



# GROWTH

## Annual Report 2019-2020

[schneiderelectricpresident.com](https://schneiderelectricpresident.com)



## Board of Directors



**Mr. Ranjan Pant**  
Chairman  
Independent,  
Non-Executive Director



**Mr. Ramakrishna Rajasekharan  
Nair (Mr. RR Nair)**  
Independent,  
Non-Executive Director



**Mr. Swaminathan Venkatraman**  
Non-Executive Director



**Ms. Rachna Mukherjee**  
Non-Executive Director



**Mr. Sugata Sircar**  
Non-Executive Director



**Mr. Mohamed Adil Mohamed  
Aslam Sattar (Mohamed Adil)<sup>1</sup>**  
Whole-Time Director



**Mr. Srinivasa Narasimhan<sup>2</sup>**  
Non-Executive Director

## COMPANY SECRETARY



**Ms. Urvashi Bhatia<sup>3</sup>**  
Company Secretary

Brief profile of Board of Directors can be accessed at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com)

<sup>1</sup>Mohamed Adil was appointed as Whole-Time Director of the Company w.e.f. June 27, 2019.

<sup>2</sup>Mr. Srinivasa Narasimhan was appointed as Non-Executive Director w.e.f. March 3, 2020.

<sup>3</sup>Ms. Urvashi Bhatia was appointed as the Company Secretary w.e.f. June 23, 2020.

## Corporate Information

### Committees of the Board

(as on March 31, 2020)

<p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>• Mr. Ranjan Pant, Non-Executive Independent Director (Chairman)</li> <li>• Mr. RR Nair, Non-Executive Independent Director</li> <li>• Mr. Sugata Sircar, Non-Executive Director</li> </ul>	<p><b>Nomination and Remuneration Committee</b></p> <ul style="list-style-type: none"> <li>• Mr. RR Nair, Non-Executive Independent Director (Chairman)</li> <li>• Mr. Ranjan Pant, Non-Executive Independent Director</li> <li>• Ms. Rachna Mukherjee, Non-Executive Director</li> </ul>
<p><b>Corporate Social Responsibility Committee</b></p> <ul style="list-style-type: none"> <li>• Mr. RR Nair, Non-Executive Independent Director</li> <li>• Mr. Sugata Sircar, Non-Executive Director</li> <li>• Mr. Swaminathan Venkatraman, Non-Executive Director</li> </ul>	<p><b>Stakeholders Relationship Committee</b></p> <ul style="list-style-type: none"> <li>• Mr. Ranjan Pant, Non-Executive Independent Director (Chairman)</li> <li>• Mr. Sugata Sircar, Non-Executive Director</li> <li>• Mr. Swaminathan Venkatraman, Non-Executive Director</li> </ul>
<p><b>Finance Committee</b></p> <ul style="list-style-type: none"> <li>• Mr. Sugata Sircar, Non-Executive Director</li> <li>• Mr. Swaminathan Venkatraman, Non-Executive Director</li> </ul>	
<p><b>Statutory Auditors:</b> M/s S.R. Batliboi &amp; Associates, LLP UB City, Canberra Block, 12th Floor No. 24, Vittal Mallya Road, Bengaluru – 560 001</p>	<p><b>Registrar &amp; Transfer Agent</b> Universal Capital Securities Pvt. Ltd 21 Shakil Nivas, Mahakali Caves Road Andheri (E), Mumbai 400093 Contact: +91- 022- 2820 7203/2820 7204/ 2820 7205 E-mail: Mr. Rajesh Karlekar (karlekar@uniseq.in)</p>

### Offices:

<p><b>REGISTERED</b></p> <p>5C/1, KIADB Industrial Area, Attibele, Bengaluru – 562 107, Karnataka Contact: +91 80 6788 8300</p>	<p><b>CORPORATE</b></p> <p>BGRT, 6<sup>th</sup> Floor, Sy. No. 63/3B, Gorvigere Village, Bidarahalli Hobli, Bengaluru East Taluk, Whitefield Hoskote Road, Bengaluru – 560 115, Karnataka Contact: +91 80 4554 0000</p>
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## FINANCIAL STATISTICS

(Rs. In Millions)

Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Sale of Products	2,064.29	2,949.21	3,145.62	2,633.35	1,946.86	1,569.57	1,569.27
Sale of Services	53.74	82.12	65.67	58.19	50.56	57.39	64.58
Other Operating Income	25.81	26.52	26.52	16.73	18.31	25.65	19.22
Other Income	7.48	6.25	7.11	7.17	6.97	5.52	1.59
<b>Total Income</b>	<b>2,151.32</b>	<b>3,064.09</b>	<b>3,244.92</b>	<b>2,715.43</b>	<b>2,022.70</b>	<b>1,658.12</b>	<b>1,654.65</b>
EBITDA	98.79	260.07	260.78	258.48	165.08	38.39	17.18
Financial Expenses (Net)	7.66	20.64	20.20	25.91	31.79	25.46	23.31
Depreciation	54.79	52.37	51.62	52.06	51.89	50.11	42.06
(Loss)/Profit before Taxation	<b>36.34</b>	<b>187.06</b>	<b>188.97</b>	<b>180.51</b>	<b>81.40</b>	<b>-37.18</b>	<b>-48.19</b>
(Loss)/Profit after Taxation	14.30	117.45	131.12	137.11	63.87	-37.18	-48.19
Dividend Payout	-	-	-	-	-	-	-
Corporate Tax on Dividend	-	-	-	-	-	-	-
Retained earnings	<b>14.30</b>	<b>117.45</b>	<b>131.12</b>	<b>137.11</b>	<b>63.87</b>	<b>-37.18</b>	<b>-48.19</b>
Dividend (%)							-
Earning per Share	2.36	19.42	21.68	22.67	10.56	-6.15	-7.97
Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Equity and Liabilities							
Share Capital	60.48	60.48	60.48	60.48	60.48	60.48	60.48
Reserves & Surplus	712.76	698.47	581.01	449.89	312.78	248.91	297.23
<b>Total Shareholder's Funds</b>	<b>773.24</b>	<b>758.95</b>	<b>641.49</b>	<b>510.37</b>	<b>373.26</b>	<b>309.39</b>	<b>357.71</b>
Non Current Liabilities							
Long-term borrowings	2.01	1.07	2.14	159.94	209.94	199.97	150.36
Deferred tax liability (net)	-	-	-	-	-	-	-
Other long-term liabilities	-	-	-	4.06	-	0.50	0.95
Long-term provisions	30.25	26.82	33.58	28.04	19.11	15.66	22.98
	<b>32.26</b>	<b>27.88</b>	<b>35.72</b>	<b>192.04</b>	<b>229.05</b>	<b>216.13</b>	<b>174.29</b>
Current Liabilities							
Short-term borrowings	1.49	179.94	25.52	45.50	120.13	79.82	158.62
Trade Payables	489.90	584.75	829.15	612.82	402.29	574.58	441.96
Other current liabilities	68.20	49.49	352.43	189.28	121.8	97.39	82.02
Short-term provisions	43.44	50.53	42.09	43.74	24.39	18.35	14.68
	<b>603.03</b>	<b>864.71</b>	<b>1,249.19</b>	<b>891.34</b>	<b>668.61</b>	<b>770.13</b>	<b>697.28</b>
<b>Total</b>	<b>1408.53</b>	<b>1651.54</b>	<b>1,926.41</b>	<b>1,593.75</b>	<b>1,270.91</b>	<b>1,295.65</b>	<b>1,229.27</b>

Non Current Assets							
Fixed assets							
Tangible assets	302.14	350.07	352.39	353.76	382.92	374.75	385.66
Intangible assets	2.24	3.66	4.61	5.08	9.25	14.20	17.95
Capital work-in-progress	11.42	0.55	3.33	17.92	10.49	12.75	6.61
Non-current investments	-	-	-	-	-	-	-
Deferred tax asset (net)	38.13	42.18	30.04	10.55	-	-	-
Long-term loans and advances	147.10	81.09	43.96	39.15	62.62	63.94	46.47
Other Non current assets			-	-	0.20	0.18	0.17
	<b>501.03</b>	<b>477.56</b>	<b>434.33</b>	<b>426.46</b>	<b>465.48</b>	<b>465.82</b>	<b>456.86</b>
Current assets							
Inventories	254.55	177.75	322.18	318.48	251.75	285.69	224.72
Trade receivables	480.44	820.57	929.58	716.99	420.84	418.61	449.47
Cash and bank balances	140.24	97.16	157.56	27.55	39.87	17.15	6.82
Short-term loans and advances	32.24	75.85	80.40	104.24	90.62	105.86	86.22
Other current assets	0.02	2.66	2.36	0.05	2.37	2.53	5.19
	<b>907.49</b>	<b>1173.99</b>	<b>1,492.08</b>	<b>1,167.29</b>	<b>805.44</b>	<b>829.83</b>	<b>772.42</b>
Total	<b>1408.53</b>	<b>1651.54</b>	<b>1,926.41</b>	<b>1,593.75</b>	<b>1,270.91</b>	<b>1,295.65</b>	<b>1,229.27</b>
Statement of Accounting Ratios of the Company	-	-	-	-	-	-	-
<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
EBIDTA Rs.*	98.79	260.07	260.78	258.48	165.08	38.39	17.51
EBIDTA % to Net Product Sales	4.79	8.82	8.29	9.82	8.48	2.45	1.12
Return on Net Worth (%)	1.85	15.48	20.44	26.86	17.11	-12.02	-13.47
Net Asslet Value per share	127.85	125.49	106.07	84.39	61.72	51.16	59.14

\*Includes interest income

**SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED**

CIN: U32109KA1984PLC079103

Regd. Office: 5C/1, KIADB Industrial Area, Attibele, Bengaluru-562107, Karnataka

Phone: 080 67888300

Website: [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com); E-mail: [urvashi.bhatia@se.com](mailto:urvashi.bhatia@se.com)

**NOTICE**

**NOTICE** is hereby given that the Thirty-Sixth (36<sup>th</sup>) Annual General Meeting (“**AGM/Meeting**”) of the Members of Schneider Electric President Systems Limited (“**Company**”) will be held on Friday, September 18, 2020 at 03:30 P.M. through Video Conferencing (“**VC**”) / Other Audio-Visual Means (“**OAVM**”) to transact the following business(es):

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 including audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2020 including audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon laid before this Meeting, be and are hereby received, considered and adopted.”
2. To appoint Ms. Rachna Mukherjee (DIN: 06970986), who retires by rotation and being eligible, offers herself for re-appointment as Director and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Rachna Mukherjee (DIN: 06970986), who retires by rotation at this Meeting, being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

**SPECIAL BUSINESS**

3. To consider the appointment of Mr. Srinivasa Narasimhan (DIN: 08488167) as a Non-Executive Director of the Company and, in this regard, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Srinivasa Narasimhan (DIN: 08488167), who was appointed as an Additional Non-Executive Director of the Company by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, with effect from March 03, 2020 in terms of provisions of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) 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.”
4. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and, in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the 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, 2021 as recommended by the Audit Committee and approved by the Board of Directors, to be paid to M/s. Rao Murthy & Associates, Cost Accountants, Bengaluru (Firm Registration No. 000065), appointed by the Board of Directors, to conduct the audit of the cost records of the Company, be and is hereby ratified.”

Date: July 20, 2020  
Place: New Delhi

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

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

**Urvashi Bhatia**  
**Company Secretary**  
ACS: 40858

**Notes:**

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") setting out material facts concerning the special business(es) under Item Nos. 3 & 4 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on July 20, 2020 considered that the special business(es) under Item Nos. 3 & 4, being unavoidable, be transacted at the 36<sup>th</sup> Annual General Meeting ("36<sup>th</sup> AGM") of the Company.
2. **GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 36<sup>th</sup> AGM THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING**
  - a. In view of the current extraordinary circumstances due to the massive outbreak of COVID-19 pandemic prevailing in the country requiring social distancing, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meetings through Video Conferencing/ Other Audio-Visual Means (VC/OAVM), without the physical presence of the Members at a common venue.  
Accordingly, this 36<sup>th</sup> AGM is being convened electronically through VC/OAVM in compliance with applicable provisions of the Act read with relevant rules issued thereunder and MCA Circulars and hence, Members can attend and participate in 36<sup>th</sup> AGM through VC/ OAVM Facility being provided by the Company.
  - b. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 36<sup>th</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 36<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 36<sup>th</sup> AGM.
  - c. Members attending the 36<sup>th</sup> AGM electronically through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  - d. The deemed venue for the 36<sup>th</sup> AGM shall be the Registered Office of the Company at 5C/1, KIADB Industrial Area, Attibele, Bengaluru-562107, Karnataka.
  - e. KFin Technologies Private Limited ("KFintech") will be providing facility for voting through remote e-Voting, for participation in the 36<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 36<sup>th</sup> AGM.
  - f. The 36<sup>th</sup> AGM conducted through VC/OAVM allows two-way teleconferencing for the ease of participation of the Members. Members may join the 36<sup>th</sup> AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 03:00 p.m. IST i.e. 30 minutes before the time scheduled to start the 36<sup>th</sup> AGM on Friday, September 18, 2020.
  - g. Members may note that the VC/OAVM Facility, provided by KFintech, allows participation of at least 1,000 Members on a first-come-first-serve basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairperson(s) of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 36<sup>th</sup> AGM without any restriction on account of first-come-first-serve principle.
  - h. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") read with MCA Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business(es) to be transacted at the 36<sup>th</sup> AGM and facility for those Members participating in the 36<sup>th</sup> AGM to cast vote through e-Voting system during the 36<sup>th</sup> AGM.
  - i. In compliance with the aforesaid MCA Circulars, Notice of the 36<sup>th</sup> AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to all the Members who have registered their email ids with the Company/Depository Participants (DPs)/ Company's Registrars and Share Transfer Agents and whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on Friday, August 14, 2020, i.e. the Record Date fixed by the Company for the purpose of sending the Notice of the 36<sup>th</sup> AGM and Annual Report 2019-2020 to the Members of the Company.  
In line with the MCA Circulars, the Members may note that the Notice and Annual Report 2019-2020 will also be available on the Company's website at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com) and on the website of KFintech, i.e. <http://evoting.karvy.com>.
  - j. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
3. **PROCESS FOR THOSE MEMBERS WHOSE EMAIL IDS ARE NOT REGISTERED FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF EMAIL IDS FOR E-VOTING ON THE RESOLUTIONS SET OUT IN THIS NOTICE:**
  - a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 36<sup>th</sup> AGM or cast their vote through remote e-Voting or through the e-Voting system during the Meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning name, folio number and complete address; and ii) self-attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company [urvashi.bhatia@se.com](mailto:urvashi.bhatia@se.com) or Registrar & Share Transfer Agents, Universal Capital Securities Private Limited (RTA) at [karlekar@unisec.in](mailto:karlekar@unisec.in).
  - b. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self-attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self-attested scanned copy of the PAN Card, to the email address of the Company at [urvashi.bhatia@se.com](mailto:urvashi.bhatia@se.com) or RTA at [karlekar@unisec.in](mailto:karlekar@unisec.in).

**4. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE 36<sup>TH</sup> AGM ARE AS UNDER:**

- a. Upon declaration by the Chairman about the commencement of e-Voting at 36<sup>th</sup> AGM, Members shall click on the thumb sign on the left bottom corner of the video screen for voting at the 36<sup>th</sup> AGM, which will take them to the "Instapoll" page.
- b. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- c. Only those Members, who will be present in the 36<sup>th</sup> AGM through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 36<sup>th</sup> AGM.
- d. The Members who have cast their vote by remote e-Voting prior to the 36<sup>th</sup> AGM may also participate in the 36<sup>th</sup> AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again.
- e. Members who need technical assistance before or during the 36<sup>th</sup> AGM, can contact KFintech at [evoting@karvy.com](mailto:evoting@karvy.com) or helpline at 1800 345 4001 (toll free).

**5. INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE 36<sup>TH</sup> AGM THROUGH VC/OAVM FACILITY ARE AS UNDER:**

- a. Members will be provided with a facility to attend the 36<sup>th</sup> AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for 36<sup>th</sup> AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected.
- b. Please note that the Members who have forgotten the User ID and Password may retrieve the same by clicking on forgot Password option and create new password.
- c. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- d. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the Meeting.
- e. Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- f. Members, who would like to ask questions/ express their views with regard to the financial statements or any other matter to be placed at the 36<sup>th</sup> AGM, during the 36<sup>th</sup> AGM will have to visit <https://emeetings.kfintech.com/> and click on "**Post your Questions**" or register themselves as Speaker by clicking on "**Speaker Registration**" by mentioning the demat account number/ folio number, city, email id, mobile number and submit. The Speaker Registration or the option for posting question shall be available from Tuesday, September 15, 2020 from 9:00 a.m. (IST) till Thursday, September 17, 2020 upto 5:00 pm. (IST). The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the Meeting.
- g. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 36<sup>th</sup> AGM through VC/OAVM Facility.

**6. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

- a) The remote e-Voting will be available during the following period:

Commencement of remote e-Voting	From 9:00 a.m. (IST) on Tuesday, September 15, 2020
End of remote e-Voting	Upto 5:00 p.m. (IST) on Thursday, September 17, 2020

The remote e-Voting will not be allowed beyond the aforesaid date and time and the e-Voting module shall be disabled by KFintech upon expiry of aforesaid period. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- b) Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on **Saturday, September 12, 2020, i.e. the "Cut-off Date"** shall only be entitled to avail the facility of remote e-voting and e-voting at the 36<sup>th</sup> AGM. Any person who is not a member on the Cut-off Date should treat the Notice for information purposes only.
- c) The details of the **process and manner for remote e-Voting** are explained herein below:
  - i. Initial password is provided in the body of the email.
  - ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
  - iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFintech for e-Voting, you can use your existing User ID and password for casting your votes.
  - iv. After entering the details appropriately, click on LOGIN.
  - v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. You need to login again with the new credentials.
  - vii. On successful login, the system will prompt you to select the EVENT i.e. Schneider Electric President Systems Limited.

- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at [rupesh@cacsindia.com](mailto:rupesh@cacsindia.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com) and may also upload the same in the e-voting module in their login.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFintech on 1800 345 4001 (toll free).

## 7. OTHER INFORMATION/ GUIDELINES FOR MEMBERS

- a. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the **Cut-off Date**.
  - b. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of Notice of 36<sup>th</sup> AGM and holds shares as of the **Cut-off Date** can obtain the login ID and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com) or [urvashi.bhatia@se.com](mailto:urvashi.bhatia@se.com). However, if you are already registered with KFintech for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **Cut-off Date** only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
  - d. Mr. Rupesh Aggarwal (ACS 16302 and CP 5673), failing him Mr. Shashikant Tiwari (ACS 28994 and CP 13050), Practicing Company Secretaries from M/s Chandrasekaran Associates have been appointed as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
  - e. During the 36<sup>th</sup> AGM, the Chairman shall, after responding to the questions raised by the Members in advance or as a speaker at 36<sup>th</sup> AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the Resolutions as set out in the Notice of the 36<sup>th</sup> AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 36<sup>th</sup> AGM.
  - f. The Scrutinizer shall after the conclusion of e-Voting at the 36<sup>th</sup> AGM, first download the votes cast at the 36<sup>th</sup> AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 36<sup>th</sup> AGM, who shall then countersign and declare the Result of the voting forthwith.
  - g. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com) and on the website of KFintech at <https://evoting.karvy.com> / immediately after the declaration of Results by the Chairman or a person authorized by him.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 12, 2020 to Friday, September 18, 2020 (both days inclusive).
  9. Relevant documents referred to in the Notice along with the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, are open for inspection by the Members electronically and shall remain open for inspection at the 36<sup>th</sup> AGM.
  10. The relevant information regarding particulars of Directors seeking appointment/re-appointment in terms of Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India [SS-2] are annexed as **Annexure- I** to this Notice. The Company has received the requisite consents / declarations for their appointments / re-appointments under the Act and the rules made thereunder.
  11. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
    - a) Change in their residential status on return to India for permanent settlement.
    - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.

**13. Appeal to Shareholders:****DEMAT**

- Pursuant to Ministry of Corporate Affairs (MCA) notification dated September 10, 2018 effective from October 02, 2018, transfer of shares in physical mode is prohibited and mandates holding of shares in demat except in case of transmission or transposition. Accordingly, the Company/RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members are requested to convert the physical holding to demat through DP. Members may contact the Company for any assistance in the said process of physical to demat of shares.

**REGISTRATION OF NOMINATION AND BANK MANDATE**

- Registration of nomination makes easy for dependents to access your investments and set out the proportion of your benefits to the nominees. Registration and/ or updation of bank mandate ensures the receipt of dividend and/or any other consideration timely, faster and easier and more important avoids fraudulent encashment of warrants. Members are requested to submit their bank registration documents i.e. request letter, cancelled cheque and self-attested PAN card & address proof with the Company and/ or DP.

**ELECTRONIC COMMUNICATION**

- All notices, financial statements, annual report etc. can be sent to the Members electronically as notified in the Act and Rules made thereunder. It reduces Company's cost of printing and dispatch, ensures timely and speedy intimations and also supports the initiative of green environment. Members are requested to register/ update their e-mail ID by writing to the Company except wherein the shareholding is in demat it may be sent to the respective DP.

**GENERAL REQUEST**

- At regular intervals, verify the address and bank details updated with RTA or DP and intimate the changes, if any pertaining to name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., as and when required;
  - Do not share your demat account login and password and retain the relevant instruction slips in safe custody;
  - Obtain periodic statement of your holdings from the concerned DP and verify your holdings periodically.
14. In this Notice and the statement of material facts, the term "shareholder(s)" and "member(s)" and the term "AGM" and "Meeting" are used interchangeably.
15. For any queries regarding the matters set out in the Notice or any other investor related queries, the Members may write to Company Secretary at [urvashi.bhatia@se.com](mailto:urvashi.bhatia@se.com).
16. The Company has transferred total Equity Shares i.e. 20,758 of Rs.10/- each in respect of which dividend has not been claimed by the Members to the DEMAT Account of the Investors Education and Protection Fund (IEPF). The details of records are as under.

FY 2008-09		
SHARES HELD	NO. OF RECORDS	NO. OF SHARES
NSDL	1	1
CDSL	3	173
PHYSICAL FORM	38	11367
TOTAL	42	11541

FY 2009-10		
SHARES HELD	NO. OF RECORDS	NO. OF SHARES
NSDL	8	976
CDSL	1	1
PHYSICAL FORM	26	8240
TOTAL	35	9217

However, Member can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Demat Account, by making an application in Form IEPF-5 online on the website [www.iepf.gov.in](http://www.iepf.gov.in) and by complying with requisite procedure as per the provisions of the law.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 [THE ACT]**

The following Statement sets out all material facts relating to the Special Business(es) mentioned in the Notice:

**ITEM NO. 3**

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors of the Company have appointed Mr. Srinivasa Narasimhan (DIN: 08488167) as an Additional Director in the capacity of Non-Executive Director of the Company with effect from March 03, 2020, liable to retire by rotation.

As an Additional Director, Mr. Narasimhan holds office till the date of this 36<sup>th</sup> AGM and is eligible for being appointed as a Non-Executive Director.

Mr. Srinivasa Narasimhan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given necessary disclosures and consent for his appointment as Director of the Company.

Mr. Srinivasa Narasimhan has over 20 years of Leadership Experience in Various Multinationals both within & Outside India. He is an ACCA from Association of Chartered Certified Accountants, UK & CMA from the Institute of Cost Accountants of India. He has also recently earned the certificate of Transforming Leadership from INSEAD Business School in Paris.

He is currently working with the Schneider Group as Chief Financial Officer for one of the group companies, namely Schneider Electric IT Business India Private Limited & partners the Vice President Secure Power Business. Prior to his current employment with Schneider, he has done varied roles with Companies like Coca Cola, Indus League & Arvind Mills. Having worked across Multiple Geographies, he has been instrumental in setting up of New Business Models & Systems in the US, Norway, Canada & Singapore during his earlier stint with Coca Cola. His Diverse roles include Driving Transformational Projects, Business Decision Support, setting up of Processes & Systems in New Businesses / Startups & Implementing Business Strategies.

Your Board believes that induction of Mr. Narasimhan on the Board will support in broadening the overall expertise of the Board.

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. Narasimhan, being the appointee, 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 at Item No. 3 of the accompanying Notice of the 36<sup>th</sup> AGM.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval of the Members.

#### ITEM NO. 4

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on July 20, 2020 approved the appointment of M/s. Rao Murthy & Associates, Cost Accountants, Bengaluru (Firm Registration No. 000065) as Cost Auditors to conduct the audit of the cost records of the Company for Financial Year 2020-2021 at a remuneration of Rs.1,10,000/- (Rupees One Lakh Ten Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice of the 36<sup>th</sup> AGM, for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the proposed resolution.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

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

Date: July 20, 2020  
Place: New Delhi

**Urvashi Bhatia**  
Company Secretary  
ACS: 40858

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

**Annexure I**

Information of Director(s) seeking appointment/re-appointment at this 36<sup>th</sup> AGM of the Company, in accordance with the Companies Act, 2013 and Secretarial Standards, issued by the Institute of Company Secretaries of India, as on the date of Notice.

<b>Name of Directors / Particulars</b>	<b>Ms. Rachna Mukherjee</b>	<b>Mr. Srinivasa Narasimhan</b>
<b>Director Identification Number (DIN)</b>	06970986	08488167
<b>Date of Birth (Age in Years)</b>	November 30, 1962 (57 years)	March 30, 1973 (47 years)
<b>Date of First Appointment</b>	February 11, 2015	March 03, 2020
<b>Expertise in specific functional area</b>	Expertise in managing Human Resource (HR) Functions covering all of HR disciplines such as Talent Acquisition, Succession Planning, Leadership Development, Employee Engagement, compensation and benefits, Organization Designing.	Expertise in Driving Transformational Projects, Business Decision Support, setting up of Processes & Systems in New Businesses/ Start-ups & Strategy Planning & Deployment.
<b>Qualifications</b>	Electronics & Electrical Engineer, Certified Executive and Life Coach from International Coach Federation	ACCA from Association of Chartered Certified Accountants, UK & CMA from the Institute of Cost Accountants of India
<b>Experience</b>	30 years	20 years
<b>List of Companies in which Directorship is held</b>	Schneider Electric India Private Limited	Schneider Electric IT Business India Private Limited
<b>Chairman/Member of Committee (s) of Board of Directors of Other Companies</b>	<b>Schneider Electric India Private Limited Member</b> - Corporate Social Responsibility	Nil
<b>No. of Shares held in the Company</b>	NIL	NIL
<b>Relationship with Directors, Managers and Key Managerial Personnel</b>	None	None
<b>Terms and Conditions of Appointment/ Reappointment</b>	As detailed in the respective resolutions and statement pursuant to section 102 of the Companies Act, 2013.	
<b>Remuneration sought to be paid/ last drawn</b>	NIL	NIL
<b>Number of Meetings of Board attended during the year</b>	4	1*

\*Mr. Srinivasa Narasimhan was appointed as Non-Executive Director at the Board meeting held on March 3, 2020 which was attended by him in his capacity as Director, after his appointment.

**BOARD'S REPORT**

Dear Members,

Your Directors take pleasure in presenting the 36<sup>th</sup> Annual Report on business and operations of your Company together with Audited Financial Statements for the financial year ended March 31, 2020.

**1. Financial Results****(Rs. in Millions)**

Particulars	Financial Year 2019-2020	Financial Year 2018-2019
Gross Revenue from Operations	2,143.84	3,057.84
Net Revenue	2,151.32	3,064.09
Earnings before interest and Depreciation (EBITDA)	98.79	260.07
Less: Interest	7.66	20.64
Less: Depreciation	54.79	52.37
Profit / (Loss) before Tax	36.34	187.06
Less: Provision for Tax	-17.99	-81.75
Less: Deferred Tax	-4.05	-12.14
Profit After Tax	14.30	117.45

**2. Financial Performance and State of the Company's Affairs**

The Net Revenues of the Company was at Rs. 2,151.32 Million as compared to Rs. 3,064.09 Million in the previous year. The Profit after Tax stood at Rs. 14.30 million compared to Rs. 117.45 million in the previous year.

Net Revenue from operations decreased by 30% over the previous year.

**3. Dividend**

After careful assessment of the fund requirement of your Company for the ongoing business, repayment of borrowings and future growth, the Board of Directors have decided not to recommend the dividend for the financial year ended March 31, 2020.

**4. Reserves**

The details of reserves are provided under note of equity in financial statements.

**5. Public Deposits**

The Company has not accepted or renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 ("the Act") read with Companies (Acceptance of Deposits) Rules, 2014, and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**6. Extract of Annual Return**

As per the requirements of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is annexed as **Annexure I** to this Report.

**7. Board of Directors**

At the year ended March 31, 2020, the Board has 7 (seven) Directors comprising of 4 (four) Non-Executive Directors including 1 (one) Non-Executive Women Director, 1 (one) Executive Director and 2 (two) Independent Directors.

The year under review saw the following changes to the Board composition:

**Appointment(s)**

During the year under review, the Board, on the recommendation of the Nomination & Remuneration Committee (NRC):

- approved the appointment of Mohamed Adil Mohamed Aslam Sattar (Mohamed Adil) (DIN:08495260) as an Additional Director designated as Whole-Time Director, in professional capacity for a term of three (3) years with effect from June 27, 2019 till June 26, 2022.

Mohamed Adil comes with a diverse experience of over 22 years in various functions encompassing end to end Manufacturing (Design, Development & Manufacturing).

The Members approved the appointment of Mohamed Adil in their 35<sup>th</sup> Annual General Meeting held on September 19, 2019.

- approved the appointment of Mr. Srinivasa Narasimhan (DIN:08488167) as the Non-Executive Director of the Company effective from March 3, 2020 who holds office upto the date of the 36<sup>th</sup> Annual General Meeting ('AGM').

The appointment of Mr. Srinivasa Narasimhan is subject to the approval of the Members at this 36<sup>th</sup> AGM.

Mr. Srinivasa Narasimhan has over 20 years of experience in Various Multinationals both within & Outside of India. He is an ACCA from Association of Chartered Certified Accountants, UK & CMA from the Institute of Cost Accountants of India. He has also recently earned the certificate of Transforming Leadership from INSEAD Business School in Paris.

He is currently working with Schneider Electric as Chief Financial Officer for one of the group companies viz. Schneider Electric IT Business Private Limited (SEITB) & partners the Vice President Secure Power Business. Prior to his current employment with Schneider, he has done varied roles with Companies like Coca Cola, Indus League & Arvind Mills. Having worked across Multiple geographies, he has been instrumental in setting up of New Business Models & Systems in the US, Norway, Canada & Singapore during his earlier stint with Coca Cola. His Diverse roles include Driving Transformational Projects, Business Decision Support, setting up of Processes & Systems in New Businesses / Startups & Strategy Implementation & Deployment.

#### Re-appointment(s)

In accordance with the provisions of the Act and Articles of Association of the Company, Ms. Rachna Mukherjee (DIN: 06970986), Non-Executive Director, is retiring by rotation and has offered herself for re-appointment. The Board recommends her re-appointment. Considering the background and experience of Ms. Mukherjee, the Board believes that her re-appointment will immensely benefit the Company.

Brief profiles of Mr. Narasimhan and Ms. Mukherjee along with the details required pursuant to the provisions of the Act read with the Secretarial Standard-2 on the General Meetings issued by the Institute of Company Secretaries of India are provided for the attention of the Members in the Notice of 36<sup>th</sup> AGM.

The profile of Board of Directors can also be accessed at Company's website at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com)

None of the Directors of your Company are disqualified for being appointed/re-appointed as the Directors in terms of Section 164(2) (a) and (b) of the Act.

#### Cessation(s)

During the year under review Mr. Nitin Bakshi resigned from the position of Director of the Company w.e.f. June 27, 2019 and the said change was informed to the Members as part of Director's Report for financial year 2018-19.

Mr. Javed Ahmad, ceased to be the Director of the Company w.e.f. March 19, 2020 on account of vacation of office under Section 167(1)(b) of the Act.

### 8. Board Meetings and Annual General Meeting

The Board of Directors of the Company met 4 (four) times, viz. June 27, 2019, July 16, 2019, November 11, 2019 and March 3, 2020, during this financial year 2019-2020. The gap intervening between two meetings of the Board did not exceed 120 (one hundred and twenty) days.

**The composition and category of Directors, attendance of each Director at the Board Meetings and the last Annual General Meeting as at March 31, 2020, is tabulated hereunder:**

S. No.	Name of Directors	Category of Directorship	Number of Board meetings held during their tenure	Number of Board meetings attended	Whether attended last AGM held on September 19, 2019
1.	Mr. Ranjan Pant	Chairman - Non-Executive Independent Director	4	4 <sup>1</sup>	Yes
2.	Mr. RR Nair	Non-Executive Independent Director	4	4 <sup>2</sup>	Yes
3.	Mohamed Adil <sup>3</sup>	Whole-Time Director	3	2 <sup>4</sup>	Yes
4.	Mr. Javed Ahmad <sup>5</sup>	Non-Executive Director	4	0	No
5.	Ms. Rachna Mukherjee	Non-Executive Director	4	4 <sup>6</sup>	Yes
6.	Mr. Sugata Sircar	Non-Executive Director	4	4	Yes
7.	Mr. Swaminathan Venkatraman	Non-Executive Director	4	4 <sup>7</sup>	Yes
8.	Mr. Srinivasa Narasimhan <sup>8</sup>	Additional Non-Executive Director	1	1 <sup>9</sup>	NA

Notes:

<sup>1</sup>Mr. Ranjan Pant participated in 2 (two) meetings held on June 27, 2019 and November 11, 2019 via audio-video conferencing facility;

<sup>2</sup>Mr. RR Nair participated in 3 (three) meetings held on June 27, 2019, November 11, 2019 and March 3, 2020 via audio-video conferencing facility;

<sup>3</sup>Mohamed Adil was appointed as Whole-Time Director w.e.f. close of business hours on June 27, 2019;

<sup>4</sup>Mohamed Adil participated in 2 (two) meetings held on November 11, 2019 and March 3, 2020 via audio-video conferencing facility;

<sup>5</sup>Mr. Javed Ahmad, cease to be the Director of the Company w.e.f. March 19, 2020 on account of vacation of his office;

<sup>6</sup>Ms. Rachna Mukherjee participated in 1 (one) meeting held on November 11, 2019 via audio-video conferencing facility;

<sup>7</sup>Mr. Swaminathan Venkatraman participated in 3 (three) meetings held on June 27, 2019, November 11, 2019 and March 3, 2020 via audio-video conferencing facility;

<sup>8</sup>Mr. Srinivasa Narasimhan was appointed as Additional Non-Executive Director effective March 3, 2020;

<sup>9</sup>Mr. Srinivasa Narasimhan participated in 1 (one) meeting held on March 3, 2020 via audio-video conferencing facility.

## 9. Criteria of Independence and Declaration from Independent Directors

The Nomination and Remuneration Committee and the Board 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 Act. Determination of independence is re-assessed annually and as and when any new interests or relationships are disclosed by a Director.

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of Independence as laid out under Section 149(6) of the Act.

## 10. Key Managerial Personnel(s) (KMPs)

During the year under review, the Company appointed Mohamed Adil as Whole-Time Director w.e.f. June 27, 2019 and designated him as the KMP under Section 203 of the Act.

Mr. Damodar Kalavala, ceased to be the Chief Financial Officer of the Company and accordingly, relinquished his position of KMP w.e.f. December 31, 2019.

Ms. Priyanka Gupta ceased to be the Company Secretary of the Company w.e.f. June 9, 2020 and accordingly, relinquished her position of KMP w.e.f. the said date.

On recommendation of Nomination and Remuneration Committee, the Board of Directors approved appointment of Ms. Urvashi Bhatia as Company Secretary of the Company effective from June 23, 2020.

After the closure of the financial year and as on date of this Report, the following Directors/Executives are KMPs of the Company:

1. Mohamed Adil, Whole-Time Director;
2. Ms. Urvashi Bhatia, Company Secretary.

## 11. Annual Evaluation of Board's Performance, Performance of its Committees, Chairman and Individual Directors

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees, Chairman and Individual Directors ("Board Evaluation") which include criteria for performance evaluation of non-executive and executive directors as laid down by the Nomination and Remuneration Committee and the Board of Directors of the Company.

The Board of Directors has carried out an annual evaluation of its own performance, performance of the Directors individually, Chairman as well as the evaluation of the working of its Committees, pursuant to the provisions of the Act.

Feedback was sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders.

Feedback was also taken from every Director on his assessment of the performance of each of the other Directors and about the performance of every Committee of the Board and these assessments were presented to the Board for consideration. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The evaluation was carried out through tailored questionnaires which were pragmatically structured to draw out significant issues that were relevant to the Board; each of the Board Committees and the individual directors to assist in identifying any areas for improvement as given below:

**Chairman:** Demonstration of effective Leadership; Objectivity in discussions; Constructive communication & relationship with other directors, CEO and Committee Chairpersons.

**Individual Directors:** Preparedness and participation of the Director for the meetings; Quality of discussions during meetings; Effectiveness of Director; Quality of the value additions made; Independence in case of Independent Directors.

**Board Committees:** Committee Meeting & Information; Committee Composition & Operation; Specific Committee responsibilities; Progress against development areas.

**Board as a Whole:** Assessment of Company as a whole, its performance, its goals etc.; Composition and structure; Practices and quality; Progress against development areas.

### Outcome of Performance Evaluation

The outcome of the Board evaluation was discussed by the Nomination & Remuneration Committee and the Board at their respective meetings held on July 20, 2020.

Overall, the review determined that the Board has been functioning as a unified body which is well engaged with different perspectives.

There is a good balance of skills and experience on the Board to ensure the delivery of stakeholder goals.

It was observed that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are being brought up and discussed in the Committee Meetings.

The Members recorded their overall satisfaction on the board evaluation process.

## 12. Remuneration Policy

In terms of the provisions of Section 178(3) of the Act, the Nomination & Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Board has, on the recommendation of the NRC framed a policy on remuneration to be paid to directors, key managerial personnel and other employees and criteria for appointment of directors.

During the year under review, there have been no changes to the Policy. The Policy may be accessed on the Company's website at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com).

## 13. Board Committees

The Board has constituted various statutory and non-statutory committees to focus on certain specific areas and to take informed decisions. These Committees have their defined roles and operate under their terms of reference as defined by the Board. The Committees are duly constituted under the requirements of the Act.

The following statutory Committees constituted by the Board, function according to their respective roles and defined scope:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders Relationship Committee

In addition, the Board has constituted Finance Committee inter-alia to take care of the day to day banking operations of the Company.

The details of the composition of Committees as on date of this Report are as under:

<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>
Mr. Ranjan Pant, Non-Executive Independent Director (Chairman) Mr. RR Nair, Non-Executive Independent Director Mr. Sugata Sircar, Non-Executive Director	Mr. RR Nair, Non-Executive Independent Director (Chairman) Mr. Ranjan Pant, Non-Executive Independent Director Ms. Rachna Mukherjee, Non-Executive Director
<b>Corporate Social Responsibility Committee</b>	<b>Stakeholders Relationship Committee</b>
Mr. RR Nair, Non-Executive Independent Director Mr. Sugata Sircar, Non-Executive Director Mr. Swaminathan Venkatraman, Non-Executive Director	Mr. Ranjan Pant, Non-Executive Independent Director (Chairman) Mr. Sugata Sircar, Non-Executive Director Mr. Swaminathan Venkatraman, Non-Executive Director
<b>Finance Committee</b>	
Mr. Sugata Sircar, Non-Executive Director Mr. Swaminathan Venkatraman, Non-Executive Director Mr. Javed Ahmad, Non-Executive Director <sup>1</sup> Mr. Srinivasa Narasimhan <sup>2</sup>	

Notes: The Company Secretary of the Company acts as the Secretary for all the above Committees.

<sup>1</sup>Mr. Javed Ahmad ceased to be the Director of the Company w.e.f. March 19, 2020 and subsequently, ceases to be the member of the Committee w.e.f. March 19, 2020.

<sup>2</sup>Mr. Srinivasa Narasimhan has been appointed as Member of the Finance Committee w.e.f. June 23, 2020.

The details with respect to powers, roles, terms of reference, number of meetings etc. of the Committee(s) during the Financial Year 2019-2020 and attendance of the members at each Board Committee(s) are as under:

### (A) Audit Committee

As on March 31, 2020, the Audit Committee of the Board comprises of 3 (three) Directors, out of which 2 (two) are Independent Directors. The composition of the Committee is in compliance with the provisions of Section 177 of the Act. The Chairperson of the Audit Committee is a Non-Executive Independent Director. All the members of the Audit Committee are financially literate. The Audit Committee met 4 (four) times during the financial year.

The Internal Auditor, Statutory Auditors and Cost Auditors are invited to the meetings on requirement basis.

**Audit Committee: Composition, Meetings and Attendance Details:**

S. No.	Members	Date of Meetings				Number of Meetings held during their tenure	Number of Meetings attended	% Percentage
		June 27, 2019	July 16, 2019	November 11, 2019	March 03, 2020			
1	Mr. Ranjan Pant [C]	VC	P	VC	P	4	4	100
2	Mr. RR Nair	VC	P	VC	VC	4	4	100
3	Mr. Sugata Sircar	P	P	P	P	4	4	100

C: Chairperson; P: Present in Person; VC: Attendance through Video Conference

The role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Act, besides other terms as referred by the Board of Directors.

**Key Responsibilities of the Audit Committee inter-alia, includes:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditor(s) of the Company.
3. Approval of payment of fee to statutory auditors for any non-audit services rendered by the statutory auditors.
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
5. Examination of the financial statement and the auditors' report thereon.
6. Approval or any subsequent modification of transactions of the Company with related parties.
7. Scrutiny of inter-corporate loans and investments.
8. Valuation of undertakings or assets of the Company, wherever it is necessary.
9. Evaluation of internal financial controls and risk management systems.
10. Monitoring the end use of funds raised through public offers and related matters, if any.
11. Adequacy of the internal audit function and to discuss significant internal audit findings.
12. 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.

**(B) Nomination and Remuneration Committee**

As on March 31, 2020, the Nomination and Remuneration Committee of the Board comprises of 3 (three) Non-Executive Directors, out of which 2 (two) are Independent Directors. The Chairperson of the Nomination and Remuneration Committee is a Non-Executive Independent Director. The Composition of the Committee is in compliance with the provisions of Section 178 of the Act.

During the Financial Year 2019-2020, the Committee met two (2) times.

**Nomination and Remuneration Committee: Composition, Meetings and Attendance Details:**

S. No	Members	Date of Meetings		Number of Meetings held during their tenure	Number of Meetings attended	% Percentage
		June 27, 2019	March 3, 2020			
1	Mr. RR Nair [C]	VC	VC	2	2	100
2	Ms. Rachna Mukherjee	P	P	2	2	100
3	Mr. Ranjan Pant	VC	P	2	2	100

C: Chairperson; P: Present in Person; VC: Attendance through Video Conference.

The role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Act, besides other terms as referred by the Board of Directors.

**Key Role and Responsibilities of the Nomination and Remuneration Committee inter-alia, includes:**

1. Identifying persons who are qualified to become Directors and who may be appointed in senior management position and recommend to the Board of Directors their appointment and removal.
2. Conduct an annual evaluation of overall effectiveness of the Board, the Committee(s) of the Board and the performance of each director.
3. To recommend the remuneration policy and remuneration of Directors, Key Managerial Personnel and other Senior Management.

4. Carry out any other function as directed by the Board and/or mandated by any statutory authority through any notification, amendment or modification from time to time.
5. Review all human resource related issues including succession plan to Key Personnel.

**(C) Stakeholders Relationship Committee**

In compliance with the requirement of Section 178 of the Act, the board has constituted a Stakeholders Relationship Committee.

The Committee looks into redressal of complaints/grievances of Shareholders and Investors, pertaining to transfer/transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The Committee oversees and reviews performance of the Registrar and share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

As on March 31, 2020, the Stakeholder's Relationship Committee comprises of 3 (three) Non-Executive Directors, out of which 1 (One) is an Independent Director. The Chairperson of the Stakeholders Relationship Committee is a Non-Executive Independent Director.

During the Financial Year 2019-2020, 1 (one) meeting of the Stakeholders Relationship Committee was conducted through electronic means on March 03, 2020.

**Stakeholders Relationship Committee: Composition, Meetings and Attendance Details:**

S. No	Members	Date of Meeting	Number of Meetings held during their tenure	Number of Meetings attended	% Percentage
		March 3, 2020			
1	Mr. Ranjan Pant [C]	P	1	1	100
2	Mr. Sugata Sircar	P	1	1	100
3	Mr. Swaminathan Venkataraman	VC	1	1	100

C: Chairperson; P: Present in Person; VC: Attendance through Video Conference

**(D) Corporate Social Responsibility Committee**

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has a Corporate Social Responsibility (CSR) Committee.

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII of the Act recommending the amount of expenditure to be incurred and monitoring the CSR Policy of the Company. The Company's policy on Corporate Social Responsibility can be accessed at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com).

As on March 31, 2020, the Corporate Social Responsibility Committee comprises of 3 (three) Non-Executive Directors, out of which 1 (one) is an Independent Director. There is no appointed chairman for the CSR Committee.

During the Financial Year 2019-2020, the Committee met once on July 16, 2019. All the members attended the meeting.

**Corporate Social Responsibility Committee: Composition, Meetings and Attendance Details:**

S. No	Members	Date of Meeting	Number of Meetings held during their tenure	Number of Meetings attended	% Percentage
		July 16, 2019			
1	Mr. RR Nair	P	1	1	100
2	Mr. Sugata Sircar	P	1	1	100
3	Mr. Swaminath Venkataraman	p	1	1	100

P: Present in Person

The statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure II**.

**(E) Finance Committee**

To facilitate seamless operations and cater to various day-to-day requirements, the board has formed a functional Committee known as the Finance Committee. The Committee meets as and when deemed necessary to cater to the day to day requirements of the Company. The Committee comprises of three (3) Non-Executive Directors.

The Committee met 4 (four) times during the FY 2019-2020 on April 23, 2019, July 24, 2019, September 19, 2019 and January 28, 2020. The Committee operates within the overall responsibilities and powers entrusted by the Board.

#### 14. Risk Management

As a proactive measure, the Company has put in place Risk Minimization and Assessment Procedures. The objectives of risk identification and assessment process are 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 your Company's objectives, operational effectiveness and efficiency, protection of people and assets, informed decision-making and compliance with applicable laws and regulations.

#### 15. Auditors

##### i. Statutory Auditors and Audit Report

At the 32<sup>nd</sup> Annual General Meeting held on September 29, 2016, M/s S.R Batliboi & Associates, LLP, Chartered Accountants (Reg. No. 101049W/E300004) were appointed as Statutory Auditors to hold office for a period of 5 (five) years i.e. upto the conclusion of 37<sup>th</sup> Annual General Meeting.

The Report given by the Auditors on the Financial Statements of the Company for financial year 2019-2020 forms part of this Annual Report. There has been no qualification, reservation, adverse remarks or disclaimer given by the Auditor in their report except the internal financial controls related to manage change, manage access and manage operations of its IT system and reconciliation of Vendor liabilities. The Management is in the process of taking corrective action in this regard.

Further, the Auditors Report being self-explanatory does not call for any further comments from the Board of Directors.

During the year under the review, no instances of fraud has been reported by the Statutory Auditors under Section 143(12) of the Act and the rules framed thereunder, neither to the Company nor to the Central Government.

##### ii. Cost Auditors

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are made and records has been maintained in respect of the applicable products for the financial year ended March 31, 2020.

On the recommendation of the Audit Committee, the Board of Directors have re-appointed M/s. Rao Murthy & Associates, Cost Accountants, Bengaluru (ICWA Registration No. 000065) as Cost Auditors to audit the cost records of the Company for the financial year ending March 31, 2020. 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 36<sup>th</sup> Annual General Meeting.

A certificate from M/s. Rao Murthy & Associates has been received to the effect that their appointment as Cost Auditors of the Company, in accordance with the limits as specified under Section 141 of the Act and Rules made thereunder.

##### iii. Secretarial Auditors and Secretarial Audit Report

The Board has appointed M/s Chandrasekaran Associates, Practising Company Secretaries, New Delhi (ICSI Firm Registration No. PI988DE002500) to conduct the Secretarial Audit of the Company for the Financial Year 2019-2020 as required under Section 204 of the Act and rules made thereunder. The Secretarial Audit Report contains an observation with respect to delayed filing of two e-forms with the Registrar of Companies and report on CSR activities of the Company not signed in accordance with the provisions of the law. The Management is in the process of taking corrective action in this regard.

The Secretarial Audit Report is attached as **Annexure III** to this Report.

The Board has re-appointed M/s Chandrasekaran Associates as Secretarial Auditors of the Company for the Financial Year 2020-2021.

##### iv. Internal Audit and Internal Financial Control

The Board appointed Mr. Anurag Bothra as Internal Auditor of the Company to conduct the Internal Audit for the Financial Year 2019-2020.

In compliance to requirements of the Act 2013, the Company has put in place, an independent and objective inhouse internal audit department 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's end to end processes through a systematic disciplined approach, from inception, through fieldwork, to final reporting. All five essential components of COSO frame work i.e. control environment, risk assessment, control activities, information-communication and monitoring are considered while defining the control objective, as the intent is to ensure adherence to Company's defined guidelines along with value addition through improvement in existing Company processes.

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. The audit plan for the year is based on business risk and internal control assessment, which is approved by the Audit Committee.

Further, as per requirements of the Act, a detailed internal financial control framework had been documented through Risk & Control Matrix (RCMs). These RCM's are reviewed and updated on an annual basis for any change in control over existing practices and procedures. Controls are further bifurcated into key and non-key controls based on business impact and documented key controls are tested annually to ensure its effectiveness.

Post control testing, a diagnostic review of the Company processes is documented and communicated, highlighting existing risks and corresponding mitigation plan with status of previously identified risks, in compliance with Internal Financial Control (IFC) guidelines.

With reference to IFC guidelines, there are qualifications in the Auditors' Report on internal financial controls over financial reporting. For further details on the same, please refer to the Auditor's Report which forms part of this Annual Report.

#### 16. Subsidiary/ Joint Venture/ Associate Companies

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

#### 17. Conservation of Energy and Technology absorption and Foreign Exchange Earnings and Outgo

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 IV** forming part of this report.

#### 18. Share Capital

The Paid-Up Equity Share Capital of the Company as on March 31, 2020 was Rs. 60,480,000. During the year under review, there has been no change in the Equity Share Capital of the Company.

#### 19. Status Report-Equity Shares of the Company

The equity shares of the Company were listed on the Bengaluru Stock Exchange and Pune Stock Exchange (Regional Stock Exchanges) and permitted to be traded on the BSE. Consequent to de-recognition of the Regional Stock Exchange by Securities Exchange Board of India (SEBI), BSE had suspended the trading of the equity shares of the Company effective May 22, 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 February 14, 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 empanelled 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 March 11, 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.

In respect of the exit offer given an appeal was filed by certain public shareholders ("Appellants") of the Company before the Securities Appellate Tribunal ("SAT") contending that SEBI has failed to consider the issues raised by the Appellants in their SCORES complaint and the SEBI Circulars regarding exit of regional stock exchanges and Exclusively Listed Companies (ELCs) and further contending that the fair value price calculated as per the valuation report was incorrect.

SAT after considering the submissions made by the parties disposed of Appeal No. 51 of 2018 vide its order dated November 26, 2019 ("Order") and directed SEBI to consider the issues raised by the Appellants and pass a reasoned order within 3 months from the date of Order. In furtherance to this, on February 07, 2020, SEBI filed a Review Application before SAT seeking review of its Order, which was dismissed by SAT on February 21, 2020. Pending SEBI's response to the SAT Order, the management based on consultants/ legal counsels' opinion, is of the view that it has complied with the directives of SEBI and the exit option provided by the Company and its promoters was as per circular / directives issued by SEBI. Accordingly, the possibility of outflow of resources from the Company is remote.

As on March 31, 2020, Promoters of the Company hold 80.49% of the total share capital of the Company.

#### 20. Related Party Transactions

In line with the requirements of the Act, the Company has formulated a Policy on Related Party Transactions which is available on the website of the Company at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com).

All related party transactions entered during the year were on arm's length basis and in the ordinary course of business. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

#### 21. Particulars of Employees

The statement of Disclosure pertaining to remuneration and other details as required under Section 197 of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) are provided in the prescribed format and annexed as **Annexure V** to this Report.

#### 22. Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Board confirms that:

- in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed and there are no material departures from the same;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they 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;

- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively except controls related to manage change, manage access and manage operations of its IT system and reconciliation of vendor liabilities. Management is in the process as taking corrective action in this regard.
- f) they have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively; and
- g) the Company has complied with the Secretarial Standards-1 (Meetings of Board of Directors), and Secretarial Standards-2 (General Meetings) issued and amended from time to time, by the Institute of Company Secretaries of India.

### 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 Commitments affecting the Financial Position of the Company after March 31, 2020

No material changes and commitments affecting the financial position of the Company occurred after the end of the financial year ended March 31, 2020 till the date of this report except as stated in 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. 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 as amended up to date, the Company has constituted Internal Complaints Committees (ICCs).

ICCs have been given the responsibility to receive and address the complaints received, if any, at all locations where the Company is present. The Company has also taken steps to create awareness about familiarization to the said policy having been put in place.

A report on these cases have been reported to the Audit Committee and Board of Directors of the Company on quarterly basis.

During the year under review, there were no instance of alleged sexual harassment cases reported.

### 27. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Act read with the Rules made thereunder, the Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's Whistle-Blower Policy and for disclosing any unethical behaviour, 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 complaints relating to unethical behaviour, actual or suspected fraud or violation of Company's Principles of Responsibility (POR) from any employee or directors.

### 28. Buy back of Securities/ Sweat Equity/ Bonus Shares

The Company has neither bought back any of its securities nor issued any sweat equity or bonus shares during the year under review.

### 29. Code of Business Conduct and Ethics of the Company - Principles of Responsibility

The Board of the Company has adopted a Code of Conduct and Ethics (Principles of Responsibility) for the employees, Directors and Senior Executives of the Company. The objective is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. It 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](http://www.schneiderelectricpresident.com).

### 30. Reconciliation of Share Capital Audit as on March 31, 2020

In compliance with the provisions of Rule 9A sub rule 8 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Share Reconciliation Certificate as on March 31, 2020 has been obtained from the Practicing Company Secretary. The said Certificate forms part of this Report as **Annexure VI** and is available on the Company's website at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com).

### 31. Plant Locations

The details for plant locations of the Company are as under:

Factory	Location
Attibele Factory Unit-1	Plot No. 5C/1, KIADB Industrial Area, Attibele, Bengaluru - 562 107, Karnataka
Attibele Factory Unit-2	Plot No. 6A, KIADB Industrial Area, Attibele, Bengaluru - 562 107, Karnataka

During the financial year, the Board of Directors in its meeting held on June 27, 2019 have approved the consolidation of the manufacturing operations of the Pune Factory located at S73 & S74 Landewadi, MIDC, Bhosari, Pune – 411026 with the Bangalore Factory, Attibele-Unit 1.

### **32. Acknowledgement**

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

On Behalf of the Board of Directors  
**Schneider Electric President Systems Limited**

**Ranjan Pant**  
Chairman  
**DIN: 0005410**  
Place: New Delhi  
Date: July 20, 2020

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year ended on March 31, 2020**  
**[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: [urvashi.bhatia@se.com](mailto:urvashi.bhatia@se.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](mailto: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	80.49%	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**

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	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others (Specify)									
	<b>Sub Total(A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

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	
<b>2</b>	<b>Foreign</b>	0	0	0	0.00	0	0	0	0.00	0.00
A	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
B	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
C	Bodies Corporate	4867933	0	4867933	80.49	4867933	0	4867933	80.49	0.00
D	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
E	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total(A)(2)</b>	<b>4867933</b>		<b>4867933</b>	<b>80.49</b>	<b>4867933</b>	<b>0</b>	<b>4867933</b>	<b>80.49</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>4867933</b>	<b>0</b>	<b>4867933</b>	<b>80.49</b>	<b>4867933</b>	<b>0</b>	<b>4867933</b>	<b>80.49</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(b)	Banks / FI	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(c)	Central Govt(s)	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(d)	State Govt(s)	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(e)	Venture Capital Funds	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(f)	Insurance Companies	0	0	<b>0</b>	0.00	0	<b>0</b>	<b>0</b>	0.00	0.00
(g)	FII's	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	<b>0</b>	0.00	0		<b>0</b>	0.00	0.00
(i)	Any Other (specify)									
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate									
(i)	Indian	77311	600	<b>77911</b>	1.29	64873	600	<b>65473</b>	1.08	-0.21
(ii)	Overseas			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	480985	46629	<b>527614</b>	8.72	474647	45234	<b>519881</b>	8.60	-0.13
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	500808	0	<b>500808</b>	8.28	511091	0	<b>511091</b>	8.45	0.17
(c)	Others (specify)									
(i)	Clearing Members	4989	0	4989	0.08	4728	0	4728	0.08	0.00
(ii)	Trusts			<b>0</b>	0.00			<b>0</b>	0.00	0.00
(iii)	NRI / OCBs	2187	0	<b>2187</b>	0.04	2337	0	<b>2337</b>	0.04	0.00
(iv)	HUF	45800	0	<b>45800</b>	0.76	55799	0	<b>55799</b>	0.92	0.17
(v)	IEPF A/C unclaimed dividend	20758	0	<b>20758</b>	0.34	20758	0	<b>20758</b>	0.34	0.00
	<b>Sub-Total (B)(2)</b>	<b>1132838</b>	<b>47229</b>	<b>1180067</b>	<b>19.51</b>	<b>1134233</b>	<b>45834</b>	<b>1180067</b>	<b>19.51</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>1132838</b>	<b>47229</b>	<b>1180067</b>	<b>19.51</b>	<b>1134233</b>	<b>45834</b>	<b>1180067</b>	<b>19.51</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>6000771</b>	<b>47229</b>	<b>6048000</b>	<b>100.00</b>	<b>6002166</b>	<b>45834</b>	<b>6048000</b>	<b>100.00</b>	<b>0.00</b>

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)	Shares held by Custodians for GDRs & ADRs								0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>6000771</b>	<b>47229</b>	<b>6048000</b>	100.00	<b>6002166</b>	<b>45834</b>	<b>6048000</b>	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 shareholding 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.,	4867933	80.49	0.00	4867933	80.49	0.00	0.00
Total		<b>4867933</b>	<b>80.49</b>	<b>0.00</b>	<b>4867933</b>	<b>80.49</b>	<b>0.00</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is No Change) No Change**

Sl. No.	Name of the promoter	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	<b>Schneider Electric South East Asia (HQ) Pte. Ltd.,</b>				
	At the beginning of the year	4867933	80.49		
	At the end of the year			4867933	80.49

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

Sl. No	Name of the Shareholders	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	Hitesh Satishchandra Doshi	189756	3.14	189756	3.14	
2	Bhanu Satishchandra Doshi	40636	0.67	40636	0.67	
3	Pratiksha Satishchandra Doshi	36712	0.61	36712	0.61	
4	Dheeraj Kumar Lohia	34656	0.57	34656	0.57	
5	Ketan Dedhia	30038	0.50	30038	0.50	
6	Globe Capital Market Ltd	30000	0.50	30000	0.50	
7	Rahul Kantilal Vardhan	25845	0.43	25845	0.43	
8	Sunita Kantilal Vardhan	25672	0.42	25672	0.42	
9	S Brinda	21959	0.36	21959	0.36	
10	Girish Saraf	14230	0.24			
	28-02-2020	Increase	9137	0.15	23367	0.39

**(v) Shareholding of Directors and Key Managerial Personnel:** None of the Directors/Key Managerial Personnel holds any equity shares at the beginning of financial year 2019-2020 nor acquired any equity shares during the financial year 2019-2020.

**V. INDEBTEDNESS:**

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

(All Figures in INR)

Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1,379,097	179,935,461	NIL	181,314,558
(ii) Interest due but not paid	NIL	NIL	NIL	
(iii) Interest accrued but not due	NIL	2,957,924	NIL	2,957,924
<b>Total (i+ii+iii)</b>	<b>1,379,097</b>	<b>182,893,385</b>		<b>184,272,482</b>
Change in Indebtedness during the financial year				
• <b>Addition</b>	2,184,606	1,494,398	-	2,184,606
• <b>Reduction</b>	-751,578	-182,893,385	-	-183,644,963
Net Change	1,433,028	-181,398,988	-	-178,965,960
Indebtedness at the end of the financial year				
i) <b>Principal Amount</b>	2,812,125	1,494,398	-	4,306,523
ii) <b>Interest due but not paid</b>	Nil	Nil	-	-
iii) <b>Interest accrued but not due</b>	Nil	Nil	-	-
<b>Total i+ii+iii</b>	<b>2,812,125</b>	<b>1,494,398</b>	<b>-</b>	<b>4,306,523</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNELS:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(All Figures in INR)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager (Rs.) Mohamed Adil (w.e.f. June 27, 2019)	Total Amount
1.	Gross Salary		
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,235,904	3,235,904
	Value of perquisites u/s 17(2) Income-tax Act, 1961		
	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		
	<b>Total</b>	<b>3,235,904</b>	<b>3,235,904</b>

**B. Remuneration to Other Directors: Details of the Sitting Fees paid to the Independent Directors in the FY 2019-2020 are appended below:**

(All Figures in INR)

Particulars of Remuneration	Name of Independent Directors		Total Amount
	Mr. Ranjan Pant	Mr. Ramakrishna Rajasekharan Nair	
Fee for attending Board and Committee Meetings Others, please specify <sup>1</sup>	390,000	300,000	690,000
<b>Total</b>	<b>390,000</b>	<b>300,000</b>	<b>690,000</b>

<sup>1</sup> The sitting fees paid to Independent Directors during financial year 2019-2020 includes sitting fees paid for the meetings held in last quarter of previous financial year 2018-2019.

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

(All Figures in INR)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Priyanka Gupta* (Company Secretary)	Damodar Kalavala* (CFO) (Up to December 31, 2019)	Total
1.	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,297,945	8,060,659	9,358,604
	Value of perquisites u/s 17(2) Income-tax Act, 1961	171,891	161,509	333,400
	Profits in lieu of salary under section 17(3) Income- tax Act, 1961			

2.	Stock Option			
3.	Sweat Equity			
4.	Commission as % of profit			
5.	Others, please specify			
	<b>Total</b>	<b>1,469,836</b>	<b>8,222,168</b>	<b>9,692,004</b>

\*Ms. Priyanka Gupta resigned from the post of Company Secretary and KMP of the Company w.e.f. June 9, 2020.

#Mr. Damodar Kalavala resigned as the Chief Financial Officer and KMP of the Company w.e.f. December 31, 2019.

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

On Behalf of the Board of Directors  
Schneider Electric President Systems Limited

**Ranjan Pant**  
Chairman  
DIN: 00005410  
Place: New Delhi  
Date: July 20, 2020

**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.

The policy is available at the Company's website at [www.schneiderelectricpresident.com](http://www.schneiderelectricpresident.com).

**2. Vision:**

To be an active contributor in raising the country's human development index and fulfil the role of a socially responsible corporate, with environment concerns.

**3. Objective:**

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:

3.1 To align and integrate the Schneider-CSR activities with the Schneider philosophy and make them outcome oriented.

3.2 To sustain and continuously improve the quality of life and economic well-being of the local populace.

**4. The Composition of the CSR Committee:**

Mr. Ramakrishna Rajasekharan Nair	Independent Director
Mr. Sugata Sircar	Non-Executive Director
Mr. Swaminathan Venkatraman	Non-Executive Director

**5. Average net profit of the Company for last three years is: Rs. 226,522,931**

**6. Prescribed CSR Expenditure (2% of the amount as in item 5 above) is: Rs. 4,530,459/-**

**7. Details of CSR spent during the year:**

a. Amount spent for the year - **Rs. 4,530,459/-**

b. Amount Unspent, if any - Not Applicable

c. Manner in which the amount spent during the financial year (Amt in INR.) is as detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Electrician Skill Development Program	Promoting employment enhancing vocation skills especially among children, women, livelihood enhancement projects; Schedule VII (ii)	Vizag (Andhra Pradesh), Teju (Arunachal Pradesh) Bongaigaon (Assam)	577,916/-	1. Direct Expenses 561,369/- 2. Overheads INR 16,547/-	577,916/-	Schneider Electric India Foundation (Implementing agency)
2.	Scholarship	Promoting education, Schedule VII (ii)	Pan India	3,568,826/-	1. Direct Expenses 3,483,140/- 2. Overheads 85,685/-	3,568,826/-	Schneider Electric India Foundation (Implementing agency)

3.	Emergency Support	Disaster Management, including relief, rehabilitation and reconstruction activities VII ( xii)	Belagavi,Karnataka,Puri,Assam,Sunder bans (West Bengal)	383,717/-	1.Direct Expenses 374,504/- 2. Overheads 9,213/-	383,717/-	Schneider Electric India Foundation (Implementing agency)
	<b>TOTAL</b>			<b>INR 4,530,459/-</b>	<b>INR 4,530,459/-</b>	<b>INR 4,530,459/-</b>	

8. In case the company has failed to spend 2% of the average net profit of last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report

**Not Applicable**

9. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company:

**CSR Policy is in compliance with applicable laws**

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

(Mr. Ramakrishna Rajasekharan Nair)  
Chairman  
DIN: 03139440

Date : July 20, 2020  
Place: Bengaluru

(Sugata Sircar)  
Director  
DIN: 01119161

Date : July 20, 2020  
Place : Gurugram

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2020

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 also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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 March 31, 2020 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76; Not applicable.
- (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.
  - (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, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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 to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on the sectors/ Industry are:
  - a) Electricity Act, 2003 and the Rules made thereunder.
  - b) Hazardous Wastes (Management and Handling) Rules, 1989.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

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

- i. Delayed filing of two E-forms with the Registrar of Companies and Annual Report on Corporate Social Responsibility for the financial year ended March 31, 2019 has not been signed in accordance with prescribed manner.
- ii. Company was supposed to file a form MGT-14 for the appointment of a Whole Time director on its board however the company has taken an opinion from a practicing company secretary which states that company was not required to do so accordingly the company has not filed the same.

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 least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provision of Act for convening the meeting at shorter notice. 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

We further report that during the audit period, there are no specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Company's affairs.

For Chandrasekaran Associates  
Company Secretaries

Shashikant Tiwari  
(Partner)  
Membership No. ACS 28994  
Certificate of Practice No. 13050  
UDIN: A028994B000318131

Date: 10.06.2020  
Place: Delhi

Notes:

- i. This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.
- ii. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.
- iii. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2019-2020. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

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

1. Maintenance of secretarial records 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. 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 random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates  
Company Secretaries

**Shashikant Tiwari**  
Partner  
Membership No. ACS 28994  
Certificate of Practice No. 13050  
UDIN: A028994B000318131

Date: 10.06.2020  
Place: Delhi

**ANNEXURE IV**
**Conservation of Energy and Technology Absorption & Foreign Exchange - Earnings and Outgo**
**A. Conservation of Energy:**

1. The Company production activity is not energy intensive. Adequate measures have been taken to optimize energy usage. Actions taken in this regard are low power consumption high speed machines, GAIL, energy efficient motors, star rated equipment's, conversion of old utility equipment, recycling of water through Boom technology.
2. Following are the project in pipe line for execution to reduce energy consumption
  - Star rated powder transformer Installed: Schneider make 1MVA 5 Star rated Level 3 losses transformer with OLTC installed and this will reduce transformer losses by 3%. Investment Rs 2500000
  - Conversion of SV lamps to LED light in office area and shop floor. Investment – Rs. 400,000.
  - Water recovery: Waste water recovery by recycling of effluent water by Boom technology.
  - PME Ra: PME Ra is planned to be deployed, which will aid in identifying power saving opportunity. Investment Rs. 400000
  - GAIL: - From Traditional Gas bank, changeover to Piped Gas, this will allow in reduction of wastages and optimize the consumption of energy. Agreement signed in 2017 with GAIL. (Gas Authority of India)

**B. Technology Absorption**
**I. Research & Development**

1.	Specific areas in which Research & Development R & D Carried by the Company	This is ongoing process in the Company to cater to market needs.
2.	Benefits derived because of the above R & D	New products developed which are reliable and energy efficient meeting the requirements of various Segments.
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 Research & Development Facility, in which New product development and continual improvement in products, processes are carried out on continual basis.
2.	Benefits derived due to above	All products are designed in house, Proto types are then developed and tested, These products are introduced into manufacturing, adopting best process of manufacturing. There by creating value and features.

**III. Details on the new product developed during the year FY 2019-2020:**

- o Designed and developed in progress new range of enclosures and complete solution for EDGE computing and low - cost Data center which is being offered for international market.
- o New range of out door enclosure: Developed enclosures for telecom application with IP55 Capability and Thermal Management, with Remote monitoring that are integrated with special quality wiring harness and important accessories.
- o New range of enclosures for data center application was developed and is under mass production.
- o Major initiatives were taken for agile offers which lead to standardization of offers giving us better market penetration and offer.
- o New products developed for Power monitoring management enclosures with a diverse range of offers there by expanding the offer portfolio.
- o New range of wall mounts designed and developed for Edge offer in NAM market.

**C. Foreign Exchange Earnings & Outgo:**

Sr. No.	Particulars	March 31, 2020 (INR)	March 31, 2019 (INR)
1.	<b>Foreign Exchange earned:</b>		
	a) Export of goods on FOB basis	538,524,443	482,297,778
2.	<b>Foreign Exchange outgo:</b>		
	a) Import of Capital Goods	-	2,311,593
	b) Import of Raw Materials & Components	164,854,365	169,558,143
	c) Import of Traded Goods	62,942,800	41,689,620
	d) Legal and Professional fees	261,459	292,662
	e) Management fee	82,078,883	57,551,536
	f) Staff Welfare Expenses	13,217,750	11,239,850
	g) Freight and forwarding charges	-	-
	h) Consumables	542,005	417,669

## ANNEXURE V

## Statement of particulars under Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Top 10 employees in terms of remuneration drawn during the year										
Employee Name	Designation	Remuneration in FY 2019-20 (INR)	Qualifications	Dt. of Commencement of employment	Age (Years)	Experience (Years)	Particulars of Last Employment	Nature of Employment (Contractual/ otherwise)	% of equity shares held	Whether employee is a relative of any director of the company
Mr. Srinivas Shiva Prasad	General Manager Design & Industrialisation	4,972,375	BE- Mech from Mysore university	March 15, 2007	55	22	MIRC electronics - Onida	Permanent	Nil	No
Mr. Mohammed Adil	Director - Operations	4,011,730	Diploma from NTTF Bangalore	November 11, 2002	43	23	Enplast Pvt Ltd	Permanent	Nil	No
Mr. Yallappa Thimmanna	Associate General Manager- Finance	3,011,676	B.Com, MBA Finance	December 19, 2005	42	9	Amazon Envirotech Pvt Ltd	Permanent	Nil	No
Mr. Damodar Kalavala	CFO	8,819,937	B.Com, A.C.A	April 28, 2011	49	14	Sienna Ecad Technologies Pvt Ltd	Permanent	Nil	No
Mr. Satish Kotapalli	General Manager - BD - Racks & CSD - Sales	3,919,256	BE Mechanical , PGDBM	April 1, 2002	49	13	TCO ( Twenty First Century Offices Pvt Ltd,	Permanent	Nil	No
Mr. Saravanan Perumal	Associate General Manager - Order Management	3,417,987	B.Com, MBA in Material Management	September 3, 2007	48	16	Godrej & Boyce Mfg. Ltd	Permanent	Nil	No
Mr. Sham Bhat	Senior Manager - Business Development - Racks & CSD	2,709,746	B.E in Mechanical Engineering	October 11, 2002	50	28	Sunil Synchem Ltd	Permanent	Nil	No
Mr. Mahesh Rejanna	Associate General Manager - Operation	2,831,534	B E Mechanical	May 30, 2016	57	35	Stovekraft Pvt. Ltd.	Permanent	Nil	No
Mr. Swaroop V	Associate General Manager Procurement	2,533,161	B E Mechanical	October 7, 2013	40	18	A O Smith	Permanent	Nil	No
Mr. Deepak Mangalore	Associate General Manager - Human Resources	3,540,414	Masters in Social Welfare	August 7, 2006	45	23	Pioneer Embroideries Limited	Permanent	Nil	No
<b>B. Employees drawing a remuneration of Rs. 1.02 crore or above per annum and posted in India</b>										

Employee name	Designation			Dt.of Commencement of employment	Age (Years)	Experience (Years) Before Schneider	Particulars of Last Employment	Nature of Employment (Contractual/ otherwise)	% of equity shares held	Whether employee is a relative of any director of the company
NIL										
<b>C. Employed for part of the year with an average salary above Rs. 8.5 lakh per month posted in India</b>										
Employee Name	Designation			Dt.of Commencement of employment	Age (Years)	Experience (Years) Before Schneider	Particulars of Last Employment	Nature of Employment (Contractual/ otherwise)	% of equity shares held	Whether employee is a relative of any director of the company
NIL							Emerson	Permanent	Nil	No
<b>D. Number of permanent employees on the rolls of the Company- 228</b>										
<b>Notes:</b>										
1. In accordance with the clarification given by the Ministry of Corporate Affairs, remuneration has been computed on the basis of actual expenditure incurred by the Company.										
2. Remuneration includes salary,allowances,value of perquisites and Company's contribution to retiral Fund.										
4. None of the employee is relative of any Director of the Company.										

**ANNEXURE VI**

The Board of Directors  
Schneider Electric President Systems Limited  
5C/1, KIADB Industrial Area Attibele Bangalore  
Karnataka-562107

**Subject: Reconciliation of Share Capital Audit for half-year ended March 31, 2020**

Dear Sirs,

To the best of our knowledge and according to the information and explanations given to us and as per records provided to us, we hereby certify that:

1	For the half yearly ended	31.03.2020 (01.10.2019 to 31.03.2020)		
2	ISIN	INE155D01018		
3	Face Value of Share	Rs. 10/- each		
4	Name of Company	Schneider Electric President Systems Limited		
5	Registered Office of the Company	5C/1, KIADB Industrial Area Attibele Bangalore, Karnataka-562107		
6	Correspondence Address	9 <sup>th</sup> and 10 <sup>th</sup> Floor, DLF Building No 10, Tower C, DLF Cyber City, Phase – II, Gurgaon, India		
7	Telephone No.	8067888300		
8	E-mail ID	urvashi.bhatia@se.com		
9	Names of Exchanges where Securities of the Company are Listed	Not Applicable		
10	<b>Capital Structure Issued Capital</b>	No. of Shares	Total issued Share capital (in Rupees)	% of total issued capital
		60,48,000 equity shares of Rs. 10 each	6,04,80,000	100%
		<b>Total issued capital</b>	<b>6,04,80,000</b>	<b>100%</b>
Paid Up Capital	60,48,000 equity shares of Rs. 10 each	6,04,80,000	100%	
	<b>Total paid up capital</b>	<b>6,04,80,000</b>	<b>100%</b>	
	11	Listed Capital (Exchange wise), as per Company records:	No. of Equity Shares	% of total issued equity capital
		Not Applicable	Not Applicable	
12	Shares Held in Dematerialised Form with CDSL	No. of Equity Shares	% of total issued equity capital	
		3,75,261	6.20%	
13	Shares Held in Dematerialised Form with NSDL	No. of Equity Shares	% of total issued equity capital	
		56,26,905	93.04%	
14	Shares held in Physical mode	No. of Equity Shares	% of total issued equity capital	
		45,834	0.76%	
15	Total No. of Shares(12+13+14)	No. of Equity Shares	% of total issued equity capital	
		60,48,000	100%	
16	Reasons for Differences (if any 10 & 11 & 15)	There is Difference among point 10&11&15 because the company is not a listed company.		
17	Certifying the details of change in the share capital during the half yearly under consideration as per details below:			

S No	Particulars	Number of shares	Applied for / not applied for listing	Listed on stock exchange	Whether intimated to CDSL	Whether intimated to NSDL	In principal approval pending from stock exchanges (If any)
<b>Not Applicable</b>							
18	Register of members is updated or not, If updated, up to which date?		Yes, updated up to 31.03.2020				
19	Reference of previous half yearly with regard to excess dematerialization, if any		NIL				
20	Has the Company resolved the matter mentioned in pt. 19 in the current half yearly? If not reason why?		Not Applicable				
21	Mentioned below total no of requests, if any, confirmed after 21 days and the total no. of requests pending beyond 21 days with the reasons of delay.						
Total no of Demat Requests		No. of requests		No. of Shares		Reasons for delay/rejection	
Confirmed after 21 days		NIL		NIL		NIL	
Pending for more than 21 days		NIL		NIL		NIL	
22	Name, Address, Telephone & Fax nos. of the Company Secretary/Compliance Officer of the Company	Ms. Urvashi Bhatia Company Secretary 9th and 10th Floor, DLF Building No 10, Tower C, DLF Cyber City, Phase – II, Gurgaon, India Phone:0124-7152300 Fax: 0124-4222036					
23	Name, Address, Telephone, Fax No, Reg. No. of the Auditor	Mohd. Nazim Khan (FCS-6529; CP-8245) MNK & Associates LLP Company Secretaries G-41, Ground Floor, West Patel Nagar New Delhi - 110008 Phone: +91-11-45095230 Mobile: +91-9818156340					
24	Appointment of common Agency for share registry, work, If yes (Name & Address)	Universal Capital Securities Private Limited (Formerly Known as Mondkar Computers Private Limited) 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai-400093 Phone: +91-22-2820 7203-05/28257641 Fax: +91-22-2820 7207					
25	Any other detail that the Auditor may like to provide. (e.g., BIFR Company, Delisting from stock exchange, Company change its Name etc.)	NIL					

For MNK & Associates LLP  
 Company Secretaries

Date: 01.07.2020  
 Place: New Delhi

Mohd Nazim Khan  
 (Designated Partner)  
 FCS-6529, CP-8245  
 UDIN:F006529B000406335

## INDEPENDENT AUDITOR'S REPORT

To the Members of Schneider Electric President Systems Limited

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of Schneider Electric President Systems Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, its profit and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

As more fully described in Note 8 to the Financial Statements, trade payables include Rs. 241,886,272 payables to certain vendors and other liabilities include Rs 11,079,534 towards interest on dues to Micro and Small Enterprises, for which the management is in the process of reconciling the sub-ledger and general ledger balances. Accordingly, in absence of sufficient appropriate audit evidence we are unable to comment on the completeness and appropriateness of the aforesaid liabilities and related foreign exchange gain (net) and consequential impact, if any, including relevant disclosures, required in these financial statements for the year ended and as at March 31, 2020.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

#### Emphasis of Matter

1. We draw attention to Note 40 of the accompanying financial statements, as regards to the order passed by the Securities Appellate Tribunal ('SAT') directing the Securities Exchange Board of India (SEBI) to pass a reasoned order against complaint filed by certain public shareholders of the Company. Our opinion is not modified in respect of this matter.
2. We draw attention to Note 41 of the accompanying financial statements, as regards the management's evaluation of uncertainties related to COVID-19 and its consequential effects on the carrying value of the assets as at March 31, 2020 and operations of the Company. Our opinion is not modified in respect of this matter.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including, cash flows in accordance with the accounting principles generally accepted in India, including the Company (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act read with the Companies (Accounts) Rules, 2014 (as amended). 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 controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### 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 except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Company (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act read with the Companies (Accounts) Rules, 2014 (as amended);
  - (e) The matter described in the Basis for Qualified Opinion paragraph and the matter stated in Emphasis of Matter paragraph (1) above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
  - (h) 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;
  - (i) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
  - (j) 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, as amended 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Mahendra Jain  
Partner  
Membership Number: 101049W/E300004  
UDIN: 20205839AAAAAK6685

Place: Bengaluru  
Date: July 20, 2020

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**THE ANNEXURE 1 REFERRED TO IN OUR REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC PRESIDENT SYSTEMS LIMITED (“THE COMPANY”) FOR THE YEAR ENDED MARCH 31, 2020. WE REPORT THAT:**

- (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 property, plant and equipment are held in the erstwhile name of the Company and the Company is in the process of perfecting such title deeds.
- (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 within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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, customs duty, professional tax, provident fund, tax collected at source, goods and services tax, cess and other statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and services 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, goods and services 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	
		12,159,890	3,697,967	FY 2013-14	
		19,632,503	5,889,750	FY 2014-15	
The Maharashtra Value Added Tax Act 2002	Value Added Tax	2,412,642	-	FY 2009-10	Deputy Commissioner of Commercial tax, Maharashtra
		10,778,613	4,994,326	FY 2007-08, FY 2010-11	
		5,183,529	2,408,143	FY 2011-12	
		2,626,574	1,433,328	FY 2013-14	
The Customs Act, 1962	Customs 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
The Finance Act, 1994	Service Tax	102,949	-	FY 2016-17	Assistant Commissioner Central Tax, Bangalore

- (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 the Act 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 Act.
- (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: 101049W/E300004

UDIN: 20205839AAAAAK6685

Place: Bengaluru

Date: July 20, 2020

## **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, 2020 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 Act, 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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 have been identified as at March 31, 2020:

- (a) The Company's internal controls system for manage change, manage access and manage operations for its IT systems and processes as at the year-end was not operating effectively, which may result in material misstatement in the financial statements.
- (b) The Company's internal controls system with respect to review and reconciliation of certain vendor balances with underlying records and accounting of foreign exchange gain/ loss during the year and as at the year-end was not operating effectively, which may result in material misstatement in the financial statements.

The matter in paragraph (a) above was identified as a material weakness in operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2019.

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, 2020, 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, 2020.

#### **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, 2020, 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. The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of Schneider Electric President Systems Limited and the material weakness report in clause (b) under the qualified opinion paragraph affects our report dated July 20, 2020, which expressed a qualified 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: 101049W/E300004

UDIN: 20205839AAAAAK6685

Place: Bengaluru

Date: July 20, 2020

**Schneider Electric President Systems Limited**

**Balance sheet as at 31 March 2020**

**All amounts in Indian Rupees, unless otherwise stated**

	Notes	31-Mar-20	31-Mar-19
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	60,480,000	60,480,000
Reserves and surplus	4	712,761,249	698,466,039
		<b>773,241,249</b>	<b>758,946,039</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	2,013,606	1,066,552
Long-term provisions	6	30,244,733	26,816,658
		<b>32,258,339</b>	<b>27,883,210</b>
<b>Current liabilities</b>			
Short-term borrowings	7	1,494,398	179,935,461
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	8	41,063,067	76,995,955
- total outstanding dues of creditors other than micro enterprises and small enterprises	8	448,836,771	507,757,942
Other current liabilities	8	68,196,783	49,494,328
Short-term provisions	6	43,436,966	50,530,911
		<b>603,027,985</b>	<b>864,714,597</b>
<b>TOTAL</b>		<b>1,408,527,573</b>	<b>1,651,543,846</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (net)	9(a)	302,139,393	350,073,407
Intangible assets (net)	9(b)	2,236,426	3,660,188
Capital work-in-progress		11,423,943	550,871
Deferred tax asset (net)	10	38,131,983	42,180,260
Long-term loans and advances	11	147,102,365	81,091,351
		<b>501,034,110</b>	<b>477,556,077</b>
<b>Current assets</b>			
Inventories	12	254,550,676	177,751,378
Trade receivables	13	480,440,863	820,571,083
Cash and bank balances	14	140,243,522	97,155,291
Short-term loans and advances	11	32,236,142	75,849,496
Other current assets	15	22,260	2,660,521
		<b>907,493,463</b>	<b>1,173,987,769</b>
<b>TOTAL</b>		<b>1,408,527,573</b>	<b>1,651,543,846</b>

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.Batlboi & 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

per Mahendra Jain  
Partner  
Membership Number: 205839

Swaminathan Venkatraman  
Director  
DIN: 03139440

Sugata Sircar  
Director  
DIN: 01119161

Urvashi Bhatia  
Company Secretary  
Membership Number: 40858

Place: Bengaluru  
Date: 20 July 2020

Place: Bengaluru  
Date: 20 July 2020

Place: Gurugram  
Date: 20 July 2020

Place: Gurugram  
Date: 20 July 2020

**Schneider Electric President Systems Limited**  
**Statement of profit and loss for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

	Notes	31-Mar-20	31-Mar-19
<b>Income</b>			
Revenue from operations	16	2,143,838,854	3,057,840,317
Other income	17	7,481,308	6,254,220
<b>Total revenue (i)</b>		<b>2,151,320,162</b>	<b>3,064,094,537</b>
<b>Expenses</b>			
Cost of materials and components consumed	18	1,263,694,925	1,948,565,680
Purchase of traded goods	19	77,365,451	78,334,341
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	19	(21,946,679)	83,441,115
Employee benefits expenses	20	342,742,793	286,998,865
Depreciation and amortization expense	21	54,793,691	52,369,644
Finance costs	22	7,659,176	20,637,987
Other expenses	23	390,675,197	406,688,189
<b>Total expenses (ii)</b>		<b>2,114,984,554</b>	<b>2,877,035,821</b>
<b>Profit before tax (i - ii)</b>		<b>36,335,608</b>	<b>187,058,716</b>
<b>Tax expenses</b>			
Current tax			
- Pertaining to profit for the current year		18,884,747	81,748,703
- Adjustment of tax relating to earlier years		(892,626)	-
Deferred tax expense / (credit)		4,048,277	(12,141,595)
<b>Total tax expenses</b>		<b>22,040,398</b>	<b>69,607,108</b>
<b>Profit after tax</b>		<b>14,295,210</b>	<b>117,451,608</b>
<b>Earnings per equity share [nominal value of share Rs. 10 (31 March 2019: Rs. 10)]</b>			
Basic		2.36	19.42
Diluted		2.36	19.42
<b>Number of shares used in computing earning per share</b>			
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.Batlboi & 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

per Mahendra Jain  
 Partner  
 Membership Number: 205839

Swaminathan Venkatraman  
 Director  
 DIN: 03139440

Sugata Sircar  
 Director  
 DIN: 01119161

Urvashi Bhatia  
 Company Secretary  
 Membership Number: 40858

Place: Bengaluru  
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Place: Bengaluru  
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Place: Gurugram  
 Date: 20 July 2020

**Schneider Electric President Systems Limited**  
**Cash flow statement for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

	Note	31-Mar-20	31-Mar-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before tax		36,335,608	187,058,716
Adjustments for:			
Depreciation and amortisation expense		54,793,691	52,369,644
Loss / (gain) on sale/disposal of fixed assets (net)		7,364,083	(557,150)
Provision for doubtful debts/advances (net)		5,864,185	29,601,038
Unrealised foreign exchange (gain)/ loss (net)		2,973,717	1,576,090
Interest expense		7,028,054	17,536,129
Interest income		(3,214,489)	(394,270)
<b>Operating profit before working capital changes</b>		<b>111,144,849</b>	<b>287,190,197</b>
Movements in working capital:			
(Increase) / decrease in trade receivables		354,091,479	73,885,222
(Increase) / decrease in other current assets		2,641,781	(282,189)
(Increase) / decrease in loans and advances		(12,210,569)	(31,085,762)
(Increase) / decrease in inventories		(76,799,298)	144,428,844
Increase / (decrease) in trade payables		(102,164,386)	(371,463,052)
Increase / (decrease) in other liabilities and provisions		21,406,337	13,326,079
<b>Cash flows generated from operations</b>		<b>298,110,193</b>	<b>115,999,339</b>
Direct taxes paid (net of refunds)		(46,590,267)	(91,775,692)
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES (A)</b>		<b>251,519,926</b>	<b>24,223,647</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangible assets (including capital work in progress and capital advances)		(24,863,228)	(48,049,650)
Proceeds from sale/discard of property, plant and equipment		1,190,159	2,280,702
Interest received		3,210,969	375,530
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES (B)</b>		<b>(20,462,100)</b>	<b>(45,393,418)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayments of short term borrowings		(179,935,461)	(20,000,000)
Proceeds from long term borrowings		2,184,606	-
Repayment of long term borrowings including lease obligations		(891,005)	(1,319,911)
Interest paid		(9,492,648)	(16,823,452)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES (C)</b>		<b>(188,134,508)</b>	<b>(38,143,363)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>42,923,318</b>	<b>(59,313,134)</b>
Cash and cash equivalents at the beginning of the year		97,155,291	157,556,177
Effects of changes in exchange rates on cash and cash equivalents		164,913	(1,087,752)
<b>Cash and cash equivalents at the end of the year</b>		<b>140,243,522</b>	<b>97,155,291</b>
<b>Components of cash and cash equivalents (note 14)</b>			
Balance with scheduled banks			
- in current accounts		58,184,265	21,378,863
- in deposit accounts		50,000,000	40,000,000
- in Exchange Earners Foreign Currency (EEFC) accounts		32,059,257	35,776,428
		<b>140,243,522</b>	<b>97,155,291</b>

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

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

per Mahendra Jain  
Partner  
Membership Number: 205839

Swaminathan Venkatraman  
Director  
DIN: 03139440

Sugata Sircar  
Director  
DIN: 01119161

Urvashi Bhatia  
Company Secretary  
Membership Number: 40858

Place: Bengaluru  
Date: 20 July 2020

Place: Bengaluru  
Date: 20 July 2020

Place: Gurugram  
Date: 20 July 2020

Place: Gurugram  
Date: 20 July 2020

**Schneider Electric President Systems Limited****Notes to financial statements for the year ended 31 March 2019****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 equipments. 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 customers 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 standards specified under section 133 of the Companies Act 2013 including the Companies (Accounting Standards) Amendment Rules, 2006 (as amended from time to time), read with Companies (Accounts) Rules, 2014 (as amended).

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 property, plant and equipment 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 property, plant and equipment, 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 property, plant and equipment 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 property, plant and equipment 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'.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

**c. Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment 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 property, plant and equipment.

	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 amortized on a straight line basis over the period of lease or useful life, whichever is lower.

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 amortized 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.

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 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 Goods and Services Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

The amount recognized as sale is exclusive of trade discounts.

##### **Income from services**

Service income primarily comprises income from commissioning and installation and processing charges 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 GST 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.

### **Export benefits**

Export benefits are recognized 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.

### **Sale of scrap**

Revenue from sale of scrap is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer at an amount that reflects the consideration to which the Company expects to be entitled.

## **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.

## **l. 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 tax liabilities relate to the same taxation authority.

#### **m. Segment reporting**

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.

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**

All amounts in Indian Rupees, unless otherwise stated

<b>3 Share capital</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>Authorized shares</b>		
12,000,000 (31 March 2019: 12,000,000) equity shares of Rs 10 each	120,000,000	120,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
6,048,000 (31 March 2019: 6,048,000) equity shares of Rs 10 each fully paid up (note 39) (includes 1,243,500 (31 March 2019: 1,243,500) bonus shares issued by capitalisation of reserves and securities premium)	60,480,000	60,480,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>60,480,000</b>	<b>60,480,000</b>

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

<b>Equity Shares</b>	<b>31-Mar-20</b>		<b>31-Mar-19</b>	
	<b>No.</b>	<b>Amount</b>	<b>No.</b>	<b>Amount</b>
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:

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>Schneider Electric South East Asia (HQ) Pte Limited</b>		
4,867,933 (31 March 2019: 4,867,933) equity shares of Rs.10 each fully paid up (note 39)	48,679,330	48,679,330

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

	<b>31-Mar-20</b>		<b>31-Mar-19</b>	
	<b>No.</b>	<b>% holding</b>	<b>No.</b>	<b>% holding</b>
<b>Equity shares of Rs. 10 each fully paid</b>				
Schneider Electric South East Asia (HQ) Pte Limited	4,867,933	80.49%	4,867,933	80.49%

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.

<b>4 Reserves and surplus</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>Securities premium</b>	<b>81,695,875</b>	<b>81,695,875</b>
<b>Capital Reserve (represents capital profit on equity shares forfeited)</b>	<b>166,000</b>	<b>166,000</b>
<b>General reserve</b>	<b>44,000,000</b>	<b>44,000,000</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	572,604,164	455,152,556
Profit for the year	14,295,210	117,451,608
<b>Net surplus in the statement of profit and loss</b>	<b>586,899,374</b>	<b>572,604,164</b>
<b>Total reserves and surplus</b>	<b>712,761,249</b>	<b>698,466,039</b>

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**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

**5 Long-term borrowings**

	Non-current portion		Current maturities	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Other loans and advances</b>				
Finance lease obligation (secured) (i)	2,013,606	1,066,552	798,519	312,545
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(798,519)	(312,545)
	<b>2,013,606</b>	<b>1,066,552</b>	-	-

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.

**6 Provisions**

	Long-term		Short-term	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
<b>Provision for employee benefits</b>				
Provision for gratuity (note 24)	28,300,064	21,833,715	1,004,417	8,071,516
Provision for leave benefits	-	-	15,183,774	13,325,539
<b>Other provisions</b>				
Provision for warranty (i)	1,944,669	4,982,943	4,948,434	4,076,208
Provision for litigation (ii)	-	-	22,300,341	18,442,106
Provision for income tax (net)	-	-	-	6,615,542
	<b>30,244,733</b>	<b>26,816,658</b>	<b>43,436,966</b>	<b>50,530,911</b>

**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. 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-20	31-Mar-19
At the beginning of the year	9,059,151	12,610,104
Arising during the year, net of reversals	(1,799,527)	(3,201,310)
Utilized during the year	(366,521)	(349,643)
<b>As at the end of the year</b>	<b>6,893,103</b>	<b>9,059,151</b>

ii) Pertains to provision for disputed matters primarily relating to pending statutory forms for various assessment years, which the Company is contesting at various forums.

**7 Short-term borrowings**

Short term loan from bank (unsecured) (i)	1,494,398	-
Loans from fellow subsidiary (unsecured) (ii) (note 27)	-	179,935,461
	<b>1,494,398</b>	<b>179,935,461</b>

i) Pertains to supplier credit arrangement with Bank and is repayable within a period of 6 months. The interest cost for these loans are borne by suppliers availing such facility.

ii) Loans from a fellow subsidiary amounting to Rs. 129,935,461 as on 31 March 2019 was repayable on 31 October 2018, although the Company had an option to prepay the aforesaid borrowing at its own discretion. During the previous year, the tenure of such loan was extended up to 31 October 2019 and the interest rate was revised to 7.15% effective 1 November 2018. The Company has re-paid the aforesaid loan during the year.

During earlier years, the Company had borrowed Rs. 50,000,000 from its fellow subsidiary, primarily to facilitate its working capital requirements. During the previous year, the tenure of such loan had been extended up to 25 July 2019 and the interest rate has been revised from 6.12 % to 6.85 %. The Company has re-paid the aforesaid loan during the year.

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

8 Trade payables and other liabilities (including acceptances)	Current	
	31-Mar-20	31-Mar-19
<b>Trade payables (i)</b>		
- total outstanding dues of micro enterprises and small enterprises (note 31)	41,063,067	76,995,955
- total outstanding dues of creditors other than micro enterprises and small enterprises	448,836,771	507,757,942
	<b>489,899,838</b>	<b>584,753,897</b>
<b>Other liabilities</b>		
Current maturities of finance lease obligation (note 5)	798,519	312,545
Interest accrued and due on borrowings	-	2,957,924
Interest accrued and due on payables to micro and small enterprises (note 31)	11,079,534	10,586,204
Security deposit payable	1,405,022	1,405,022
Advance from customers	3,572,145	2,246,909
Employee dues payable	43,317,776	20,781,320
Statutory dues payable	8,023,787	11,204,404
	<b>68,196,783</b>	<b>49,494,328</b>
	<b>558,096,621</b>	<b>634,248,225</b>

(i) Refer note 27 for payables to related parties.

(ii) As at 31 March 2020 trade payables balance of Rs 489,899,838 includes Rs 241,886,272 payables to certain vendors. Also, other current liabilities include Rs. 11,079,534 towards interest on dues to Micro and Small Enterprises. Further, the Company has accounted Rs 754,324 towards gain on foreign exchange fluctuation (net) which also includes loss (net) on account of settlement / restatement of the aforesaid payables/liabilities.

Due to ERP constraints, the vendor / invoice wise details of such payables/liabilities as generated by ERP does not reconcile with the aforesaid general ledger balances. The Company is in the process of reconciling the subledger and the general ledger balances with the underlying data as at 31 March 2020. The management does not anticipate any adjustment to these financial statements arising out of such reconciliation. Accordingly, no adjustments have been recorded in these financial statements for the year ended and as at 31 March 2020. Also refer note 29(a)

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Schneider Electric President Systems Limited  
 Notes to financial statements for the year ended 31 March 2020  
 All amounts in Indian Rupees, unless otherwise stated

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
<b>Cost or valuation</b>											
At 1 April 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
Additions	-	-	12,881,941	-	31,419,865	4,118,699	613,657	65,235	1,476,975	-	50,576,372
Disposals	-	-	-	-	3,866,722	-	-	-	2,548,545	3,398,837	9,814,104
<b>At 31 March 2019</b>	<b>42,024,860</b>	<b>5,091,974</b>	<b>185,188,367</b>	<b>2,759,048</b>	<b>486,975,920</b>	<b>23,558,205</b>	<b>59,768,949</b>	<b>18,736,821</b>	<b>27,958,298</b>	<b>6,107,564</b>	<b>858,170,006</b>
Additions	-	-	162,318	-	6,729,714	595,390	2,013,828	398,908	911,197	2,900,058	13,711,413
Disposals	-	-	-	-	32,163,037	5,083,657	15,376,374	2,873,973	26,500	2,193,062	57,716,603
<b>At 31 March 2020</b>	<b>42,024,860</b>	<b>5,091,974</b>	<b>185,350,685</b>	<b>2,759,048</b>	<b>461,542,597</b>	<b>19,069,938</b>	<b>46,406,403</b>	<b>16,261,756</b>	<b>28,842,995</b>	<b>6,814,560</b>	<b>814,164,816</b>
<b>Depreciation</b>											
At 1 April 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
Charge for the year	-	67,226	7,330,829	102,167	34,330,915	1,978,396	3,895,770	743,392	1,101,889	1,620,611	51,171,195
Disposals	-	-	-	-	3,619,463	-	-	-	2,548,545	1,922,544	8,090,552
<b>At 31 March 2019</b>	<b>-</b>	<b>941,042</b>	<b>86,963,079</b>	<b>983,580</b>	<b>316,565,165</b>	<b>18,209,067</b>	<b>38,615,799</b>	<b>15,284,412</b>	<b>25,791,977</b>	<b>4,742,478</b>	<b>508,096,599</b>
Charge for the year	-	67,410	8,805,058	102,448	35,096,645	1,995,730	3,812,007	721,456	1,229,468	1,260,964	53,091,186
Disposals	-	-	-	-	25,829,651	5,068,139	14,143,384	2,456,714	26,500	1,637,974	49,162,362
<b>At 31 March 2020</b>	<b>-</b>	<b>1,008,452</b>	<b>95,768,137</b>	<b>1,086,028</b>	<b>325,832,159</b>	<b>15,136,658</b>	<b>28,284,422</b>	<b>13,549,154</b>	<b>26,994,945</b>	<b>4,365,468</b>	<b>512,025,423</b>
<b>Net Block</b>											
At 31 March 2019	42,024,860	4,150,932	98,225,288	1,775,468	170,410,755	5,349,138	21,153,150	3,452,409	2,166,321	1,365,086	350,073,407
At 31 March 2020	42,024,860	4,083,522	89,582,548	1,673,020	135,710,438	3,933,280	18,121,981	2,712,602	1,848,050	2,449,092	302,139,393

(i) Building – Office, includes Rs 500 (31 March 2019: Rs 500) representing cost of unquoted fully paid shares in co-operative housing society.

(ii) Building – Factory, includes those constructed on leasehold land and vehicle includes cars taken on finance lease as below:

	Building - Factory		Vehicle	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Gross Block	30,903,565	30,903,565	2,178,338	3,039,761
Additions	-	-	2,900,058	-
Accumulated depreciation	16,686,281	15,732,131	1,012,763	501,810
Depreciation charge for the year	927,352	954,150	1,105,615	759,940
Deletion	-	-	507,847	520,984
<b>Net book value</b>	<b>13,289,932</b>	<b>14,217,284</b>	<b>2,452,171</b>	<b>1,257,027</b>

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

(iii) Property, plant and equipment include assets held for sale as at 31 March 2020 (31 March 2019 : Nil) as below:

	31-Mar-20		
	Gross block	Accumulated Depreciation	Net Block
Buildings - Factory	32,696,042	18,482,391	14,213,651
Leasehold Land	5,091,974	1,008,453	4,083,521
Building - Office	2,234,389	751,768	1,482,621
Plant and Equipment	18,979,328	17,425,589	1,553,739
Furniture & Fixtures	5,706,403	5,639,499	66,904
Tools, dies and jigs	212,868	207,567	5,301
Office Equipment	3,006,859	3,006,369	490
Vehicles	685,464	685,464	-
Computer Hardware	5,747,921	5,747,921	-
	<b>74,361,248</b>	<b>52,955,021</b>	<b>21,406,227</b>

**9(b) Intangible assets:**

	Computer Software	Patents and trademarks	Designs and copyrights	Total
<b>Cost or valuation</b>				
At 1 April 2018	38,331,534	40,000	3,893,683	<b>42,265,217</b>
Additions	249,017	-	-	<b>249,017</b>
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>38,580,551</b>	<b>40,000</b>	<b>3,893,683</b>	<b>42,514,234</b>
Additions	278,743	-	-	<b>278,743</b>
Disposals	1,600,000	-	-	<b>1,600,000</b>
<b>At 31 March 2020</b>	<b>37,259,294</b>	<b>40,000</b>	<b>3,893,683</b>	<b>41,192,977</b>
<b>Amortisation</b>				
At 1 April 2018	33,721,914	40,000	3,893,683	<b>37,655,597</b>
Charge for the year	1,198,449	-	-	<b>1,198,449</b>
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>34,920,363</b>	<b>40,000</b>	<b>3,893,683</b>	<b>38,854,046</b>
Charge for the year	1,702,505	-	-	<b>1,702,505</b>
Disposals	1,600,000	-	-	<b>1,600,000</b>
<b>At 31 March 2020</b>	<b>35,022,868</b>	<b>40,000</b>	<b>3,893,683</b>	<b>38,956,551</b>
<b>Net Block</b>				
<b>At 31 March 2019</b>	<b>3,660,188</b>	-	-	<b>3,660,188</b>
<b>At 31 March 2020</b>	<b>2,236,426</b>	-	-	<b>2,236,426</b>

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**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

<b>10 Deferred tax asset (net)</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	11,317,665	24,517,708
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	49,449,648	66,697,968
<b>Net deferred tax asset</b>	<b>38,131,983</b>	<b>42,180,260</b>

Pursuant to the Taxation Laws (Amendment) Ordinance, 2019, the Company has elected for the new tax regime with lower rates of tax with effect from 1 April 2019. Accordingly, deferred tax assets (net) have reduced by Rs 11,804,587. The tax charge for the year has increased by Rs 11,804,587.

	<b>Non-current</b>		<b>Current</b>	
	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<i>Unsecured, considered doubtful</i>				
Dues from statutory authorities	16,018,270	22,573,098	28,178,981	11,224,351
Advance to suppliers	-	-	782,209	-
	<b>16,018,270</b>	<b>22,573,098</b>	<b>28,961,190</b>	<b>11,224,351</b>
<i>Unsecured, considered good</i>				
Dues from statutory authorities	100,899,493	71,807,897	8,365,407	54,258,913
Security deposit	19,789,707	4,852,893	-	-
Advance to suppliers	-	-	6,990,367	4,499,030
Advance income-tax (net)	26,413,165	4,430,561	-	-
Prepaid expenses	-	-	8,976,555	12,229,415
Dues from employees	-	-	7,903,813	4,862,138
	<b>163,120,635</b>	<b>103,664,449</b>	<b>61,197,332</b>	<b>87,073,847</b>
Less: provision for doubtful advances	<b>(16,018,270)</b>	<b>(22,573,098)</b>	<b>(28,961,190)</b>	<b>(11,224,351)</b>
	<b>147,102,365</b>	<b>81,091,351</b>	<b>32,236,142</b>	<b>75,849,496</b>

<b>12 Inventories (valued at lower of cost and net realizable value)</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Raw materials and components (includes in transit Rs.26,664,141 (31 March 2019: Rs.11,294,441)) (note 18)	166,666,321	111,813,702
Work-in-progress (note 19)	40,669,556	30,081,894
Finished goods (including stock-in-transit Rs.25,549,347 (31 March 2019: Rs.8,395,543)) (note 19)	46,482,995	35,182,248
Traded goods (including stock-in-transit Rs. 72,344 (31 March 2019: Nil)) (note 19)	731,804	673,534
	<b>254,550,676</b>	<b>177,751,378</b>

<b>13 Trade receivable *</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	53,789,570	74,068,761
Doubtful	87,660,769	96,329,379
	<b>141,450,339</b>	<b>170,398,140</b>
Provision for doubtful trade receivables	<b>(87,660,769)</b>	<b>(96,329,379)</b>
	<b>53,789,570</b>	<b>74,068,761</b>
<b>Other receivables</b>		
Unsecured, considered good	426,651,293	746,502,322
Doubtful	2,405,233	3,526,186
	<b>429,056,526</b>	<b>750,028,508</b>
Provision for doubtful trade receivables	<b>(2,405,233)</b>	<b>(3,526,186)</b>
	<b>426,651,293</b>	<b>746,502,322</b>
	<b>480,440,863</b>	<b>820,571,083</b>

\* Refer note 27 for receivable from related parties.

<b>14 Cash and bank balances</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Cash and cash equivalents		
Balances with banks:		
– On current accounts	58,184,265	21,378,863
– Deposits with original maturity of less than three months	50,000,000	40,000,000
– On Exchange Earners Foreign Currency (EEFC) accounts	32,059,257	35,776,428
	<b>140,243,522</b>	<b>97,155,291</b>
<b>15 Other assets</b>		
Dues from related parties (unsecured) (note 27)	-	2,641,781
Interest accrued on fixed deposits	22,260	18,740
	<b>22,260</b>	<b>2,660,521</b>

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>16 Revenue from operations</b>		
Sale of products		
Manufacturing	1,987,497,468	2,838,533,818
Trading	76,792,120	110,674,150
	<b>2,064,289,588</b>	<b>2,949,207,968</b>
Sale of services	53,736,685	82,115,909
<b>Other operating revenue</b>		
Sale of scrap	5,946,769	8,550,491
Export benefits	19,865,812	17,965,949
	<b>25,812,581</b>	<b>26,516,440</b>
<b>Revenue from operations</b>	<b>2,143,838,854</b>	<b>3,057,840,317</b>
<b>Details of products sold</b>		
Enclosures	722,314,957	1,926,819,198
Card frames	29,288,651	49,894,162
Components and accessories *	1,235,893,860	861,820,458
	<b>1,987,497,468</b>	<b>2,838,533,818</b>
* 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.		
<b>Traded goods sold</b>		
Electrical equipments	76,792,120	110,674,150
<b>Details of services rendered</b>		
Processing charges	41,511,654	63,527,079
Commissioning and installation	12,225,031	18,588,830
	<b>53,736,685</b>	<b>82,115,909</b>
<b>17 Other income</b>		
Interest income on bank deposits	3,214,489	394,270
Gain on sale of fixed assets (net)	-	557,150
Gain on account of foreign exchange fluctuations (net)	754,324	1,396,596
Liabilities/ provisions no longer required written back	1,695,082	1,608,311
Insurance claims	1,260,088	1,462,284
Miscellaneous income	557,325	835,609
	<b>7,481,308</b>	<b>6,254,220</b>

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## Schneider Electric President Systems Limited

## Notes to financial statements for the year ended 31 March 2020

## All amounts in Indian Rupees, unless otherwise stated

18 Cost of material and components consumed	31-Mar-20	31-Mar-19
Inventory at the beginning of the year	111,813,702	172,801,431
Add - Purchases	1,318,547,544	1,887,577,951
Less - inventory at the end of the year	(166,666,321)	(111,813,702)
<b>Cost of raw material and components consumed *</b>	<b>1,263,694,925</b>	<b>1,948,565,680</b>

\* Includes reversal of provision towards doubtful advances Nil (31 March 2019: Rs. 13,680,094).

**Details of raw materials and components consumed**

CRCA sheets	147,499,130	244,159,029
Aluminium sheets	2,409,702	7,586,169
Aluminium sections	10,626,267	18,695,904
Components and accessories *	1,103,159,826	1,678,124,578
	<b>1,263,694,925</b>	<b>1,948,565,680</b>

**Details of inventory**

CRCA sheets	18,056,600	12,264,414
Aluminium sheets	2,320,563	831,792
Aluminium sections	587,732	1,730,473
Components and accessories *	145,701,426	96,987,023
	<b>166,666,321</b>	<b>111,813,702</b>

\* 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**

	31-Mar-20	31-Mar-19
Inventories at the end of the year		
Finished goods	46,482,995	35,182,248
Work-in-progress	40,669,556	30,081,894
Traded goods	731,804	673,534
	<b>87,884,355</b>	<b>65,937,676</b>
Inventories at the beginning of the year		
Finished goods	35,182,248	83,386,464
Work-in-progress	30,081,894	60,402,307
Traded goods	673,534	5,590,020
	<b>65,937,676</b>	<b>149,378,791</b>
<b>(Increase) / decrease in inventories</b>	<b>(21,946,679)</b>	<b>83,441,115</b>

**Details of purchase of traded goods**

Electrical equipments	77,365,451	78,334,341
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**Details of inventory****Work-in-progress**

Enclosures	3,621,088	152,222
Others (including components and accessories)*	37,048,468	29,929,672
	<b>40,669,556</b>	<b>30,081,894</b>

**Finished goods**

Enclosures	23,444,035	20,483,703
Others (including components and accessories)*	23,038,960	14,698,545
	<b>46,482,995</b>	<b>35,182,248</b>

**Traded goods**

Electrical equipments	731,804	673,534
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\* There are no items, which in value account for 10% or more of the total value of inventories to be shown as separate items.

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>20 Employee benefits expenses</b>		
Salaries, wages and bonus	274,602,164	220,386,513
Contribution to provident and other funds	11,378,455	11,302,666
Staff welfare expenses	39,223,843	46,417,642
Gratuity expenses (note 24)	17,538,331	8,892,044
	<b>342,742,793</b>	<b>286,998,865</b>
<b>21 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment	53,091,186	51,171,195
Amortization of intangible assets	1,702,505	1,198,449
	<b>54,793,691</b>	<b>52,369,644</b>
<b>22 Finance costs</b>		
Interest on		
Borrowings (note 27)	5,429,620	14,724,306
Finance lease obligation (note 25)	1,105,104	451,527
Delay in payments to micro and small enterprises (note 31)	493,330	1,539,024
Delay in payment of income tax	-	813,619
Others	-	7,653
Bank charges	631,122	3,101,858
	<b>7,659,176</b>	<b>20,637,987</b>
<b>23 Other expenses</b>		
Freight and forwarding charges	3,485,038	4,864,725
Casual labour	90,338,024	101,228,891
Consumables	9,136,431	9,831,053
Power and fuel	50,117,250	57,801,686
Insurance	12,427,321	5,938,779
Repairs and maintenance		
Buildings	7,373,640	7,379,375
Plant and machinery	23,203,557	24,996,383
Others	18,033,976	15,083,438
Rent	6,644,301	7,830,491
Rates and taxes	2,490,311	2,603,759
Legal and professional fees (Includes Rs. Nil (31 March 2019: Rs 9,128,407 pertaining to earlier years)	55,783,673	63,184,238
Management fees (note 27)	82,078,883	57,551,536
Payments to auditors (i)	3,383,240	3,541,753
Directors' sitting fees	690,000	365,000
Travelling and conveyance	6,477,318	7,656,710
Advertising and sales promotion	826,200	1,594,480
Loss on sale / discard of property, plant and equipment (net)	7,364,083	-
Provision for doubtful debts and advances (net)	5,864,185	29,601,038
Corporate Social Responsibility (CSR) expenditure (note 38)	4,530,459	3,680,943
Miscellaneous expenses	427,307	1,953,911
	<b>390,675,197</b>	<b>406,688,189</b>
(i) Payments to auditors		
As auditors:		
Audit fee	2,960,000	2,960,000
Tax Audit fee	400,000	400,000
Reimbursement of expenses	23,240	181,753
	<b>3,383,240</b>	<b>3,541,753</b>

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
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**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 insurance companies 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 plan.

<b>Statement of profit and loss</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Current service cost	3,563,068	3,164,848
Interest cost on benefit obligation	3,315,878	3,706,529
Expected return on plan assets	(1,730,282)	(1,004,850)
Net actuarial (gain)/losses recognized in the year	12,389,667	3,025,517
<b>Net benefit expense</b>	<b>17,538,331</b>	<b>8,892,044</b>
Actual return on plan assets	2,424,155	962,838

**Balance sheet**

**Plan asset / liability**

Present value of defined benefit obligation	(53,877,905)	(53,229,868)
Fair value of plan assets	24,573,424	23,324,637
<b>Plan asset/ (liability)</b>	<b>(29,304,481)</b>	<b>(29,905,231)</b>

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

<b>Opening defined benefit obligation</b>	53,229,868	47,949,927
Current service cost	3,563,068	3,164,848
Interest cost	3,315,878	3,706,529
Benefits paid	(19,314,449)	(4,574,941)
Actuarial (gain)/ losses	13,083,540	2,983,505
<b>Closing defined benefit obligation</b>	<b>53,877,905</b>	<b>53,229,868</b>

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

<b>Opening fair value of plan assets</b>	23,324,637	12,999,357
Expected return	1,730,282	1,004,850
Contributions by employer	18,139,081	13,937,382
Benefits paid	(19,314,449)	(4,574,941)
Actuarial gain/ (losses)	693,873	(42,011)
<b>Closing fair value of plan assets</b>	<b>24,573,424</b>	<b>23,324,637</b>

The Company expects to contribute Rs. 1,004,417 to gratuity in the next year (31 March 2019: Rs. 8,071,516)

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

Investments with insurer	100%	100%
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The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Discount rate	6.65%	7.61%
Attrition rate		
Up to 30 years	3.00%	2.00%
31-40 years	2.00%	2.00%
41-44 years	2.00%	1.00%
Above 44 years	1.00%	1.00%
Expected rate of return on assets	6.65%	7.61%
Salary escalation	6.00%	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:

	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Defined benefit obligation	53,877,905	53,229,868	47,949,927	39,077,810	39,259,508
Plan assets	24,573,424	23,324,637	12,999,357	13,361,107	13,116,136
Surplus/ (deficit)	(29,304,481)	(29,905,231)	(34,950,570)	(25,716,703)	(26,143,372)
Experience adjustments on plan liabilities	(3,558,519)	(2,426,249)	(6,590,795)	4,749,574	(2,699,177)
Experience adjustments on plan assets	693,873	(42,011)	(293,846)	284,175	(262,694)

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
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**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-20		31-Mar-19	
	MLP	PV	MLP	PV
Within one year	1,637,025	798,519	603,300	312,545
After one year but not more than five years	3,442,911	2,013,606	1,182,903	1,066,552
Total minimum lease payments	5,079,936	2,812,125	1,786,203	1,379,097
Less: Amount representing finance charges	(2,267,811)	-	(407,106)	-
<b>Present value of minimum lease payments</b>	<b>2,812,125</b>	<b>2,812,125</b>	<b>1,379,097</b>	<b>1,379,097</b>

Lease expense recognised during the year as interest Rs. 1,105,104 (31 March 2019: Rs. 451,527).

**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. 6,644,301 (31 March 2019: Rs. 7,830,491).

**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 and certain asset information regarding the Company's geographical segments:

	31-Mar-20	31-Mar-19
<b>Segment revenue</b>		
Export	538,524,443	482,297,778
Domestic	1,605,314,411	2,575,542,539
	<b>2,143,838,854</b>	<b>3,057,840,317</b>
<b>Segment assets</b>		
Export	89,365,895	95,714,825
Domestic	391,074,968	727,498,039
Unallocated	928,086,710	828,330,982
	<b>1,408,527,573</b>	<b>1,651,543,846</b>

Property, plant and equipment (including intangible assets and capital work-in-progress) and current assets (other than trade and other receivables) have not been identified to any reportable segments as they are used interchangeably between segments. All property, plant and equipment are located in India.

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**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
**All amounts in Indian Rupees, unless otherwise stated**

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**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 Corporation (A.P.C) B.V, Phillipines Sarel Appareillage Electrique SAS, France Schneider Electric (Australia) Pty Limited, Australia Schneider Electric Asia Pte.Ltd (Formerly Schneider Electric Logistic Asia Pte.Ltd ), Singapore Schneider Electric Alpes, France Schneider Electric DC MEA FZCO, U.A.E. Schneider Electric Egypt S.A.E., Egypt Schneider Electric Espana SAU, Spain Schneider Electric France SAS, France Schneider Electric India Private Limited, India Schneider Electric Industries SAS, France Schneider Electric Infrastructure Limited, India Schneider Electric IT Business India Private Limited, India Schneider Electric IT Corporation, USA Schneider Electric IT Logistics Asia Pacific Pte Limited, Singapore Schneider Electric IT Logistics Europe Ltd, Netherlands Schneider Electric Limited, U.K. Schneider Electric Manufacturing The Netherlands B.V., Netherlands Schneider Electric Private Limited, India Schneider Electric Systems India Private Limited, India Schneider (Suzhou) Drives Company Limited, China Uniflair SPA, Italy Veris Industries LLC, USA
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**Key management personnel**

Mohamed Adil Mohamed Aslam Sattar	Wholetime Director (w.e.f. 27 June 2019)
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**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 (upto 31 December 2019)
Priyanka Gupta	Company Secretary (upto 9 June 2020)
Urvashi Bhatia	Company Secretary (w.e.f. 23 June 2020)

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Schneider Electric President Systems Limited  
Notes to financial statements for the year ended 31 March 2020  
All amounts in Indian Rupees, unless otherwise stated

**Related party transactions**

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

Related party	Year ended	Sale of goods	Cross charge of expenses by Group companies	Cross charge of management fee by Group companies	Cross charge of expenses to Group companies including reimbursements	Purchase of raw materials	Purchase of traded goods	Amount owed by related parties included in trade receivables and other current assets	Amount owed to related parties included in trade payables
<b>Ultimate Holding Company</b>									
Schneider Electric SE, France	31-Mar-20	-	13,016,836	-	-	-	-	-	-
	31-Mar-19	-	11,239,850	-	-	-	-	-	-
<b>Holding Company</b>									
Schneider Electric South East Asia (HQ) Pte Limited, Singapore	31-Mar-20	-	-	-	282,189	-	-	2,641,781	-
	31-Mar-19	-	-	-	-	-	-	-	-
<b>Fellow subsidiaries</b>									
Schneider Electric IT Business India Private Limited, India*	31-Mar-20	51,218,267	20,200,845	-	147,300	109,010,879	-	3,632,757	19,413,469
	31-Mar-19	22,597,591	20,152,949	-	1,410,702	46,594,584	37,615,231	9,802,149	21,903,195
Schneider Electric India Private Limited, India	31-Mar-20	3,241,509	5,544,501	-	87,682	20,735,496	-	534,997	3,828,878
	31-Mar-19	5,877,502	42,463,156	-	-	14,900,230	-	1,255,746	7,487,998
Uniflair SPA, Italy	31-Mar-20	-	-	-	-	-	58,423,986	-	27,940,252
	31-Mar-19	-	-	-	-	-	40,746,369	-	20,777,181
Sarel Appareillage Electrique SAS, France	31-Mar-20	16,170,131	-	-	-	-	-	3,202,902	-
	31-Mar-19	21,914,700	-	-	-	-	-	14,558,036	-
Schneider Electric Industries SAS, France	31-Mar-20	-	-	79,019,621	-	3,471,588	-	-	87,424,674
	31-Mar-19	-	-	45,831,906	-	1,961,217	-	-	25,464,530
Schneider Electric Alpes, France	31-Mar-20	51,634,146	-	-	-	-	-	12,758,396	-
	31-Mar-19	-	-	-	-	-	-	-	-
Schneider Electric Asia Pte Ltd (Formerly Schneider Electric Logistic Asia Pte.Ltd ), Singapore	31-Mar-20	318,452,578	-	3,059,262	-	-	-	29,947,537	9,600,748
	31-Mar-19	334,734,558	-	11,719,630	-	-	-	33,943,255	13,313,947
Schneider Electric Private Limited, India	31-Mar-20	43,512	25,481,793	-	-	-	-	8,296	1,931,513
	31-Mar-19	-	5,964,574	-	-	-	-	-	2,275,331
Veris Industries LLC, USA	31-Mar-20	-	-	-	-	18,266,591	-	-	13,404,636
	31-Mar-19	-	-	-	-	7,485,046	-	-	6,014,126
Others	31-Mar-20	41,340,511	200,914	-	19,439	2,250,579	-	5,056,096	1,049,241
	31-Mar-19	17,828,800	6,360	-	-	2,867,919	-	8,999,140	4,290,785
<b>Total</b>	<b>31-Mar-20</b>	<b>482,100,654</b>	<b>64,444,889</b>	<b>82,078,883</b>	<b>254,421</b>	<b>153,735,133</b>	<b>58,423,986</b>	<b>55,140,981</b>	<b>164,593,411</b>
	<b>31-Mar-19</b>	<b>402,953,151</b>	<b>79,826,889</b>	<b>57,551,536</b>	<b>1,692,891</b>	<b>73,808,996</b>	<b>78,361,600</b>	<b>71,200,107</b>	<b>101,527,093</b>

\* Purchase of raw materials include purchase of Merchandise Export from India Scheme (MEIS) scrips of Rs. 4,913,483 (31 March 2019: Rs. 5,000,535).

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
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**b. Loans taken and repayment thereof**

	Year ended	Loans taken	Repayment	Interest accrued	Amount owed to related parties
Schneider Electric IT Business India Private Limited, India	<b>31-Mar-20</b>	-	<b>179,935,461</b>	-	-
	31-Mar-19	-	20,000,000	2,957,924	182,893,385

**c. Interest expense on loan**

	31-Mar-20	31-Mar-19
Schneider Electric IT Business India Private Limited, India	5,410,744	13,226,652
Schneider Electric India Private Limited, India	18,876	1,497,654
	<b>5,429,620</b>	<b>14,724,306</b>

- d. The Company has an arrangement with Schneider Electric India Private Limited, India (SEIPL), a fellow subsidiary, for a cash lending limit up to Rs. 350,000,000. Basis such arrangement, the Company's banker automatically transfers funds from SEIPL to the Company's bank account in case of shortage / insufficient fund at the end of each day up to the approved limits. The maximum balance outstanding during the year basis such arrangement is as below.

Particulars	31-Mar-20	31-Mar-19
Maximum balance outstanding during the year	19,576,876	143,425,881
Closing balance of loan as at year end	-	-

**e. Remuneration to key managerial personnel**

**Managerial remuneration:**

Mohamed Adil Mohamed Aslam Sattar*	3,235,904	-
Damodar Kalavala	8,222,168	3,456,928
Priyanka Gupta	1,469,836	1,367,528
	<b>12,927,908</b>	<b>4,824,456</b>

**Managerial remuneration**

Salaries and allowances	12,290,245	4,301,335
Contribution to provident fund	304,263	206,376
Perquisites'	333,400	316,745
	<b>12,927,908</b>	<b>4,824,456</b>

\*The aforesaid remuneration does not include benefits received under Long Term Incentive Plan (LTIP) as such benefits are provided directly by the Ultimate Holding Company and no cross charge is made to the Company for the said expenses.

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**

Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	10,884,907	7,813,447
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**29 Contingent liabilities**

(a) Claims against the Company not acknowledged as debts (i)	12,548,244	2,661,293
(b) Customs and Excise matters	4,126,765	3,810,526
(c) Sales Tax matters – Non collection of 'C' and 'I' forms	24,436,995	58,861,198
(d) Outstanding bank guarantees	473,977,535	510,458,523

(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 related party) claims amounting to Rs. 12,548,244 (31 March 2019: Rs.2,661,293) 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 2020. Also refer note 8(ii).

**Schneider Electric President Systems Limited**  
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**30 Derivative instruments and unhedged foreign currency exposure**

**Particulars of unhedged foreign currency exposure as at the reporting date**

	31-Mar-20			31-Mar-19	
	Currency	Fx	Amount (Rs)	Fx	Amount (Rs)
Trade payables	USD	1,089,804	82,460,017	865,884	59,894,302
	EUR	822,757	68,099,570	326,425	25,363,987
	GBP	-	-	332	29,993
Trade receivables (gross of provision)	USD	937,679	70,949,473	1,125,609	77,859,830
	EUR	222,501	18,416,422	187,584	14,575,758
	AUD	-	-	13,004	637,456
Loans and advances	USD	15,016	1,136,186	15,644	1,082,116
	EUR	20,385	1,687,238	23,446	1,821,811
Cash and bank balances					
- Exchange Earners Foreign Currency (EEFC) accounts	USD	350,970	26,556,146	487,408	33,714,636
	EUR	66,487	5,503,111	26,534	2,061,792
Other assets	EUR	-	-	33,999	2,641,781

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

	31-Mar-20	31-Mar-19
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	41,063,067	76,995,955
Interest due on above	55,115	215,121
	<b>41,118,182</b>	<b>77,211,076</b>
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	438,215	1,323,903
The amount of interest accrued and remaining unpaid at the end of each accounting year	11,079,534	10,586,204
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	11,079,534	10,586,204

**32 Value of imports calculated on CIF basis**

Raw materials and components	164,854,365	169,558,143
Traded goods	62,942,800	41,689,620
Capital goods	-	2,311,593
	<b>227,797,165</b>	<b>213,559,356</b>

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**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
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33 Expenditure in foreign currency (accrual basis)	31-Mar-20	31-Mar-19
Management fees	82,078,883	57,551,536
Staff welfare expenses	13,217,750	11,239,850
Legal and professional fees	261,459	292,662
Consumables	542,005	417,669
	<b>96,100,097</b>	<b>69,501,717</b>

34 Imported and indigenous raw materials and components consumed	31-Mar-20		31-Mar-19	
	% of total consumption	Amount	% of total consumption	Amount
Raw materials				
Imported	-	-	-	-
Indigenously obtained	100%	160,535,099	100%	270,441,102
	<b>100%</b>	<b>160,535,099</b>	<b>100%</b>	<b>270,441,102</b>
Components and accessories *				
Imported	17%	185,539,448	11%	184,751,447
Indigenously obtained	83%	917,620,378	89%	1,493,373,131
	<b>100%</b>	<b>1,103,159,826</b>	<b>100%</b>	<b>1,678,124,578</b>
Total cost of raw materials and components consumed		<b>1,263,694,925</b>		<b>1,948,565,680</b>

\*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-20	31-Mar-19
Export of goods on FOB basis	538,524,443	482,297,778

**36** As a part of Schneider Electric SE (Ultimate holding Company) overall pay policy, Schneider Electric SE, 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 SE.

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 gross amount required to be spent by the Company is Rs 4,530,459 (31 March 2019: Rs 3,680,943). The Company has transferred its CSR allocated fund of Rs 4,530,459 (31 March 2019: Rs 3,680,943) 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 empanelled 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.

Accordingly, Promoter's Shareholding increased to 80.49% of the total share capital of the Company as at 31 March 2020.

**Schneider Electric President Systems Limited**  
**Notes to financial statements for the year ended 31 March 2020**  
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**40** Certain public investors of the Company filed an appeal before the Securities Appellate Tribunal ('SAT') against the disposal of compliant which was raised in the 'SCORES' system of investor redressal by the aforesaid investors by the Securities Exchange Board of India (SEBI) vide communication dated 20 September 2017 related to non-listing of the Company in other stock exchanges and the valuation of its shares during the exit offer.

SAT vide its order dated 26 November 2019 ('the Order'), disposed of the appeal and directed SEBI to consider the matters raised by the public investors and pass a reasoned order within 3 months. Consequently, SEBI filed a review application before SAT seeking review of the above Order which was dismissed by SAT. SEBI's response / further action on disposal of above appeal is awaited.

Pending SEBI's response to the SAT Order, the management based on consultants/ legal counsels' opinion, is of the view that it has complied with the directives of SEBI and the exit option provided by the Company and its promoters was as per circular / directives issued by SEBI. Accordingly, the possibility of outflow of resources from the Company is remote.

**41** During March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on 24 March 2020, which has impacted the business activities of the Company. The Company has resumed its business activities by reopening its factories and offices on a gradual basis in line with the guidelines issued by the Government authorities. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed and considered the impact of this pandemic on carrying amounts of inventories, receivables, other assets and its business operations including all relevant internal and external information available up to the date of approval of these financial statements. Basis such evaluation, the management does not expect any adverse impact on its future cash flows and shall be able to continue as a going concern and meet its obligations as and when they fall due. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements. While the unprecedented nature of the pandemic makes the future business environment uncertain, the Company will continue to assess the impact on its assets and closely monitor any material changes to future economic conditions.

**42** 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.Batilboi & 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

per Mahendra Jain  
Partner  
Membership Number: 205839

Swaminathan Venkatraman  
Director  
DIN: 03139440

Sugata Sircar  
Director  
DIN: 01119161

Urvashi Bhatia  
Company Secretary  
Membership Number: 40858

Place: Bengaluru  
Date: 20 July 2020

Place: Bengaluru  
Date: 20 July 2020

Place: Gurugram  
Date: 20 July 2020

Place: Gurugram  
Date: 20 July 2020

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### **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