

### NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty-eighth Annual General Meeting of the Members of APW PRESIDENT SYSTEMS LTD. will be held on Monday, the 3<sup>rd</sup> September 2012, at 9.30 am. at Tribune I, 6th Floor, Hotel Tunga International, Central Road, MIDC, Andheri (East), Mumbai 400 093 to transact the following business:-

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit and Loss Account for the year ended on that date, together with the reports of the Directors and Auditors thereon.
2. To appoint M/s. S. R. Batliboi & Associate as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors and Auditors, plus out of pocket expenses.

#### SPECIAL BUSINESS

3. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Charles Watanabe who was appointed a director of the Company to fill in the casual vacancy caused by the resignation of Mr. Marc Ruddy and who vacates office at this meeting under section 262 of the Companies Act, 1956 but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the Company."
4. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Shravan Sharma who was appointed a director of the Company to fill in the casual vacancy caused by the resignation of Mr. Lakshman Bhatia and who vacates office at this meeting under section 262 of the Companies Act, 1956 but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the Company."
5. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Pankaj Sharma, who was appointed as an Additional Director of the Company by Board of Directors under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. To consider, and if thought fit, to pass with or without modification the following Resolution as Special Resolution:  
 "RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 & 311, and other applicable provisions, if any, of the Companies Act, 1956, the consent and approval of the Company be and is hereby accorded to the appointment of Mr. Dharani Babu as the Manager of the Company with effect from April 1, 2012, for a period of one year as per the terms and conditions including remuneration as contained in the agreement with him and as set out in the Explanatory Statement annexed to the Notice convening this meeting."  
 "RESOLVED FURTHER THAT the remuneration as contained in the said agreement be paid to Mr. Dharani Babu as the Minimum remuneration."  
 "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Dharani Babu from time to time and the terms of the aforesaid agreement shall be suitably modified to give effect to such alteration and/or variation."  
 "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such acts, deeds and things as may be necessary, proper and expedient in this regard to give effect to this Resolution."

Order of the Board

Sd/-

**K. K. Bhavsar**  
Company Secretary

Bangalore, May 17, 2012

#### Notes:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. The proxies, in order to be valid, shall be duly stamped and executed and should reach the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. Corporate members who are intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting and for easy identification of attendance at the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 28th August, 2012 to Monday, 3rd September, 2012 (both days inclusive).
5. Pursuant to section 205A(5) and section 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2003-04 to the Investor Education and Protection Fund (IEPF) established by the Central Government.  
 Members are requested to expeditiously put their claims for Unclaimed Dividends, if the same are not received / claimed by them for FY 2004-05 as the amount is due for the transfer to IEPF in October 2012.
6. Members are requested to notify immediately any change of address to the Registrar of the Company, Universal Capital Securities Pvt. Ltd., 21 Shakil Nivas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 in respect of their physical share folios and to notify their Depository Participants (DPs) in respect of their holdings in electronic form, if any.

7. Members are requested to:
- i) Send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarification during the meeting.
  - ii) Bring their copy of Annual Report and Attendance Slip to the Annual General Meeting.
  - iii) Intimate to the Registrar & Share Transfer Agent (RTA) of the Company immediately about any change in their addresses, if the shares are held in physical form and to Depository Participant (DP) if the shares are held in electronic form.
  - iv) Approach the RTA of the Company for consolidation of folios.
  - v) Furnish bank details to the RTA/Depository Participant to prevent fraudulent encashment of Dividend Warrants.
  - vi) Avail Nomination facility by filling in and forwarding the nomination form to the RTA, if not already done.

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

**Item No. 3.**

Pursuant to Article 148 of Articles of Association of the Company and in terms of Section 262 of the Companies Act, 1956, Mr. Charles Watanabe was appointed as Director to fill up casual vacancy in place of Mr. Marc Rutty with effect from May 19, 2011 on the Board of the Company.

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

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

**Item No. 4.**

Pursuant to Article 148 of Articles of Association of the Company and in terms of Section 262 of the Companies Act, 1956, Mr. Shravan Sharma was appointed as Director to fill up casual vacancy in place of Mr. Lakshman Bhatia with effect from July 14, 2011 on the Board of the Company.

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

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

**Item No. 5.**

Pursuant to Article 136 of Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, Mr. Pankaj Sharma was appointed as an Additional Director with effect from April 2, 2012 on the Board of the Company.

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

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

**Item No. 6.**

Mr. Dharani Babu is Engineer Professional with over 22 years of work experience across various functional areas of Manufacturing operations and projects gained at BPL group of companies.

He holds a Mechanical Engineering Degree from Calicut University, as well as a Post graduation specialised in Production Engineering from PSG TECH, Coimbatore. He also holds a Post Graduate Diploma in Management in Finance from TAPMI, Bangalore.

He joined Company in May 2006 as Assistant Vice President, Works. He was elevated to the post of Vice President, Works in 2009. Company has entered into an agreement with him to appoint him as Manager of the Company for a period of one year with effect from April 1, 2012 and the material term and conditions as contained in the agreement are as under.

**REMUNERATION**

Basic Salary	Rs. 1,373,194 p.a.
House Rent Allowance	Rs. 686,597 p.a.
Other Allowances	Rs. 1,373,194 p.a.
Performance Incentive	Rs. 686,597 p.a.
Total	Rs. 4,119,582 p.a.

**Perquisites**

Contribution to Provident Fund	12% on Basic Salary
Car	For official and personal use
Telephone	Mobile
Other amenities	As per the Company,s rule – Group Mediclaim and Group Personal Accident Premium Rs. 5200/- p.a.

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

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

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

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

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

Name of Director	Charles Watanabe	Mr. Shravan Sharma	Mr. Pankaj Sharma
Date of Birth	21.07.1964	13.07.1957	19.02.1973
Date of Appointment	19.05.2011	14.07.2011	02.04.2012
Qualification	BA, CPA	FCA	BE, MBA
Expertise in specific functional area	23 years in Global Finance and Operations Management.	Expert in Income Tax, Audits, Banking, Public Trust, Stock Exchange, Finance and related knowledge	Sales, Marketing and Operation Management
List of Companies in which Directorship is held other than APW President Systems Limited	1 American Power Conversion (India) Pvt. Ltd. 2 APC Australia Pty Ltd. 3 MGE Logistic South Asia Pacific Pte Ltd 4 Schneider Electric IT Logistics Asia Pacific Pte Ltd 5 Schneide Electric IT Malaysia SDN BHD 6 Schneider Electric IT Singapore Pte Ltd.	1 Modison Metals Limited	1 American Power Conversion (India) Pvt. Ltd.
Chairman/Member of the Committee(s) of Board of Directors of the Company	Member of Audit Committee and Remuneration Committee	Chairman of Company; Chairman of Audit Committee and Remuneration Committee, Member of Transfer and Shareholder's Grievance Committee	None
Chairman/Member of the Committee(s) of other Company in India in which he is a Director	Member of Audit Committee in all above Companies	None	None

By Order of the Board

Sd/-

**K. K. Bhavsar**

Company Secretary

Bangalore, May 17, 2012

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

**I. GENERAL INFORMATION**

**1) Nature of Industry**

**Evolution of industry**

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

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

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

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

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

National Association of Software and Services Companies (NASSCOM) president Som Mittal believes that software exports would be in tune with the estimates and are projected to grow 15-17 per cent to generate about US\$ 70 billion in 2011-12 as against US\$ 59 billion in 2010-11.

Furthermore, Internet and Mobile Association of India (IAMA) has stated that internet users in the country have crossed the 100-million mark (owing to increasing internet penetration and affordability for personal computers (PCs), of which 17 million are online shoppers. It estimates that the number of Internet users in India will triple by 2015.

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

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

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

A study by consulting and advisory services firm CyberMedia Research suggests that the PC market in India would have witnessed sales of 11.15 million units in the 2011 calendar year which would further accelerate by 14 per cent to 12.71 million units in 2012.

Between April 2000 and November 2011, the computer software and hardware sector received cumulative foreign direct investment (FDI) of US\$ 10.93 billion, according to the Department of Industrial Policy and Promotion (DIPP).

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

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

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

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

**Contract Manufacturing:**

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

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

**Industry segments in which the Company operates**

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

**Size of the industry**

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

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

India offers high potential for electronic equipment manufacturing companies.

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

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

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

The Company has already commenced its business.

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

Not Applicable

4) **Financial Performance based on given indicators:**

(Amount In Lakhs)

Particulars	31.03.12	31.03.11	31.03.10	31.03.09	31.03.08
Income :					
Net Sales	9,840.84	9,650.81	13,719.86	13,604.49	12,903.88
Commission	40.82	126.26	43.30	127.20	180.74
Other Operating Income	152.88	202.59	36.94	11.19	5.38
Other Income	45.37	45.66	189.66	192.12	101.84
Total Income	10,079.91	10,025.31	13,989.76	13,935.00	13,191.84
Profit / (Loss) before Taxation	(873.51)	(156.07)	832.87	1,353.31	1,478.43
Profit / (Loss) After Taxation	(577.92)	(114.49)	539.52	921.23	913.04
Dividend Payout	---	---	120.96	181.44	181.44
Corporate Tax on Dividend	---	---	20.09	30.84	30.84
Retained earnings	---	---	398.47	708.95	700.76
Dividend (%)	---	---	20.00	30.00	30.00
Earning per Share	(9.56)	(1.89)	8.92	15.23	15.10

5) **Export performance and Net Foreign Exchange Collaborations:**

**Export Performance**

	2011-12	2010-11	2009-10	2008-09	2007-08
F.O.B. value of Export	128,516,135	84,335,472	165,601,341	130,571,630	92,380,925

**Net Foreign Exchange Earnings**

	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Earnings in Foreign Currency</b>					
F.O.B. value of Export	128,516,135	84,335,472	165,601,341	130,571,630	92,380,925
Commission	4,082,671	12,625,738	4,330,426	12,720,414	18,074,122
Other Income	---	---	580,684	634,387	---
Total (1)	132,598,806	96,961,210	170,512,451	143,926,431	110,455,047
<b>Expenditures in Foreign Currency</b>					
Raw Materials	63,925,946	35,920,914	123,322,169	72,212,457	61,100,919
Traded, Goods (net of returns)	22,929,104	38,906,296	37,565,502	35,461,912	36,047,969
Capital Goods	4,671,810	6,136,377	4,367,191	44,383,586	39,993,096
Commission	---	---	6,207,416	7,684,056	3,812,172
Other Expenses	6,741,564	4,785,290	3,648,129	6,240,937	2,647,172
Total (2)	98,268,424	85,748,877	175,110,407	165,982,948	143,601,328
Total (1-2)	34,330,382	11,212,333	(4,597,956)	(22,056,517)	(33,146,281)

**6) Foreign Investments or Collaborators, if any**

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

Schneider Electric has become a key player in integrated data center infrastructure market and further accelerates its development in this domain. Additionally, Opportunities in IT Infrastructure in fast growing Asia Pacific and Middle East will now become increasingly accessible to Schneider Electric."

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in energy and infrastructure, industrial processes, building automation, and data centres/networks, as well as a broad presence in residential applications. Focused on making energy safe, reliable, and efficient, the company's 110,000 plus employees achieved sales of 19.6 billion euros in 2010, through an active commitment to help individuals and organizations "Make the most of their energy."

**INFORMATION ABOUT THE APPOINTEE**
**1) Background details:**

Mr. Dharani Babu has over 21 years of experience across various functional areas of Manufacturing operations and projects gained at BPL group of companies He joined the company in May 2006. He holds a Mechanical Engineering Degree from Calicut University, as well as a Post graduation specialised in Production Engineering from PSG TECH, Coimbatore. He also holds a Post Graduate Diploma in Management in Finance from TAPMI, Bangalore.

He was instrumental in successful setting up of Bengalorre Unit II and of Plating Facility at Attibele Plant. He was promoted as Vice President, Manufacturing Operations in 2009.

The Board of Directors considering his expertise and leadership qualities, on resignation of Mr. Pramod Agashe, appointed Mr. Dharani Babu as the Manager of the Company with effect from April 1, 2012.

**2) Past Remuneration**

(Amount in Rs.)

Description	2011-12	2010-11	2009-10	2008-09	2007-08
Salary-Basic	1,229,496	853,068	539,220	516,000	438,000
HRA	614,700	426,510	269,610	258,000	219,000
Other Allowances	1,198,293	1,221,053	1,488,980	1,455,733	1,047,807
Performance Incentives	261,683	255,300	330,000	400,000	400,000
Perquisites	28,800	28,800	28,800	28,800	28,800
TOTAL	3,332,972	2,784,731	2,656,610	2,658,533	2,133,607

**3) Recognition or Awards: NIL**
**4) Job Profile and his suitability:**

Mr. Dharani Babu is Engineer by Profession with over 22 years of work experience across various functional areas of Manufacturing operations and projects gained at BPL group of companies.

He holds a Mechanical Engineering Degree from Calicut University, as well as a Post graduation specialised in Production Engineering from PSG TECH, Coimbatore. He also holds a Post Graduate Diploma in Management from TAPMI, Bangalore.

After playing various roles in Production and other allied departments, he left BPL Group of Companies in 2006 to join APW President as Assistant Vice President – Works.

He was elevated to the post of Vice President, Works in April 2009. In his capacity as Vice President Works he has strongly contributed to various facets of manufacturing success. He is responsible for the production activities carried out in the manufacturing plants located in Attibele, Bangalore, Pune and Puducherry. As Vice President, he successfully admisters the operations functions at these manufacturing plants.

5) **Remuneration Proposed**

Basic Salary	Rs. 1,373,194 p.a.
House Rent Allowance	Rs. 686,597 p.a.
Other Allowances	Rs. 1,373,194 p.a.
Performance Incentive	Rs. 686,597 p.a.
Total	Rs. 4,119,582 p.a.
Perquisites	
Contribution of Provident Fund	12% on the basic
Car	For official and personal use
Telephone	Mobile
Other amenities	As per the Company's rule – Group Mediclaim and Group Personal Accident Premium Rs. 5200/- p.a.

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

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

(Rs. in lacs)

Name of Company	Equity	Turnover	Profit /(Loss) Before Tax	Managerial Remuneration
ZICOM Electronic Security Ltd	1270	11575	-330	54.33
Eimco Elecon (India) Ltd.	577	18444	1969	97.95
GMM Pfaudler Limited	292	14402	1623	100

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

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

II. **OTHER INFORMATION**

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

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

Also Company has aligned its accounting practices in respect of Depreciation rate for Computer Harwares and Vehicles and making provision for doubtful debts which resulted increase in charges in the FY 2011-12.

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

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

Company expects to synchronise purchases of major raw materials along with other companies of SESEA resulting in reduction in prices.

Company also expects to gain on wider platform that will be provided by SESEA in sales which will result in higher capacity utilization resulting in reduction in the incidence of overheads and thereby improving the profitability.

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

Based on the above strategy, the Company expects to achieve improve level of turnover by 10% as reported in FY 2011-12. Company also expects reduction in the procurement costs of major raw materials. Increase in turnover will result in the better utilization of Plants Capacity leading to improvement in profitability. Company also implementing cost reduction drives. This will enable the Company to achieve better performance in the current year as well as year ahead.

III. **DISCLOSURES**

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

The details of remuneration have been provided elsewhere in this statement

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

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

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

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

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

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

By Order of the Board

Sd/-

K. K. Bhavsar  
Company Secretary