

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

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, 2019 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, 2019 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **Not applicable as the Company is an Unlisted Public Company.**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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.

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

- i. Mr. Shravan Vijaykumar Sharma and Mr. Vishar Subramanian Vasudevan, Independent Directors of the Company retired effective closure of the Annual General Meeting (AGM) held on September 19, 2018 and the new independent directors were appointed effective November 20, 2018 and December 17, 2018 respectively. Post the retirement of the Independent Directors, the next board meeting of the Company was held on November 20, 2018 in which re-constitution of the Board, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder's and Relationship Committee and Finance Committee were made.
- ii. The transactions with related parties were approved by the audit committee; the amount of few transactions exceeds the approved limits, which were ratified by the audit committee later on.

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 subject to as mentioned above. 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**

**Date: July 16, 2019
Place: Delhi**

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

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



Date: July 16, 2019
Place: Delhi