sl. No	Name of the shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LTD EXIT OFFER		232278	3.84		
	4/7/2017	Transfer	70	0.00	232348	3.84
	4/14/2017	Transfer	2478	0.04	234826	3.88
	4/21/2017	Transfer	1275	0.02	236101	3.90
	4/28/2017	Transfer	12489	0.21	248590	4.11
	5/5/2017	Transfer	14000	0.23	262590	4.34
	5/12/2017	Transfer	950	0.02	263540	4.36
	5/19/2017	Transfer	6341	0.10	269881	4.46
	5/26/2017	Transfer	310	0.01	270191	4.47
	6/9/2017	Transfer	20	0.00	270211	4.47
	6/30/2017	Transfer	-252558	-4.18	17653	0.29
	7/7/2017	Transfer	5000	0.08	22653	0.37
	8/4/2017	Transfer	6617	0.11	29270	0.48
	8/11/2017	Transfer	2456	0.04	31726	0.52
	8/25/2017	Transfer	20	0.00	31746	0.52
	9/1/2017	Transfer	40	0.00	31786	0.53
	9/8/2017	Transfer	200	0.00	31986	0.53
	9/22/2017	Transfer	25	0.00	32011	0.53
	10/6/2017	Transfer	488	0.01	32499	0.54
	10/13/2017	Transfer	600	0.01	33099	0.55
	10/20/2017	Transfer	-28870	-0.48	4229	0.07
	1/12/2018	Transfer	1310	0.02	5539	0.09
	2/9/2018	Transfer	-4229	-0.07	1310	0.02
	2/16/2018	Transfer	600	0.01	1910	0.03
	2/23/2018	Transfer	15346	0.25	17256	0.29
	3/2/2018	Transfer	2550	0.04	19806	0.33
	3/9/2018	Transfer	500	0.01	20306	0.34

2	DHEERAJ KUMAR LOHIA		74656	1.23		
	3/9/2018	Transfer	-40000	-0.66	34656	0.57
3	HITESH SATISHCHANDRA DOSHI		57021	0.94		
	5/19/2017	Transfer	14000	0.23	71021	1.17
	6/9/2017	Transfer	10015	0.17	81036	1.34
	3/9/2018	Transfer	93170	1.54	174206	2.88
4	BHANU SATISHCHANDRA DOSHI		40636	0.67	40636	0.67
5	ALKA DUA		30748	0.51		
	6/9/2017	Transfer	-5000	-0.08	25748	0.43
	9/15/2017	Transfer	-50	0.00	25698	0.42
	3/9/2018	Transfer	-15748	-0.26	9950	0.16
	3/16/2018	Transfer	50	0.00	10000	0.17
6	Ketan Dedhia		30038	0.50	30038	0.50
7	GLOBE CAPITAL MARKET LTD		30000	0.50	30000	0.50
8	CAMEL FOODS PVT LTD.		27192	0.45		
	3/9/2018	Transfer	-27192	-0.45	0	0.00
9	RAHUL KANTILAL VARDHAN		25845	0.43	25845	0.43
10	SUNITA KANTILAL VARDHAN		25672	0.42	25672	0.42
11	S BRINDA		21959	0.36	21959	0.36
12	ANJU GOEL		21840	0.36	21840	0.36
13	GIRISH SARAF		14230	0.24	14230	0.24
14	PAWAN KUMAR SARAF		13897	0.23	13897	0.23
15	FINQUEST SECURITIES PVT. LTD		13700	0.23	13700	0.23
16	SUDHABEN PRAFULCHANDRA VAIDYA		2700	0.04		
	3/16/2018	Transfer	10178	0.17	12878	0.21

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Directors / KMP	Remark	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Shravan Vijaykumar Sharma	At the beginning of the year	01-04-2017	00	00	00	00
		At the end of the year	31-03-2018				
2.	Mr. Javed Ahmad	At the beginning of the year	01-04-2017	00	00	00	00
		At the end of the year	31-03-2018				
3	Mr. Vishar Subramanian Vasudevan	At the beginning of the year	01-04-2017	00	00	00	00
		At the end of the year	31-03-2018				
4	Mr. Sugata Sircar	At the beginning of the year	01-04-2017	00	00	00	00
		At the end of the year	31-03-2018				

Sl. No.	Name of the Directors / KMP	Remark	Shareholding/ Transaction Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Mr. Swaminathan Venkatraman	At the beginning of the year	01-04-2017	00	00	00	00
		At the end of the year	31-03-2018				
6	Ms. Rachna Mukherjee	At the beginning of the year	01-04-2017	00	00	00	00
		At the end of the year	31-03-2018				
7	Mr. Nitin Bakshi	At the beginning of the year	01-04-2017	00	00	00	00
		At the end of the year	31-03-2018				
8	Mr. Damodar Kalavala	At the beginning of the year	01-04-2017	00	00	00	00
		At the end of the year	31-03-2018				
9	Ms. Priyanka Gupta	At the beginning of the year	01-03-2017	00	00	00	00
		At the end of the year	31-03-2018				

V. INDEBTEDNES:

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

Description	Secured Loans excluding deposits (In Rs)	Unsecured Loans (In Rs)	Deposits (In Rs)	Total Indebtedness (In Rs)
Indebtedness at the beginning of the financial year				
(i) Principal Amount	Nil	209,935,461		209,935,461
(ii) Interest due but not paid	Nil	Nil		Nil
(iii) Interest accrued but not due	Nil	3,038,199		3,038,199
Total (i+ii+iii)	Nil	212,973,660		212,973,660
Change in Indebtedness during the financial year	Nil	-10,000,000		-10,000,000
• Addition				
• Reduction				
Net Change	Nil	-10,000,000		-10,000,000
Indebtedness at the end of the financial year				
i) Principal Amount	2,699,008	199,935,461		202,634,469
ii) Interest due but not paid	Nil	Nil		Nil
iii) Interest accrued but not due	Nil	2,291,532		2,291,532
Total i+ii+iii	2,699,008	202,226,993		204,926,001

Remuneration of Directors

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE FOR THE FINANCIAL YEAR UNDER REVIEW

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager (Rs)	Total Amount (Rs)
1.	Gross Salary	Not Applicable	Not Applicable
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission (Performance Incentive)		
5.	Others - Relocation Allowance		
	Total		

B. Remuneration to other directors: Details of the Sitting Fees paid to the Independent Directors in the FY 2017-18 appended below

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
	(i) Independent Directors	Mr. Shravan Vijaykumar Sharma (In Rs.)	Mr. Vishar Subramanian Vasudevan (In Rs.)	(In Rs.)
	<ul style="list-style-type: none"> Fee for attending board committee meetings Commission Others, please specify 	275,000	205,000	480,000
	Total (1)	275,000	205,000	480,000
	(ii) Other Non-Executive Directors	-	-	-
	<ul style="list-style-type: none"> Fee for attending board committee meetings Commission Others, please specify 	-	-	-
	Total (2)	-	-	-
	Total (1+2)	275,000	205,000	480,000
	Total Managerial Remuneration Overall Ceiling as per the Act	The remuneration was paid as per the provisions of the Companies Act, 2013.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		
		Priyanka Gupta (Company Secretary) (Amount in Rs.)	Damodar Kalavala (CFO) (Amount in Rs.)	Total (Amount in Rs.)
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,26,584	31,94,420	44,21,004
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	43,703	43,703
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission as % of profit	0	0	0
5.	Others, please specify	0	0	0
	Total	12,26,584	32,38,123	44,64,707

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annual Report on CSR Activities of the Company

1. A brief outline of the Company's CSR Policy, The Company's CSR Policy has been framed within the objectives including overview of projects prescribed under Schedule VII of the Companies Act, 2013 or programmes proposed to be undertaken as per the following Vision and Objective: and a reference to the web link to the CSR policy and project or programmes
1. Vision:
To be an active contributor in raising the country's human development index and fulfill the role of a Socially Responsible Corporate, with environment concerns.
2. Objective:
 - 2.1. To align and integrate the Schneider-CSR activities with the Schneider philosophy and make them outcome oriented.
 - 2.2. To sustain and continuously improve the quality of life and economic well being of the local populace.
 - 2.3. To create a brand image of Schneider which society will want to exist as a socially responsible image.

CSR activities proposed to be undertaken by the Company shall be in pursuance to Section 135 read with Schedule VII of the Companies Act, 2013.

The policy is also posted on the Company's website at www.schneiderelectricpresident.com.

2. The Composition of the CSR Committee Name Category/Director

Mr. Vishar Subramanian Vasudevan	Chairman- Independent Director
Mr. Sugata Sircar	Member
Mr. Swaminathan Venkatraman	Member
Ms. Rachna Mukherjee*	Member

*Appointed as member by the Board of Directors of the Company in their board meeting held on 24.07.2018.

3. Average net profit of the Company for last three years (Amount in Rs. 90,731,614)
4. Prescribed CSR Expenditure (two per cent of item 3 above) Amount in Rs. 1,814,632
5. Details of CSR spent during the year
 - 1) Amount spent for the year- Rs. 1,814,362
 - 2) Amount Unspent, if any Rs.270
 - 3) Manner in which the amount spent during the financial year
 - Scholarship Program- Rs. 17,23,900
 - Towards Staff Salaries/Administrative Expenses- Rs. 90,732

MANAGEMENT DISCUSSION AND ANALYSIS

Key Market Developments

Several factors that drive growth in demand for IT infrastructure (data center and network) in India can enable SEPSL's plans in 2018.

Industry Trends:

IT Infrastructure Market

The Indian IT infrastructure (Data Center and network) market, comprising enterprise networking, storage and servers, will total USD2.7 Billion in 2017, a 2.6 percent increase from 2017 revenue, said information technology research firm Gartner in its latest report.

Adoption of hybrid IT infrastructure model

"Digital business initiatives are forcing infrastructure and operations leaders in India to adopt a hybrid IT infrastructure model that can deliver reliable, innovative and cost-effective solutions to the business in a timely manner," said Santhosh Rao, research director at Gartner. "This positions cloud computing as a critical component of the hybrid model."

In terms of data center infrastructure hardware spending, end-user spending on networking equipment is expected to grow in 2018 as organizations modernize their local area network (LAN) and wide area network (WAN) infrastructure to support digital business needs. In contrast, on-premises server and storage spending will decline marginally as a result of public cloud migration. "Technologies such as software-defined data centers are helping businesses optimize their existing resources, and as a result reducing overall spend on compute and storage resources," added Mr. Rao.

Indian IT Infrastructure Revenue By Technology (Millions of U.S. Dollars)

Segment	2017	2018
Servers	954	944
External-controller-based storage	383	335
Enterprise network equipment	1,315	1,442
Total	2,652	2,721

Source: Gartner (May 2018)

Cloud Services

Most organizations today have a cloud-first strategy, and new business applications are most likely to be developed and hosted using public cloud services.

Public Cloud Services

After China, Public Cloud Growth Rate in India Is the Highest of All Regions

The India public cloud services revenue is projected to grow 37.5 percent in 2018 to total US\$2.5 billion, up from US\$1.8 billion in 2017, according to Gartner, Inc.

Table 1. India Public Cloud Services Forecast (Millions of U.S. Dollars)

	2017	2018	2019
Business Process as a Service (BPaaS)	102	129	155
Platform as a Service (PaaS)	143	191	243
Software as a Service (SaaS)	694	932	1,179
Cloud Management and Security Services	157	201	249
Infrastructure as a Service (IaaS)	693	1,008	1,364
Total	1,789	2,461	3,190

Source: Gartner (January 2017)

Server market

The overall server market in India witnessed a year-over-year (YOY) increase of 92.4 percent in terms of revenue to reach USD 371.4 million in Q4 2017 versus USD 193.1 million in Q4 2016, according to the latest IDC Asia Pacific excluding Japan (APEJ) Quarterly Server Tracker, Q4 2017. The x86 server market accounted for 86.7 percent of the overall server revenue during Q4 2017, with growth being majorly driven by spending from professional services, Government, telcos, and banks. The Indian Server market will see the impact of Digital initiatives, datacenter expansion and ODMs penetration.

Manufacturing

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India. Cumulative Foreign Direct Investment (FDI) in India's manufacturing sector reached US\$ 73.70 billion during April 2000-December 2017. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025.

Telecom Industry:

India is currently the world's second-largest telecommunications market with a subscriber base of 1.19 billion. The deregulation of Foreign Direct Investment (FDI) norms has made the sector one of the fastest growing and a top five employment opportunity generator in the country.

Rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India over the next five years. The monthly data usage per smartphone in India is expected to increase from 3.9 GB in 2017 to 18 GB by 2023. According to a report by leading research firm Market Research Store, the Indian telecommunication services market will likely grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020.

The industry has attracted FDI worth US\$ 30.08 billion during the period April 2000 to December 2017. The Government of India is soon going to come out with a new National Telecom Policy 2018 in lieu of rapid technological advancement in the sector over the past few years. . The Indian mobile phone industry expects that the Government of India's boost to production of battery chargers will result in setting up of 365 factories.

With the government's favourable regulation policies and 4G services hitting the market, the Indian telecommunication sector is expected to witness fast growth in the next few years. The Government of India also plans to auction the 5G spectrum in bands like 3,300 MHz and 3,400 MHz to promote initiatives like Internet of Things (IoT), machine-to-machine communications, instant high definition video transfer as well as its Smart Cities initiative.

IOT

Many technology trends of 2017 would begin to take greater shape in 2018, which also includes Internet of Things (IoT). Today, most major enterprises have already integrated IoT into their core systems and initiatives to drive digital businesses. We will continue to see connectivity become part of the enterprise IT fabric – in fact, within five years; IoT will be core to millions of business processes. The amount of data produced by the usage of IoT will force data to the edge; it will also force mobile providers to move faster than ever — toward 5G. The connected automotive sector is a growing sector in India and expected to grow exponentially in the coming years. Usage of IoT within truck, car rental and other companies would see exponential usage of IoT in 2018. Another uptake that we will see in 2018 is the IIoT (Industrial Internet of Things) owing to fast adoption of Industry 4.0.

REFERENCES

- [1] Gartner Says India Data Center Infrastructure Hardware Spending on Pace to Reach US\$2.7 Billion in 2018

<https://www.gartner.com/newsroom/id/3874291>

Manufacturing Sector in India

<https://www.ibef.org/industry/manufacturing-sector-india.aspx>

Telecom Industry in India

<https://www.ibef.org/industry/telecommunications.aspx>

Gartner Says Government IT Spending in India to Grow 9.5 percent in 2017

<http://www.gartner.com/newsroom/id/3606217>

Trends in IoT to look out for in 2018 <https://telecom.economictimes.indiatimes.com/tele-talk/trends-in-iot-to-look-out-for-in-2018/2814>

For and on behalf of the Board of Directors

Place: Gurugram
Date: 24th July, 2018

(Shravan Vijaykumar Sharma)
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of Schneider Electric President Systems Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Schneider Electric President Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Description of delay	Date of payment	Amount involved (Rs)	Number of days' delay
Remittance of unpaid dividend pertaining to earlier years	December 05, 2017	97,522	46

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Mahendra Jain
Partner
Membership Number: 205839

Place of Signature: Bengaluru
Date: July 24, 2018

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Schneider Electric President Systems Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at the year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Enclosures and related accessories including electrical equipments and mechanical appliances and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including tax deducted at source, employees' state insurance, sales-tax, custom duty, excise duty, value added tax, professional tax, provident fund, service tax, tax collected at source, goods and service tax, cess and other statutory dues applicable to it though there has been a slight delay in a few cases in remittance of professional tax, service tax, and goods and service tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the dues outstanding of income tax, sales tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs)	Amount paid under protest (Rs)	Period to which it relates	Forum where the dispute is pending
The Karnataka Value Added Tax Act 2003	Value Added Tax	1,327,595	1,327,595	FY 2010-11	Deputy Commissioner of Commercial tax, Karnataka
		1,789,270	1,789,270	FY 2011-12	
		2,802,521	2,802,521	FY 2012-13	
The Maharashtra Value Added Tax Act 2002		2,412,642	-	FY 2009-10	Deputy Commissioner of Commercial tax, Maharashtra
		10,778,613	4,994,326	FY 2007-08, FY 2010-11	
The Customs Act, 1962	Custom Duty	2,651,825	-	FY 2011-12, 2012-13	Deputy Commissioner of Customs, Bangalore
The Finance Act, 1994	Service Tax	387,972	-	FY 2010-11	Assistant Commissioner Central Excise, Pune

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3(ix) of the Order is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Mahendra Jain
Partner
Membership Number: 205839

Place of Signature: Bengaluru
Date: July 24, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED

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

We have audited the internal financial controls over financial reporting of Schneider Electric President Systems Limited ("the Company") as of March 31, 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2018:

The Company's internal controls system for manage change, manage access and manage operations for its IT systems and processes needs to be strengthened to operate effectively.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Schneider Electric President Systems Limited, which comprise the Balance Sheet as at March 31, 2018, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of Schneider Electric President Systems Limited and this report does not affect our report dated July 24, 2018, which expressed an unqualified opinion on those financial statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Mahendra Jain

Partner

Membership Number: 205839

Place of Signature: Bengaluru

Date: July 24, 2018

Balance sheet as at 31 March 2018

Equity and liabilities

Shareholders' funds

Share capital

Reserves and surplus

Non-current liabilities

Long-term borrowings

Other long-term liabilities

Long-term provisions

Current liabilities

Short-term borrowings

Trade payables

- total outstanding dues of micro enterprises and small enterprises

- total outstanding dues of creditors other than micro enterprises and small enterprises

Other current liabilities

Short-term provisions

TOTAL

Assets

Non-current assets

Fixed assets

Property, plant and equipment (net)

Intangible assets (net)

Capital work-in-progress

Deferred tax asset (net)

Long-term loans and advances

Current assets

Inventories

Trade receivables

Cash and bank balances

Short-term loans and advances

Other current assets

TOTAL

Notes	31-Mar-18 ₹	31-Mar-17 ₹
3	60,480,000	60,480,000
4	581,014,431	449,892,934
	641,494,431	510,372,934
5	2,136,767	159,935,461
6	-	4,063,321
7	33,580,761	28,038,478
	35,717,528	192,037,260
8	25,521,141	45,498,116
6	206,496,409	154,405,489
6	622,650,162	458,418,289
6	352,433,895	189,280,432
7	42,091,741	43,738,655
	1,249,193,348	891,340,981
	1,926,405,307	1,593,751,175
9(a)	352,391,782	353,762,878
9(b)	4,609,620	5,078,222
	3,326,609	17,919,793
10	30,038,664	10,551,230
11	43,961,441	39,145,837
	434,328,116	426,457,960
12	322,180,222	318,477,443
13	929,580,361	716,985,556
14	157,556,177	27,545,423
11	80,400,839	104,239,819
15	2,359,592	44,974
	1,492,077,191	1,167,293,215
	1,926,405,307	1,593,751,175

Summary of significant accounting policies.

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Mahendra Jain

Partner

Membership Number: 205839

Place: Bengaluru

Date: 24 July 2018

For and on behalf of the Board of Directors of Schneider Electric President Systems Limited

Swaminathan Venkatraman

Director

DIN: 03139440

Priyanka Gupta

Company Secretary

FCS : 9355

Place: Gurugram

Date: 24 July 2018

Sugata Sircar

Director

DIN: 01119161

Damodar Kalavala

Chief Financial Officer

PAN: ADUPD4195J

Statement of profit and loss for the year ended 31 March 2018

	Notes	31-Mar-18 ₹	31-Mar-17 ₹
Income			
Revenue from operations (gross)	16	3,310,327,956	2,908,200,334
Less - excise duty		(72,518,529)	(199,940,426)
Revenue from operations (net)		3,237,809,427	2,708,259,908
Other income	17	7,114,742	7,167,290
Total revenue (i)		3,244,924,169	2,715,427,198
Expenses			
Cost of materials and components consumed	18	2,199,557,673	1,804,029,740
Purchase of traded goods	19	98,039,035	96,854,315
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	19	(3,411,024)	(30,759,655)
Employee benefits expenses	20	265,735,154	247,126,840
Depreciation and amortization expense	21	51,617,301	52,061,586
Finance costs	22	20,196,192	25,910,873
Other expenses	23	424,220,127	339,693,273
Total expenses (ii)		3,055,954,458	2,534,916,972
Profit before tax (i - ii)		188,969,711	180,510,226
Tax expenses			
Current tax			
- Pertaining to profit for the current year		85,163,155	51,116,090
- Adjustment of tax relating to earlier years		(7,827,507)	2,835,764
Deferred tax expense / (credit)		(19,487,434)	(10,551,230)
Total tax expenses		57,848,214	43,400,624
Profit after tax		131,121,497	137,109,602
Earnings per equity share [nominal value of share Rs. 10 (31 March 2017: Rs. 10)]			
Basic		21.68	22.67
Diluted		21.68	22.67
Number of shares used in computing earning per share			
Basic		6,048,000	6,048,000
Diluted		6,048,000	6,048,000

Summary of significant accounting policies.

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Mahendra Jain

Partner

Membership Number: 205839

Place: Bengaluru

Date: 24 July 2018

**For and on behalf of the Board of Directors of
Schneider Electric President Systems Limited**

Swaminathan Venkatraman

Director

DIN: 03139440

Priyanka Gupta

Company Secretary

FCS : 9355

Place: Gurugram

Date: 24 July 2018

Sugata Sircar

Director

DIN: 01119161

Damodar Kalavala

Chief Financial Officer

PAN: ADUPD4195J

Cash flow statement for the year ended 31 March 2018

	31-Mar-18	31-Mar-17
Note	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	188,969,711	180,510,226
Adjustments for:		
Depreciation and amortisation	51,617,301	52,061,586
Loss on sale/disposal of fixed assets (net)	3,446,332	14,646
Bad debts written off	5,735,984	3,965,182
Provision for doubtful debts/advances (net)	56,127,885	42,105,861
Unrealised foreign exchange (gain)/ loss (net)	(854,181)	(2,825,619)
Interest expense	17,283,566	22,139,534
Interest income	(861,464)	(1,609,718)
Operating profit before working capital changes	321,465,134	296,361,698
Movements in working capital:		
(Increase) / decrease in trade receivables	(261,084,460)	(315,785,060)
(Increase) / decrease in other current assets	(2,359,592)	2,335,566
(Increase) / decrease in loans and advances	4,386,907	(17,464,207)
(Increase) / decrease in inventories	(3,702,779)	(82,686,515)
Increase / (decrease) in trade payables	219,636,324	217,578,743
Increase / (decrease) in other liabilities and provisions	18,637,388	32,579,860
Cash generated from operations	296,978,922	132,920,085
Direct taxes paid (net of refunds)	(82,338,763)	(26,293,112)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	214,640,159	106,626,973
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible fixed assets (including capital work in progress and capital advances)	(42,046,521)	(25,968,924)
Proceeds from sale/discard of property, plant and equipment	3,415,770	2,010,742
Maturity of bank deposits (having original maturity of more than three months)	165,000	3,492,748
Interest received	906,438	1,625,423
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)	(37,559,313)	(18,840,011)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) short term borrowings, net (acceptances)	(19,976,975)	(74,636,250)
Repayments of short term borrowings	(42,350,964)	-
Proceeds from short term borrowings	32,350,964	-
Repayment of long term borrowings including lease obligations	(340,753)	(34,405)
Interest paid	(16,396,121)	(22,031,322)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)	(46,713,849)	(96,701,977)
Net increase in cash and cash equivalents (A+B+C)	130,366,997	(8,915,015)
Cash and cash equivalents at the beginning of the year	27,380,423	36,377,975
Effects of changes in exchange rates on cash and cash equivalents	(191,243)	(82,537)
Cash and cash equivalents at the end of the year	157,556,177	27,380,423
Components of cash and cash equivalents (note 14)		
Balance with scheduled banks *		
- in current accounts	143,363,876	23,690,388
- in Exchange Earners Foreign Currency (EEFC) accounts	14,192,301	3,591,713
- in unpaid dividend accounts **	-	98,322
	157,556,177	27,380,423

* Excluding fixed deposits with maturity greater than three months of Rs. Nil (31 March 2017: Rs. 165,000)

** The Company can utilize these balances only towards settlement of unpaid dividend (note 6)

Summary of significant accounting policies.

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

ICAI Firm Registration Number: 101049W/E300004

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Mahendra Jain

Partner

Membership Number: 205839

Place: Bengaluru

Date: 24 July 2018

**For and on behalf of the Board of Directors of
Schneider Electric President Systems Limited**

Swaminathan Venkatraman

Director

DIN: 03139440

Priyanka Gupta

Company Secretary

FCS : 9355

Place: Gurugram

Date: 24 July 2018

Sugata Sircar

Director

DIN: 01119161

Damodar Kalavala

Chief Financial Officer

PAN: ADUPD4195J

Notes to financial statements for the year ended 31 March 2018

1. Corporate Information

Schneider Electric President Systems Limited ('SEPSL' or 'the Company') is a designer, manufacturer and supplier of standard and customized enclosure systems for over 30 years in 19-inch enclosures for IT and Telecom infrastructure, systems management and operations.

The Company's operations predominantly relate to manufacture of enclosures, card frames, components and accessories and trading of electrical equipment's. The Company is a manufacturer in India offering standard and customized enclosure solutions, including card frames and components, with a focus on the IT/Networking and ITES, Telecom, General and Industrial Electronics sectors.

The Company also has a nationwide network of sales offices, representatives and distributors to support customer wherever they may need assistance for installation, commissioning and on-going services.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Companies Act 2013, read with Companies (Accounts) Rules, 2014.

The financial statements have been prepared on an accrual basis and under the historical cost convention unless stated otherwise. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant and Equipment

Property, Plant and Equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Advances paid towards the acquisition of fixed assets are disclosed as "Capital advances" under Loans and Advances and the cost of assets not ready to be put to use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

c. Depreciation on property, plant and equipment

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

	Useful lives estimated by the management (years)
Factory buildings*	3-30
Office buildings	30
Plant and equipment	15
Computer hardware*	1-3
Furniture and fixtures	10
Vehicles	5
Tools, dies and jigs*	1-15
Office equipment	5

*For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

Leasehold land is amortised on a straight line basis over the period of lease.

Depreciation is provided on pro-rata basis from/up to the date of purchase or disposal, for asset purchased or sold during the year.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Patents and trademarks, computer software and designs and copyrights are amortised over a period of nine years, six years and five years respectively, from the date available for use. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

f. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of property, plant and equipment and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h. Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on first-in-first-out basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of work in progress and finished goods (including excise duty) is determined on first-in-first-out basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in-first-out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for inventory obsolescence is assessed and adjusted from the gross value of the inventory.

i. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

The amount recognised as sale is exclusive of trade discounts.

Income from services

Service income primarily comprises income from commissioning and installation, service charges, processing charges and commission income and is recognized on accrual basis as per the terms and over the period of the contract with the customers, as and when the services are rendered. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company. Hence it is excluded from revenue.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Other Income

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

j. Foreign currency translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as income or as expenses in the period in which they arise.

k. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates defined benefit plan for its employees, viz. gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected

unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

I. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

m. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided; with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The effects of anti-dilutive potential equity shares are not considered in calculating dilutive earnings per share.

As at the balance sheet date, the Company does not have any dilutive potential equity shares.

o. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Warranty Provisions:

Provisions for warranty-related costs are recognized when the product is sold or service is provided. Provision is based on historical experience. The estimate of such warranty related costs is revised at each reporting date.

p. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

q. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and on hand, demand deposits and short-term investments with an original maturity of three months or less.

Notes to financial statements for the year ended 31 March 2018

3 Share capital

	31-Mar-18	31-Mar-17
	₹	₹
Authorized shares		
12,000,000 (31 March 2017: 12,000,000) equity shares of Rs 10 each	120,000,000	120,000,000
Issued, subscribed and fully paid-up shares		
6,048,000 (31 March 2017: 6,048,000) equity shares of Rs 10 each fully paid up (note 39)	60,480,000	60,480,000
(includes 1,243,500 (31 March 2017: 1,243,500) bonus shares issued by capitalisation of reserves and securities premium)		
Total issued, subscribed and fully paid-up share capital	60,480,000	60,480,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	31-Mar-18		31-Mar-17	
	No.	₹	No.	₹
At the beginning of the period	6,048,000	60,480,000	6,048,000	60,480,000
Outstanding at the end of the period	6,048,000	60,480,000	6,048,000	60,480,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by ultimate holding company and subsidiaries and associates of holding company and ultimate holding company

Out of equity shares issued by the Company, shares held by its Holding Company are as below:

	31-Mar-18	31-Mar-17
	₹	₹
Schneider Electric South East Asia (HQ) Pte Limited		
4,847,627 (31 March 2017: 4,535,994) equity shares of Rs. 10 each fully paid up (note 39)	48,476,270	45,359,940

(d) Details of shareholders holding more than 5% shares in the Company

	31-Mar-18		31-Mar-17	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Schneider Electric South East Asia (HQ) Pte Limited	4,847,627	80.15%	4,535,994	75.00%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

4 Reserves and surplus

	31-Mar-18	31-Mar-17
	₹	₹
Securities premium account	81,695,875	81,695,875
Capital Reserve (represents capital profit on equity shares forfeited)	166,000	166,000
General reserve	44,000,000	44,000,000
Surplus in the statement of profit and loss		
Balance as per last financial statements	324,031,059	186,921,457
Profit for the year	131,121,497	137,109,602
Net surplus in the statement of profit and loss	455,152,556	324,031,059
Total reserves and surplus	581,014,431	449,892,934

5 Long-term borrowings

Other loans and advances

- Finance lease obligation (secured) (i)
Loans from Fellow Subsidiary (unsecured) (ii) (note 27)

The above amount includes

- Secured borrowings
Unsecured borrowings
Amount disclosed under the head "other current liabilities" (note 6)

Net amount

Non-current portion		Current maturities	
31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
₹	₹	₹	₹
2,136,767	-	562,241	-
-	159,935,461	199,935,461	50,000,000
2,136,767	159,935,461	200,497,702	50,000,000
2,136,767	-	562,241	-
-	159,935,461	199,935,461	50,000,000
-	-	(200,497,702)	(50,000,000)
2,136,767	159,935,461	-	-

- i) Finance lease obligation is secured by hypothecation of vehicles taken on lease. The same is payable in 48 monthly instalments each carrying an effective interest rate of 7.33% p.a.

- ii) Loans from a Fellow Subsidiary amounting to Rs. 149,935,461 (31 March 2017: Rs. 149,935,461) carry interest @ 6% p.a (rate upto 30 November 2016: 7.5% p.a). The loan is repayable on 31 October 2018, although the Company has an option to prepay the aforesaid borrowing at its own discretion.

During earlier years, the Company had borrowed Rs. 50,000,000 from its fellow subsidiary, primarily to facilitate its working capital requirements, at an interest rate of 7.5 % p.a. The loan was repayable on or before 27 March 2015. However, the Company had entered into an addendum to the agreement basis which the repayment term was extended upto 27 March 2018 and the interest rate was revised to 7.85%. During the previous year, the interest rate was further revised to 5.9 % p.a. effective 1 December 2016. During the current year, the agreement was further extended up to 25 July 2018 at an interest rate of 6.12 % p.a.

Additionally, as both the above loans become payable in the next 12 months, the same have been shown under "current maturities".

The Company had borrowed Rs.10,000,000 from another fellow subsidiary, primarily to facilitate its working capital requirements, at an interest rate of 8.75 % p.a. which was revised to 6.00% p.a. effective 1 December 2016. The loan has been repaid on 31 October 2017 after appropriate extension obtained by the Company.

6 Trade payables and other liabilities

Trade payables*

- total outstanding dues of micro enterprises and small enterprises (note 31)
- total outstanding dues of creditors other than micro enterprises and small enterprises

Other liabilities

- Current maturities of long-term borrowings (note 5)*
Current maturities of finance lease obligation (note 5)
Interest accrued and due on long-term borrowings*
Interest accrued and due on payables to micro and small enterprises (note 31)
Security deposit payable
Advance from customers
Unearned revenue
Accrued expenses
Employees payable
Statutory dues payable
"Investor education and protection fund credited towards unpaid dividend (as and when due)"

Long-term		Short-term	
31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
₹	₹	₹	₹
-	-	206,496,409	154,405,489
-	-	622,650,162	458,418,289
-	-	829,146,571	612,823,778
-	-	199,935,461	50,000,000
-	-	562,241	-
-	-	2,062,379	2,734,379
-	-	9,047,180	7,606,062
-	-	1,405,022	1,359,022
-	-	2,722,287	3,115,192
-	4,063,321	-	-
-	-	106,813,003	87,456,134
-	-	24,054,808	27,355,979
-	-	5,831,514	9,555,342
-	-	-	98,322
-	4,063,321	352,433,895	189,280,432
-	4,063,321	1,181,580,466	802,104,210

* Refer note 27 for payables to related parties.

7 Provisions

Provision for employee benefits

Provision for gratuity (note 24)

Provision for leave benefits

Other provisions

Provision for warranty (i)

Provision for income tax (net)

Long-term		Short-term	
31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
₹	₹	₹	₹
26,555,076	19,131,628	8,395,494	6,585,075
-	-	12,282,917	12,727,347
7,025,685	8,906,850	5,584,419	4,836,713
-	-	15,828,911	19,589,520
33,580,761	28,038,478	42,091,741	43,738,655

i) Provision for warranty

The Company has a defined warranty policy for manufactured goods sold. The Company is primarily in the business of manufacturing of enclosures and in certain cases these enclosures are assembled with third party bought-out items. Accordingly, the management creates provisions on such products covered under warranty, basis the past failure rates of these items. It is expected that significant portion of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranty are based on current sales levels and current information available about the expected returns based on the warranty period for all products sold. The table below gives information about movement in warranty provision.

	31-Mar-17	31-Mar-16
	₹	₹
At the beginning of the year	13,743,563	4,836,713
Arising during the year, net of reversals	(1,030,107)	8,906,850
Utilized during the year	(103,352)	-
As at the end of the year	12,610,104	13,743,563

8 Short-term borrowings

Acceptances (Unsecured)*

25,521,141	45,498,116
25,521,141	45,498,116

* Includes letter of credit from banks issued to various vendors for supply of goods. The tenure of such letter of credit issued ranges from 90 to 180 days.

Notes to financial statements for the year ended 31 March 2018

9(a) Property, plant and equipment

	Freehold Land	Leasehold Land	Buildings-Factory	Building-Office	Plant and Equipment	Office Equipment	Tools, dies and jigs	Furniture & Fixtures	Computer Hardware	Vehicles	Total
Cost or valuation											
At 1 April 2016	42,024,860	5,091,974	166,758,156	2,759,048	444,260,754	18,697,597	51,749,212	18,209,244	28,385,095	5,296,392	783,232,332
Additions	-	-	1,758,128	-	11,103,803	381,018	5,197,307	86,902	935,585	1,170,248	20,632,991
Disposals	-	-	-	-	4,552,645	486,583	-	368,411	1,418,366	-	6,826,005
At 31 March 2017	42,024,860	5,091,974	168,516,284	2,759,048	450,811,912	18,592,032	56,946,519	17,927,735	27,902,314	6,466,640	797,039,318
Additions	-	-	3,790,142	-	40,386,742	895,474	3,057,002	973,351	1,229,513	3,039,761	53,371,985
Disposals	-	-	-	-	31,775,877	48,000,848	229,500	101,959	-	-	33,003,565
At 31 March 2018	42,024,860	5,091,974	172,306,426	2,759,048	459,422,777	19,439,506	59,155,292	18,671,586	29,029,868	9,506,401	817,407,738
Depreciation											
At 1 April 2016	-	739,365	65,507,402	629,114	251,657,941	13,522,955	27,714,155	12,557,038	25,052,044	2,937,556	400,317,570
Charge for the year	-	67,225	6,902,183	141,332	30,566,486	1,545,303	3,940,433	1,567,091	2,284,943	744,491	47,759,487
Disposals	-	-	-	-	2,804,394	292,115	-	291,895	1,412,213	-	4,800,617
At 31 March 2017	-	806,590	72,409,585	770,446	279,420,033	14,776,143	31,654,588	13,832,234	25,924,774	3,682,047	443,276,440
Charge for the year	-	67,226	7,222,665	110,967	31,509,423	1,502,528	3,756,016	938,286	1,411,504	1,362,364	47,880,979
Disposals	-	-	-	-	25,075,743	48,000,690	575	229,500	97,645	-	26,141,463
At 31 March 2018	-	873,816	79,632,250	881,413	285,853,713	16,230,671	34,720,029	14,541,020	27,238,633	5,044,411	465,015,956
Net Block											
At 31 March 2017	42,024,860	4,285,384	96,106,699	1,988,602	171,391,879	3,815,889	25,291,931	4,095,501	1,977,540	2,784,593	353,762,878
At 31 March 2018	42,024,860	4,218,158	92,674,176	1,877,635	173,569,064	3,208,835	24,435,263	4,130,566	1,791,235	4,461,990	352,391,782

a. Building – Office, includes Rs 500 (31 March 2017: Rs 500) representing cost of unquoted fully paid shares in co-operative housing society.

b. Building – Factory, includes those constructed on leasehold land and Vehicle includes cars taken on finance lease as represented in table 1 below:

9(b) Intangible assets:

	Computer Software	Patents and trademarks	Designs and copyrights	Total
Cost or valuation				
At 1 April 2016	34,933,164	40,000	3,893,683	38,866,847
Additions	130,650	-	-	130,650
Disposals	-	-	-	-
At 31 March 2017	35,063,814	40,000	3,893,683	38,997,497
Additions	3,267,720	-	-	3,267,720
Disposals	-	-	-	-
At 31 March 2018	38,331,534	40,000	3,893,683	42,265,217
Amortisation				
At 1 April 2016	25,683,493	40,000	3,893,683	29,617,176
Charge for the year	4,302,099	-	-	4,302,099
Disposals	-	-	-	-
At 31 March 2017	29,985,592	40,000	3,893,683	33,919,275
Charge for the year	3,736,322	-	-	3,736,322
Disposals	-	-	-	-
At 31 March 2018	33,721,914	40,000	3,893,683	37,655,597
Net Block				
At 31 March 2017	5,078,222	-	-	5,078,222
At 31 March 2018	4,609,620	-	-	4,609,620

Table 1				(₹)
	Building - Factory		Vehicle	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Gross Block	30,903,565	30,903,565	-	-
Additions	-	-	3,039,761	-
Accumulated depreciation	14,679,860	13,627,681	-	-
Depreciation charge for the year	1,052,271	1,052,179	501,810	-
Net book value	15,171,434	16,223,705	2,537,951	-

10	Deferred tax asset (net)			31-Mar-18	31-Mar-17
				₹	₹
	Deferred tax liability				
	Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting			26,864,272	30,996,442
	Deferred tax asset				
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years			56,902,936	41,547,672
	Net deferred tax asset			30,038,664	10,551,230
11	Loans and advances				
				Non-current	Current
				31-Mar-18	31-Mar-17
				₹	₹
	Unsecured, considered doubtful				
	Dues from statutory authorities			18,871,589	3,108,213
	Advance to suppliers			-	-
	(a)			18,871,589	3,108,213
	Unsecured, considered good				
	Dues from statutory authorities			34,339,875	34,466,210
	Security deposit			4,585,315	4,224,521
	Advance to suppliers			-	-
	Advance income-tax (net)			4,430,561	-
	Prepaid expenses			605,690	455,106
	Dues from employees			-	-
	Others			-	-
	(b)			43,961,441	39,145,837
				62,833,030	42,254,050
	Less: provision for doubtful advances			(18,871,589)	(3,108,213)
	(a+b)			43,961,441	39,145,837
				80,400,839	104,239,819
12	Inventories (valued at lower of cost and net realizable value)			31-Mar-18	31-Mar-17
				₹	₹
	Raw materials and components (includes in transit Rs.12,951,660 (31 March 2017: Rs.32,690,011)) (note 18)			172,801,431	172,509,676
	Work-in-progress (note 19)			60,402,307	75,176,186
	Finished goods (including stock-in-transit Rs.62,393,917 (31 March 2017: Rs.40,455,838)) (note 19)			83,386,464	66,131,581
	Traded goods (including stock-in-transit Rs.4,277,768 (31 March 2017: Rs.2,591,402)) (note 19)			5,590,020	4,660,000
				322,180,222	318,477,443

13 Trade receivable *

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good

Doubtful

Provision for doubtful trade receivables

Other receivables

Unsecured, considered good

Doubtful

Provision for doubtful trade receivables

* Refer note 27 for receivable from related parties.

31-Mar-18 ₹	31-Mar-17 ₹
49,528,976	49,055,556
63,491,208	25,753,821
113,020,184	74,809,377
(63,491,208)	(25,753,821)
49,528,976	49,055,556
880,051,385	667,930,000
2,748,177	-
882,799,562	667,930,000
(2,748,177)	-
880,051,385	667,930,000
929,580,361	716,985,556

14 Cash and bank balances

Cash and cash equivalents

Balances with banks:

– On current accounts

– On Exchange Earners Foreign Currency (EEFC) accounts

– On unpaid dividend account

Other bank balances

– Deposits with maturity for more than 3 months but less than 12 months

31-Mar-18 ₹	31-Mar-17 ₹
143,363,876	23,690,388
14,192,301	3,591,713
-	98,322
157,556,177	27,380,423
-	165,000
-	165,000
157,556,177	27,545,423

15 Other assets

(unsecured considered good unless stated otherwise)

Dues from related parties (note 27)

Interest accrued on fixed deposits

31-Mar-18 ₹	31-Mar-17 ₹
2,359,592	-
-	44,974
2,359,592	44,974

Notes to financial statements for the year ended 31 March 2018

16	Revenue from operations	31-Mar-18 ₹	31-Mar-17 ₹
	Revenue from operations		
	Sale of products		
	Manufacturing	3,092,366,557	2,671,395,328
	Trading	125,771,430	161,893,245
		3,218,137,987	2,833,288,573
	Sale of services	65,671,779	58,186,922
	Other operating revenue		
	Sale of scrap	6,150,254	4,733,926
	Export benefits (includes Rs. 7,865,751 (31 March 2017: Rs. Nil) pertaining to earlier years)	20,367,936	6,365,913
	Others	-	5,625,000
		26,518,190	16,724,839
	Revenue from operations (gross)	3,310,327,956	2,908,200,334
	Less - Excise duty #	(72,518,529)	(199,940,426)
	Revenue from operations (net)	3,237,809,427	2,708,259,908
<p># Excise duty on sales amounting to Rs. 72,518,529 (31 March 2017: Rs. 199,940,426) has been reduced from sales in the statement of profit and loss and excise duty on (increase)/decrease in stock amounting to Rs. 1,900,034 (31 March 2017: Rs. (1,058,362)) has been considered as (income) / expense in note 19 of the financial statements.</p>			
	Details of products sold		
	Enclosures	2,234,934,301	1,497,664,167
	Card frames	48,830,214	38,366,786
	Components and accessories *	736,083,513	935,423,949
		3,019,848,028	2,471,454,902
<p>* There are no items, which in value account for 10% or more of the total value of products sold to be shown as separate items.</p>			
	Traded goods sold		
	Electrical equipments	125,771,430	161,893,245
	Details of services rendered		
	Processing charges	62,291,018	49,306,794
	Commissioning and installation	165,298	8,149,075
	Consulting engineering	2,809,854	150,000
	Service charges	405,609	581,053
		65,671,779	58,186,922
17	Other income		
	Interest income on		
	Bank deposits	861,464	791,399
	On income tax refunds	-	787,600
	Others	-	30,719
	Gain on account of foreign exchange fluctuations (net)	-	4,183,817
	Miscellaneous income	6,253,278	1,373,755
		7,114,742	7,167,290

18 Cost of material and components consumed

Inventory at the beginning of the year

Add - Purchases

Less - inventory at the end of the year

Cost of raw material and components consumed *

* Includes provision towards doubtful advances Rs.Nil (31 March 2017: Rs. 23,408,972).

31-Mar-18	31-Mar-17
₹	₹
172,509,676	136,542,499
2,199,849,428	1,839,996,917
(172,801,431)	(172,509,676)
2,199,557,673	1,804,029,740

Details of raw materials and components consumed

CRCA sheets

Aluminium sheets

Aluminium sections

Components and accessories *

235,854,105	183,104,619
5,662,605	3,521,238
13,588,503	13,220,168
1,944,452,460	1,604,183,715
2,199,557,673	1,804,029,740

Details of inventory

CRCA sheets

Aluminium sheets

Aluminium sections

Components and accessories *

16,345,125	24,858,263
1,239,745	2,192,136
1,718,052	1,453,274
153,498,509	144,006,003
172,801,431	172,509,676

* There are no items, which in value account for 10% or more of the total value of raw materials consumed to be shown as separate items.

19 (Increase)/ decrease in inventories of finished goods, work in progress and traded goods

Inventories at the end of the year

Finished goods

Work-in-progress

Traded goods

31-Mar-18	31-Mar-17	(Increase)/ decrease
₹	₹	₹
83,386,464	66,131,581	(17,254,883)
60,402,307	75,176,186	14,773,879
5,590,020	4,660,000	(930,020)
149,378,791	145,967,767	(3,411,024)

Inventories at the beginning of the year

Finished goods

Work-in-progress

Traded goods

66,131,581	44,037,001	(22,094,580)
75,176,186	42,131,156	(33,045,030)
4,660,000	29,039,955	24,379,955
145,967,767	115,208,112	(30,759,655)

(Increase) / decrease in inventories

(3,411,024)	(30,759,655)
--------------------	---------------------

Details of purchase of traded goods

Electrical equipments

31-Mar-18	31-Mar-17
₹	₹

98,039,035 96,854,315

Details of inventory

Work-in-progress

Enclosures

Card frames

Others (including components and accessories)*

36,899	1,271,877
1,369	-
60,364,039	73,904,309
60,402,307	75,176,186

Finished goods

Enclosures

Card frames

Others (including components and accessories)*

73,426,743	56,036,573
-	982,656
9,959,721	9,112,352
83,386,464	66,131,581

Traded goods

Electrical equipments

5,590,020 4,660,000

* There are no items, which in value account for 10% or more of the total value of inventories to be shown as separate items.

20 Employee benefits expense

Salaries, wages and bonus
Contribution to provident and other funds
Staff welfare expenses
Gratuity expense/ (reversal) (note 24)

31-Mar-18	31-Mar-17
₹	₹
210,925,496	208,522,397
10,962,505	10,808,646
34,081,593	28,222,465
9,765,560	(426,668)
265,735,154	247,126,840

21 Depreciation and amortization expense

Depreciation of property, plant and equipment
Amortization of intangible assets

47,880,979	47,759,487
3,736,322	4,302,099
51,617,301	52,061,586

22 Finance costs

Interest on
Borrowings
Delay in payment of income tax
Others
Bank charges
Exchange difference to the extent considered as an adjustment to borrowing costs

12,779,689	16,551,902
1,745,215	2,417,184
2,758,662	3,170,448
2,912,626	1,617,938
-	2,153,401
20,196,192	25,910,873

23 Other expenses

Freight and forwarding charges
Casual labour
Consumables
Power and fuel
Insurance
Repairs and maintenance
Buildings
Plant and machinery
Others
Rent
Rates and taxes
Legal and professional fees
Payments to auditors (i)
Directors' sitting fees
Travelling and conveyance
Advertising and sales promotion
Bad debts / advances written off
Loss on sale / discard of fixed assets (net)
Provision for doubtful debts and advances (net)
Loss on account of foreign exchange fluctuations (net)
CSR expenditure (note 38)
Miscellaneous expenses

13,373,083	22,583,629
95,358,850	74,810,100
14,379,762	7,639,885
47,436,688	44,844,398
4,748,680	4,036,557
7,973,283	7,065,261
27,665,378	11,112,777
16,922,071	16,272,207
6,528,008	6,432,225
2,302,212	2,398,587
85,680,046	70,018,178
3,026,353	2,831,548
480,000	303,000
18,058,252	17,057,176
585,485	3,341,526
5,735,984	3,965,182
3,446,332	14,646
56,127,885	26,146,178
3,671,014	-
1,814,632	156,406
8,906,129	18,663,807
424,220,127	339,693,273

(i) **Payments to auditors**

As auditors:

Audit fees
Reimbursement of expenses

2,860,000	2,600,000
166,353	231,548
3,026,353	2,831,548

Notes to financial statements for the year ended 31 March 2018

24 Gratuity

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service, except for workers at Pune factory being eligible for gratuity @ 30 days last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss

	31-Mar-18	31-Mar-17
	₹	₹
Current service cost	3,015,833	2,705,662
Interest cost on benefit obligation	2,946,467	3,081,871
Expected return on plan assets	(1,102,291)	(1,180,452)
Net actuarial (gain)/losses recognized in the year	4,905,551	(5,033,749)
Net benefit expense / (reversal)	9,765,560	(426,668)
Actual return on plan assets	808,445	1,464,627

Balance sheet

Plan asset / liability

	31-Mar-18	31-Mar-17
	₹	₹
Present value of defined benefit obligation	(47,949,927)	(39,077,810)
Fair value of plan assets	12,999,357	13,361,107
Plan asset/ (liability)	(34,950,570)	(25,716,703)

Changes in the present value of the defined benefit obligation as follows:

	31-Mar-18	31-Mar-17
	₹	₹
Opening defined benefit obligation	39,077,811	39,259,508
Current service cost	3,015,833	2,705,662
Interest cost	2,946,467	3,081,871
Benefits paid	(1,701,889)	(1,219,656)
Actuarial (gain)/ losses	4,611,705	(4,749,574)
Closing defined benefit obligation	47,949,927	39,077,811

Changes in the fair value of plan assets are as follows:

	31-Mar-18	31-Mar-17
	₹	₹
Opening fair value of plan assets	13,361,107	13,116,136
Expected return	1,102,291	1,180,452
Contributions by employer	531,694	-
Benefits paid	(1,701,889)	(1,219,656)
Actuarial gain/ (losses)	(293,846)	284,175
Closing fair value of plan assets	12,999,357	13,361,107

The Company expects to contribute Rs.8,395,494 to gratuity in the next year (31 March 2017: Rs. 6,584,963)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31-Mar-18	31-Mar-17
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31-Mar-18	31-Mar-17
Discount rate	7.73%	7.54%
Expected rate of return on assets	7.73%	8.25%
Salary escalation	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four periods are as follows:

	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
	₹	₹	₹	₹	₹
Defined benefit obligation	47,949,927	39,077,810	39,259,508	33,513,143	38,855,235
Plan assets	12,999,357	13,361,107	13,116,136	10,719,385	11,012,736
Surplus/ (deficit)	(34,950,570)	(25,716,703)	(26,143,372)	(22,793,758)	(27,842,499)
Experience adjustments on plan liabilities	(6,590,795)	4,749,574	(2,699,177)	7,624,516	1,351,083
Experience adjustments on plan assets	(293,846)	284,175	(262,694)	73,998	(191,348)

25 Leases

Finance lease

The Company has finance leases and hire purchase contracts for vehicles. Future minimum lease payments (MLP) under finance leases together with the present value (PV) of the net MLP are as follows:

	31-Mar-18		31-Mar-17	
	MLP	PV	MLP	PV
Within one year	847,536	562,241	-	-
After one year but not more than five years	2,521,650	2,136,767	-	-
Total minimum lease payments	3,369,186	2,699,008	-	-
Less: Amount representing finance charges	(670,178)	-	-	-
Present value of minimum lease payments	2,699,008	2,699,008	-	-

Lease expense recognised during the year as interest Rs. 221,191 (31 March 2017: Rs. 307).

Operating lease

The Company has entered into commercial leases on certain premises under cancellable operating lease and are renewable by mutual consent. There are no restrictions placed upon the Company by entering into these leases. The rent expense incurred during the year amounts to Rs. 6,528,008 (31 March 2017: Rs. 6,432,225).

26 Segment information

The Company has only one business segment i.e. business relating to enclosure products and accordingly, disclosure requirements as per Accounting Standard - 17 on Segment Reporting are not applicable.

Secondary information is reported geographically.

Geographical segments:

The Company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of the customers while other geographic information is specified by location of the assets. The following table presents revenue, expenditure and certain asset information regarding the Company's geographical segments:

	31-Mar-18	31-Mar-17
	₹	₹
Segment revenue		
Export	378,504,176	402,353,255
Domestic	2,859,305,251	2,305,906,653
	3,237,809,427	2,708,259,908
Segment assets		
Export	104,446,872	96,520,077
Domestic	825,133,489	620,465,479
Unallocated	996,824,946	876,765,619
	1,926,405,307	1,593,751,175

Note:

"Fixed assets (including intangible assets and capital work-in-progress) and current assets (other than trade receivables and unbilled revenue) have not been identified to any reportable segments as they are used interchangeably between segments. All fixed assets are located in India."

27 Name of the related parties and related party relationship

Related party where control exists

Ultimate Holding Company	Schneider Electric SE, France
Holding Company	Schneider Electric South East Asia (HQ) Pte Limited, Singapore

Related parties under AS 18 with whom transactions have taken place during the year

Fellow subsidiaries

American Power Conversion (A.P.C) B.V., Philippines
Clipsal Manufacturing (M) SDN BHD, Malaysia
Luminous Power Technologies Pvt Ltd., India
Sarel Appareillage Electrique, France
Schneider Electric (Australia) Pty Limited, Australia
Schneider Electric Asia Pte. Ltd
Schneider Electric Dc Mea Fzco, U.A.E.
Schneider Electric Espana SAU, Spain
Schneider Electric India Private Limited, India
Schneider Electric Industries, SAS, France
Schneider Electric Infrastructure Limited, India
Schneider Electric IT America Corp., USA
Schneider Electric IT Business India Private Limited, India
Schneider Electric IT Corporation, USA
Schneider Electric IT Logistic Asia Pacific Pte. Limited, Singapore
Schneider Electric Logistic Asia Pte. Limited, Singapore
Schneider Electric SA, France
Schneider Electric Solar Inverters USA Inc. , USA
Schneider Electric, Egypt
Schneider Electric IT Logistics Europe Ltd, Netherlands
Uniflair SPA, Italy
Veris Industries LLC, USA

Key management personnel

Swaminathan Venkatraman	Director (ceased to be a Managing Director w.e.f. 31 December 2016)
-------------------------	---

Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year:

Key management personnel

Damodar Kalavala	Chief Financial Officer (CFO)
Vigneshwar Bhat	Company Secretary (ceased to be Company Secretary w.e.f. 8 September 2016)
Priyanka Gupta	Company Secretary (w.e.f. 1 March 2017)

Notes to financial statements for the year ended 31 March 2018

Related party transactions

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant financial year:

a. Related party	Year ended	Sale of goods	Sale of services	Reimbursement of expense to Group companies	Reimbursement of expense by Group companies	Purchase of raw materials	Purchase of traded goods	Purchase of fixed assets	Amount owed by related parties included in trade receivables and other current assets	Amount owed to related parties included in trade payables and other liabilities
(₹)										
Ultimate Holding Company										
Schneider Electric SA, France	31-Mar-18	-	-	-	5,215,500	-	-	-	-	-
	31-Mar-17	-	-	-	3,318,371	-	-	-	-	-
Holding Company										
Schneider Electric South East Asia (HQ) PTE Ltd, Singapore	31-Mar-18	-	-	8,070,515	2,359,592	-	-	-	2,359,592	2,817,665
	31-Mar-17	-	-	32,925,147	-	-	-	-	-	35,251,632
Fellow subsidiaries										
Schneider Electric IT Business India Private Limited, India*	31-Mar-18	68,389,831	-	17,113,193	616,191	18,278,822	39,674,582	1,994,945	10,010,824	31,204,048
	31-Mar-17	216,244,775	5,625,000	1,380,685	337,000	38,934,353	74,890,811	-	4,515,770	11,869,440
Schneider Electric India Private Limited, India	31-Mar-18	9,711,065	-	35,366,006	-	32,526,547	-	4,201,871	1,077,728	21,123,958
	31-Mar-17	3,502,209	-	18,864,219	434,515	20,011,933	-	-	-	6,620,044
Schneider Electric Infrastructure Limited	31-Mar-18	15,732,991	-	-	2,825,841	-	-	-	3,163,390	-
	31-Mar-17	6,304,169	-	20,407	1,103,384	-	-	-	40,771	-
Schneider Electric Espana SAU, Spain	31-Mar-18	259,482	-	-	-	5,016,373	-	-	265,055	5,519,210
	31-Mar-17	-	-	-	-	60,871,262	-	-	-	63,192,726
Uniflair SPA, Italy	31-Mar-18	-	-	-	-	-	39,864,286	-	-	45,809,833
	31-Mar-17	-	-	-	-	-	4,874,112	-	-	9,541,803
Sareel Appareillage Electrique SAS, France	31-Mar-18	27,974,883	-	-	-	-	-	-	12,239,167	-
	31-Mar-17	36,115,687	-	-	-	-	-	-	11,011,058	-
Schneider Electric Industries, SAS, France	31-Mar-18	-	-	19,556,574	-	1,601,821	-	-	-	6,759,888
	31-Mar-17	-	-	6,764,420	-	-	-	-	-	5,875,479
Schneider Electric Logistics Asia Pte. Ltd, Singapore	31-Mar-18	264,796,475	-	-	-	-	-	-	66,617,394	-
	31-Mar-17	269,765,235	-	-	-	-	-	-	61,221,982	-
Luminous Power Technologies Pvt Ltd., India	31-Mar-18	-	-	-	-	15,052	11,573,711	-	-	4,333,255
	31-Mar-17	-	-	-	-	-	-	-	-	-
Veris Industries LLC, USA	31-Mar-18	-	-	-	-	11,017,014	-	-	-	1,891,743
	31-Mar-17	-	-	-	-	-	-	-	-	-
Others	31-Mar-18	11,715,112	-	2,734,810	-	8,916	-	-	6,586,510	2,472,934
	31-Mar-17	14,015,886	-	802,554	83,368	122,177	-	-	5,637,794	782,223
Total	31-Mar-18	398,579,839	-	88,056,598	5,801,624	68,464,545	91,112,579	6,196,816	102,319,660	121,932,534
	31-Mar-17	545,947,961	5,625,000	64,075,803	1,958,267	119,939,725	79,764,923	-	82,427,375	133,133,347

* Purchase of raw material includes purchase of MEIS scrips of Rs. 4,489,787 (31 March 2017: Focus Product Scheme scrips of Rs. 2,692,786).

Notes to financial statements for the year ended 31 March 2018

b. Loans taken and repayment thereof

	Year ended	Loans taken	Repayment	Interest accrued	Amount owed to related parties
Schneider Electric India Private Limited, India	31-Mar-18	20,000,000	30,000,000	-	-
	31-Mar-17	-	-	43,450	10,043,450
Schneider Electric IT Business India Private Limited, India	31-Mar-18	12,350,964	12,350,964	2,062,379	201,997,840
	31-Mar-17	-	-	2,690,929	202,626,390

c. Interest expense on loan

	31-Mar-18	31-Mar-17
	₹	₹
Schneider Electric IT Business India Private Limited, India	12,217,981	15,821,567
Schneider Electric India Private Limited, India	561,708	730,335
	12,779,689	16,551,902

d. Remuneration to key managerial personnel

Managerial remuneration:

	31-Mar-18	31-Mar-17
	₹	₹
Swaminathan Venkatraman*	1,613,195	9,986,123
Damodar Kalavala	3,238,123	3,255,586
Priyanka Gupta	1,226,584	-
Vigneshwar Bhat	-	1,273,362
	6,077,902	14,515,071

Managerial remuneration

	31-Mar-18	31-Mar-17
	₹	₹
Salaries and allowances	5,843,063	13,540,023
Contribution to provident fund	191,136	490,116
Perquisites'	43,703	484,932
	6,077,902	14,515,071

Out of the above, the Company has recovered Rs. Nil (31 March 2017: Rs. 5,625,000) from a fellow subsidiary based on a cost sharing agreement. The Company has accounted the same as other operating revenues in the statement of profit and loss.

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

28 Capital commitments

	31-Mar-18	31-Mar-17
	₹	₹
Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	10,221,221	914,716

29 Contingent liabilities

	31-Mar-18	31-Mar-17
	₹	₹
Claims against the Company not acknowledged as debts (i)	8,119,397	8,071,234
Customs and Excise matters	3,720,042	3,720,042
Sales Tax matters – Non collection of 'C' and 'I' forms	50,780,705	54,060,553
Outstanding bank guarantees	278,133,240	107,480,867
	340,753,384	173,332,696

- (i) The Company reconciles its outstanding vendor balances by obtaining confirmations/account statements received from such vendors. Basis such reconciliations, the Company did not acknowledge vendor (other than group company) claims amounting to Rs.8,119,397 (31 March 2017: Rs.8,071,234) in absence of adequate documentation evidencing the proof of delivery of the materials to be received from the vendors. Further the management confirms that the materials are yet to be received by the Company. In absence of availability of adequate documentation/supporting evidences that need to be provided by the vendors, the management does not expect any material adverse effect on the financial position and the results of operation as at 31 March 2018.

30 Derivative instruments and unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

	Currency	31-Mar-18		31-Mar-17	
		Foreign currency	₹	Foreign currency	₹
Trade payables	USD	954,052	62,055,475	1,254,575	81,344,881
	EUR	587,236	47,344,313	993,621	68,805,858
	GBP	332	30,592	332	26,812
	AUD	-	-	15,779	782,276
Trade receivables (gross of provision)	USD	1,417,618	92,207,705	1,280,986	83,057,362
	EUR	151,809	12,239,167	159,010	11,011,058
	AUD	-	-	49,451	2,451,657
Loans and advances	USD	17,611	1,145,506	28,113	1,822,810
	EUR	15,239	1,229,948	2,784	192,768
Cash and bank balances					
- Exchange Earners Foreign Currency (EEFC) accounts	USD	190,056	12,361,997	20,263	1,313,856
	EUR	22,702	1,830,304	32,894	2,277,858
Other assets	EUR	29,267	2,359,592	-	-

31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	31-Mar-18	31-Mar-17
	₹	₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	206,496,409	154,405,489
Interest due on above	180,855	291,886
	206,677,264	154,697,375
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	1,260,263	1,430,913
The amount of interest accrued and remaining unpaid at the end of each accounting year	9,047,180	7,606,062
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	9,047,180	7,606,062

32 Value of imports calculated on CIF basis

Raw materials and components	182,856,388	237,552,632
Traded goods (net)	41,200,345	11,868,745
Capital goods	8,339,283	3,725,594
	232,396,016	253,146,971

33 Expenditure in foreign currency (accrual basis)

	31-Mar-18	31-Mar-17
	₹	₹
Legal and professional fees	30,544,459	39,994,117
Staff welfare expenses	5,215,500	3,318,371
Freight and forwarding charges	-	802,554
Consumables	650,151	882,168
	36,410,110	44,997,210

34 Imported and indigenous raw materials and components consumed

	31-Mar-18		31-Mar-17	
	% of total consumption	₹	% of total consumption	₹
Raw materials				
Imported	-	-	-	-
Indigenously obtained	100%	255,105,213	100%	199,846,025
	100%	255,105,213	100%	199,846,025
Components and accessories*				
Imported	9%	180,171,771	14%	232,343,553
Indigenously obtained	91%	1,764,280,689	86%	1,371,840,162
	100%	1,944,452,460	100%	1,604,183,715
Total cost of raw materials and components consumed		2,199,557,673		1,804,029,740

* There are no items, which in value account for 10% or more of the total value of raw materials consumed to be shown as separate items.

35 Earnings in foreign currency (accrual basis)

	31-Mar-18	31-Mar-17
	₹	₹
Export of goods on FOB basis	378,504,176	402,353,255

36 As a part of Schneider Electric SA (Ultimate holding Company) overall pay policy, Schneider Electric SA, has set up a Worldwide Employee Stock Option Plan (WESOP) scheme to the employees of the group companies under which the employees are granted Stock Options of Schneider Electric SA.

The Institute of Chartered Accountants of India has issued a Guidance Note on Accounting for Employee Share-based payments, which is applicable to employee share based payment plans, the grant date in respect of which falls on or after 1 April 2005. The scheme detailed above is managed and administered by the ultimate parent company for its own benefit and do not have any settlement obligations on the Company. Further, the aforesaid scheme pertains to shares of the ultimate parent company and impact of compensation benefits in respect of such scheme is assessed and accounted for in the books of the parent Company. Accordingly, the Company is of the opinion that the same is not required to be accounted for as per the said Guidance Note.

37 The Company is in the process of completing transfer pricing study to ascertain whether international transactions with associated enterprises are in compliance with the transfer pricing norms under the Indian Income-tax Act, 1961. The Management does not anticipate any adjustment with regard to the transactions involved.

38 As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The Company has transferred its CSR allocated fund of Rs 1,814,632 (31 March 2017: Rs 156,406) to Schneider Electric India Foundation (SEIF) which aims to contribute to the development of underprivileged people and societies through education, awareness-raising and vocational training related to energy.

- 39** The equity shares of the Company were listed on the Pune Stock Exchange and permitted to be traded on the Bombay Stock Exchange. Consequent to de-recognition of the Pune Stock Exchange by Securities Exchange Board of India (SEBI), Bombay Stock Exchange had suspended the trading of the equity shares of the Company effective 22 May 2015.

As per the circular issued by SEBI for the exclusively listed companies of de-recognized stock exchanges placed in the Dissemination Board, Schneider Electric South East Asia (HQ) Pte. Ltd. ("the Promoter") had provided an exit offer on 14 February 2017 to the public shareholders of the Company at an offer price of Rs. 200.40 per share. The offer price was as per the valuation carried out by an independent valuer empaneled with the National Stock Exchange (NSE) as per the circular issued by SEBI. The public shareholders had an option to tender their shares to the Promoter until 11 March 2018 at the said price. In the exit offer provided to the public shareholders of the Company, 344 shareholders have tendered 331,939 equity shares i.e. (5.49% of the total share capital of the Company) to the Promoter of the Company. Of the aforesaid shares tendered by the public shareholders 20,306 shares have been transferred to the Promoter subsequent to the balance sheet date.

Accordingly, Promoter's Shareholding has increased from 75% to 80.49% of the total share capital of the Company after considering the shares transferred post balance sheet date.

- 40** The previous year's figures have been re-grouped/rearranged, wherever necessary to confirm to current years' classification.

As per our report of even date.

For S.R.Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**For and on behalf of the Board of Directors of
Schneider Electric President Systems Limited**

Swaminathan Venkatraman

Director

DIN: 03139440

Sugata Sircar

Director

DIN: 01119161

per Mahendra Jain

Partner

Membership Number: 205839

Priyanka Gupta

Company Secretary

FCS : 9355

Damodar Kalavala

Chief Financial Officer

PAN: ADUPD4195J

Place: Bengaluru

Date: 24 July 2018

Place: Gurugram

Date: 24 July 2018



schneiderelectricpresident.com

If undelivered, please return to:

SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED

Innovare, Bearys Global Research Triangle,
Sy.No 63/3B, Gorvigere Village, Bidarahalli Hobli,
Bengaluru East Taluk, Whitefield Hoskote Road,
Bengaluru – 560 115, Ph : +91 80 4554 0000