

Annual Report - 2013 - 14

Schneider Electric Infrastructure Limited



Your reliable partner
to make Smart Cities a reality

Schneider
Electric™

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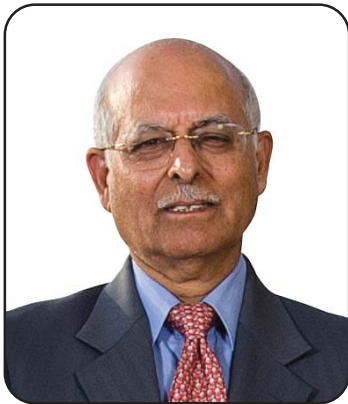
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> Message From Chairman

With great pride and pleasure I am presenting to you, our shareholders, the Annual Report 2013-14 of Schneider Electric Infrastructure Limited (SEIL). For the past two years, we have been successfully collaborating with other Schneider Electric Companies to increase the offerings in the Infrastructural sector and improve our access to markets.

Although the global energy requirement continues to rise, to support rapid urbanization and industrialization, the dearth of resources to meet the growing demand is posing a major challenge. Everyone is focusing on achieving more output with minimum available input. With advanced technologies that can save up to 30% of business-as-usual energy consumption, increasing the efficiency to higher levels is central to the energy challenge. Your Company has retained the market leadership in energy infrastructure and has remained a key player in the energy distribution and automation landscape.

The year also marked the start of a rapid shift to digitization. The shift towards smart and connected equipment is creating smarter electrical grids. A rapid shift to digitization, will require electrical contractors and end-users to be equipped with adequate knowledge regarding energy management systems so as to effectively manage smart assets, that might be spread

far and wide throughout industry and infrastructure. Schneider Electric's on-line resources, its people and services are there to help customers about energy efficiency. They will answer key questions and increase their level of knowledge. Your Company's order performance during the year has been stable. However, profit has been influenced by several factors like restructuring cost, debtors provisioning etc. Nonetheless, with the backing of an energized and committed workforce, I hold complete faith in Your Company's ability to continue on the profitable growth in the existing business. We also look forward to become a stronger and more profitable market leader by prospering in new growth areas. Schneider Electric Infrastructure Limited will continue to focus on customer satisfaction and innovation by scaling up the local manufacturing with an exclusive range of 'Smart' products and 'Smart' solutions, Your Company has strengthened its position in the Infrastructure Business as a key player. I proudly dedicate the Annual Report of Schneider Electric Infrastructure Limited to all our shareholders, investors, customers, employees, communities and other stakeholders for their continued confidence and faith in our business model and our capacity to help build a country of smarter infrastructure.

Vinod Kumar Dhall
Chairman



> Message From Managing Director

The fiscal year 2013-14 has been significant and challenging for Schneider Electric Infrastructure Limited (SEIL). Despite the difficult market conditions, Your Company managed to execute its priorities well and strengthened its numero uno position by maintaining its market leadership. Though the tough market conditions were prevailing, Your Company was able to book new orders of Rs. 13,549 MINR due to the focus on new domains like Distribution Management System (DMS), Oil and Gas and Metros. Your Company also launched new smart technology product like Premset, Solid Shield Insulation, Feeder Automation & Self-healing Grid Solutions. While we were up in order intake by 3.3% year on year, still the slowdown prevailing in the Indian Electric Infrastructure Industry, over the last couple of years has continued to impact the performance of Your Company. We are standing at a juncture which seems like the beginning of a new era, a future that Your Company is optimistically looking forward to. As a leader in technology innovation and energy management, Your Company has the opportunity, to be at the forefront by capturing the trends of the evolving energy world, particularly those touching its business in a major way. This opportunity led Your Company to lead the trend of digitization of products and solutions (i.e. 'Smart' products and 'Smart' solutions).

SEIL has identified the digitization trend early and has complete faith that it will pave the way towards a new future in the industry, a future which Your Company plans to dominate. In India, Your Company has a deep-rooted local presence and strong partnerships that uniquely positions it in the digitization journey. In collaboration with Schneider Electric entities, Your Company is equipped with advanced digital solutions, product and services and has developed a unique way to address new business challenges and provide digital solutions, for efficient management of grids and smart city. We also undertook CSR action to help restore power supply, during Uttarakhand disaster.

As always, Your Company's unwavering focus remains on building efficient products and solutions for its customers as much as on generating sustainable and profitable growth for its shareholders. I would further like to thank all the shareholders, employees, customers for supporting us and for your absolute trust and confidence in Schneider Electric Infrastructure Limited.

As always, our vision is to focus on making a world where everyone can achieve more while using less of our common planet. Our mission is to help people make ***'the most of their energy'***.

Prakash Kumar Chandraker
Managing Director

> Corporate Information

Board of Directors

Mr. Vinod Kumar Dhall

Chairman (Non-Executive)

Mr. Prakash Kumar Chandraker

Managing Director

Mr. Anil Chaudhry

Mr. Ranjan Pant

Ms. Rajani Kesari

Mr. V.S.Vasudevan

Mr. Javed Ahmad*

Mr. Alexander Tagger**

Mr. Manish Jaiswal***

* for the period of 01.08.2013 to 22.05.2014

** upto 10.07.2013

*** wef 22.05.2014

Company Secretary

Sameet Gambhir

Chief Financial Officer

Anurag Mantri

Registered Office

Milestone 87

Vadodara-Halol Highway

Village Kotambi, P.O. Jarod

Vadodara-391 510, Gujarat

Registrars & Share Transfer Agent

C.B. Management Services (P) Ltd.

P-22, Bondel Road

Kolkata-700 019

Auditors

S.R. Batliboi & Co. LLP

Chartered Accountants

Golf View Corporate Tower-B

Sector 42, Sector Road

Gurgaon 122 002, Haryana

Committees of Directors

Nomination & Remuneration Committee

Mr. Vinod Kumar Dhall - Chairman

Mr. V.S.Vasudevan

Mr. Anil Chaudhry

Mr. Ranjan Pant

Stakeholder's Relationship Committee

Mr. V.S.Vasudevan - Chairman

Mr. Prakash Kumar Chandraker

Mr. Ranjan Pant

Corporate Social Responsibility (CSR) Committee

Mr. V.S.Vasudevan - Chairman

Mr. Ranjan Pant

Mr. Prakash Kumar Chandraker

Audit Committee

Mr. Vinod Kumar Dhall - Chairman

Mr. Ranjan Pant

Mr. Rajani Kesari*

Mr. V.S.Vasudevan **

* w.e.f 01.08.2013

** w.e.f 29.10.2013

Risk Management Committee

Mr. Ranjan Pant - Chairman

Mr. V.S.Vasudevan

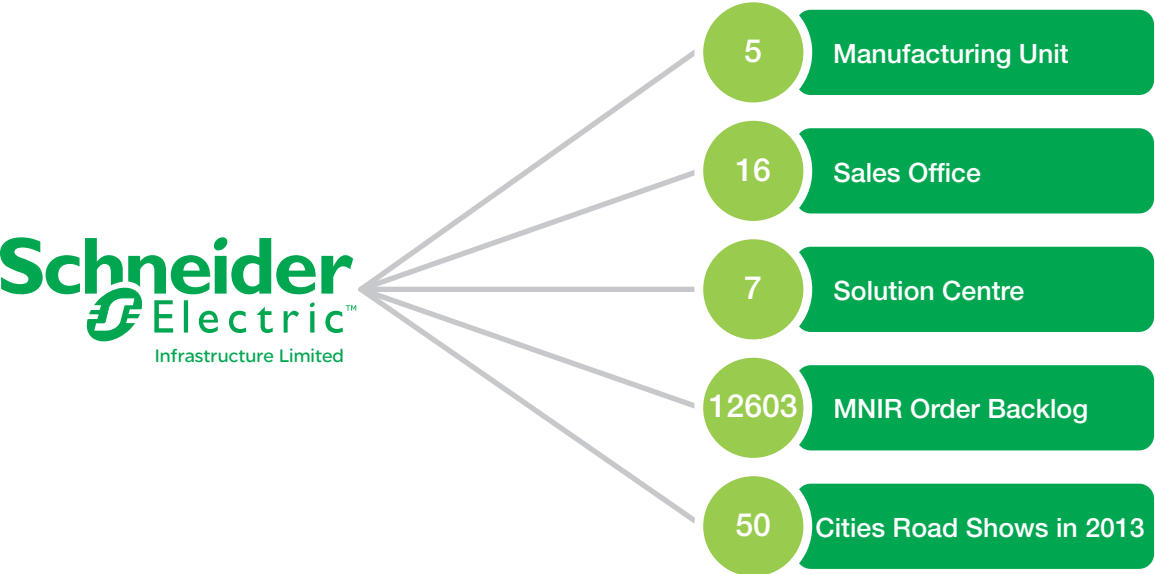
Mr. Prakash Kumar Chandraker

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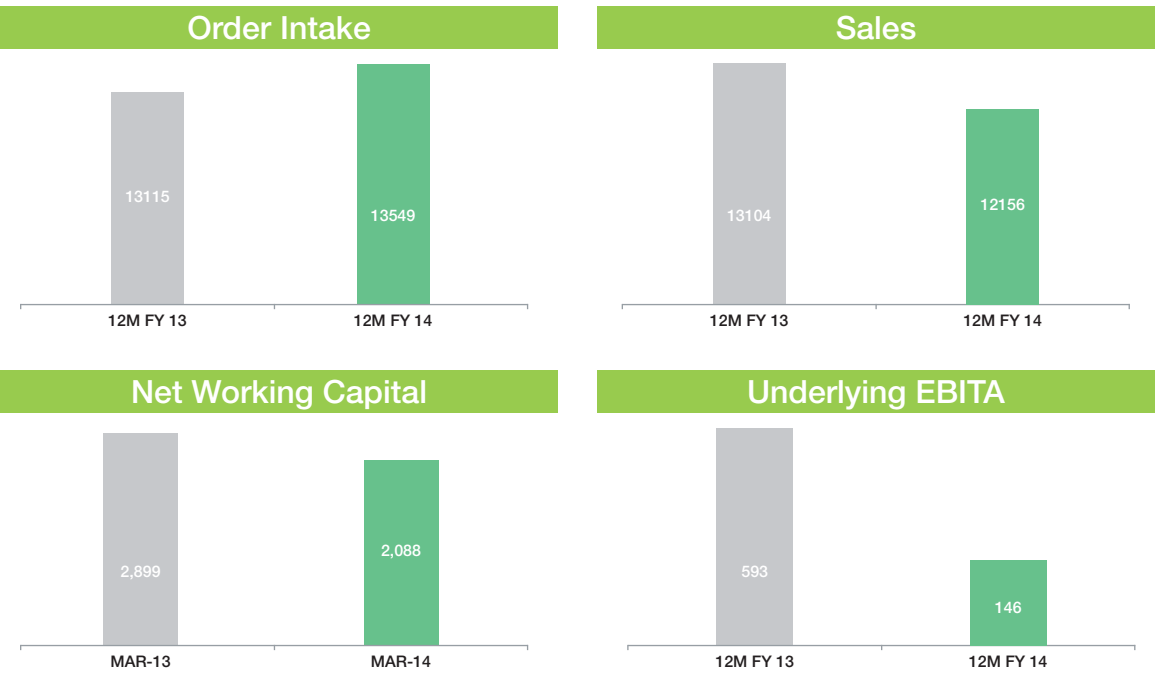
Financial Highlights

SCHNEIDER ELECTRIC INFRASTRUCTURE LTD.

Key Statistics



Financial Highlights



* Account receivable + Inventory - Accounts Payable

> Directors' Report

Your Directors take pleasure in presenting herewith the Annual Report and Audited Accounts for the year ended March 31, 2014.

Financial Results

	(In MINR)	
	12M FY 2013/14	12M FY 2012/13
Sales and Services (net)	12,156	13,104
Operating profit before interest	(616)	138
(As percentage of net sales)	-5.1%	1.1%
Interest (net)	(260)	(318)
Operating profit after interest	(876)	(180)
Exceptional items	(373)	(100)
Profit before tax	(1,249)	(280)
Tax expense	0	(4)
Profit after tax	(1,249)	(284)
Reconciliation to Underlying EBITA		
Operating profit before interest	(616)	138
Add:		
Provision for doubtful debts	665	291
Foreign exchange variation cost (net)	303	57
Separation, integration, restructuring and other costs	11	107
Operational support - Corporate	(421)	0
Provision for litigation	204	0
Underlying EBITA	146	593

Dividend

No dividend has been declared by the Directors for the year ended March 31, 2014, due to inadequate profits.

Performance review

2013-2014 proved to be one of the difficult years in the recent times for the power sector. Driven by the decrease in Capex investment, the year witnessed a decline in the size of electrical infrastructure market. Despite the harsh and difficult market conditions, Your Company, through efficient management strategies and pragmatic decision-making, managed to maintain its market leadership position in the medium voltage electrical infrastructure sector. Order intake in 2013-2014 stood at INR 13,549 million as against INR 13,115 million during the same period last year, translating into 3.3 percent RISE. The Company reported sales worth INR 12,156 million as against INR 13,104 million achieved during the previous year, a 7.2 percent drop. The recoverability of older receivables has remained a challenge due to the tough market conditions. Still, considering the circumstances, the Company has dealt with most of the issues admirably and also managed to streamline the operations to improve the efficiencies.

The focus of Schneider Electric Infrastructure Limited (SEIL) remained the same as always: Providing consumers with products and solutions that achieve maximum efficiency with minimum energy usage. This has helped Your Company to further strengthen its position, even in this tough market environment. Identifying the potential of smart devices, Your Company has also created a team - focussed on Smart City portfolio. Smart devices with 'Smart' solutions are going to be the

future and SEIL is already positioning itself to be the pioneer in this segment.

During 2013-2014 SEIL's focus was on increasing the range of offerings, widening the market coverage, and innovation. It increased its local presence and the range of offerings. It has been part of several highly prestigious projects and acquired an impressive portfolio of new clients in Advance Distribution Management System (ADMS) and Smart Grid domain. Your Company is also known in the industry for its customer centric approach and superior customer care. To maintain the high quality customer care it is extremely important to have an excellent internal collaboration. In this regard, SEIL has introduced SPICE - Schneider Electric Platform for Information Collaboration & Efficiency.

Employees are the greatest assets of SEIL. They are the factor that helps Your Company achieve its goals and retain its market leadership position. It launched several training and engagement initiatives to further enhance their competencies. The workforce remains focused on creating value to the customers and shareholders.

In an overall tough year, Your Company's focus remained on sustainable and profitable growth. SEIL would like to thank the shareholders, customers and employees for their continuous support and confidence in the Company.

> 1. Our Strategy

Capturing the mega-trends

In the past year, Your Company has built on the identified trends to become the leader of the energy efficiency. As a leader in energy management, Schneider Electric Infrastructure Limited is at the forefront of capturing the trends of the new energy

world, in particular those affecting its business in a significant way. Urbanization, digitalization and industrialization are opening new market opportunities for Schneider Electric.

Leverage the world's new energy challenges

The world's energy challenges are many: growth in energy demand, energy price increases, scarcity of natural resources, CO₂ emissions reduction requirements, integration of unpredictable and intermittent renewable sources of energy, increases in peaks of consumption and others. We have developed a wide range of products and solutions that will provide end users with significant levels

of energy efficiency and savings. Our Smart Grid Solutions help electricity producers and distributors to improve the efficiency of their assets and to offer a better service to their Consumers. This also contributes to the improvement in the operation of the grid and the reduction in investment in new generation capacity.

Build two complementary business models: products and solutions

Products and solutions are different and complementary business models. And we aim to deliver profitable growth in both. In order to reinforce our leadership positions, we continue to target growth in our products business by creating new opportunities for distributors and direct partners in a win-win relationship. We are also focused on growing our solutions business by increasing our service revenues and reinforcing project execution.

Products allow us to continue to achieve scale and pricing power in our diffused markets, while providing differentiation through technologies that can be combined and integrated. Solutions will allow us to generate additional growth and profits, lower capital intensity and help reduce cyclicality. They also provide significant opportunities for dialogue with final end-users, which in turn helps inform our quest for continuous innovation.

Invest in profitable and responsible growth while driving efficiency

We believe in the high long-term growth potential of our business and we continuously invest to drive that growth. This investment is focused on sustained spending in research and development, as well as on growing our commercial presence and skills, especially in the fields of high value-added technologies and services.

In addition to the investments we make to foster

growth, driving efficiency at all levels of our Company is an equally important focus of the Group. We continuously seek to generate savings from purchasing and manufacturing and through improving operational efficiency by reducing selling, general and administrative expenses while maintaining best-in-class standards in environmental sustainability and social responsibility.

> 2. Supply Chain Digitization Initiatives

Following actions started for Supply Chain Digitization

- One MM tool implemented for unhealthy stock calculation
- V-fast tool under implementation for improving vendor forecasting process
- SIOP tool under implementation for end to end optimisation of sales, inventory and operations processes

> 3. Digitization of Customer Care

Customer Care Excellence

Each customer interaction, be it on phone, via email or on the web is an opportunity for us to make a difference. The customer must see us as ONE Schneider Electric being able to provide the right support at the right time. Customer Care is one of the key drivers of customer satisfaction and loyalty.

Customer Care is the front office of Schneider Electric - the one stop for all our customer queries, ranging from pre-sales support to post-sales technical support. We ensure our customers are able to get the required support during the life of our products and solutions.

Customer Care Excellence (CCE) program

The objective of this program is to enhance customer satisfaction and loyalty by providing excellent and value-added support with easy access to the right competent support person and promote self-service utilizing digital technology.

A program led jointly with IPO (Information, Process & Organization) to create a unique Customer Care experience dedicated to:

Our Customers: Improve customer satisfaction by providing consistent and professional support

- One CCC phone number: single customer point of entry for all businesses, all regions and all requests
- Round the clock availability

- Online self-service
- Profile based personalized support

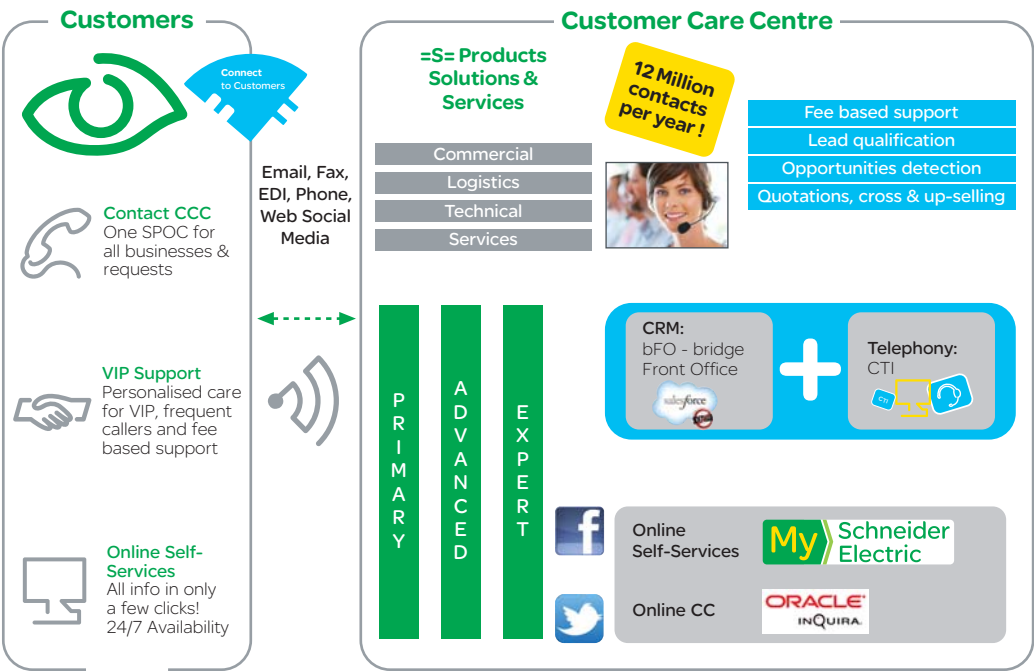
Our Employees: Improve productivity and customer support thanks to CCE technologies

- Productivity enablers
- 360° customer view
- Collaboration around multi-channel support

Our Company: Build professional, large size and efficient CCCs with multi-languages, multi-skills, multi-request support and optimise infrastructure investment

- Position Customer Care as a brand differentiator
- Leverage CCCs for business growth.

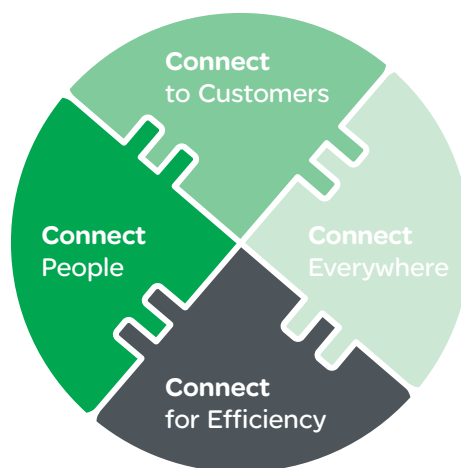
Customer Care Excellence: continue to implement the basics.



> 4. Connect, Schneider Electric's New Company Program (2012-2014)

Your Company has adopted Schneider Electric's new company program Connect.

The new 3-year plan covering 2012-2014 includes four major initiatives:



- **Connect to Customers:** this initiative aims at further improving the performance of its business models in order to be a leader in products and in solutions, and to adapt the different dimensions of the customer's and partner's experience with Your Company.
- **Connect Everywhere:** this initiative is designed to identify key investment areas in new geographies.
- **Connect People:** the target of this transformation is to create a culture and an environment for the employee's development and performance through enhanced levels of engagement.
- **Connect for Efficiency:** this initiative includes the actions aiming at profitable and responsible growth through industrial productivity, process efficiency and society at large.

> 5. Namaste Digitization: Mapping the Zeros and Ones of “The Digital World”.

The story began with an ambition to achieve Digitization for improved employee engagement & increased customer satisfaction. The inception of Digitization has transformed from “bits and bytes” of ideas into “gigabytes”. Over an eight month endeavour of employee engagement, the program turned out as a success at Energy Automation Centre India. This brought a significant shift towards customer focus and efficiency in business. Letters have gone from post-box to emails to computer messages and now through Digitization to the cloud. At the onset of the journey, the advent of Digitization brings in a new era of enhanced Schneider Electric presence in the market and being closer to the customer by leveraging digital services.



Board of Directors having interaction with Noida Team

The start of the journey embarked with an ice-breaking session involving 145 employees, divided in eight teams. The teams were overwhelmed with ideas on the respective four pillars

- > Strengthen our links between our offices in various locations
- > Strengthen our customer service
- > Optimization of our factories at Noida and Poonamalle
- > Strengthen our ties with Remote Front Office teams

The team built their relationships within the 8 month time-frame, when all roadblocks which seemed impassable at the start began to dissolve and the finish line objective were vivid. It was an unnerving roller coaster ride which at the end became an attractive journey with strong connections amongst the teams and locations. The finale took place in November 2013 with a heart throbbing experience to win whilst marching towards a common goal of DIGITIZATION.

The judges had a tough call to announce the winners of the program, which was one of the first to set sail in Energy Automation Business. The organization's vision was transformed into reality through the execution of these projects. The odyssey of this initiative does not end here and there are miles to go. The teams will be hand holding the initiative to the respective functions, for further execution. This is also an opportune time for the management to pick up relevant initiatives for further implementation based on the business need.



Herve Dujardin
Director Digitization

"You have demonstrated a strong energy, leveraging the already available tools to generate enhanced value, creating or reusing digitized materials for improving efficiency and quality focus of your organization, of your deliveries and your connectivity to the customers."

Mr. Prakash Chandraker
Managing Director

"Thanks team. Excellent initiative to improve effectiveness and efficiency. I appreciate it. Please drive effective deployment to reap benefit."

Mr. Latish Babu
India South FO Director

"This will improve efficiency and reduce dependency. My colleagues in front office to utilize, in a effective manner and suggest further improvements."

> 6. Digitized Sales Processes

In an ever changing business environment, Worldwide, it is important to have a system which understands the complex relationship of the organization with its customers. Sharing information globally about our key achievements, our customers & their projects enables in developing a more experienced and efficient business environment. At Your Company, this high performing environment is obtained with the help of CRM.

CRM is a management system that encompasses Pre & Post-Sales Processes. It promotes transparent and efficient decision making and gives a common platform to share information about the customers, projects, and business opportunities and helps us to record historical data in terms of the various stages an opportunity passes through. It consolidates all commercial information and facilitates its sharing in real time. It also helps in providing standardized formats and time efficient automated reporting. CRM helps us understand the diversity of the distribution channels, the long processes involved and the complexity of the projects.

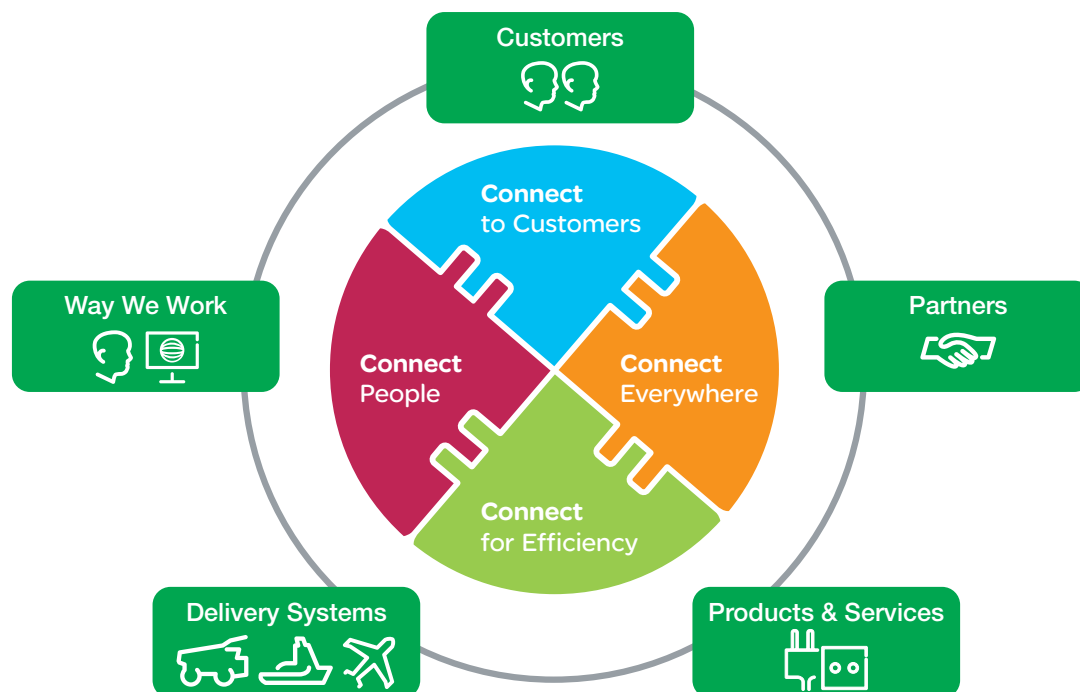
CRM system supported & hosted by Schneider Electric's bridge Front Office tool, has enhanced the effectiveness of the sales force by building a common customer and sales oriented system and support functions. This helps in tackling the

opportunities better, anticipate & understand the market, so that we address it efficiently & improve functional & technical efficiency. It has also consolidated customer knowledge, accelerated information flow, and unified sales processes, thereby enhancing the sales force efficiency. Some of the key benefits of the bFO tool that the sales force has reaped are -

- Managing opportunities from inception to finalisation.
- Account management.
- Replacement of multiple manual databases by a common workflow based data.
- Tracking of the commitment between the sales team and the activity.
- Order closure for final reporting in activity ERP system.
- Customized reports and dashboards.
- Synthetic information & report on end-users, key accounts, competitors, projects and offers, in order to follow up with the market trends through specific dashboard at Country & Regional level.
- Necessary input for market assessment and market action plan preparation and updates such as market size, channel to market, competitor positioning, pricing trends etc.

> 7. Digitization within SEIL

There are 5 impact areas of Digitization, aligned to our Connect strategy, which will help us in achieving our mission of "Making the Digital Experience a true differentiator for our customers and partners".



Our world's immediate future requires upgraded urban infrastructures that are fundamental to any city, from electricity grids to systems of gas and water distribution, public transportation, public services, commercial buildings, hospitals, homes, and more. This demands a rapid shift to digitized or smart equipment in the industry, a process that would create smarter cities, that are more efficient, sustainable and liveable. The consequent access to real-time information will be an opportunity for stakeholders to execute active energy efficiency. The accomplishment of energy efficiency will impact the entire energy chain from people to power plant and will ensure complete optimization of the supply chain.

The efficiency of our business is clearly improved by adopting various digital transformation elements around global processes and tools. At SEIL, our Customer Experience Applications have been designed with speed and business value in mind. Our global CRM solution (salesforce.com based tool) viz., bFO helps to improve efficiency around:

- (i) Opportunity Management
- (ii) Sales Force Efficiency
- (iii) Account Management
- (iv) Real-time Commercial Business Intelligence
- (v) Collaboration Capabilities for Front Office Teams

The practise of business reviews on bFO, is going a long way in taking data-driven informed decisions. It is imperative that bFO becomes the DNA of our sales organization.

In addition, bFO is enabling us to ultimately drive the convergence between customer care & support, front office, and web, in particular with the acceleration of programs such as Customer Care Excellence. We have deployed technologies like CTI (Computer Telephony Integration) that are giving our customers an improved experience whenever they are calling in our Customer Care Centres.

The management strongly believes in investing in Digitization initiatives that can bring efficiency to

our system. Apart from the globally adopted tools and initiatives, we have locally developed tools and solutions viz., "Remote Customer Connect". It helps to connect to our remote customers who can get a live demo of our integrated products & proposed solutions in our R&D labs to get more confident in our solution offerings.

Special focus is also made on Social Media Monitoring and improving the overall web experience for our customers at SEIL. We are also in the process of deploying Partner Relationship Management (PRM), a web-based portal for our intermediary channels viz., Panel Builders, System Integrators, Consultants, etc... in order to reach out to them more effectively and efficiently, thus improving our engagement levels.

To deliver customer focus, it is also extremely

important that there is an excellent internal collaboration. With this in mind, SEIL has introduced SPICE - Schneider Electric Platform for Information Collaboration & Efficiency. We are leveraging this enterprise networking and collaboration platform to deliver seamless collaboration experience, eliminate insulation and act as a one stop shop for information sharing, not only connecting all employees in India but all Schneider Electric World Countries. We will monitor the impact on customer response and customer satisfaction to derive the maximum mileage for a total customer focus.

We are committed to continue our journey of connecting people through technologies but, most importantly, connecting technologies through people!

8. Smart Infra: Smartgrid Solution for Power Utilities

Schneider Electric is a global leader in the world distribution segment and sets the benchmark for innovative and utility focused technologies for distribution utilities worldwide. This is why Schneider Electric has always been at the forefront of leading edge technology at every level of energy infrastructure essential for social, economical & environmental development.

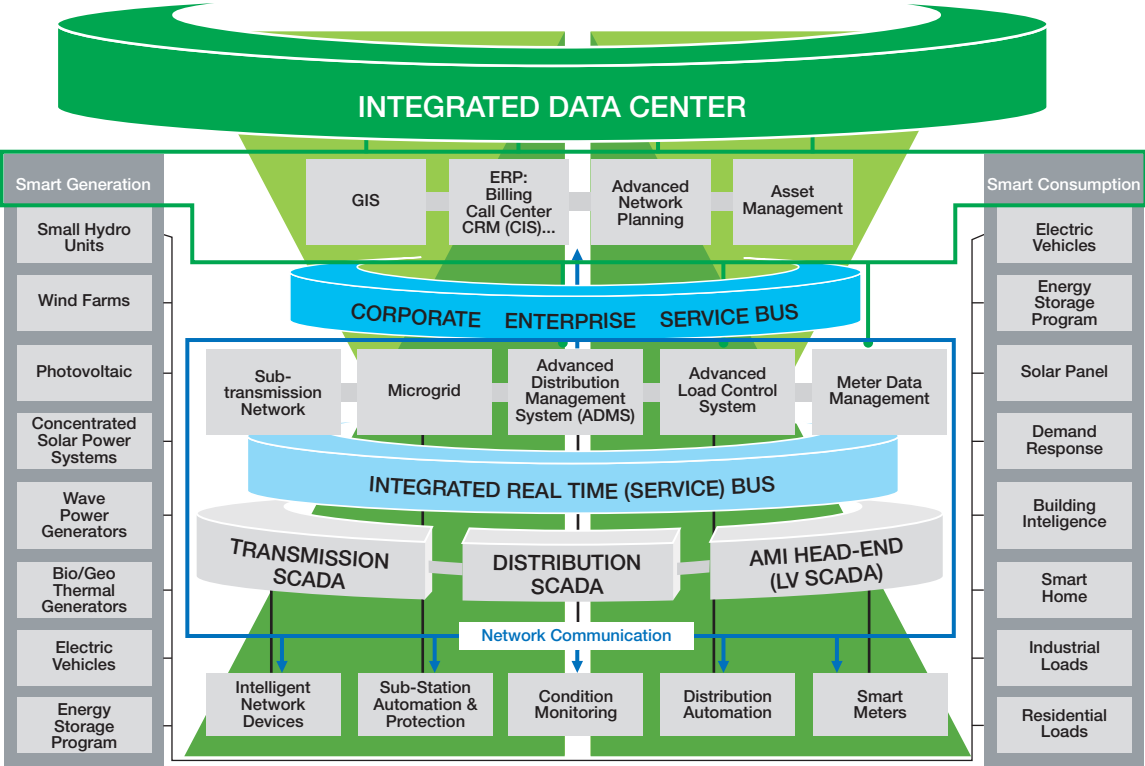
One reason for Schneider Electric's strength & resilience is our global reach matched with well-developed local capabilities. With such strong

initiatives, we are now, one of the world leaders in fastest growing Smartgrid segment with most robust, scalable and secure Smartgrid Solution. We also have a truly international leadership team which gives us a real global perspective on the opportunities available. To tap the business potential of these mega-trends in both traditional and new markets, we organized International Conference of global utility customers at SMART NETWORK EVENT at Paris FRANCE to understand the utility needs and trends.

To continue building on our leading positions, we're focusing on innovation and technology-driven growth markets, strengthening our solution portfolio through organic and inorganic growth in order to be a strong local partner to our customers all around the world. This is the very reason that Schneider Electric has acquired world's biggest Smartgrid Company, Telvent, to strengthen our Smartgrid offering for Utility Segment.

Schneider Electric also reorganized its Energy Division to create an utility segment to give more emphasis and focus to our utility Customers.

Schneider Electric's "Smart Infra" is providing Smartgrid Solutions and offerings for utilities to master the challenges of network expansion, urbanization and economics.



To achieve these strategic goals, we're unleashing the full power of our Integrated Technology Company while upholding our long tradition of innovative excellence. As a pioneer in electrical engineering, we've been a major force in bringing innovative and Smartgrid focused solution, that is very much needed by our utility customers today. It's our pioneering spirit that's made us the global powerhouse we are today.

Our Smartgrid Solutions like Advanced Distribution Management System (ADMS), Outage Management System (OMS), Geographical Information System (GIS), Wind Generation Forecasting Solution, Automatic Metering Infrastructure (AMI), Integration of Solar Power, Self-Healing Grids (SHG), Building Management System (BMS), Advanced Network Planning (ANP), Wind Farm Management, Hydro Plant Management, Microgrid Management,

Traction Management, Sub-Station Automation, Fast Load Shedding Systems and Smart Homes are many of our businesses that are already global market and technology leaders. We therefore have a presence and insights into different markets that few can match, and we can use this to achieve consistent growth and results throughout the economic cycle. These Smartgrid Solutions coupled with Smart Field Devices like RTU, FRTU, FPI, RMU, Auto-Reclosure, Sectionaliser and VPI provide for a complete solutions.

Schneider Electric, has completed 50 years of strong presence in India, is constantly contributing to develop India's Power Infrastructure since 1963. It has a strong focus and organizational strength to deliver Smartgrid ready products, solutions and services, comprising of the entire range of Network Automation, Feeder Automation, Sub-Station

Automation & Smartgrid for entire value chain of Power System.

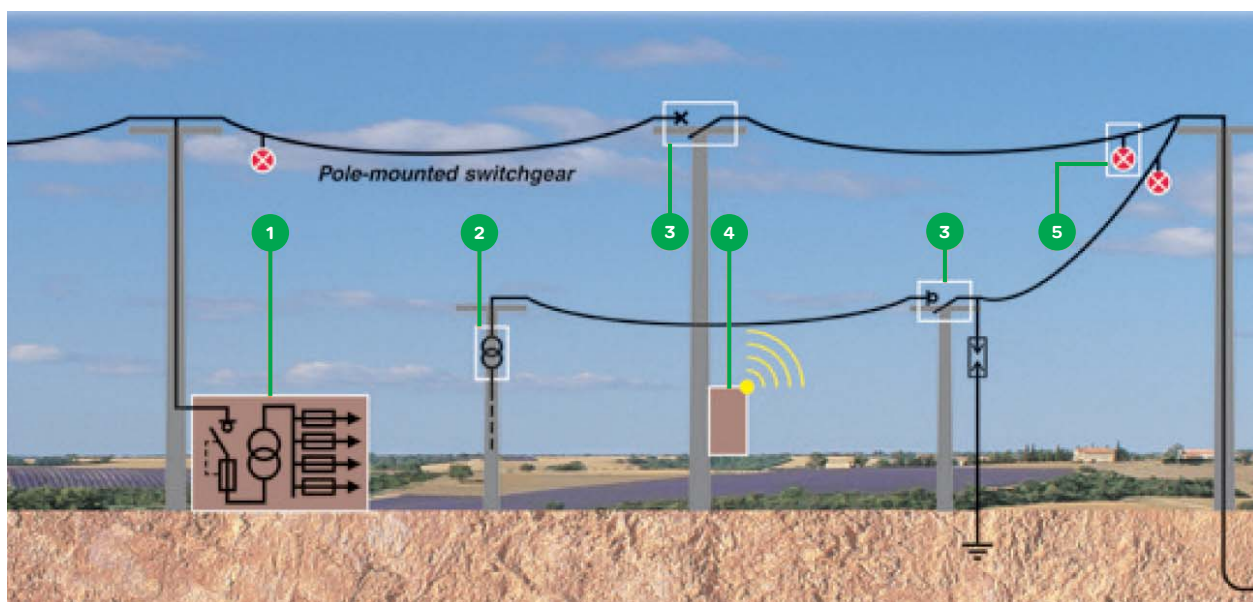
Thanks to Your Company's strong presence in India, which enable us to understand the customer need, offer him the right solution, development and support services which match & exceed customer expectation. Your Company is actively participating in Government of India's Smartgrid and Renewable Programs under Ministry of Power and under Ministry of Renewables. Schneider Electric is also member and contributing to reputed

organizations like India Smartgrid Forum (ISGF), Indian Electricals & Electronic Manufacturer's Association (IEEMA), Low Voltage Direct Current Forum (LVDC).

Under Govt. of India's Restructured Accelerated Power Development & Reform Program (R-APDRP), Your Company has got 4 Advanced SCADA-DMS projects for 7 cities in 4 States.

What's more, our innovations and solutions are playing a major role in shaping sustainable energy systems for the Indian utilities.

> 9. Our Smart Products for Smart Solutions



1

Pre-fabricated MV/LV sub-station (rectangular)



BIOSCO

Up to 33kV
and 2.5MVA

Internal arc classification:
IAC-AB according to
AS62271.202

2

Pole-mounted transformers



MINERA

Immersed transformer
Up to 33kV and 500kVA

3

Pole-mounted switchgear



N Series

Up to 38kV/800A
Recloser

RL Series

Up to 38kV/630A
Load break switch

U and W Series

Up to 27kV/630A
Recloser

4

5

Overhead network control and monitoring



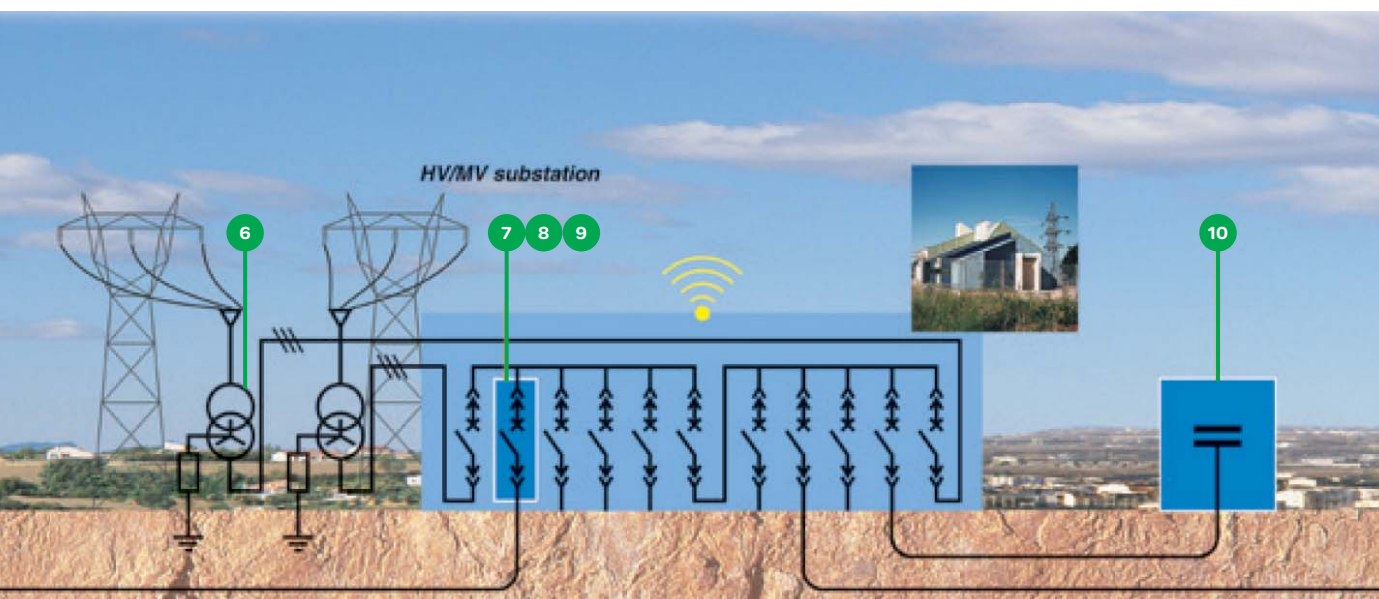
ADV C

Monitoring, control
and protection



Easergy Flite, G200

Communicating fault passage
indicator for overhead MV lines



6

Power transformer



MINERA
Power transformer
up to 170kV
and 80MVA

7

Primary sub-station switchgear



Air Insulated Switchgear (AIS)
MCset up to 24kV/2500A
PIX up to 24kV/2500A
GenieEvo up to 13.8kV/2500A
F400 up to 36kV/2500A
DNF7-2 up to 36kV/3150A



Gas Insulated Switchgear (GIS)
GMA up to 24kV/2500A
CBGS up to 36kV/2000A
GHA up to 36kV/2500A
WI up to 52kV/2500A

8

9

Digital protection relays and power metering



Sepam Series 10, 20, 40, 60 and 80 protection, metering and control relays



MiCOM Series Px10, Px20, Px30 & Px40 protection and control relays.

PowerLogic Digital Meters
Waveform capture and accurate metering



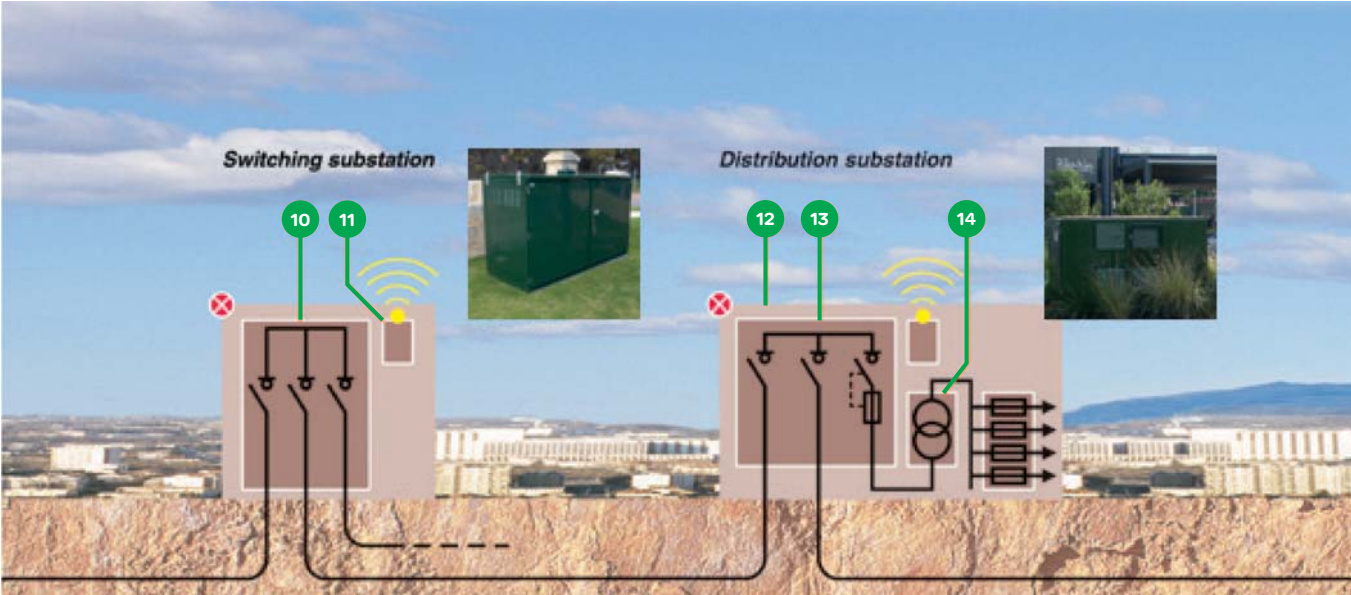
VAMP Series
arc fault detection relays

10

Automatic capacitor bank



CP range up to 36kV compact enclosure including switching and earthing devices



11
Ring main unit



RM6 up to 24kV/630A
FBX up to 24kV/1250A
CAS-36 up to 36kV/630A
Flusarc up to 36kV/1250A
Ringmaster C up to 13.8kV/630A

12
Remote control and fault tracking

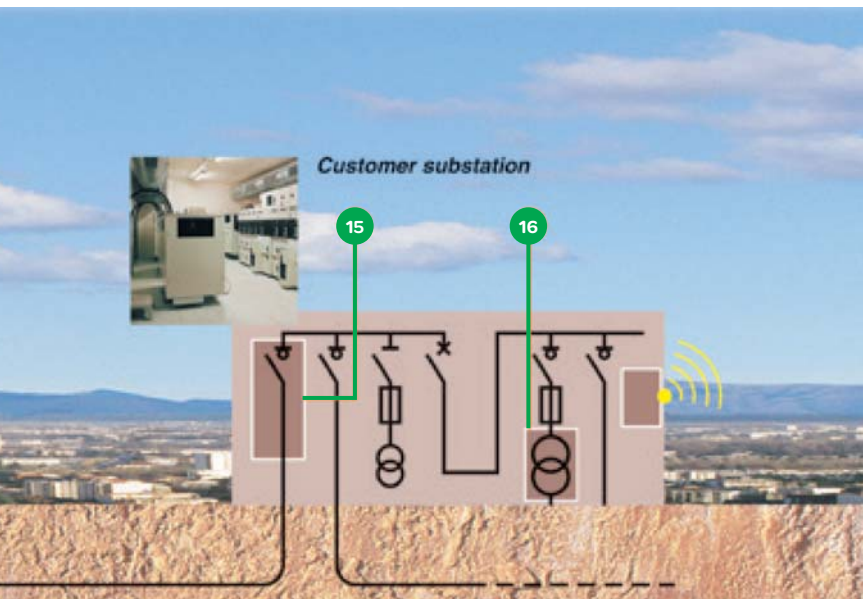


Easergy T200I, T200E, T200H, Flair
Remote control and monitoring through DNP3, Modbus and IEC protocols

13
Pre-fabricated MV/LV sub-station (square)



BIOSCO
Up to 33kV and 2.5MVA
Internal arc classification:
IAC-AB according to AS62271.202



Building a smarter grid with reliable, efficient energy

How Schneider Electric Smart Grid-ready products and solutions help balance your grid equation.

More and more people are learning to depend on energy as being integral to their daily lives.

Meanwhile, the electricity market is changing. Every day, end users' expectations increase in terms of reliability and quality, and they gain greater awareness of energy's environmental impact.

It's an evolution. But as our reliance on electricity grows globally, the ways in which we produce, distribute, and use energy must also evolve. The solution will not only involve smarter demand, but also smarter supply - and as such, a smarter grid is at the heart of the issue.

As The Global Specialist in Energy Management™, Schneider Electric is Smart Grid-ready, enabling the products and solutions that support and connect the five key domains of a smarter grid:

- Flexible distribution
- Smart generation
- Demand-side management
- Efficient homes (including electric vehicles)
- Efficient enterprise (buildings, industrial facilities, and data centres).

Our vision isn't just to connect our Customers to the Smart Grid - but to also connect them with each other, facilitating smarter interactions and leading to increased energy management capabilities.

Our Smart Grid solutions include:

- Smart medium voltage (MV) / low voltage (LV) equipment.
- Sub-Station automation.
- Feeder automation.
- Enhanced distribution management solutions.
- Microgrid control.
- Volt/VAr management.
- Real-time condition monitoring.
- Electric vehicle load management.

14

Distribution transformer



GMX, TESA immersed transformers up to 33kV and 5MVA

Trihal Dry Type transformers up to 36kV and 3.15MVA

15

Modular switchboard



Premset
Up to 15kV/630A
SM6-24
Up to 24kV/1250A
SM6-36
Up to 36kV/630A
DVCAS
Up to 36kV/630A

> 10. Smart City

Executive summary

In less than 40 years, 70 per cent of the world's population will reside in our cities. This rapid migration will push both current and future urban centres to their seams and expand industrial and residential infrastructures beyond their breaking points. It is estimated that cities contribute more than 70% of global greenhouse emissions and accountable for 60-80% of global energy consumption, contributing to environmental degradation locally, regionally and globally.

This eye-opening fact raises important questions that must be considered by cities around the world. Can this growth be done in a sustainable way? Will cities be able to reduce their environmental impact and carbon emissions? Will we be able to meet the sustainability challenges brought on by regulation and the impact of this massive growth? And, will we expand in ways which ensure communities are enjoyable places to live and promote social equality?

We can answer affirmatively to these concerns, and re-design our cities with these thoughts in mind. With the movement towards **smart cities**, the urban centres we live in can become more **efficient, liveable, and sustainable** in both the short and long term, thanks to involvement from city, citizens, and businesses.

Every city can become smarter. Smart cities start with smart systems, working for the benefit of both residents and the environment. Electric grids, gas distribution systems, water distribution systems, public and private transportation systems,



commercial buildings, hospitals, homes — these form the backbone of a city's efficiency, liveability, and sustainability. It is the improvement and integration of these critical city systems — done in a step by- step manner — that become the cornerstones to making a smart city a reality. The cities successfully making the transition to 'Smart' will be those who improve their critical systems by combining a bottom-up, systems-centric approach with a top-down, data-centric one.

Schneider Electric, the global specialist in energy management, has provided solutions, software, and services for core infrastructure systems for decades. By joining forces with local governments, investors, industry suppliers, NGOs, utilities, planners, developers, and global technology bellwethers, the Schneider Electric strategy leverages the best global and local solutions to help communities develop and execute their unique smart city vision.

Introduction

Cities are our fundamental building blocks. Throughout history, they have served as centres of innovation, advancement, civilization, and as facilitators of the social interaction necessary for the progress of humankind. It is only fitting that the next evolution of how we live, work, play, and interact is emerging within our cities. Although they make up just 2 per cent of our world's surface, cities hold half of the global population, consume 75 per cent of our energy resources, and emit 80

per cent of the carbon that is harming our environment.

Countries are recognizing that blind resource consumption is no longer a viable option for economic and societal growth. Emissions from buildings and activities of cities have placed them at the top of the priority list for nations aiming to keep their geographies clean, healthy, and liveable for generations to come. As an example, the European Union — through the European Smart

Cities and Communities Initiative — has targeted emissions reductions in cities as critical to its goal of reducing overall energy use by 20 per cent by 2020, and to the development of a low carbon economy by 2050.

But the challenges to meeting those goals will only grow. By 2050, cities will house an astounding 70 per cent of our population, necessitating expansion and infrastructure. To accommodate this boom, in the next 40 years we must build out the same amount of urban capacity our ancestors took 4,000 years to create. Urban infrastructures will need to better meet the challenges of city environments: energy and water scarcity; pollution and emissions; traffic congestion; crime; waste disposal; and safety risks from ageing infrastructures. The increased mobility of our

societies has created intense competition between cities: for investment, for talent, and for jobs.

To attract the most promising residents, companies, and organizations, as well as promote a thriving culture, cities must achieve three critical traits: become more efficient, more liveable, and more sustainable. Smart cities need not be thought of as cities of the future. They can be the cities of the present. By the end of the current decade, many technologies critical to a smart city, including monitoring and sensor technologies, intelligent traffic systems, and energy management systems for buildings, will be deployed on every continent. And while no single solution defines a smart city, the technologies being put in place today are pieces of the smart city puzzle.

What is a smart city?

The goals for a smart city are to enhance the quality of its citizens, across multiple dimensions (but not limited to) such as water, energy, transport, education, environment, mobility, waste management, housing and economy (jobs). This will enable a smart city to become an efficient urban center of the future, safe, secure, green and sustainable with a well-balanced relationship between city and government managers, business and industry, research and academia and the common public.

The most effective definition of a smart city is a community that is efficient, liveable, and sustainable — and these three elements go hand-in-hand. Traditionally, the water, gas, electricity, transportation, emergency response, buildings, hospitals, and public services systems of a city are separate and operate in silos independent of each other.

A truly **efficient** city requires not only that the performance of each system is optimized, but also that these systems are managed in an integrated way to better prioritize investment and maximize value.

An efficient city also starts a community on the path to become competitive for talent, investment, and jobs by becoming more **liveable**.

A city must work to become a pleasant place to live, work, and play. It must appeal to residents, commuters, and visitors alike. It must be socially inclusive, creating opportunities for all of its residents. It must provide innovative, meaningful services to its constituents. Liveability plays a critical role in building the talent pool, the housing market, and providing cultural events which can bring memorable experiences, international attention, and investment to the community.

A **sustainable** community is one which reduces the environmental consequences of urban life and is often an output of efforts to make the city more efficient and liveable. Cities are the largest contributors of carbon emissions; the highways, public spaces, and buildings we rely on to live, work, and play emit the bulk of each city's emissions.

Implementing efficient, cleaner, and sustainable operations in all of these areas are critical to minimizing a city's environmental footprint. Cities must also look at other methods of achieving sustainability, including resource efficiency, regenerating aging districts, ensuring robustness of systems, and incorporating design and planning in harmony with its natural ecosystem, as opposed to simply living in it.

Challenges ... and opportunities

The need for smart cities is evident in emerging and established economies, with each bringing unique challenges and opportunities. Emerging economies, such as China, Brazil, India have immediate needs to develop smart cities, as their exponentially growing populations have the most pressing short term needs, including flood preparedness, prevention of blackouts, traffic congestion, crowding, and logistical difficulties which accompany fast-paced urbanization — while competing for global attention.

From Indian context also, current government's manifesto & aim towards sustainable city is answer to existing challenges in this space. It is very clear from the rising population, urbanization, power crisis & reliability challenges, traffic congestions, unplanned infrastructure growth that India needs Smart Cities.

The opportunity to reap the twin benefits of young demography and urbanization is unique to India, and it is an opportunity for the country to move more a predominantly agricultural economy to a manufacturing economy, lift millions out of poverty, achieve economic growth that creates jobs and reaffirm its much deserved position among other global super powers and developed nations.

Whereas, revamping regions boast highly engaged citizens, sophisticated and multilayered government, and deep access to investment and technology innovation. Yet their decades-old systems are aging and deteriorating, rarely sharing information, and often operating under the responsibility of different departments or public jurisdictions. In the face of rapidly industrializing new economies, these older and established bellwethers are finding the need to compete fiercely

on the world stage for talent and investments. Financial Modelling may be considered in case of revamping opportunities.

For example, a city struggling with traffic congestion might see a need for a massive highway project.

But to build public support the city could choose an interim step of deploying traffic management technologies to its existing vehicle infrastructure.

The traditionally traffic-choked city of Mumbai, India, is one example. Mumbai deployed real-time, adaptive traffic control systems from Schneider Electric to optimize traffic at 253 crossings.



A central traffic management control Centre supervises and reacts to traffic disruptions.

Cost savings combined with quality of life improvements made this smart city programme a success for the citizens of Mumbai.

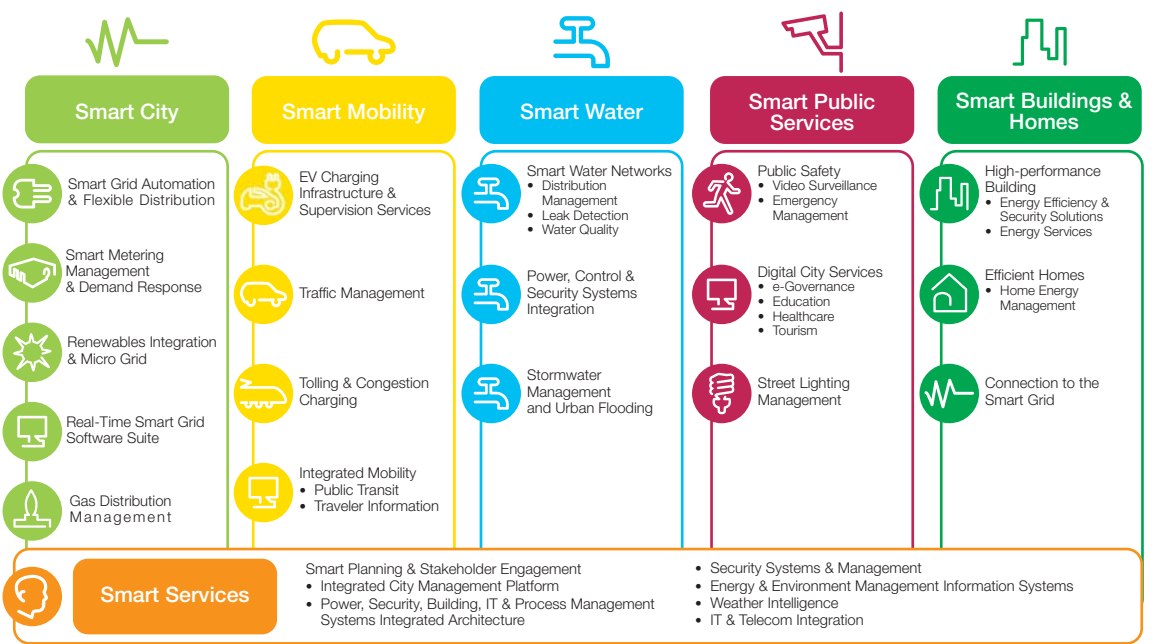
Our approach to smart cities:

Schneider Electric has implemented more than 200 smart city projects around the globe. Schneider Electric brings world-class expertise and many years of experience in helping cities move toward long-term sustainability goals by improving their existing infrastructure and driving efficiency throughout a city's operations.

The bottom-up, system-oriented approach encompasses five steps to a smart city:

- 1 Setting the vision and roadmap for an **efficient**, **liveable**, and **sustainable** city
- 2 Combining best-in-class **hardware** and **software** to improve operating systems
- 3 Bringing in **integration** for wider city operational and informational **efficiency**
- 4 Adding innovation to make a **holistic** and **sustainable** future a reality
- 5 Driving **collaboration** between the most well-suited global and local players, as well as across the entire smart city value chain

Offerings for smart city:



Conclusion

Cities are facing urban challenges of unprecedented scale, and will continue to do so into the foreseeable future. As growing populations intensify pollution, resource scarcity, crime, traffic, emissions, and more, communities must preemptively respond and preserve the integrity, attractiveness, and competitiveness of their cities by becoming smart. So is the case in India.

Setting a smart city vision and effectively moving towards it with a bottom-up, systems-based approach is critical to ensuring resource efficiency and security, as well as maintaining socially inclusive growth.

Many cities have already started. Government of

India also has a special focus on smart cities which is evident. The time to act is now. Our urban population is growing rapidly. The pressure on infrastructure will only increase. The need to reduce the impact of cities on our environment will become more urgent. The world is changing. The move to smart cities will ensure that it is a change for the better.

Schneider Electric infrastructure Limited, is geared up to meet the upcoming Smart City requirements in India with global experience & world class technologies. Your Company is working closely with all stakeholders like Investors, Administrators, Policy Makers, Technology Partners, Consultants etc. to shape India towards vision of Smart Cities.

Distribution self-healing grid

Tested, Validated & Documented Architecture (TVDA)

Overview

Tested Validated Documented Architecture (TVDA) solution is a unique approach from Schneider Electric to provide customers with a solution which is pre-tested and ready to be implemented in customer's environment. These solutions reduce customer efforts for engineering, implementation time.

Under Ground Distribution Network Self-Healing Grid: UG-SHG is a part of underground distribution network which re-configure itself without any need of human action to restore power supply to various parts of the network in case of a fault. The system automatically cuts-off the faulty section and restores the supply to rest of network by alternate path / sources.

Today's utility challenges

- Continuity of service and security of supply (SAISI index)
- Safety of people and assets
- Power quality
- Limited man power for network management
- Technical challenges:
 - High installation and commissioning time
 - No clarity on the performance and limitations of the system.
 - Complex installation and commissioning. Documents are not available for systems with components from different vendors.

Solution to above

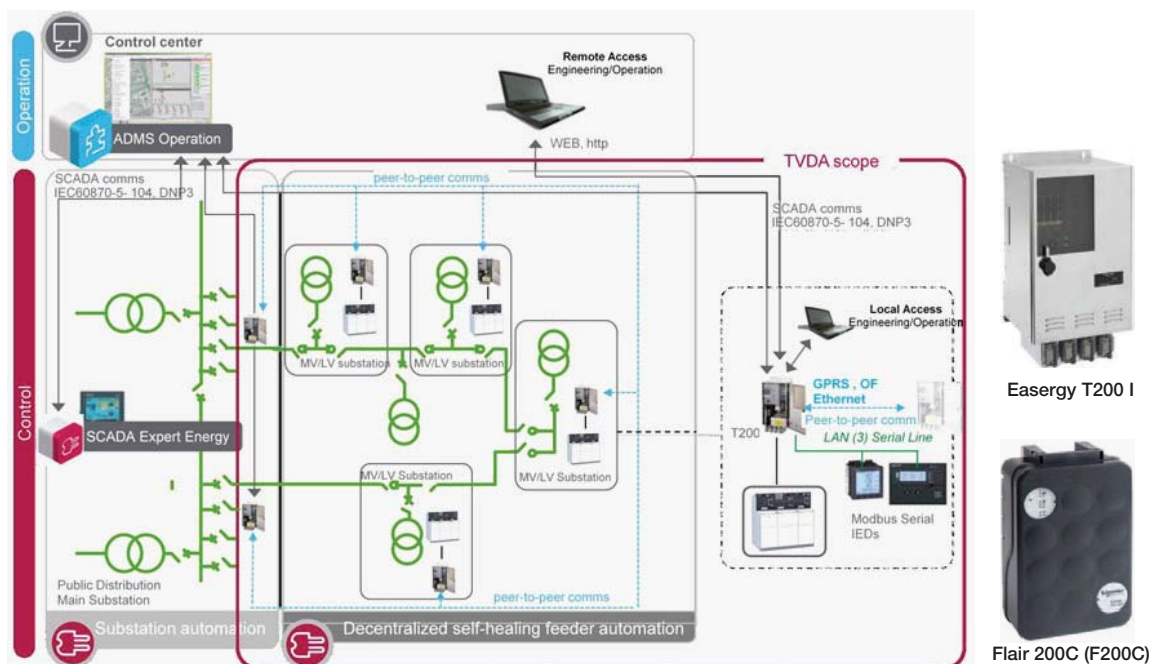
Under Ground Distribution Network Self-Healing Grid TVDA Solution

- Pre-tested and validated
- Well engineered
- Easy to implement with minimum time and hardware
- Well documented

Principle and working

The principle of the Self-Healing Grid (SHG) automation system is to start an automatic sequence of re-energizing the healthy part of a MV ring after a short circuit or earth fault somewhere in the ring. The re-energizing operations have to be performed in a minimum time (<20 seconds) with a maximum of safety and security. The System is applicable to a network in Open Ring Architecture with one NOP. The System can be supplied from two or more sources from same or different substations. The SHG Solution can be implemented together with SCADA System or as a Stand Alone application.

It requires automation of RMU's in the network to be motorised and installed with T200 (FRTU-Automation Unit), FPI's and VPIS & VDS (Voltage Detection System) and Peer to Peer communication between FRTU's using various communication media like GPRS.



Main characteristics

- Time to restore healthy part of feeder: 20-30 seconds.
- Large number of nodes in system (up to 30) and 3 feeding points.
- Simultaneous communication with SCADA / DMS System.
- No complex engineering required: Pre-tested and validated solution.
- Adoptable to existing network components like RMU's with minimum modifications.

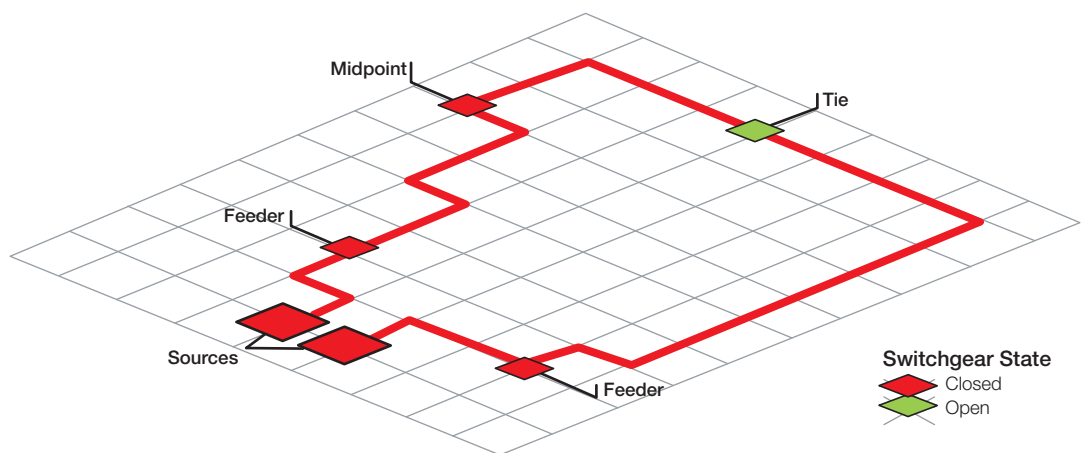
Applications

- MV Underground Distribution Network

Loop automation for over-head distribution network SHG

Over-head distribution network loop automation is a Self-Healing Grid Solution for a part of distribution network which re-configure, itself without any need of human action to restore power supply to various parts of the network in case of a fault.

The system automatically cut-off the faulty section and restores the supply to rest of the network by alternate path / sources. The system use concept of Fault Location, Isolation and Service Restoration (FLISR) & Fault Detection, Isolation and Restoration (FDIR).

**Main characteristics**

- Less time to restore healthy part of feeder
- Simultaneous communication with SCADA / DMS System
- Peer to peer communication for operation and safety
- No complex engineering required: Pre-tested and validated solution
- Adoptable to existing network components like recloser or sectionaliser installations
- Two options: Classic loop automation and intelligent loop automation
- Over load protection during network reconfiguration

Applications

- Over-head distribution network

> 11. Solutions Centre Activity

The Solution Centre provides a complete range of electrical solutions for industries and utilities, from sub-stations to power distribution systems. Our greatest strength is in our expertise of handling projects from concept to completion. Our teams perform design, engineering, manufacturing and supplying products, erect and test and commission systems and demonstrate performance parameters. We also provide extended warranty and long term maintenance support. Our range of offerings vary from intake / evacuation sub-station, electrical balance of plants, electrical distribution systems, medium and low voltage packages, customised packages for specific needs, power distribution for infrastructure and other solutions. Solution Centre delivers project with

customer advantage of a single window management interface backed with an efficient and competent team experienced in engineering/ execution of various packages, specific to customer needs. Solution Centre is committed to deliver high quality turnkey electrical projects that are efficient, EHS compliant, safe and reliable, thus meeting both Indian and international standards.

The Solution Centre maintains its consistency as a key player in the project business market segments and also entered into new business segments. The Unit has been active in various segment viz cement, mining & metal, power-generation, renewable, oil & gas, infrastructure and others.

Major orders

In the Solution Business, Your Company has won several major orders as a key player in turnkey project business segment.

- Felguera Gruas India has entrusted Your Company by placing orders for conveyer electrics for Gangavaram Port, phase II expansion and Kakinada Port, 6th berth. These two orders, Your Company already executing Kaknida Port 5th berth conveyer electrics, clearly expresses FGI's confidence in Your Company's solution capabilities.
- Punatshangchhu Hydroelectric Project Authority placed order for Supply and Erection of HT & LT Switchgear and associated distribution system for 6x182 MW hydro power plant. Your Company supported PHPA in pre-bid and post-bid discussions in finalizing the solution.
- Engineers India Limited a/c Bharat Petroleum Corporation Limited placed order on Your Company for supply, installation, testing and commissioning of 33 kV GIS for Kochi Refinery through competitive bidding.
- Lodha Developers for power distribution system of their Casa Rio & Casa Rio Gold township projects entrusted Your Company's products and placed an order for supply and erection of 22 kV compact sub-stations (RMUs).
- Tata Power Company Limited has placed order on Your Company that included two projects, one for augmentation of 33 kV sub-station including replacement of old 33 kV Switchgear and installing SCADA System at Saki & Parel sub-station while second included supply and installation of 33 kV & 11 kV Switchgear and SCADA System for 6 nos. 33/11 kV distribution sub-station across locations in Mumbai.
- Moserbaer Engineering and Constructions in continuation of its belief in Your Company's project delivering capabilities placed an order for supply, installation, testing and commissioning of 66/11 kV main evacuation sub-station and 11/0.3 kV pooling stations with associated cabling and other works for 50 MW Solar Power Plant at Patan, Gujarat which Your Company has delivered in a record 3 months duration.
- Tata Steel Limited entrusted Your Company for their Gopalpur Plant and placed order for plant distribution system included supply, installation, testing and commissioning of 33/6.6 kV indoor sub-station. Major supplies remained 33 kV GIS, 6.6 kV AIS, HT & LT Cabling, LT Panels, SCADA System and Control Room Building.
- Orders also received from various customers viz Neccon Power & Infra, SML Isuzu, Ramco Cements, Macawber Beekay etc.

Major solution business milestones in 2013-14

- **Saint Gobain**

Your Company executed this project of supplying, installation, testing and commissioning of 132 kV Switch Yard along with civil works, 2 x 25 MVA Transformers, 11 kV Panels, Dry Type Transformer, 2 MVA DG Sets and Drives for Saint Gobain for their Bhiwadi Glass Plant. Expectations remained high, as Saint Gobain is a Global Customer. Your Company has delivered the project maintaining world class quality and safety standards.



- **Power Grid Corporation of India Ltd.**

Your Company has completed renovation and modernization activities for Gladni (Jammu) and Udhampur sub-stations of Power Grid Corporation of India Ltd. It included supply and replacement of existing 220 KV Bay Equipments viz Circuit Breaker, Current Transformer, Capacitive Voltage Transformer, PLCC system etc. Your Company has executed the project in timely and in a professional manner.

- **Punatsangchhu-II Hydroelectric Project Authority**

Your Company has successfully completed the construction power work of Punatsanchhu Hydroelectric project. The scope was supply, installation, testing and commissioning of 4 Nos. 33/11 KV Transformer and 33 KV indoor sub-stations.

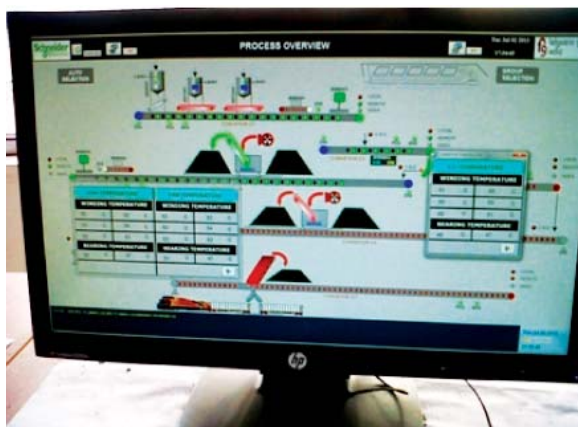


- **Moserbaer A/C Kindle Engineering**

Your Company has yet again demonstrated its capabilities in executing projects swiftly and smoothly by delivering stiffly scheduled Moserbaer's Patan Solar Plant in extremely tight span of 3 months and created a benchmark for itself. This project included design, manufacturing, transportation, installation and commissioning of 6 Bays of 66 KV Switch Yard, 25 KM of Cable Network, and 9 nos. of Inverter Station consisting of Inverter Transformer and MV Panels. Moserbaer felt extremely delighted with its association with Schneider Electric for having their expectations met even in very difficult situations.

- **Felgura Graus India Pvt. Ltd.**

Your Company has successfully commissioned Kakinada Port 5th Berth Conveyor Electric Package for coal handling system. Major supplies included HT Panels, Power/ Distribution Transformers, Field Devices, Cabling etc. This is a break through project for Your Company considering upcoming potential in Indian Port Market, which we entered into, with projects.



> 12. Services Activity

Services are the main focus area for the Company as they are the key differentiator in driving customer delight. Our service offers cover a wide range of products and solutions. With increasing complexity and requirements in the Electrical Network, lack of permanent skilled resources at site and demand for greater reliability, customers are keen to entrust consulting, maintenance, refurbishing, retrofitting & upgrading of their systems in the hands of experts. This distinctive need of the market is served through the Services Business.

Broadly, Services cover customer needs around the complete installation lifecycle and the portfolio includes "Comprehensive Services to improve performance of Customer Installation" such as Asset Management Program (preventive services contract, predictive services contract & extended diagnosis for ED Equipment), On Demand Maintenance (maintenance of equipment, spare parts & repairs), Modernization & Upgrade (retrofit & revamp solutions) and Installation Assessment (health check). An extensive network of service engineers & authorized Service Centers are deployed across the country to quickly respond to Customer calls.

Schneider Electric's strong presence in Infrastructure, Power, Building, Industry and IT Segments coupled with our ability to offer Services cutting across these segments provides us a distinctive advantage to serve our Customers. Capability building is key to meet diverse needs of the market viz. minimal shutdowns while doing upgrades & retrofits, scaling up and completing critical projects during short annual maintenance

breaks etc. The creation of a dedicated Services Business Unit has enabled this capability building and as the Services Market matures, our focus & preparedness takes us ahead of the curve. Composition of Services Business and the Business Model employed, makes it very attractive, in terms of Return On Capital Employed and Enhancing Customer Satisfaction.

Some of the major projects executed by Services Business in 2013-14.

- APCPDCL - Modernization of 70 Nos 33 & 11kV old Voltas Circuit Breakers. The job involved refurbishment of complete switchboard and augmentation of ratings from 1250 to 2000 A within same space and target time lines/shutdowns. The fixed version CBs have been replaced with trolley mounted CBs which are easier to maintain & service.
- Midhani - Capacity enhancement of 11/0.433 kV sub-stations by supplying and commissioning state of the art MV & LV Switchboards along with sandwich type LV Bus Trunking. The job was carried out in two phases within tight shut down schedules to have minimal disruption of power.
- NTPC Kahalgaon and Unchahar - Modernization of 63 old 11kV Russian Air Circuit Breakers, protection scheme modernization & upgradation and 77 old 11kV Voltas SF6 Circuit Breakers with Vacuum CBs. New VCBs are more compact compared to the existing ones and as such handling & maintenance will be much easier going forward.

> 13. Human Resources

Your Company strongly believes that people are one of its most valuable assets and therefore the Human Resource philosophy and strategy of Your Company is structured to attract and retain the best talent that encourages innovation and creates a work environment reflecting our core values (Care, Connect, Challenge and Commit).

Your Company engages effectively with its employees which are critical to building and sustaining a high-performing business and retaining talent. Various engagement initiatives have been introduced which included leadership connect, celebrations, festivals, recreational and sport activities, etc. in addition, rewards and recognition programs were initiated which were aimed at creating a culture of recognizing and celebrating performances, at multiple levels across the organization for individuals & teams.

In order to uphold the values of ethical conduct and compliance to our Principles of Responsibility Your Company ensured that all employees of the company and everyone who joined new undertook a detailed training and awareness program to familiarize themselves with the standards and expectations.

Your Company aligned all HR Systems and Processes such as Annual PMS, Mid-Year Performance Reviews, Career and Competency Reviews, Escalating People Reviews and trained all employees for effectively using the systems. A number of webinars were conducted globally and locally to promote awareness and knowledge to

use all applications within the system. These processes helped both Employees and Managers to work collaboratively, to work with clear objectives and measurements and to identify their development needs.

A comprehensive system of Talent Link Performance Tool was put in place with all HR systems in one platform. This also enables Employees to self update their profiles to promote their mobility across the organization. Your Company has built talent pool by recruiting fresh Graduate Engineers from Premier Engineering Colleges & Institutes in India and through need based lateral hiring.

Your Company took the next leap in the One Voice Survey results and reached higher ENPS (Employee Net Promoter Score) which was a consistent improvement from the previous year scores. The Employee Engagement Index and Action Awareness Score have also moved up substantially. This is a clear indication of the Employee acknowledgment for Organizational efforts.

The Human Resources Department complemented the Business endeavor of continued and sustainable growth by way of anticipating and planning future manpower needs through strategic workforce planning. Strengthen competencies in Leadership, Project Management, Smart Grid, Solutions and Services. Strive for HR Excellence: strengthen partnership with the business through HR competency growth and continuously improving HR processes.

Learning and development

Competency development of people continues to be a key area of strategic focus for us. Our learning and development initiatives during the year, were on the three E's approach viz 'Education, Experience and Exposure'. Thus, all organized training sessions were based on competency reviews held by Managers, addressing real and critical needs for the organization. We conducted more than 2,449 man days training and covered more than 80% of employees. This not only included technical skill building training, but also

interventions and workshops of change management and culture building.

Senior Managers underwent Global Leadership Programs, such as Leadership through Engagement and Execution Skills, run by International Trainers. Several of them participated in the Global Leadership Excellence Acceleration Program (LEAP).

Middle Level Managers were offered training on Leadership through Performance Management,

so as to improve their skills in managing performance of their teams with effective feedback. We identified internal mentors and coaches for a subset of key talent and allocated mentors, who helped these young professionals, in turn hone their skills and apply the knowledge, effectively for their own development as well as Organizational benefit.

A selected Group of Professionals were nominated for FELIX and Edison Corporate Programs. Edison is the most coveted Technical Certification and Recognition Program for which few of your India Employees were qualified during the year.

In line with our continued efforts to improve the Solutions Business, Company has nominated sales and solutions Engineers and Managers for the Global Schneider Electric Energy and Solutions University Certification Program. Besides these programs, Employees were also nominated by their Managers for select public program and seminars.

A country wide Initiative "Chart your development" was launched. We had workshops across all regions enabling Employees to take charge of their development. The workshop focussed on creating a mindset change, by shifting the focus to Employee and helping them take charge of their development. During the workshop all processes, systems, tools and available resources, were shared along with clear roles and responsibilities called out in their journey of development, using role plays, games and interactive methods. This Workshop showcased a great collaboration

between Learning and Development, Talent Management and Organization Development.

Internal Trainer Policy was designed and Internal Trainer Community formed, this was another key initiative that was launched to encourage and engage Internal Trainers towards common organizational goals, for Employee Development. The objective was to leverage the knowledge and experience inside Schneider Electric, in a planned and effective manner and help Internal Trainers attach a sense of pride for delivering training. The objective was also to motivate them to deliver their best and ensure only good quality training, get delivered by trusted Internal Faculty.

Our Company continued to promote and strengthen a culture of continuous learning at all levels, through the e-learning process. An intensive e-learning campaign was undertaken to create 'Champions' who would drive this process. The Company closed the year with more than 4 hrs. of e-learning clocked per Employee. There was reward and recognition for those who completed, the prescribed e-learning modules, with maximum hours, every month which acted as a big motivation to other Managers to take a lead. By way of encouraging Employees to enhance their skills and knowledge, we not only created a learning environment where everyone valued continuous improvement as a way of life, but also improved the productivity and efficiency of our processes, by way of application of the acquired knowledge. During the year many employees undertook various courses online.



Reward & Recognition to employees for their good work



Panel Discussion with Industry Expert at "Growth Readiness Meet" Workshop



Regional Connect Workshop

Principles of Responsibility (POR) deployment

POR is the reflection of our Company culture and the expression of our commitment to sustainable development. These principles govern our business decisions and activities every day. POR is a core document with local content in order to be as pragmatic and realistic as possible uniting our commitment to all our Stakeholders: Employees, Business Partners, Shareholders, Planet & Society. It helps Schneider Electric employees to know:

- What we must do
- What we cannot do
- What we should do

Your Company imparts POR training to all new joiners on their first day in the organisation and refresher training to existing employees during the year. All employees have gone thorough POR training by way of e-learning, face to face workshop and webinar based training. To reinforce the understanding of POR, many webinars were organized, at various locations across the country, for white collar personnels and face to face awareness sessions for blue collar employees in 2013.

Corporate Social Responsibility

The Company's Corporate Social Responsibility activities reflect that Your Company is committed not only towards profitable growth but also towards society. Your Company is engaged in several initiatives towards environment, health and energy saving through various programmes like Uttarakhand Initiative and Luli week.

Uttarakhand Initiative

Last Year (June 2013), in the wake of Uttarakhand floods, SEIL pitched in to bring back electric supply in remote regions, rendered isolated, from grid after the natural disaster.

Your Company reached out to Uttaranchal Power Corporation Limited (UPCL) to offer complete support in helping them restore power supply in the region. UPCL requested for Your Company's support in restoring power supply in three sub-stations severely affected by torrential rain and flood. Incessant rain and inclement weather without adequate power supply was creating havoc on the people of the region.

In a matter of hours a crack team was put together comprising 11 of our brave hearts who were entrusted with this critical project. Spearheaded by our engineers - Nitin Kapoor, Parsenjit Banerjee, Satyam Patel, Umang Alaiya and a core team of volunteers with varied skills including Bajrul Haq Mondal, Netrpal Singh, Govind, Raju, Ashok, Nalu and Suresh Kumar.

Between 19th June and 6th July, our team equipped with necessary testing tools and kits went about the job systematically, restoring power to these three sub-stations that were buried in debris, silt and flood waters.

The road to the sub-station was completely shattered and the team had to walk several

kilometers to reach the Thatyur sub-station. The sub-station switchyard was completely filled with mud and stone. The operator room was completely destroyed and the control room was filled with water. Team took help from the locals to clear the transformer, switchyard and the control room. They were able restore power at Thatyur substation in four days.

The exceptional support of Your Company team was appreciated by the UPCL and the people of the Region.



Team with successful commissioning of Sub-Station

Project highlights

33/11KV Sub-Station-Bhagwanpur

- Circuit Breaker & CT wiring rectified & rewired.
- Repairing of 33KV outdoor CB (make-Siemens). Testing of C&R Panel, Transformer, Breaker & CT, (Trafo Bay-1).
- Charging of 33/11kv 10MVA Transformer 33/11KV Sub-Station - Bindal.
- Repairing of 33KV outdoor CB & Isolator.
- Testing of C&R Panel, Transformer, CB (Make-BHEL), CT & Protection Scheme, (Trafo Bay-2).
- Charging of 33/11kv 8MVA Transformer 33/11KV Sub-Station -Thatyur.
- Repairing of 33KV outdoor CB.
- Testing of C&R Panel, Transformer (2x3.15 MVA), CB (Make-Alstom), CT, PT & HT Cable. (Trafo Bay-1).
- 11KV Panel back feed from Chamba Sub-Station Rectification in CB, PT & CT Wiring and Testing of C&R & 11KV HT Panel done without help of any drawings.

Luli Week (1st - 5th July)

Luli is an International Mobilization Campaign launched by the Schneider Electric Youth Foundation in 1998 under aegis of Foundation de Franc. Luli dedicates a week to put the spotlight on local initiatives, celebrated by all Employees to support partnerships and promote employee engagement with the Foundation. It is usually held in the 3rd week of June across the globe. In India, Your Company organized a week-long celebration with the focus on the common goal of 'Helping people at bottom of the pyramid to change their lives', by raising funds through various Employee Engagement Activities.

Like the last year, this year too it was one of the most memorable weeks for us at Schneider Electric Infrastructure Limited and was held between 01st - 05th July, 2013 at all locations of Your Company.

The key highlights of Luli week for 2013 are:

- INR 8,93,505 funds collected through various activities.
- 21,429 Km were covered to save energy and raise fund under global initiative – Use your leg, where employees walked and took stairs instead of using vehicle and elevators.
- 136 Employees donated blood.
- 10 NGOs supported through organizing of sales and kind donations.
- More than 1,200 Employees participated in Luli Week.
- 30 Indoor and outdoor sports/activities organized.
- 122 Volunteered actively as Delegates and Volunteers.

Awards and Recognition

The initiative was well co-ordinated by the respective Regional and Site Delegates who competed for the Luli Rolling Trophy titled '**LULI CHAMPS**' initiated to mark Luli's 12th Birthday. The winning location for '**LULI CHAMPS**' was **Schneider Electric Infrastructure Limited - Naini location**, coordinated by **Site Delegate - Abhay Mishra and Abhishek Bundelkhani**. **National Level Best Communication trophy** won by **Pallav Pathak, Schneider Electric Infrastructure Limited – Noida**.

SEIL-Vadodara also won the prize for **Best Fund Raising Unit-West**.



Media Coverage



> 14. Key Events of the Year

Inauguration of new manufacturing facility for Automation Product in Chennai

Your Company has inaugurated its New Manufacturing Facility for Automation Product in Chennai on 25th Nov, 2013. Top 25 Customers were invited to attend this event. Tree plantation was also part of inauguration ceremony and around 20 saplings were planted.

Customers were taken for a tour of the factory to showcase the entire range and manufacturing processes.

This is a second facility for Automation Products in Chennai after Noida. This facility will supplement the first automation factory in terms of adding capacity and will be more focussed on engineering and design, feeder automation, sub-station automation, etc

This factory is already accredited with various

certifications like ISO 9001:2008, EHS 14001:2004, OHSAS 18001:2007.

Annual production capacity estimated from this facility is around 3000 Nos. of complete sub-station Automation and Protection Panels.

To give more focus to the growing customer needs, Your Company has the:

- Automation Application Lab equipped to test all ranges of SE IEDs, IEC 61850 inter-operability testing, sub-station Automation configuration & validation. This lab is accessible from remote locations as well.
- Global Training Centre to impart high-end training to Global & Indian Customers.
- IED Repair Centre for quick resolution ensuring minimum downtime.



ELECRAMA 2014

On 8th January, Your Company had kicked off our participation at ELECRAMA 2014 with the inauguration of our spectacular stall by Mr. Emmanuel Babeau, Deputy CEO, in-charge of Finance & Legal Affairs and Mr. Anil Chaudhry. Following the inauguration, a reception was held at IEEMA VIP Lounge for the Dignitaries, after which, the team moved on to attend the

ELECRAMA Organizers' Inaugural Ceremony.

Your Company had launched new products / solutions in the Indian Market on the first day of ELECRAMA 2014. Mr. Prakash Chandraker and the Marketing Team unveiled the Self-Healing Grid at the event.



Industry exhibition & conference on Transmission & Distribution sector, New Delhi

Your Company had participated in the Conference cum Exhibition on **"Industry exhibition & conference on Transmission & Distribution sector"**, on 12th – 13th February, 2014, at the India Habitat Centre, New Delhi.

Mr. Sandeep Pathak, AGM was invited as Speaker to share his view and discuss on the topic – **"Technological Improvements in the Power Transmission & Distribution Sector"**. It was attended by well known people from the Industry

The purpose of the Conference on T&D Sector was to provide a platform wherein the policy makers, regulators and the investors could brainstorm & delve deeper into the issues faced by the Industry and to identify the most effective measures and roadmap to accelerate the investments in the Sector. Also T&D Exhibition was

intended to provide an opportunity for the Companies present in T&D Sector, to showcase their Products & Service offerings and share their innovative technologies with State Transmission & Distribution companies which will assist them in implementing state-of-art technologies to handle issues effectively.



Mr. Sandeep Pathak @ Conference

Xperience Efficiency Yatra 2013

Your Company had participated in the celebration of Schneider Electric India (SEI) 50 Years of existence in India by embarking upon The 50-City 'Xperience Efficiency Yatra'. Presentations by Schneider Electric experts show casing Your Company products and solutions were made in 50 cities. The Yatra began with an evening event in Delhi on the evening of the 1st of October. Attended by over 300 key customers (55% of whom were business leaders and senior management personnel) the event saw predominant interest of customers for Your Company products and solutions. Bengaluru was the final destination for the amazing 50-City Yatra that traversed over 20,000 kilometers in 85 days.



Board Members visit to state of art R&D Facility

Your Company's Board Member, Mr. Vinod Kumar Dhall Chairman, Mr. Ranjan Pant and Mr. V.S.Vasudevan Director of SEIL, had visited the state of art R&D facility for Smart City/Smart

Grid Solutions in Noida. They were taken on a guided tour and explained in detail the process of solutions development and testing at this facility.



Schneider Electric Infrastructure Limited (SEIL) has won the 3rd position in Delhi Corporate Games

Your Company had participated in the Corporate Games at Siri Fort Stadium, New Delhi. Delhi Corporate Games started in India in 2011. This was the 3rd edition of Delhi Corporate Games in which Schneider Electric Infrastructure Limited had participated. This tournament was attended by National Level Players & Top Sports Athletes

Your Company has won two Bronze Medals in Table Tennis and in overall Team Performance

Your Company has bagged the 3rd Position in Division 3 (Division where 21-50 athletes were sent) after HSBC & IRCTC, leaving behind Major Giants like ONGC, ONGC Videsh, Punj Lloyd, etc..

Below are the two Bronze Medalist Teams from Schneider Electric

1. Vibhore Gupta & Umesh Tangnu (Men's Double's)
2. Shivani Joshi & Vaibhav Rathore (Mixed Double's)



SEIL contingent for the Opening Ceremony



Medal Ceremony



All the Four Medalists



Schneider Cricket Team

> 15. Information Systems and Technology

The primary IT activity during last year was to enhance IT infrastructure, where significant investments were made to improve the network connectivity and equip IT users with better devices.

Apart from this, various initiatives to mutualize IT operations were launched and are progressing well.

> 16. Finance

In the recent trend, finance is playing an imperative role in supporting business, decision making, performance management and controlling. Higher volumes of transactions and growing phase required a robust process to control and bring in conformity of all the activities.

The Company follows the Schneider Electric Group's best practices of treasury for working capital management, optimising interest cost, trade finance and forex management. As a result of focused credit control, Your Company improved its net working capital.

The Company has strengthened its credit control function with close monitoring over the receivables. This has helped the company to bring down the debtors despite the tough credit conditions in the market.

The FISS (Finance Share Service) was strengthened further with additional tools, advanced technology and expertise in order to meet the challenges both in terms of meeting deadlines and to improve the finance efficiency.

> 17. Investor Relations

Your Company has a strong belief in communicating accurate and timely information to all shareholders; to build a long-term relation and confidence. The Company is putting best efforts to ensure the accurate and timely communication of information through conference calls, investor meetings and prompt reply to all stakeholders' queries.

Management of Your Company also communicated the market condition, strategies, business segment and operational performance to give you transparent picture of company's business activities through two way interactive conference calls.

Your Company understands and appreciates the significance to good Corporate Governance as an important step towards building investor confidence, improve investor protection and maximize the shareholder value. Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, Reports on Management Discussion and Analysis and on Corporate Governance have been included elsewhere in this Report as separate sections. A certificate from S.R. Batliboi & Co LLP, Chartered Accountants, New Delhi confirming compliance with Clause 49 of the Listing Agreement has also been included in the Annual Report.

> 18. Internal Audit

The in-house Internal Audit Department is responsible to provide reasonable assurance with regard to the effectiveness and efficiency of internal control system and processes. The in-house Internal Audit Department at the Company is an independent and objective function performing assurance and consulting activities, designed to add value and improve the Company's processes. It helps the Company accomplish its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

In order to supplement the audit assurance provided by in-house team; the Company had also outsourced some of the audit work to third party audit firms. The audit firms are expected to provide audit assurance on the end-to-end spectrum of the area/processes defined in the scope of work agreed with them. The audit plan for the year is based on business risk and Internal Control Assessment which is approved by the Audit Committee and Board of Directors of the Company. The Audit Committee does a regular review of the Audit Reports submitted by the Internal Auditors and an action plan for remedial actions is put in place. The Audit Committee is

continuously apprised of the action plan status. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations, if any.

In addition the internal audit has streamlined the audit methodology from inception, through fieldwork, to final reporting to fit in the COSO framework so that it is no longer incidental to our processes but provides the foundation for all our audit work. Integrating COSO in this manner has resulted in structured audit process, ensures that appropriate criteria are considered in key phases of each audit, and provides a trail to support the conclusions reached. All the five essential components of control environment, risk assessment, control activities, information communication and monitoring of COSO framework are considered while defining the control objective to be audited. The Company has set up a robust risk management and Internal Control assessment framework across the organization. This facilitates identification, assessment, communication and management of risk in effective manner.

> 19. Customer Satisfaction & Quality

In this dynamic world, the meaning of customer satisfaction is also changing, there is a evolution. Today customer satisfaction means exceeding the performance as well as exceeding the emotional expectations also. Therefore, in SEIL, we are leveraging all our processes and resources to give a signature experience to our esteemed Customers. We have identified a leading indicator i.e Customer Net Promoter Score measure to track the Customer satisfaction and Customer loyalty level. To measure the customer loyalty, SEIL has very robust process

wherein we measure the Net Promoter Score on quarterly basis. Customer Net Promoter score is calculated based on the formula $CNPS = -\{\% \text{ of Promoters (rating 9 or 10 on 10 point scale)} - \{\% \text{ of Detractors (rating 0 to 6)}\}$. All the detractors are engaged after the survey and their issues causing them discomfort are resolved pro-actively. The continues process of engaging with these Customers has enabled Your Company to achieve more than its targeted scores for Customer Satisfaction Level.

> 20. Present Status of Shareholding of Promoters

In order to achieve minimum 25% public shareholding in the Company in terms of Rule 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957, read with Clause 40A (ii) (c) of the Listing Agreement, Energy Grid Automation Transformers and Switchgears India Limited (promoter) sold 7,479,178 equity shares of the Company (3.13%) in the secondary market

by way of "Offer for Sale" of shares through the Stock exchange mechanism in the month of January, 2014.

Consequent to the said "Offer for Sale", the present shareholding of promoter group in the Company have decreased from 78.13% to 75%.

> 21. Directors

At the Third Annual General Meeting of Your Company held on 01st August, 2013, Mr. Vinod Kumar Dhall and Mr. Ranjan Pant, who retired and at the said meeting, were re-appointed as Directors.

On 11th June, 2013, Mr. V.S.Vasudevan was appointed as Additional Director and further appointed as Director at the Annual General Meeting of the Company held on 01st August, 2013. Ms. Rajani Kesari who was appointed as Additional Director w.e.f 22.05.2013 was appointed as Director at the Annual General Meeting of the Company held on 01st August, 2013. Mr. Javed Ahmad was appointed as Additional Director on 01.08.2013 and thereafter, resigned on 22.05.2014.

Mr. Alexander Tagger resigned from the Board, effective from 10th July, 2013.

The Board places on record its deep appreciation for the valuable contribution made by Mr. Alexander Tagger and Mr. Javed Ahmad during their association with the Company.

Brief Particulars of these Directors are given elsewhere in this Report.

Mr. Anil Chaudhry, Director retire by rotation and being eligible, offer himself for re-appointment. The Board recommends himself his re-appointment. Considering the background and experience of Mr. Anil Chaudhry, the Board is of the opinion that his appointment will immensely benefit Your Company.

Particulars of employees

A statement, as required under Section 217 (2A) of the Companies Act, 1956, read with The Companies (Particulars of Employees) Rules, 1975 (as amended), is as a separate annexure which forms part of this report. However, in terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders excluding the aforesaid annexure and any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company. The company would then send the information to the concerned shareholder(s) who seeks such information.

Conservation of energy, technology absorption, foreign exchange earnings and out go

The particulars, as prescribed under sub-section 1(e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the annexure which forms part of this report.

Directors' responsibility statement

In compliance of Section 217 (2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors of Your Company confirm:

- that the applicable Accounting Standards have been followed in the preparation of final

accounts and that there are no material departures.

- that such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of Your Company as at March 31, 2014 and of the profit of your Company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of Your Company and for preventing and detecting fraud and other irregularities.

- that the annual accounts have been prepared on a going concern basis.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, Reports on Management Discussion and Analysis and on Corporate Governance have been included elsewhere in this Report as separate sections.

Auditors

The Company has received a letter from M/s. S R Batliboi & Co, LLP retiring Auditors indicating their willingness to be reappointed as Auditors.

For and on behalf of the Board

Place: Noida
Date: 22nd May 2014

Vinod Kumar Dhall
Chairman

> Annexure to the Directors' Report

Conservation of energy

MVI (Vadodara) Measures taken to conserve energy <ul style="list-style-type: none">• Installation of occupancy sensors.• Actions taken on air compressor to<ul style="list-style-type: none">- Resetting of delivery pressure- Reduce compressed air leakages.• Local compensation of reactive power.• Use of flat belt in HVAC system.• Online energy monitoring system installed.	SLW (Kolkata) Measures taken to conserve energy <ul style="list-style-type: none">• Received ISO 50,000 compliance certificate.• Installed energy meter at all load points.• Implemented real data acquisition system (on-line) for daily monitoring.• Installed occupancy sensors in office building and toilets.• Conducted IR thermograph test for potential heating loss.• Optimized daily use of furnace capacity.• Improved plant power factor from 0.78 to 0.96 through APFC.• Corrected max demand declaration to distribution authority.
TBI (Vadodara) Measures taken to conserve energy <ul style="list-style-type: none">• Optimized daily operation of compressors.• Automatic timer based control of street lighting.• Switching off parking lights in night when no vehicles are parked in the shed.• Sump temperature based control for cooling tower fan.	

Technology absorption, adaptation and innovation

Transformers

- Aluminum winding transformer technology absorbed.
- Type tests conducted for short circuit testing.
- Technology for Cast Resin Transformer type "Trihal" absorbed in India. Product launched in India.

Switchgear

- Technology for manufacturing 33kV Ring Main Unit type "Flusarc" absorbed in India.
- Technology for manufacturing Auto Reclosers absorbed in India.
- Schneider Electric's latest innovation SF6 Free Switchgear type "PREMSET" launched in India.

Schedule of imported technology

Sl No.	Technology	Year	Status regarding absorption
1	DMS (Distribution Management System)	2013	Successful customer inspection finished for PURI project. Three other SCADA-DMS projects are in execution.
2	OASys SCADA (Supervisory Data and Acquisition System)	2013	Successful customer inspection finished for PURI project. Three other SCADA-DMS projects are in execution.
3	Saitel Range FRTU	2013	Successful localization of the product in India.
4	Communicable FPI (Fault Passage Indicator)	2013	First pilot project is under execution at TPDDL Delhi
5	Self-Healing Grid Solution	2014	Your Company is sponsoring the first pilot with Tata Power, Mumbai. Would be implemented this year
6	SUI (System User Interface) for PACIS sub-station Automation Gateway	2012	New smart HMI (Human Machine Interface) for sub-station Automation Systems being offered.

For and on behalf of the Board

Place: Noida
Date: 22nd May 2014

Vinod Kumar Dhall
Chairman

> Annexure to Director's Report

Addendum to Director's report in respect to auditors report with regard to observation for the year 2013-14

Ref. point No.	Auditors report	Management's perceptions on auditors report
ix (b) of Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of Auditors report:	According to the information and explanations given to us, undisputed dues in respect of service tax which were outstanding, at the year end, for a period of more than six months from the date they became payable is Rs. 8.32 Million, and not paid	Service tax of Rs. 8.32 Million is outstanding and will be paid in June 2014

For and on behalf of the Board

Place: Noida
Date: 22nd May 2014

Vinod Kumar Dhall
Chairman

> Management Discussion and Analysis Report (2013-14)

Market overview

The overall external market environment in 2013 remained stiff and tough.

The economy went through challenging times since the crisis in the Euro area in 2011-12, with

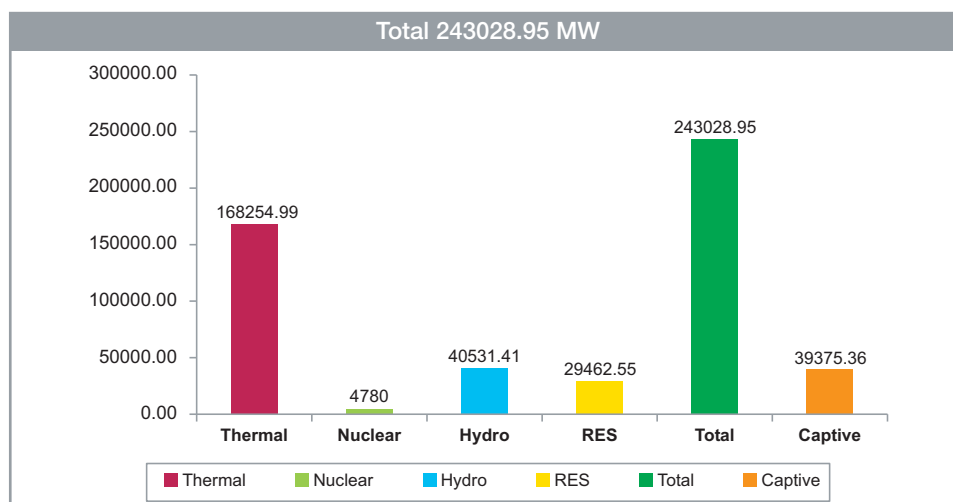
a cyclical down turn resulting in growth slowdown, elevated current account deficit and persistent inflation, and the need to restore fiscal policy to a sustainable path.

Demand overview

India ranks among the top five Countries in the world on both generation and consumption of electricity and has also witnessed robust growth in the demand for past many years.

Country stands at close to 243 GW of installed generation capacity (excluding captive plants contribution). The contribution from the captive generation sector stands at about 39 GW.

As of the closure of the last financial year the



Source: http://www.cea.nic.in/reports/monthly/executive_rep/mar14.pdf

During the year 2013-14, India faced Energy Deficit of 6.7% and Peak deficit of 6.2%.

Power Supply Position of NEW + SR Grid

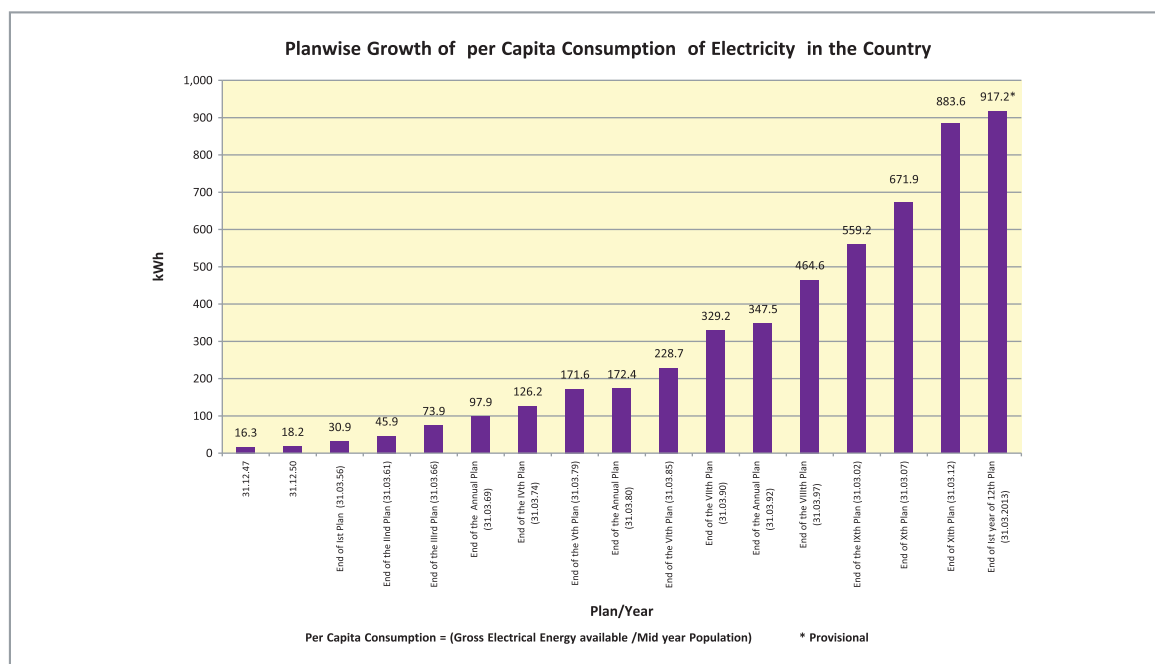
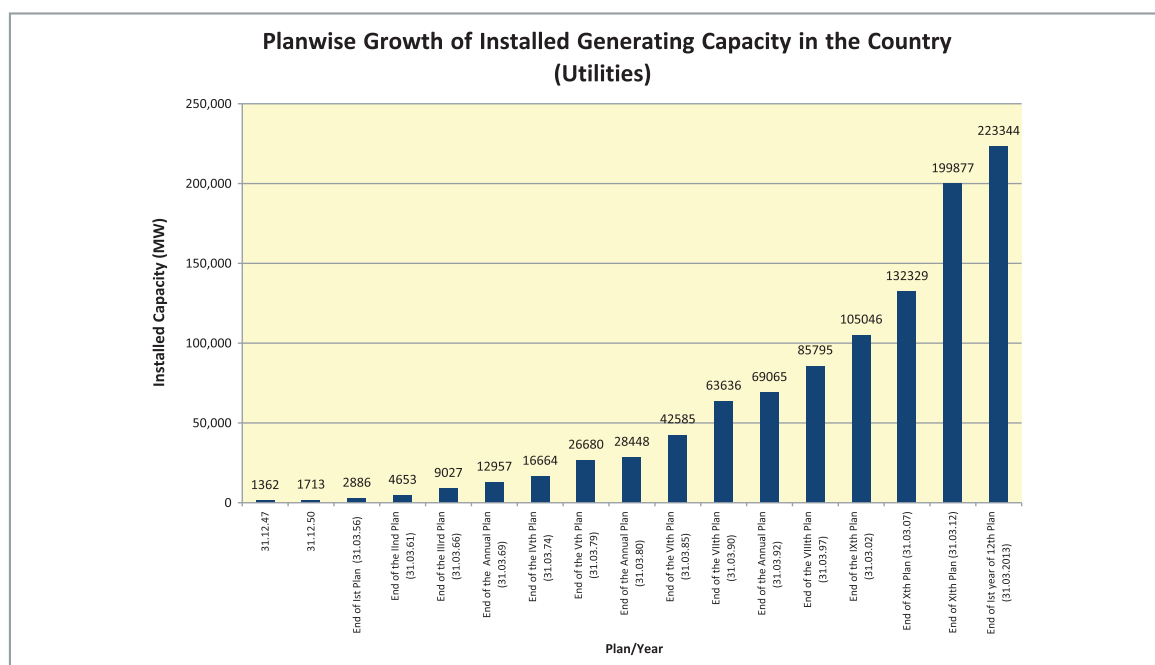
State / Region	Energy				Peak			
	Requirement	Availability	Surplus (+)/ Deficit (-)		Demand	Met	Surplus (+)/ Deficit (-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
NEW + SR Grid	1048533	978302	-70231	-6.7	150223	140964	-9259	-6.2

Source: http://www.cea.nic.in/reports/yearly/lgr_report.pdf

Several long term Government initiatives are underway to improve the overall situation of power sector. As regards the generation planning, the working group on power for 12th Plan has taken under consideration various aspects like the demand forecast, sensitivities studies for right mix of generation sources, fuel availability, captive generation, optimization of existing generation etc.

The generation capacity for the Country has grown at a rate of over 8.5% during the Eleventh Five Year Plan period and stands today at 243 GW. There is an ambition to add another 88.5 GW in the Twelfth Five Year Plan (2012-17).

Similar to the generation sector there are different important areas of transmission sector that are drawing attention. To name a few, Open Access in Transmission Planning which includes long-term, medium-term and short-term agreements, Smart Transmission Grid, Inter Regional Capacity Program and Renewable Generation Integration.



Source: <http://www.cea.nic.in/reports/planning/dmlf/growth.pdf>

Distribution overview

The past year has seen some definite steps being taken by the key stakeholders in the Country for addressing the prime challenges of distribution sector like high losses in the network, inadequate infrastructure and jittery financial health of the operators, on account of both the need of tariff revision as well as desired revenue realisation.

Debt restructuring, infrastructure modernisation and smart technologies are the focus areas for immediate action.

Though the AT&C losses in the segment have been consistently decreasing, yet the present level of 25-26% is a matter of concern. RAPDRP program is one of the biggest and comprehensive initiatives undertaken by the Government to directly address this concern. But even though the program

facilitates a fund of 500 BINR to the utilities to tackle their challenges the progress has been slow and by the end of 11th plan only 12% of the funds were utilised. The biggest deterrent to the programme has been the operational challenges. Apart from the above mentioned fields the long-term vision of the Country includes investments on projects to ensure accessibility of power in rural areas, demand side management, private sector participation and PPP model. Under the initiatives for power accessibility to all, RGGVY scheme aims at providing power to all households especially in rural areas and DDG (Distributed Decentralised Generation) scheme provides for funds to the tune of 10 BINR to consider VGF (Viability Gap Funding) for the related projects.

Smart Grid

The need for reliable and quality power to the consumers has fuelled the growth of markets/technologies like Open Access, Underground Cabling and Smart Grids. Smart Grids and Smart Metering using two way communication can enable advance metering infrastructure, time-of-day metering including consumer home energy management systems. Smart Grids having AMI with two-way communication along with customer interface, integration of renewable and electrical vehicles

with the grid, intelligent sub-stations with self-healing, are emerging technologies worldwide.

Government has set aside a separate budget for these emerging Smart Grid technologies in India by announcing 14 pilots covering different value propositions. Post observation of the performance of these pilots the actual full roll-outs of the projects will be facilitated. All 14 Utilities have hired consultants for these pilot projects, with PGCIL as the major consultant.

Following is the overview of the planned investments under XII plan.

Sl. No.	Scheme Type	Total Fund Requirement (Rs.Cr.)	Gol Assistance Subsidy (Rs. Cr.)
1	R-APDRP (i) Additional requirement of funds for the ongoing projects sanctioned during XI Plan (Details enclosed)	15,870 -	9,924 9,900
2	Smart Grid	9,500	5,000
3	Research & Development (Rs. 5 Cr. annually)	25	25
4	RGGVY (i) For electrification of remaining villages & habitations (ii) Providing LED lamps for BPL households (iii) DDG	63,490 1500 1000	57,141 1350 900
	Total (RGGVY)	65990	59391
5	Inclusion of Productive Load Scheme	61,940	30,970
6	Feeder Separation Scheme	20,000	10,000
7	National Electricity Fund	22,000	22,000
8	Human Resources Development Plan	150	150
9	Scheme for Replacement of Inefficient Pump Sets by Energy Efficient Pump Sets in Agriculture Sector	30,000	15,000
	Grand Total	2,25,475	1,62,360

Source: http://planningcommission.gov.in/aboutus/committee/wrkgrp12/wg_power1904.pdf

Renewable energy

New and renewable energy sources such as Solar, Wind, Biomass and Small Hydro are going to play a very important role in the Generation Sector not only from the environmental but also from sustainability and capacity standpoint. It is estimated that though, as of March 2014 the total

installed capacity of renewable energy is about 32 GW, there is a total medium term potential (by 2032) of 183 GW and hence the ambition for capacity addition of more than 18 GW from renewable sources in the 12th plan and more than 30 GW in the 13th plan.

Sector	Target	Achievement	Cumulative Achievements
	2013-14	2013-14	(as on 31.03.2014)
1. Grid-Interactive Power (Capacities in MW)			
Wind Power	2500	2083.3 (83.34 %)	21136.3
Small Hydro Power	300	171.4 (57.13 %)	3803.7
Biomass Power & Gasification	105	101.6 (96.765 %)	1365.2
Bagasse Co-generation	300	310.92 (103.64 %)	2648.4
Waste to Power	20	10.5 (52.50 %)	106.6
Solar Power	1100	962.1 (87.47 %)	2647
Total	4325	3639.82 (84.16 %)	31707.2

Source: <http://www.mnre.gov.in/mission-and-vision-2/achievements/>

Power sector analysis

Under the strategic blueprint prepared for Ministry of Power there are clearly defined objectives that are going to drive the sector in long term:

- Improving power availability.
- Expanding the Transmission Network.
- Access to electricity to all.
- Reducing AT&C losses through implementation of R-APDRP scheme.
- Enhancing the availability of trained and skilled manpower for the Power sector.
- International co-operation.
- Group target for installed capacity and generation.

Support functions

Human Resources

The HR Team is committed to further develop and retain the competencies of the organizational talent. Industrial relations continued to be cordial, contributing to productivity increase.

Investor Relations

The Company continued to follow best practices to ensure the accurate and timely communication of information about performance and development in company and in the sector through conference calls, investor meetings and promptly replying to all stakeholders' queries to make investors interested in the Infrastructure sector.

Finance

Finance is a very vital function in the current environment. Your Company follows the Schneider Electric Group's best practices of treasury, audit, reporting, taxation and Finance Share Services (FISS) function.

The Company has strengthened its credit control function with close monitoring over the receivables. This has helped the Company to bring down the debtors despite the tough credit conditions in the market. As a result of focused credit control, Your Company improved its net working capital.

Risk and internal controls

Your Company continues its focus towards corporate governance and has robust internal control framework. Internal controls are embedded in all company processes and Your Company follows the practice of self-assessment of internal controls by operational management with respect to the identified Key Internal Controls for each process. During the year, the Audit Committee was informed of the risk assessment and internal control framework of the Company. The risk

assessment follows a global approach and the risk matrix summarises the key risks to the company's business. This was presented to the Audit Committee along with the Annual Audit Plan. The progress of the risk mitigation plans is being reviewed by the Board periodically as is the progress of the internal audit assignments, as well as the recommendations of internal audit and accompanying remedial action plans.

Outlook

Optimism prevails in the market today after the general elections. The new Government is expected to work towards effective implementation of different existing initiatives across the Power sector and also provide a boost by making substantial investments overall in different segments. Under the proposed National Energy Policy there is a visible emphasis on expanding the National Solar Mission, enablement for higher contribution from nuclear power and clear and transparent policies on coal allocation.

Apart from the various projects and plans outlined in the 12th Five Year Plan there could be an additional push to the sector as a result of recent announcements in the Infrastructure Segment. 8 National Investment and Manufacturing Zones

(NIMZ) along Delhi Mumbai Industrial Corridor (DMIC) were announced. 9 Projects have been approved by the DMIC. 3 more Industrial Corridors connecting Chennai and Bengaluru, Bengaluru and Mumbai & Amritsar and Kolkata are under different stages of preparatory work. Additional capacities are being installed in major manufacturing industries. It is expected that 100 smart cities would be built across the country enabled with latest in technology and infrastructure. Work on dedicated freight corridors would be expedited.

Overall it seems that there would be positive growth of the market in the medium-term but in the short-term the market might still be a little sluggish trying to recover from difficult year that we witnessed.

Report on Corporate Governance

[For the period from 01.04.2013 to 31.03.2014]

1. Company's Philosophy on Corporate Governance

The Company is committed to high standards of corporate governance and believes in compliance with the laws and regulations both in letter and spirit. The Company endeavours to set high standards for itself, which are higher than those stipulated by law. The Company is committed to provide in time, accurate and complete information as required, to all concerned, including its stakeholders.

The Company's guiding principles are enshrined in "Principles of Responsibility" document of Schneider Electric group which is also a tool in carrying out the Company's Social Responsibility in a more effective manner.

The Company is constantly interacting with all the Stakeholders; its borders are expanding, its environment is changing ever faster, its activities are becoming globalised and its social responsibilities are growing.

Schneider Electric reaffirms its commitment to respect and comply with the laws of and regulations in all the countries in which it works.

The challenge is to gain and maintain the highest confidence level of its customers and-in a wider sense-of its stakeholders. To support each employee in this approach, the Group emphasises the importance of placing responsibility at the heart of its corporate governance.

> 2. Board of Directors

A. Composition

The current strength of the Board is seven. The Chairman of the Board is an independent Non-Executive Director.

Of the total seven Directors as on 31st March 2014:

- Six Directors are Non-Executive Directors.
- Three Directors (one of them being the Chairman), are Independent Non-Executive Directors.

The Company does not have any nominee Director.

The Company meets the requirement of SEBI's guidelines as per the amended Clause 49 of the Listing Agreement, between the Company and the relevant stock exchanges ("Listing Agreement"), in terms of the composition of its Board.

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

Sl. No.	Names of Directors	Position	Classification	Number of Board Meetings attended (April 2013 – March 2014)	Attendance at the last AGM held on 1st August, 2013
1	Mr. Vinod Kumar Dhall	Chairman	Independent (Non-Executive)	4	Yes
2	Mr. Prakash Kumar Chandraker	Managing Director	Executive	4	Yes
3	Mr. Anil Chaudhry	Director	Non-Executive	4	Yes
4	Mr. Ranjan Pant	Director	Independent (Non-Executive)	3	Yes
5	Mr. Alexander Tagger*	Whole Time Director	Executive	1	NA
6	Ms. Rajani Kesari	Director	Non-Executive	4	Yes
7	Mr. V.S. Vasudevan	Director	Independent (Non-Executive)	2	No
8	Mr. Javed Ahmad**	Director	Non-Executive	1	NA
9	Mr. Manish Jaiswal***	Additional Director	Executive	1	NA

* Resigned from the Board on 10th July, 2013

** For the period w.e.f on 1st August, 2013 to 22nd May, 2014

*** Appointed as Additional Director w.e.f. 22nd May, 2014

Brief write-ups about the Directors are given elsewhere in this report.

C. Number of other Companies or Committees in which any of the Directors (being a Director as on the date of this Report) is a Director/Chairman/Member

Sl. No.	Name of the Director	No. of other Directorships (Excluding Foreign Companies and Private Limited Companies)	No. of other Committees	
			As Chairman	As Member
1	Mr. Vinod Kumar Dhall	5	5	7
2	Mr. Prakash Kumar Chandraker	1		
3	Mr. Anil Chaudhry	2		
4	Mr. Ranjan Pant	2		1
5	Ms Rajani Kesari	2		1
6	Mr. V.S.Vasudevan	1		1
7	Mr. Javed Ahmad	1		

D. Number of Board Meetings held and the dates of Board Meetings

Number of Board Meetings held during the period from 01.04.2013 to 31.03.2014:

Four

E. Dates of the Board Meetings

- > May 22, 2013
- > August 01, 2013
- > October 29, 2013
- > February 11, 2014

> 3. Disclosures Regarding Directors' Appointment and Re-appointment

At the ensuing Annual General Meeting, Mr. Anil Chaudhry, Director retiring by rotation, is proposed to be re-appointed.

Mr. V.S. Vasudevan was appointed as Additional Director on 11th June, 2013 and thereafter appointed as Director in the Annual General Meeting held on 1st August, 2013. Mr. Javed Ahmad was appointed as Additional Director on 01.08.2013 and thereafter resigned on 22.05.2014.

Mr. Alexander Tagger, Director, resigned from the Board on July 10, 2013

Mr. Manish Jaiswal was appointed as Additional Director on 22.05.2014. His appointment as Director is proposed at the ensuing Annual General Meeting of the Company.

Brief particulars of all Directors are as under:

Mr. Vinod Kumar Dhall

Mr. Vinod Dhall joined the Indian Administrative Service (IAS) in 1966 and held several important assignments including Secretary, Government of India. Subsequently, he was the founding Member and acting Chairman of the Competition Commission of India for about 5 years.

During his tenure in Government, Mr. Dhall worked inter-alia in the fields of Competition Law, Corporate Affairs, Economic Regulation, Finance including banking, and Industry and Commerce for about 27 years. He was CEO of two Public Sector Undertakings, and Chairman / Member of Board of Directors of PSU banks, insurance companies, financial institutions, and other companies. Mr. Dhall has been deeply involved in economic regulation, including as the Head of Competition Commission of India; ex-officio Member, SEBI; Special Secretary, Insurance, Ministry of Finance; and as Secretary, Ministry of Corporate Affairs. Mr. Dhall has also worked with the United Nations organizations.

As Secretary, Ministry of Corporate Affairs, Government of India, Mr. Dhall was responsible inter-alia for initiating e-governance project MCA21, bringing in Competition Act, setting up the Serious Fraud Investigation Office, and introducing measures to enhance levels of corporate governance in India.

Mr. Dhall is currently in legal practice specializing in Competition Law, and has been globally awarded in this field. He advises leading Indian business houses as well as large multinational corporations. He has a "best friends" relationship with global law firm, Linklaters and works closely with Talwar Thakore and Associates.

Mr. Dhall is also on the Boards and Board committees of certain listed and unlisted companies in India.

Mr. Ranjan Pant

Mr. Ranjan Pant is a global strategy management consultant and change management leader who advises Chief Executive Officers.

Mr. Pant is an independent Director on the Boards of several major companies. Select Boards: Present & Previous – DSP Blackrock Investment Managers (and Audit Committee), HDFC Standard Life (and Chairman-Compensation Committee), BHEL and Pyramid Retail to name a few.

Mr. Pant serves as an Executive in Residence at Babson's F. W. Olin Graduate School of Management. Mr. Pant was a Partner at Bain & Co. Strategy Consulting, where he led the worldwide Utility Practice. He was also a Director-Corporate Business Development at General Electric headquarters.

He received an MBA from The Wharton School, University of Pennsylvania and a Bachelor in Engineering from the Birla Institute of Technology and Science, Pilani.

He is a Member of the Audit Committee, Stakeholders Relationship Committee (earlier known as Share Transfer and Shareholders/Investors Grievance Committee), Nomination and Remuneration Committee (earlier known as Remuneration Committee), CSR Committee, and Risk Management Committee of the Company.

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

Mr. V.S.Vasudevan

Mr. V.S.Vasudevan was CFO/Head of Finance of Dr. Reddy's Laboratories Limited for a period of 22 years. During this period Dr. Reddy's transformed itself from a start up to a US \$ 1 Bn company and was listed in NYSE.

Mr. Vasudevan also held position of Head of European Operations for a period of 3 ½ years based in London and during this tenure was responsible for developing the European market for Dr. Reddy's through series of organic and inorganic moves. As a member of Management Council at Dr. Reddy's, CFO and being on Board of companies in Europe and India was a key member for developing the strategy and driving execution for Dr. Reddy's growth.

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

He contributed to molding the Company, post economic liberalization from 1991 onwards (and for Export sector from 1986 onwards)

He is also on the Board of Schneider Electric President Systems Ltd. and on the Board of another European Company. Currently he is also doing equity research and portfolio management with a team of young management graduates.

He was also awarded Chairman's Excellence Award at Dr. Reddys.

He is a member of Audit Committee, Nomination and Remuneration Committee (earlier known as Remuneration Committee), Stakeholders Relationship Committee, CSR Committee and Risk Management Committee of the Company

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

Mr. Prakash Kumar Chandraker

Mr. Prakash Kumar Chandraker is a graduate in Electrical Engineering and has completed his Executive Business Leadership Programme from IIM Bangalore and Management Leadership Programme from Management Centre Europe (MCE).

He was the Regional Managing Director of the Energy Automation in Areva T&D India and has a working experience of more than 27 years in the power sector. He has held senior level positions in companies such as Cegelec India and Alstom T&D India. He was awarded for Excellence in Operations during his tenure in Areva T&D India. During this period Mr. Chandrakers expertise was pivotal in the implementation of Unified Load Despatch Centre (ULDC) Scheme for Northern Region, North-Eastern Region and Eastern Region for Power Grid Corporation of India Limited (PGCIL) and various Electricity Boards in India.

He is a Member of the Stakeholder's Relationship Committee (earlier known as Share Transfer and Shareholders/Investors Grievance Committee), CSR Committee and Risk Management Committee of the Company.

A member of the CII National Committee on Power, Mr. Chandraker has been regularly interviewed by the media for Schneider Electric's Smart City and Smart Grid initiatives. He has presented many papers in various Industry Forums on Smart City and Smart Grid.

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

Mr. Anil Chaudhry

Mr. Anil Chaudhry is the Country President and Managing Director of Schneider Electric India Private Limited. Before assuming his current responsibility in March 2013, he was the Senior Vice-President, Global Sales Organisation of Infrastructure BU and a member of Leadership Team based in Paris. He joined Schneider Electric SAS in June 2010 after acquisition of distribution business of ex-AREVA T&D, where he was member of Executive Management Committee.

As Executive Vice-President for International Sales Organisation, he was responsible for implementing sales growth and channel management strategy during challenging economic period. Anil moved to Paris in June 07 as Vice-President Sales, Automation BU. He held additional responsibility of Executive Vice-President for Automation business from January 08 till June 08 when he re-structured the business and developed 4 Year Strategic Plan (4YP) to accelerate the growth.

Before moving to France, he was Regional Vice-President Automation Business in India. He was responsible for developing the team and implementation of strategy to win large projects and customer confidence. As part of his operational responsibility in India, he was instrumental in developing Engineering Back Office and R&D Centre to support worldwide operations in addition to P&L management.

Anil has held various positions in general management, operations, sales, business development, project management, design and engineering in France and India throughout his career mainly in the energy sector.

He has published and presented number of "Technical & Concept Papers" for application of Automation and Information Technologies for Energy Efficiency and Management in Electricity Generation, Transmission and Distribution at various "National & International Seminars".

He is on the Boards of Energy Grid Automation Transformers and Switchgears India Limited, Schneider Electric India Pvt. Ltd. and Schneider Electric Lanka (Private) Ltd.

Mr. Chaudhry is the member of Nomination and Remuneration Committee (earlier known as Remuneration Committee).

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

Ms. Rajani Kesari

Ms. Rajani Kesari joined Schneider Electric in October 2008 and was Vice-President Finance and Country Finance Partner till May 2014. Prior to this she has worked with Dr. Reddy's Laboratories for several years in various positions such as that of Chief Finance Officer-Europe, Chief Internal Auditor, Head of Global Taxation and Finance Head for a large business unit. She has also worked with KPMG in Dubai in their Assurance business, supervising audits of manufacturing and banking sectors. She also has extensive exposure to mergers and acquisitions activity in Europe followed by integration of acquisitions. She is a qualified Chartered Accountant, Cost Accountant and Certified Public Accountant from USA.

Ms. Rajani Kesari was the Vice-President Finance and Country Finance Business Partner of Schneider Electric India Private Limited till May 2014. She is also on the Board of Schneider Electric India Private Limited, Luminous Power Technologies Pvt. Ltd. and other Companies viz: Energy Grid Automation Transformers and Switchgears India Limited, CST Sensors India Pvt. Ltd., Schneider Electric Lanka (Private) Limited.

Ms. Rajani Kesari is the member of the Audit Committee.

She is on the Board of the Company, effective from 22nd May 2013. She does not hold any shares in the Company.

Mr. Javed Ahmad

Mr. Javed Ahmad joined Schneider Electric in February 2007 as Vice-President ITB Manufacturing & Service Supply Chain Operations in Schneider Electric IT Business Unit, ITB India, presently also holding additional responsibility of Country Partner SCM India for Schneider Electric. Prior to this he has worked with American Power Conversion Corporation (APCC), Bangalore, India from November 1999 up to February 2007 as General Manager, India Operations. Mr. Ahmad has also worked in the American Power Conversion Corporation (APCC), West Kingston, Rhode Island, USA from November 1991 up to June 1994 as Materials Manager and from June 1994 up to August 1998 as Global Supply Leader, Worldwide Oracle Development.

He is a Master of Business Administration (MBA – Batch 1991) from University of Rhode Island, Kingston, Rhode Island, USA and Bachelor of Engineering (BE – Batch 1988) from Aligarh Muslim University, India.

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

4. Non-Executive Directors - Compensation and Disclosures

Sitting fees are paid to the Independent Directors for attending the meetings. Further the Board has approved an annual compensation to be paid to all the three Independent Directors which was also approved by shareholders (subject to the approval of Central Government) through postal ballot on 17th February 2014. The process of Postal Ballot was conducted by Mr. Nesar Ahmad, a practicing Company Secretary, under the provisions of Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011. The Postal Ballot resolution was passed with over 99% of votes cast in favour of the resolution,

The Company will make an application for the approval of Central Government for remuneration to be paid to the independent directors for a period of three financial years i.e for 2013-14, 2014-15 and 2015-16 as under:

- Mr. Vinod Kumar Dhall: Rs. 800,000/- PA inclusive of sitting fees
- Mr. Ranjan Pant: Rs. 700,000/- PA inclusive of sitting fees
- Mr. V.S.Vasudevan: Rs. 700,000/- PA inclusive of sitting fees

Non-Executive Non-Independent Directors are not paid any compensation.

5. Code of Conduct and Ethics for Directors and Senior Executives

In line with the amended Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct and Ethics for its Directors and Senior Executives.

The purpose of this Code is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to shareholders and all other stakeholders in full compliance with the Principles of Responsibility which applies within all companies forming part of the Schneider Electric Group.

The Code is available on the Company's website.

6. CEO/CFO Certification

In line with the requirements of Clause 49(V) of the Listing Agreement, the Managing Director and the Chief Finance Officer, have submitted the CEO/CFO Certification, certifying to the Board, inter-alia, that:

- (a) they have reviewed the Financial Statements and the Cash Flow Statements for the period from 1st April 2013 to 31st March 2014 and that to the best of their knowledge and belief, these statements:
 - (i) do not omit any material facts, or contain any untrue statement or statements that may be misleading statements;
 - (ii) together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) the transactions entered into by the Company during the year are not fraudulent, illegal or violative of the Company's code of conduct;
- (c) they have taken necessary action for establishing internal controls for financial reporting, evaluating internal control systems and making necessary disclosures to the Auditors and the Audit Committee have been complied with; and
- (d) they have indicated to the Auditors and Audit Committee, matters concerning internal control, changes in accounting policies and matters regarding fraud, wherever applicable.

> 7. Audit Committee

The composition of the Audit Committee is as under:

Name of Director	Designation on the Committee
Mr. Vinod Kumar Dhall	Independent Chairman
Mr. Ranjan Pant	Independent Member
Ms. Rajani Kesari	Member
Mr. V.S.Vasudevan	Independent Member

The above composition duly meets the requirement under amended Clause 49 of the Listing Agreement.

Mr. Prakash Kumar Chandraker, Managing Director, is a permanent invitee to all Audit Committee meetings. The Internal Auditor, representatives of the Statutory Auditors and Cost Auditors are invitees to the relevant meetings of the Audit Committee.

The terms of reference and powers of the Audit Committee include overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issues and issues related to risk management and compliances.

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

The Audit Committee met four times during the year and the attendance of the Audit Committee Members at the said meetings are as under:

Sl. No.	Name of Director	Number of Meetings Attended
1	Mr. Vinod Kumar Dhall	4
2	Mr. Ranjan Pant	3
3	Ms. Rajani Kesari	3
4	Mr. V.S.Vasudevan	2

> 8. Remuneration Committee

At the Board meeting held on 22nd May, 2013, a Remuneration Committee, as contemplated under the Listing Agreement, has been constituted comprising of Mr. Vinod Kumar Dhall, Mr. Ranjan Pant, Mr. Anil Chaudhry. It was reconstituted w.e.f. 01.08.2013 with the following members.

Sl.No	Names	Number of Meetings	Attended
1	Mr. Vinod Kumar Dhall	1	1
2	Mr. V.S.Vasudevan	1	0
3	Mr. Anil Chaudhry	1	1
4	Mr. Ranjan Pant	1	1

This committee was later re-constituted, with the same members, namely Nomination & Remuneration Committee w.e.f. 22nd May, 2014.

> 9. Remuneration to Directors

Details of remuneration paid to the Directors, both executive and non-executive, during the period from 01.04.2013 to 31.03.2014 are as under:

A. Non-Executive Directors

Sl. No.	Name of the Director	Position	Sitting Fees Paid (Rs.)	Commission (Rs.)
1	Mr. Vinod Kumar Dhall	Chairman (Non-Executive)	1,40,000	Nil
2	Mr. Ranjan Pant	Director (Non-Executive)	1,40,000	Nil
3	Mr. V.S.Vasudevan	Director (Non-Executive)	1,00,000	Nil

Note:

No sitting fees was paid to the non-executive Directors employed within Promoter Group for attending Board or Committee Meetings.

B. Executive Directors

Sl. No.	Name of the Director	Salary	Perquisites and allowances, including retinals	Commission paid (Rs.)	Total (Rs.)
1	Mr. Prakash Kumar Chandraker	29,25,546	51,32,464	Nil	80,58,010
2	Mr. Alexander Tagger	3,83,048	12,29,710	Nil	16,12,758

> 10. Shareholders/Investors Grievance Committee

The Board of Directors have constituted a “Share Transfer and Shareholders / Investors Grievance Committee” in line with the Listing Agreement, which is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievances of the shareholders.

Present composition of the Committee as on 31st March 2014 is as under:

Name of Director	Designation on the Committee
Mr. Vinod Kumar Dhall	Independent Chairman
Mr. Prakash Kumar Chandraker	Member
Mr. Ranjan Pant	Independent Member

The Company has appointed Mr. Sameet Gambhir, Company Secretary as the ‘Compliance Officer’, who may be contacted for any matter relating to share transfers/transmissions, non-receipt of Annual Reports, Dividend, etc. During the year, the Company received 8 complaints from shareholders and the same were duly resolved. The Company did not have any pending transfers as at March 31, 2014. The same committee was later re-constituted namely, Stakeholder’s Relationship Committee w.e.f. 22nd May, 2014 with the following composition:

Name of Director	Designation on the Committee
Mr. V.S.Vasudevan	Independent Chairman
Mr. Prakash Kumar Chandraker	Member
Mr. Ranjan Pant	Independent Member

> 11. General Body Meetings

The details of the General Body Meetings held since incorporation of the Company on 12.3.2011 are given below:

Sl. No.	General Body Meetings	Date and Time	Venue
1	Extraordinary General Meeting	23rd November, 2011 11.00 AM	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata-700 098
2	Annual General Meeting	5th December, 2011 09.00 AM	Milestone 87, Vadodara-Halol Highway Village Kotambi, P.O. Jarod, Vadodara-391510 Gujarat
3	Annual General Meeting	31st July, 2012 09.00 AM	Gateway Hotels Akota Garden, Akota Vadodara-390 020 Gujarat
4	Annual General Meeting	1st, August 2013 11:30 AM	Gateway Hotels Akota Garden, Akota Vadodara-390 020 Gujarat

Notes:

- *Special resolutions as set out in the Notices to the past three Annual General Meetings were passed with requisite majority in each case.*

> 12. Disclosures

- There were no materially significant related party transactions during the year having conflict with the interests of the Company.
- Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, since inception.

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets since the date of incorporation i.e. 12th March, 2011. The Company has not made any rights or public issue during the period covered by this report.

- The Company has Whistle Blower mechanism in place.
- It is confirmed that the mandatory requirements are complied with and the non-mandatory provisions are adopted wherever necessary.

> 13. Means of Communication

Half-yearly report sent to each household of shareholders	:	No, but published in specified newspapers.
Quarterly Results, which newspapers normally published in:	:	Business Standard/The Mint (English) and Gujarat Samachar (Gujarati).
Any website, where displayed	:	www.schneider-infra.in
Whether it also displays official news releases and presentations made to institutional investors or to the analysts	:	Yes.
Whether Management Discussions and Analysis is a part of Annual Report or not	:	Yes, annexed to the Directors' Report.

> 14. Dividend History of the Company

The Board has not recommended any dividend for the year ended 31.03.2014 and 31.03.2013 due to the inadequate profits.

Dividend of Rs.0.40 per share (20%) was declared for the period ended 31.3.2012.

> 15. Unclaimed Dividend

Unclaimed dividends lying in the Company's unclaimed dividend account are payable to the shareholders subject to verification of their claim.

> 16. General Shareholder Information

A. AGM: Venue, Date and Time : The Gateway Hotels Akota Garden,
Akota, Vadodara-390020
25th September, 2014

B. Financial Calendar : April to March

For the Financial Year 2014-15:

- First Quarter Results will be published during : August, 2014
- Half-Yearly Results will be published during : November, 2014
- Third Quarter Results will be published during : February, 2015
- Results for the fourth quarter and for the year ending on March 31, 2015, will be published during : May, 2015

C. Dates of Book Closure : From September 19, 2014 to
September 25, 2014 (both days inclusive)

D. Dividend Payment Date : Dividend not declared

E. Listing on Stock Exchanges : National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051

Bombay Stock Exchange Ltd.
Phiroz Jeejeebhoy Towers
Dalal Street, Mumbai-400 023

The Calcutta Stock Exchange Ltd.
7 Lyons Range, Kolkata-700 001

The Company has paid the Listing Fees for the year 2013-14 to the three Stock Exchanges.

F. Stock Code

National Stock Exchange of India Ltd.: Symbol : SCHNEIDER	
Bombay Stock Exchange Ltd.	: 534139 for physical and demat scrips
Calcutta Stock Exchange Ltd.	: 10030003
ISIN Number for NSDL and CDSL	: INE 839M01018

G. Market Price Data

(i) As quoted in the Stock Exchange, Mumbai and reference of Schneider Electric Infrastructure Ltd. in comparison with BSE SENSEX:

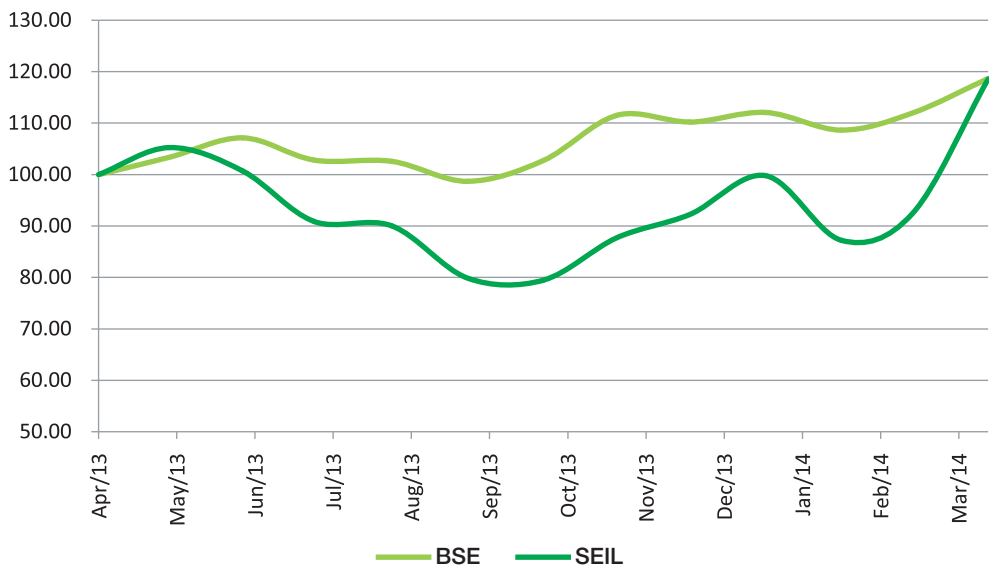
	Schneider Electric Infrastructure Ltd. Share prices on BSE		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2013	79.80	70.20	19,622.68	18,144.22
May 2013	87.40	73.05	20,443.62	19,451.26
June 2013	76.85	62.10	19,860.19	18,467.16
July 2013	74.00	62.50	20,351.06	19,126.82
August 2013	65.70	52.65	19,569.20	17,448.71
September 2013	72.80	56.70	20,739.69	18,166.17
October 2013	69.00	58.00	21,205.44	19,264.72
November 2013	69.95	60.10	21,321.53	20,137.67
December 2013	75.95	66.00	21,483.74	20,568.70
January 2014	77.35	63.40	21,409.66	20,343.78
February 2014	72.50	64.15	21,140.51	19,963.12
March 2014	89.95	66.85	22,467.21	20,920.98

(ii) As quoted in the National Stock Exchange and reference of Schneider Electric Infrastructure Ltd. in comparison with S&P CNX Nifty:

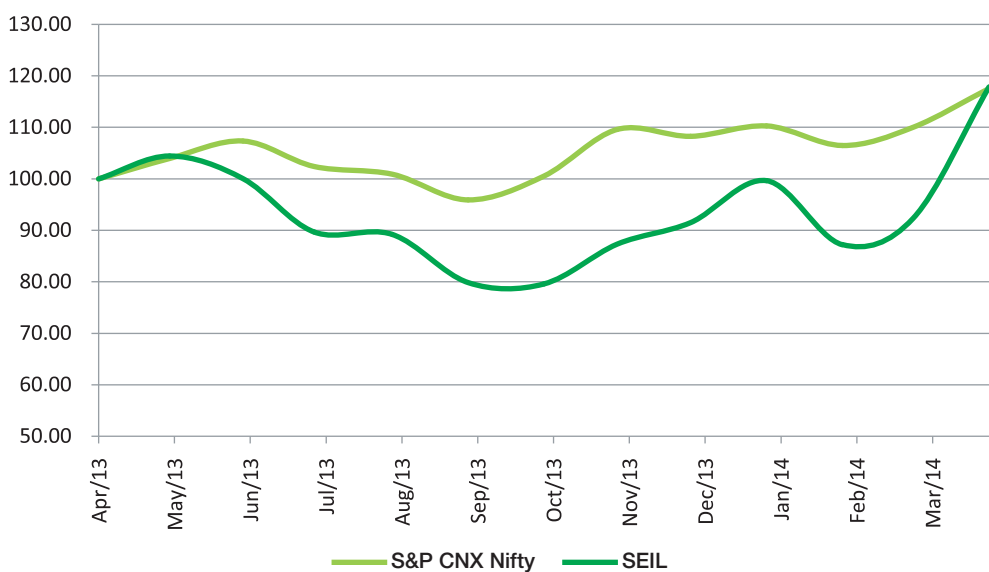
	Schneider Electric Infrastructure Ltd. Share prices on NSE		S&P CNX Nifty	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2013	78.90	69.70	5,962.30	5,477.20
May 2013	88.00	65.25	6,229.45	5,910.95
June 2013	75.00	63.75	6,011.00	5,566.25
July 2013	73.90	62.25	6,093.35	5,675.75
August 2013	65.00	54.50	5,808.50	5,118.85
September 2013	74.70	55.60	6,142.50	5,318.90
October 2013	68.80	57.95	6,309.05	5,700.95
November 2013	69.70	60.35	6,342.95	5,972.45
December 2013	75.90	66.00	6,415.25	6,129.95
January 2014	77.35	63.10	6,358.30	6,027.25
February 2014	73.00	63.60	6,282.70	5,933.30
March 2014	90.00	66.70	6,730.05	6,212.25

(iii) The shares of the Company were not traded on The Calcutta Stock Exchange Limited and therefore no market price is available.

H. Stock Performance of Schneider Electric Infrastructure Limited Vs. BSE Sensex



I. Stock Performance of Schneider Electric Infrastructure Ltd Vs. S&P CNX Nifty



J. Shareholding pattern as on March 31, 2014

Sl. No.	Category	No. of Equity Shares held	Percentage %
1	Indian Principal - Energy Grid Automation Transformers and Switchgears India Limited	168,735,367	70.57
	Foreign Principal - Schneider Electric Singapore Pte Ltd	10,592,659	4.43
2	Insurance Companies	8,285,359	3.47
3	Financial Institutions and Banks	10,335	0.00
4	UTI and other Mutual Funds	13,510,512	5.65
5	Foreign Institutional Investors	4,68,313	0.20
6	Corporate Bodies	11,304,294	4.73
7	Non-resident Indians, Overseas Corporate Bodies and Foreign Nationals	5,67,679	0.24
8	Directors and their Relatives	--	--
9	General Public	24,154,311	10.10
10	Others - Clearing Member	1,470,186	0.61
	Others - Trust	4,415	0.00
	Others - State Government	605	0.00
	Total	239,104,035	100.00

K. Distribution of holdings as on March 31, 2014

Category	No. of Shareholders	Percentage %	No. of Shares	Percentage %
1 - 500	41026	84.63	5,318,860	2.22
501 - 1000	3371	6.95	2,665,673	1.12
1001 - 2000	1897	3.91	2,866,064	1.20
2001 - 3000	769	1.59	1,975,509	0.83
3001 - 4000	405	0.84	1,467,247	0.61
4001 - 5000	278	0.57	1,297,411	0.54
5001 - 10000	460	0.95	3,297,237	1.38
10001 - 50000	233	0.48	4,355,870	1.82
50001 - 100000	10	0.02	8,56,563	0.36
100001 - and above	31	0.06	215,003,601	89.92
	48480	100.00	239,104,035	100.00

L. Registrars and Share Transfer Agents

: **C B Management Services (P) Limited**

P-22, Bondel Road, Kolkata-700 019
Telephone: + 91 33 40116700 (100 Lines) /
22806692/22870263/22823643
Fax: +91 33 40116739, E-mail: rta@cbmsl.com

M. Share Transfer System

A Committee of Directors - Share Transfer and Shareholders / Investors Grievance Committee, was constituted to approve the transfers and transmissions of shares, issue of duplicate share certificates and allied matters. In addition to the above, to expedite the share transfer process Mr. Sameet Gambhir, Company Secretary and the Registrars and Share Transfer Agents, CB Management Services (P) Limited have been severally authorised to approve share

transfers and transmissions, which are given effect to atleast every fortnight.

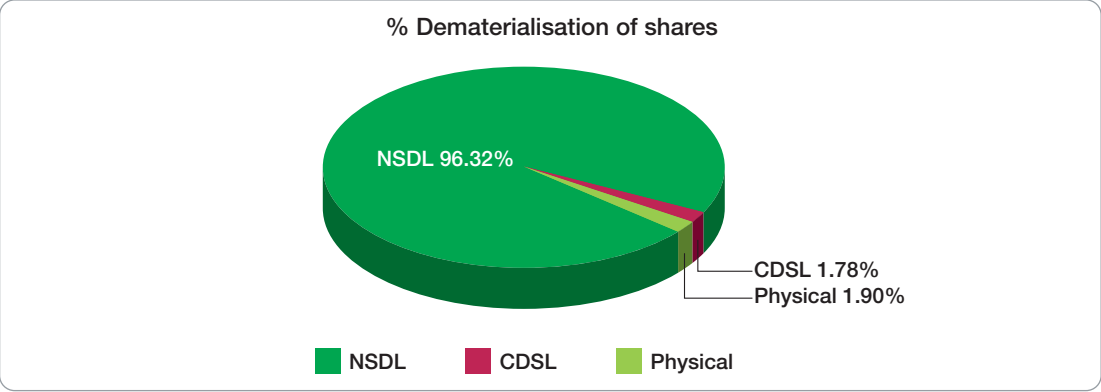
The Company's Registrars, CB Management Services (P) Limited have adequate infrastructure to serve the shareholders and process the share transfers. In compliance with the Listing Agreement, every six months, the share processing system is audited by a practising Company Secretary and a Certificate to that effect is issued. The Company's scrip forms part of the SEBI's compulsory demat segment.

N. Dematerialisation of shares and liquidity

The Company’s scrip forms part of the compulsory demat segment for all investors effective 20.03.2012. To facilitate the investors in having an easy access to the Demat System, the Company has signed up with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The connectivity has been established through the Company’s Registrars CB Management Services (P) Limited.

As at 31.03.2014 a total of 23,45,65,216 Equity Shares of the Company, constituting 98.10 % of the paid-up share capital stand dematerialized as per break given below:



O. Secretarial audit report

As stipulated by the SEBI a qualified practicing Company Secretary carries out the share capital reconciliation audit to reconcile the total admitted Capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and Listed Capital. The Audit is carried out every quarter

in the office of the Registrars and Share Transfer Agents and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in the physical mode.

P. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

None. Not Applicable

Q. Plant locations

In all, the Company has five manufacturing locations, one each at Chennai, Noida, Kolkata and two in Vadodara. Their full

addresses, telephone / fax numbers, etc. are given elsewhere in this Report.

R. Training of Board Members

Requisite arrangement to be made for imparting the training to the Board Members of the Company.

S. Address for correspondence / investor complaints

Registered Office:

Milestone 87
Vadodara-Halol Highway
Village Kotambi, P.O. Jarod
Vadodara 391 510, Gujarat

Contact Person:

Mr. Sameet Gambhir
Company Secretary
Tel. No. 91 120 3940400 / 3898703
Fax No. 91 120 3898700
Email: sameet.gambhir@schneider-electric.com

For and on behalf of the Board

Place: Noida
Date: 22nd May 2014

Vinod Kumar Dhall
Chairman

Declaration by the Managing Director under Clause 49 of the Listing Agreement

To

The Members of Schneider Electric Infrastructure Limited

This is to declare that to the best of my knowledge and belief all the Members of the Board and Senior Management personnel of the Company have affirmed their respective Compliance with the Company's Code of Conduct for the year ended March 31, 2014.

Place: Noida
Date: 22nd May 2014

Prakash Kumar Chandraker
Managing Director

Auditors' Certificate

To

The Members of Schneider Electric Infrastructure Limited

We have examined the compliance of conditions of corporate governance by Schneider Electric Infrastructure Limited, for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R. BATLIBOI & CO**
Firm Registration No: 301003E
Chartered Accountants

Place: Noida
Date: 22nd May 2014

per **Manoj Gupta**
Partner
Membership No.: 83906



Highlights of 2013-14

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<u>2. Research and Development</u>	<u>74</u>



> 1. Partnerships, Major Contracts, Commissioning and Awards

Major landmarks during the year 2013-14

Key landmarks for Your Company during the year included new orders, successful commissioning of projects, new product launches and sponsorship and participation in various end-customer related events:

Schneider Electric Infrastructure Limited established itself as major player in Infrastructure domain with strategic orders from Power Utility, Oil & Gas, Metro, Telecom, Building and Ports Segment as under:-

Power Utility

- Leadership in DMS through 4 major orders:
 - SCADA DMS for Kerala under APDRP
 - SCADA DMS for Jammu & Kashmir under APDRP
 - SCADA DMS for Bihar under APDRP
 - SCADA DMS for CESU Puri.
- Supply of various rating Distribution Transformer for NTPC Nabinagar.
- Leadership in 33 kV GIS for various distribution sub-stations for CESC, Kolkatta.
- First major of eBOP for Punathagsu Hydro Electric Project in Bhutan.
- Supply of critical Transformer and PSS for distribution sub-stations of TATA Power, Mumbai.

Metro

- Leadership in Metro segment for SAS & MV Panels.
 - Supply of 33 kV AIS / GIS & sub-station automation for DMRC Phase III
 - Supply of 33 kV GIS and sub-station automation for Hyderabad Metro

Oil and Gas

- Annual Rate Contract signed with Reliance Industries for Jamnagar Refinery, Phase 3 expansion for MV Panels, Transformer and Loose Relays.
- Strategic reference for 33 kV GIS for Kochi Refinery.

Data Centre

- Breakthrough in Data Centre Segment
 - Supply of Transformers and panels in Data Centre's at Nagpur, Jamnagar & Mumbai for Reliance Industries 4G Telecom Project.
 - Supply of MV Panels in Data Centre's at Bengaluru and Manesar for Wipro Ltd.

FMCG

- Breakthrough in Healthcare Segment for Unit sub-station for Procter & Gamble.

Building

- Strategic reference for power distribution project for Smart City being developed in Mumbai by Lodha Developers – Casa Township.

Renewables

- Supply of 150 Transformers for wind mill in Gujarat, Karnataka, Maharastra & Rajasthan.
- Strategic reference from Moserbaer for 50 MW solar evacuation project in Charanka, Gujarat.

Ports

- Major breakthrough for power distribution package for Gangavaran, Kakinada, and Jaigad Port.



Major projects commissioned during the year

- **Saint Gobain**

Your Company executed this project of supplying, installation, testing and commissioning of 132 kV Switch Yard along with civil works, 2 x 25 MVA Transformers, 11 kV Panels, Dry Type Transformer, 2 MVA DG Sets and Drives for Saint Gobain for their Bhiwadi Glass Plant. Expectations remained high, as Saint Gobain is a Global Customer. Your Company has delivered the project maintaining world class quality and safety standards.

- **Power Grid Corporation of India Ltd.**

Your Company has completed renovation and modernization activities for Gladni (Jammu) and Udampur sub-stations of Power Grid Corporation of India Ltd. It included supply and replacement of existing 220 KV Bay Equipments viz Circuit Breaker, Current Transformer, Capacitive Voltage transformer, PLCC system etc. Your Company has executed the project in timely and in a professional manner.

- **Punatsangchhu-II Hydroelectric Project Authority**

Your Company has successfully completed the construction power work of Punatsangchhu Hydroelectric project. The scope was supply, installation, testing and commissioning of 4 Nos.

33/11 KV Transformer and 33 KV Indoor sub-stations.

- **Moserbaer A/C Kindle Engineering**

Your Company has yet again demonstrated its capabilities in executing projects swiftly and smoothly by delivering stiffly scheduled Moserbaer's Patan Solar Plant in extremely tight span of 3 months and created a benchmark for itself. This project included design, manufacturing, transportation, installation and commissioning of 6 Bays of 66 KV Switch Yard, 25 KM of Cable Network, and 9 nos. of Inverter Station consisting of Inverter Transformer and MV Panels. Moserbaer felt extremely delighted with its association with Schneider Electric for having their expectations met even in very difficult situations.

- **Felgura Graus India Pvt. Ltd.**

Your Company has successfully commissioned Kakinada Port 5th Berth Conveyor Electric Package for coal handling system. Major supplies included HT Panels, Power/ Distribution Transformers, Field Devices, Cabling etc. This is a break through project for Your Company considering upcoming potential in Indian Port Market, which we entered into, with projects.

Orders won by services activity

- APCPDCL - Modernization of 70 Nos 33 & 11kV old Voltas Circuit Breakers. The job involved refurbishment of complete switchboard and augmentation of ratings from 1250 to 2000 A within same space and target time lines/shutdowns. The fixed version CBs have been replaced with trolley mounted CBs which are easier to maintain & service.
- Midhani - Capacity enhancement of 11/0.433 kV sub-stations by supplying and commissioning state of the art MV & LV Switchboards along with sandwich type LV Bus

Trunking. The job was carried out in two phases within tight shut down schedules to have minimal disruption of power.

- NTPC Kahalgaon and Unchahar - Modernization of 63 old 11kV Russian Air Circuit Breakers, protection scheme modernization & upgradation and 77 old 11kV Voltas SF6 Circuit Breakers with Vacuum CBs. New VCBs are more compact compared to the existing ones and as such handling & maintenance will be much easier going forward.



> 2. Research and Development

- Tested and implemented improved PCOB 36 outdoor CB.
- 36 kV RMU type Flusarc implemented with SF6 tank from Italy & with local adaptation.
- FBX RMU cable chamber upgraded to IAC 21 kA, 1s.
- Launched PIX Rof 40 kA for upto 3150A.
- Successfully type tested and implemented improved indoor 36 kV PIX 36 cubicle and HVX O CB with IAC 31.5 kA, 1s.
- Successfully type tested and implemented improved indoor 11 kV PIX MV cubicle with IAC 26.3 kA, 1s.
- Established MV test lab at one campus R&D Centre, Bangalore.



Financial Statements Schneider Electric Infrastructure Limited

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> Independent Auditor's Report

To The Members of Schneider Electric Infrastructure Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Schneider Electric Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Emphasis of Matter

Attention is invited to note 39 of the accompanying financial statements regarding the sale and purchase of goods and services from a Company covered under section 297 of the Companies Act, 1956, which requires prior approval of Central Government. The Company has obtained Central Government approval for certain transactions and is in process of obtaining Central Government approval on

compounding of certain transactions, more fully described in the note. Pending final outcome, no adjustments are made in financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - e. On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

Place: Noida
Date: 22nd May 2014

per **Manoj Gupta**
Partner
Membership No.: 83906

Annexure

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Schneider Electric Infrastructure Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company had taken loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,900 Million and the year-end balance of loans taken from such party was Rs. 1,900 Million.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) 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 209(1)(d) of the Companies Act, 1956, related to the manufacture of power transformers, switchgears and other related products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*. Undisputed statutory dues of service tax and related cess thereto *have not been regularly deposited with the appropriate authorities and there have been serious delays*. [Refer (ix) (b) below]
- (b) According to the information and explanations given to us, *undisputed dues in respect of service tax which were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:*

Name of the statute	Nature of the dues	Amount (Rupees Million)	Period to which the amount relates	Due Date	Date of Payment
The Finance Act, 1994	Service tax	0.36	2008-2009	5th/6th of the end of each month	Unpaid
		0.61	2009-2010		
		5.10	2010-2011		
		2.25	2011-2012		
		8.32			

- (c) According to the information and explanation given to us, there are no dues of income tax, wealth tax, customs duty, and cess which have not been deposited on account of any dispute.

According to the records of the Company, the dues outstanding of sales tax, service tax, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rupees million)	Amount deposited (Rupees Million)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non-submission of declaration forms, Input tax claim disallowed	168.38	-	2007-08	Senior Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	Non-submission of Form C/I/E-1 and export documents	102.02*	45.14	2009-10	Joint Commissioner Allahabad
Central Sales Tax Act, 1956	Non-collection of declaration forms	92.62*	36.08	2007-08	Joint Commissioner, Allahabad
Central Sales Tax Act, 1956	Non-submission of form C/I/E-1 and export documents	73.98*	46.48	2008-09	Joint Commissioner Allahabad
Central Sales Tax Act, 1956	Non-collection of declaration forms and CST sales treated as local sales	72.96*	-	2010-11	Joint Commissioner (Corporate Circle)
Central Sales Tax Act, 1956	Non-submission of C Forms	52.50*	5.77	2009-10	Deputy Commissioner of Commercial Tax, Vadodara

Central Sales Tax Act, 1956	Non-submission of declaration forms, Input tax claim disallowed	46.17*	0.40	2006-07	West Bengal Sales Tax Revision Board
Central Sales Tax Act, 1956	Non-submission of Declaration forms	41.71*	-	2011-12	Madras High Court
Central Sales Tax Act, 1956	Non-submission of Declaration forms	19.37*	9.29	2010-11	Madras High Court
Central Sales Tax Act, 1956	Input tax claim disallowed, Non-submission of declaration forms	16.85*	-	2009-10	Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	Non-collection of declaration forms	16.79	-	1993-94	West Bengal Sales Tax Revision Board
Gujarat Value Added Tax, 2003	Non-collection of declaration forms	14.09*	6.98	2008-09	Deputy Commissioner
Central Sales Tax Act, 1956	Non-collection of declaration forms	11.09	-	2009-10	Deputy Commissioner (Appeals)
Central Sales Tax Act, 1956	Non-submission of declaration forms	10.40*	0.10	2005-06	West Bengal Sales Tax Revision Board
Central Sales Tax Act, 1956	Non-collection of declaration forms	9.61*	-	2007-08	Deputy Commissioner, U.P. Sales Tax
Central Sales Tax Act, 1956	Non-submission of declaration forms	9.29*	-	2008-09	Joint Commissioner (Appeals)
Uttar Pradesh Trade Tax Act, 1948	Seizure of transformer on charges of incomplete documentation	8.70	4.30	2010-11	Joint Commissioner (Corporate)
Central Sales Tax Act, 1956	Non-collection of declaration forms	8.32*	-	2003-04	West Bengal Sales Tax Revision Board
Central Sales Tax Act, 1956	Non-submission of declaration forms	8.02*	3.57	2009-10	Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	Non-collection of declaration forms	7.50*	0.33	2004-05	West Bengal Sales Tax Revision Board
Central Sales Tax Act, 1956	Non-collection of declaration forms	7.10*	-	2006-07	Deputy Commissioner, U.P. Sales Tax
Central Sales Tax Act, 1956	Non-collection of declaration forms	7.03*	-	2006-07	Deputy Commissioner, Allahabad
Central Sales Tax Act, 1956	Disallowance of stock transfers made within the state, Denial of input tax credit, Difference in interpretation of rates and Non-submission of documents to substantiate the purchases	6.64*	5.76	2008-09	Joint Commissioner Allahabad
Central Sales Tax Act, 1956	Non-collection of declaration forms	6.36*	-	2002-03	High Court of Kolkata
Uttar Pradesh Trade Tax Act, 1948	Project sales tax assessment	5.50	4.61	2005-06	Deputy Commissioner, U.P. Sales Tax
West Bengal Sales Tax Act, 1994	Non-collection of declaration forms	3.20	-	1997-98	West Bengal Sales Tax Revision Board
Central Sales Tax Act, 1956	Non-collection of declaration forms	2.80	-	1997-98	West Bengal Sales Tax Revision Board
Central Sales Tax Act, 1956	Non-collection of declaration forms	2.63*	-	2007-08	DCCT, (Recovery-22) Bangalore, JCCT (Appeals-1), Bangalore
Central Sales Tax Act, 1956	Enhancement of purchases and levy of entry tax	2.47*	1.90	2008-09	Joint Commissioner Allahabad
Gujarat Value Added Tax, 2003	Non-collection of declaration forms	2.47*	0.04	2007-08	Deputy Commissioner
Central Sales Tax Act, 1956	Interest demand on non-collection of declaration forms	2.16*	-	2001-02	Deputy Commissioner
Delhi Value Added Tax Act, 2004	VAT Audit objections and exparte assessment done	1.83	-	2007-08	VAT Audit Officer, Delhi
Central Sales Tax Act, 1956	Non-collection of declaration forms	1.77*	-	2009-10	Deputy Commissioner (Appeals)
Central Sales Tax Act, 1956	Interest demand on non-collection of declaration forms	1.51*	-	2002-03	Deputy Commissioner

Central Sales Tax Act, 1956	Non-collection of declaration forms	0.54*	-	2009-10	Deputy Commissioner (Commercial Tax)
Central Sales Tax Act, 1956	Non-collection of declaration forms	0.50*	-	2005-06	Deputy Commissioner, U.P. Sales Tax
Central Sales Tax Act, 1956	Non-collection of declaration forms	0.43	-	2005-06	DCCT, (Audit - 1.1) DVO-1, Bangalore
Central Sales Tax Act, 1956	Non-collection of declaration forms	0.42*	0.14	2010-11	Deputy Commissioner (Appeals)
Uttar Pradesh Trade Tax Act, 1948	Levy of purchase Tax due to Unregistered purchases made	0.33*	-	2006-07	Deputy Commissioner, U.P. Sales Tax
Central Sales Tax Act, 1956	Non-collection of declaration forms	0.32	-	2006-07	DCCT, (Audit - 15) DVO-1, Bangalore
Tamil Nadu General Sales Tax Act, 1959	Levy of penalty for wrong disclosure of turnover and Non furnishing of required documents for export and other claims	0.29*	-	1991-92	Sales Tax Appellate Tribunal, Chennai
Central Sales Tax Act, 1956	Non-collection of declaration forms	0.26	-	2008-09	Deputy Commissioner, Jaipur
Central Sales Tax Act, 1956	Non-collection of declaration forms	0.23*	-	2011-12	Deputy Commissioner
Madhya Pradesh Value Added Tax Act, 2002	Non-collection of declaration form and CST sales treated as local sales	0.18*	0.06	2010-11	Deputy Commissioner (Appeals)
Punjab Value Added Tax Act, 2005	Material held for non endorsement of lorry receipts	0.09*	-	2009-10	Joint Director (Investigation) cum Deputy Commissioner
Rajasthan Value Added Tax Act, 2003	Difference in interpretation	0.08	-	Not Available	Deputy Commissioner, Jaipur
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax On High Sea Sales Imported Material	0.07*	0.02	2010-11	Deputy Commissioner (Appeals)
Uttar Pradesh Trade Tax Act, 1948	Seizure of Fibre Glass being transported without road permit	0.004	-	2006-07	Deputy Commissioner, Allahabad
Uttar Pradesh Trade Tax Act, 1948	Seizure of Gland Cable being transported without road permit	0.004	-	2007-08	Deputy Commissioner (Appeals)
Central Excise Act, 1944	Wrong availment of CENVAT on Inter Unit transfer	361.59	-	2007-08	CESTAT – Chennai
Finance Act, 1994	Non-payment of Service Tax on amount paid for the use of Trade Mark	23.19*	5.26	2010-11	CESTAT – Chennai
Finance Act, 1994	Non-payment of Service Tax on amount paid for the use of Trade Mark	12.66*	12.66	2011-12	CESTAT – Chennai
Central Excise Act, 1944	Demand of duty for Exemption under notification 108/95	10.29	-	2001-02	Tribunal Delhi
Finance Act, 1994	Non-payment of service tax on provision created in books, short payment of service tax on royalty and technical knowhow payments made under intellectual property right services	10.12*	-	2010-11	CESTAT – Chennai
Central Excise Act, 1944	Under valuation of VIT tubes CAS 4 not considered by department for earlier period	5.21	2.00	1994-95	CESTAT – Chennai
Central Excise Act, 1944	Non inclusion of 15% Profit Margin in Transfer Pricing	5.13	-	1993-94 and 1994-95	Kolkata High Court
Finance Act, 1994	Irregular availment of CENVAT Credit of Service Tax	4.98*	-	2012-13	CESTAT – Chennai
Central Excise Act, 1944	Rejection of refund claim towards CENVAT reversals as insisted during Excise audit	4.44*	-	2012-13	Commissioner (Appeals) LTU

Central Excise Act, 1944	Captively consumed goods for manufacture of control panels without payment of duty under notification 67/95, subsequently cleared by availing exemption under notification 6/2006	2.15*	-	2008-09	CESTAT – Chennai
Central Excise Act, 1944	Disallowance of CENVAT Credit, duty on captive consumption and clearance of goods under notification 6/2006.	1.76*	-	2009-10	CESTAT – Chennai
Central Excise Act, 1944	Non-payment of interest on duty paid for supplementary invoices belatedly	1.57*	-	2009-10	Madras High Court
Central Excise Act, 1944	Short payment of duty	1.35	-	2007-08	Commissioner (Appeals) LTU
Central Excise Act, 1944	Demand of amount equal to credit availed on mandatory spares cleared as such under notification 6/2006	1.20*	-	2008-09	CESTAT – Chennai
Central Excise Act, 1944	Non-payment of interest on duty paid for supplementary invoices belatedly	0.93*	-	2011-12	CESTAT – Chennai
Finance Act, 1994	Disallowance of CENVAT credit availed on certain input services	0.79*	-	2012-13	CESTAT – Chennai
Finance Act, 1994	Non-payment of service tax on provision created in books, short payment of service tax on royalty and technical knowhow payments made under intellectual property right services	0.65*	-	2011-12	CESTAT – Chennai
Finance Act, 1994	Non-payment of service tax on manpower supply services	0.62*	-	2012-13	Commissioner (Appeals) LTU
Finance Act, 1994	Payment of Service Tax on GTA through CENVAT	0.51*	-	2005-06	Tribunal Delhi
Central Excise Act, 1944	Demand of duty for exemption under notification 108/95	0.47*	-	2003-04	Commissioner (Adj.) New Delhi
Finance Act, 1994	Rejection of refund claim made towards CENVAT reversal done under protest in respect of service tax credit availed on marine insurance policies	0.43*	-	2011-12	Commissioner (Appeals) LTU
Central Excise Act, 1944	Non-payment of interest on duty paid for supplementary invoices belatedly	0.27*	-	2010-11	CESTAT – Chennai
Central Excise Act, 1944	CENVAT credit availed on SAP maintenance charges	0.21*	-	2008-09	Madras High Court
Finance Act, 1994	Rejection of refund claim of interest paid for CENVAT credit wrongly availed but not utilized	0.13*	-	2012-13	Commissioner (Appeals) LTU
Central Excise Act, 1944	Captively consumed goods cleared by availing exemption under notification 6/2006	0.11*	-	2010-11	CESTAT – Chennai
Finance Act, 1994	Short payment of service tax on GTA	0.08*	-	2009-10	Madras High Court
Central Excise Act, 1944	Levy of penalty	0.02	-	2011-12	CESTAT – Chennai
Central Excise Act, 1944	Seizure of spares while being transported to railway station alleging transportation without invoice	0.01	-	1996-97	Commissioner (Appeals) Allahabad

* Includes Company's share of Rs. 695.47 Million of dues pending in forums jointly with ALSTOM T&D India Limited (Refer note 30 of the accompanying financial statements)

- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) During the period covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

Place: Noida
Date: 22nd May 2014

per **Manoj Gupta**
Partner
Membership No.: 83906

> Balance Sheet as at March 31, 2014

Schneider Electric Infrastructure Limited

		(Rupees Millions)	
	Notes	March 31, 2014	March 31, 2013
Equity and liabilities			
Shareholders' funds			
Share capital	3	478.21	478.21
Reserves and surplus	4	657.58	1,906.85
		1,135.79	2,385.06
Non-current liabilities			
Long-term borrowings	5	1,900.00	-
Long-term provisions	6	428.32	244.66
		2,328.32	244.66
Current liabilities			
Short-term borrowings	5	696.63	2,341.38
Trade payables	7	6,522.66	6,154.59
Other current liabilities	7	1,725.77	1,767.11
Short-term provisions	6	157.09	158.06
		9,102.15	10,421.14
TOTAL		12,566.26	13,050.86
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	1,755.60	1,932.59
Capital work-in-progress		190.84	56.51
Deferred tax assets (net)	9	114.23	114.23
Loans and advances	10	224.77	88.75
Trade receivables	11	402.87	533.08
		2,688.31	2,725.16
Current assets			
Inventories	12	1,799.30	1,497.20
Trade receivables	11	6,810.91	7,556.80
Cash and Bank Balances	13	11.23	43.94
Loans and advances	10	916.79	1,088.07
Other current assets	14	339.72	139.69
		9,877.95	10,325.70
TOTAL		12,566.26	13,050.86

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 and on behalf of the Board of Directors of
Schneider Electric Infrastructure Limited

For S.R.Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E
Chartered Accountants

Per **Manoj Gupta**
Partner
Membership No.83906

Prakash Kumar Chandraker
Managing Director

Anil Chaudhry
Director

Anurag Mantri
Chief Financial Officer

Sameet Gambhir
Company Secretary

Place: Noida
Date: 22nd May 2014

> Statement of Profit and Loss for the Year Ended March 31, 2014

Schneider Electric Infrastructure Limited

		(Rupees Millions)	
	Notes	March 31, 2014	March 31, 2013
Income			
Revenue from operations (gross)	15	13,308.47	14,178.01
Less: Excise duty		(1,151.96)	(1,073.88)
Revenue from operations (net)		12,156.51	13,104.13
Other income	16	450.33	68.31
Total revenue (I)		12,606.84	13,172.44
Expenses			
Cost of raw material and components consumed	17	8,817.65	9,073.92
(Increase)/ Decrease in Inventories of finished goods and work-in-progress	18	(120.79)	(92.54)
Employee benefits expense	19	1,434.69	1,482.69
Other expenses	20	2,864.15	2,311.20
Total Expenses (II)		12,995.70	12,775.27
Earnings before interest, tax and depreciation and amortisation (EBITDA) (I) - (II)		(388.86)	397.17
Depreciation and amortisation	21	227.09	259.51
Finance costs	22	260.32	318.34
Profit/ (loss) before Exceptional Items and Tax		(876.27)	(180.68)
Exceptional Items	23	373.00	100.00
Profit/ (loss) before Tax		(1,249.27)	(280.68)
Current tax		-	-
Tax related to Prior years		-	35.75
Deferred tax	9	-	(31.84)
Total tax expense		-	3.91
Profit/ (loss) for the year		(1,249.27)	(284.59)
Basic & Diluted - Earnings per equity share (In Rupees) (nominal value of share Rupees 2/- each) computed on the basis of total profit / (loss) for the year	24	(5.22)	(1.19)

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 and on behalf of the Board of Directors of
Schneider Electric Infrastructure Limited

For S.R.Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E
Chartered Accountants

Per Manoj Gupta
Partner
Membership No.83906

Prakash Kumar Chandraker
Managing Director

Anil Chaudhry
Director

Anurag Mantri
Chief Financial Officer

Sameet Gambhir
Company Secretary

Place: Noida
Date: 22nd May 2014

> Cash Flow Statement for the Year Ended March 31, 2014

Schneider Electric Infrastructure Limited

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
A. Cash flow from operating activities		
Profit / (Loss) before tax	(1,249.27)	(280.68)
Adjustments to reconcile profit / (loss) before tax to net cash flows:		
Provision for warranties	-	29.37
Provision for litigation	187.49	17.53
Provision for doubtful debts / advances	226.45	69.46
Provision for Contract Losses	7.46	-
Bad debts / advances written off	453.71	354.12
Tangible assets written off (Including Capital Work In Progress)	128.49	1.67
Loss on sale of tangible assets	-	17.22
Unrealised foreign exchange variation (net)	51.86	20.77
Depreciation	227.09	259.51
Interest expense	195.96	248.34
Operating profit before working capital changes	229.24	737.31
Movements in Working Capital :		
(Increase) / Decrease in Trade receivables	213.77	(1,255.29)
(Increase) / Decrease in Loans and advances	51.85	(65.07)
(Increase) / Decrease in Other current assets	(200.03)	73.55
(Increase) / Decrease in Inventories	(302.10)	142.17
Increase / (Decrease) in Trade payables	294.41	1,269.52
Increase / (Decrease) in Other current liabilities	(68.81)	(335.64)
Increase / (Decrease) in Provisions	(12.26)	(19.89)
Cash generated from / (used in) operations	206.07	546.66
Income tax paid	(16.59)	(170.35)
Net cash from / (used in) operating activities (A)	189.48	376.31
B. Cash flow from investing activities		
Purchase of tangible assets (including Capital Work in Progress)	(295.33)	(208.63)
Proceeds from Sale of tangible assets	0.96	4.27
Net cash from / (used in) investing activities (B)	(294.37)	(204.36)
C. Cash flow from financing activities		
Proceeds from borrowings	5,524.75	5,284.52
Repayment of borrowings	(5,265.54)	(5,190.26)
Dividends paid on equity shares	(0.02)	(94.74)
Taxes paid on equity dividend	-	(15.52)
Interest paid	(187.01)	(219.73)
Net cash from / (used in) financing activities (C)	72.18	(235.73)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(32.71)	(63.78)
Cash and cash equivalents at the beginning of the year	43.94	107.72
Cash and cash equivalents at the end of the year	11.23	43.94
Components of Closing Cash and Cash equivalents		
With Banks on Current Account	7.28	43.04
Cheques on hand	3.07	-
Unclaimed Dividend Account*	0.88	0.90
Total Cash and Cash Equivalents (Refer Note 14)	11.23	43.94

Summary of significant accounting policies

2.1

*The company can utilize the balances only toward settlement of the respective unclaimed dividend.

As per our report of even date

For and on behalf of the Board of Directors of
Schneider Electric Infrastructure Limited

For S.R.Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E
Chartered Accountants

Per Manoj Gupta
Partner
Membership No.83906

Prakash Kumar Chandraker
Managing Director

Anil Chaudhry
Director

Anurag Mantri
Chief Financial Officer

Sameet Gambhir
Company Secretary

Place: Noida
Date: 22nd May 2014

> Notes to Financial Statements

1. Nature of operations

Schneider Electric Infrastructure Limited was incorporated on March 12, 2011. It is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on three stock exchanges in India. The Company is engaged in the business of manufacturing, designing, building and servicing

technologically advanced products and systems for electricity distribution including products such as distribution transformers, medium voltage switchgears, medium and low voltage protection relays and electricity distribution and automation equipments.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with 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 notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, read with general circular

8/2014 dated 4th April 2014 issued by Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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) Tangible fixed assets

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

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases

the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

(c) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are higher than the rates prescribed under the Schedule XIV to the Companies Act, 1956. The Company has used the following rates to provide depreciation on its fixed assets.

Buildings	4.0%, 10.0% and 12.5%
Plant and Equipment	4.75%, 10.0%, 12.5%, 15.0%, 20.0%, 25.0% and 33.3%

EDP Equipments	16.67%, 25.0%, 33.3% and 50.0%
Furniture and Fixtures (Includes Office Equipments)	10.0%, 15.0%, 20.0%, and 33.0%
Motor Vehicles	25.0% and 33.0%

Lease hold land is amortized on a straight line basis over the period of 999 years (i.e., the term of lease). Cost of lease hold improvement is depreciated over their useful life or unexpired lease period, whichever is lower.

(d) Leases

Where the Company is lessee

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

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. 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, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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.

(e) 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.

(f) Impairment of tangible 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 Unit's (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.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss.

(g) 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 a weighted average 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 finished goods includes excise duty. Cost is determined on a weighted average 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.

(h) Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Sales Taxes and Value Added Taxes (VAT)

on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenue from maintenance contracts is recognized pro-rata over the period of the contract as and when services are rendered.

Revenue from engineering and designing services is recognized on the basis of amounts agreed on for the time spent and expenses incurred on the activities.

The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

(i) Long-term contracts

Sales revenue and margins on construction contracts and certain services are recognized according to the percentage of completion method ("PCM"), as provided in AS 7 ("Revised") - "Construction contracts". Sales revenue and income from long-term contracts are recognized over the period of performance of the contract on achievement of certain internal milestones. Depending on the contract terms, the percentage of completion is determined based on costs or the stage of physical completion. Under the cost-based PCM formula, the stage of completion is equal to the ratio of costs to the total estimated cost of the contract. Under the physical completion PCM formula, a predetermined percentage of completion is assigned to each stage of completion of the contract. The sales revenue and costs recognized at the end of the period are equal to the percentage of sales revenue and anticipated costs for the stage of completion achieved at that date. Income recognition arising on these contracts is based on estimated overall profitability of individual contracts reviewed periodically.

Direct costs incurred for long-term contracts over

and above the pro-rata to sales are considered as work-in-progress. Provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue, based on Management's analysis of the risks and exposures on a case to case basis.

(j) Foreign currency transactions

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, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

All exchange differences are recognized as income or as expenses in the period in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

(k) Retirement and other employee benefits

Retirement benefit in the form of Superannuation Fund, Provident Fund and ESI are defined contribution schemes. There are no other obligations other than the contributions payable to the respective funds. The company recognizes contribution payable to the respective fund scheme as an expenditure, when an employee renders the

related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received, before the balance sheet date, then excess is recognized as an asset, to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans 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.

Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss immediately.

(l) Income Taxes

Tax expense comprises of 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income taxes reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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 recognised 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 unrecognised deferred tax assets. It recognises unrecognised deferred tax assets 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 realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a 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 realised. 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 taxable entity and the same taxation authority.

(m) Segment reporting policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit

that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The Company generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

(n) Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(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 provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

(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 in hand and short-term investments with an original maturity of three months or less.

(r) Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

(s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. Share capital

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Authorized share capital		
250,000,000 (31 March 2013: 250,000,000) equity shares of Rupees 2/- each	500.00	500.00
Issued, subscribed and fully paid-up share capital		
239,104,035 (31 March 2013: 239,104,035) equity shares of Rupees 2/- each	478.21	478.21
Total issued, subscribed and fully paid-up share capital	478.21	478.21

a. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rupees 2/- per share. Each holder of equity shares is entitled to one vote per share. The company shall declare and pay dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of winding-up of the company, the equity shareholders shall be entitled to be repaid remaining assets of the company, in the ratio of the amount of capital paid up on such equity shares.

b. Shares held by Holding Company and Parent of Holding Company

	Number of shares (in Millions)		Amount (in Millions)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Energy Grid Automation Transformers and Switchgears India Limited, the Holding Company (refer note 38)	168.74	176.21	337.47	352.43
Schneider Electric Singapore Pte. Limited, Parent of Holding Company (Refer Note 38)	10.59	10.59	21.18	21.18

c. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

(Rupees Millions)

	March 31, 2014		March 31, 2013	
	Number of shares (in Millions)	Amount	Number of shares (in Millions)	Amount
Outstanding at the beginning of the year	239.10	478.21	239.10	478.21
Issued during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Outstanding at the end of the year	239.10	478.21	239.10	478.21

d. Details of shareholders holding more than 5% shares in the company

	March 31, 2014		March 31, 2013	
	Number of shares (in Millions)	Percentage (%)	Number of shares (in Millions)	Percentage (%)
Equity shares of Rupees 2/- each fully paid:				
Energy Grid Automation Transformers and Switchgears India Limited, the Holding Company	168.74	70.57%	176.21	73.70%
Reliance Capital Trustee Company Limited A/c through Reliance Regular Vision Fund, (Scheme of Reliance Mutual Fund)	11.38	4.76%	11.98	5.01%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves and surplus

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Capital reserve		
Balance as per the last financial statements	410.25	410.25
Closing Balance	410.25	410.25
General reserve		
Balance as per the last financial statements	1,534.63	1,534.63
Add: Amount transferred from surplus balance in statement of profit and loss	-	-
Closing Balance	1,534.63	1,534.63
Surplus/(deficit) in the statement of profit and loss:		
Balance as per the last financial statements	(38.03)	246.56
Add: Profit / (Loss) for the year	(1,249.27)	(284.59)
Net surplus / (deficit) in the statement of profit and loss	(1,287.30)	(38.03)
Total reserves and surplus	657.58	1,906.85

5. Borrowings

	Long-term		(Rupees Millions) Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured				
Loan from banks repayable on demand	-	-	275.19	-
Short term loan from banks	-	-	250.00	1,175.00
Short term foreign currency loan from banks	-	-	171.44	166.38
Loans and Advances from Related Parties:				
Loan from Schneider Electric IT Business India Private Limited	1,900.00	-	-	1,000.00
	1,900.00	-	696.63	2,341.38

- a. Loan from banks repayable on demand comprises of Bank Overdraft availed in Current Accounts carrying interest rate of 11.50% per annum.
- b. Short term loan from banks includes-
- (i) Rupees 250 Millions which carries interest rate 7.00% per annum. The loan is payable in 150 days from the end of the balance sheet date (March 31, 2013 - Rupees 1,175 Millions carrying interest rate of 7.50% per annum).
- c. Short term foreign currency loan includes-
- (i) USD 1.38 Millions (Rupees 82.94 Millions) Export Loan which carries interest rate LIBOR plus 0.50 % per annum. This loan is repayable within 150 days from the end of the balance sheet date. (March 31, 2013 - USD 0.98 Millions (Rupees 56.89 Millions) which carries interest rate LIBOR plus 1.16 % per annum)
- (ii) USD 0.38 & 0.22 Millions (Rupees 23.14 and 13.35 Millions) Buyer Credit Loan which carries interest rate LIBOR plus 0.50 % and 0.45% per annum respectively. This loan is repayable in 58 and 25 days respectively from the end of the balance sheet date. (March 31, 2013 - USD 2 Millions (Rupees 108.78 Millions) which carries interest rate LIBOR plus 1.27 % per annum)
- (iii) EUR 0.49 Millions and 0.13 Million (Rupees 41.21 and 10.79 Millions) Buyer Credit Loan which carries interest rate LIBOR plus 0.45 % and 0.50% per annum respectively. This loan is repayable in 29 and 63 days respectively from the end of the balance sheet date
- d. Short term Loan taken from Schneider Electric IT Business India Private Limited of Rupees 1,000 Millions carried forward from previous year (carrying interest rate of 8.00% per annum) and short term loan of Rupees 900 Millions taken during the current year was converted into long term loan during the current year. Accordingly, long term loan of Rupees 1,900 Millions, which carries interest rate of 7.50% per annum, is repayable after 12 months from end of Balance Sheet date.

6. Provisions

	Long-term		(Rupees Millions) Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for Employee Benefits				
Provision for gratuity (refer note 25.1)	8.84	15.47	-	-
Provision for leave benefits	-	-	43.02	43.94
Other Provisions				
Provision for warranties	35.15	37.65	105.44	112.95
Provision for Lease Equalization	10.60	5.30	-	-
Provision for Contract Losses	-	-	8.63	1.17
Provision for Litigation	373.73	186.24	-	-
	428.32	244.66	157.09	158.06

Provision for Warranties:

A provision is recognised for expected warranty claims on products sold during the last 18 to 24 months, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be paid out in the next financial year and all will have been paid out within two years after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the 18 to 24 months warranty period for products sold.

Provision for Litigation:

Provision for Litigations represent provisions in respect of litigations for sales tax, excise duty and service tax. Although the company continues to contest the cases at different forums, the management believes that outflow of resources embodying economic benefits is probable. Hence, the Company has created a provision towards the same.

Movement of Provisions

	Provision for Warranties		(Rupees Millions) Provision for Litigation	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
At the beginning of the year	150.60	121.23	186.24	168.71
Arising during the year	-	55.06	187.49	17.53
Utilized during the year	-	-	-	-
Unused amounts reversed	(10.01)	(25.69)	-	-
At the end of the year	140.59	150.60	373.73	186.24
Current portion	105.44	112.95	-	-
Non-current portion	35.15	37.65	373.73	186.24



7. Other current liabilities

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Trade payables (including acceptances) (Refer Note 33 for details of dues to Micro, Small and Medium enterprises)	6,522.66	6,154.59
	6,522.66	6,154.59
Other liabilities		
Advance from Customers	1,000.11	767.08
Advance billing to Customers	522.91	812.40
Capital Creditors	46.93	28.39
Interest accrued but not due on borrowings	42.66	33.71
Book Overdraft	4.08	-
Unclaimed Dividend	0.88	0.90
Others		
ED on Finished Goods	40.15	36.56
Service Tax payable*	8.32	72.78
Other statutory payables	59.73	15.29
	1,725.77	1,767.11
	8,248.43	7,921.70

* Service tax payable represents undisputed service tax not paid for more than six months of Rupees 8.32 Millions as at March 31, 2014 (March 31, 2013 - Rupees 26.17 Millions)

8. Tangible assets

	(Rupees Millions)								
Particulars	Freehold Land	Leasehold Land	Leasehold Improvements	Buildings	Plant and Equipments	Furniture and Fixtures	EDP Equipments	Motor Vehicles	Total
Cost									
At March 31, 2012	103.36	1.53	-	1,146.50	1,349.63	89.92	189.08	5.51	2,885.53
Additions during the year	-	-	-	3.50	44.80	10.82	46.86	36.60	142.58
Disposals	-	-	-	1.75	35.18	1.37	6.46	-	44.76
At March 31, 2013	103.36	1.53	-	1,148.25	1,359.25	99.37	229.48	42.11	2,983.35
Additions during the year		61.28	12.30	-	27.87	6.26	31.72	36.54	175.97
Disposals*		0.02		58.04	189.92	14.59	13.50	1.02	277.09
At March 31, 2014	103.36	62.79	12.30	1,090.21	1,197.20	91.04	247.70	77.63	2,882.23
Depreciation									
At March 31, 2012	-	0.06	-	131.45	493.06	44.33	140.11	4.09	813.10
Charge for the year	-	0.01	-	68.01	132.14	18.39	37.40	3.56	259.51
Disposals	-	-	-	0.12	14.63	0.61	6.49	-	21.85
At March 31, 2013	-	0.07	-	199.34	610.57	62.11	171.02	7.65	1,050.76
Charge for the year		0.00	0.39	45.84	120.90	11.33	32.79	15.84	227.09
Disposals*		0.02		17.53	109.07	11.17	13.35	0.09	151.23
At March 31, 2014	-	0.05	0.39	227.65	622.40	62.27	190.46	23.40	1,126.62
Net Block									
At March 31, 2014	103.36	62.74	11.91	862.56	574.80	28.77	57.23	54.23	1,755.60
At March 31, 2013	103.36	1.46	-	948.91	748.68	37.26	58.46	34.46	1,932.59

* Disposals include net tangible assets written off - Rupees 124.91 Millions (March 31, 2013 - Rupees 1.67 Millions)

Note 1: Buildings include those constructed on Leasehold Land:

	March 31, 2014	March 31, 2013
Gross Block	205.49	205.49
Depreciation Charge for the year	8.37	8.37
Accumulated Depreciation	33.26	24.89
Net Block Value	172.23	180.60

9. Deferred tax assets (net)

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	104.73	104.73
Gross deferred tax liability	104.73	104.73
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	19.26	19.26
Provision for doubtful debts and advances	137.55	137.55
Provision for litigations	60.43	60.43
Others	1.72	1.72
Gross deferred tax asset	218.96	218.96
Net deferred tax asset	114.23	114.23
Movement:		
At the beginning of the year	114.23	82.39
Arising during the year	-	31.84
At the end of the year	114.23	114.23

10. Loans and advances

	(Rupees Millions)			
	Non-Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Security deposit				
Unsecured, considered good	33.88	30.60	42.69	49.75
	33.88	30.60	42.69	49.75
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	216.32	520.31
	-	-	216.32	520.31
Other loans and advances (Unsecured, considered good)				
Prepaid expenses	-	-	20.92	17.98
Advance Tax paid (net of Provision for Tax)	-	-	99.43	82.84
Balances with statutory / government authorities	190.89	58.15	537.43	417.19
	190.89	58.15	657.78	518.01
	224.77	88.75	916.79	1,088.07

11. Trade receivables

	(Rupees Millions)			
	Non-Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured, considered good, unless stated otherwise				
Unsecured, considered good, unless stated otherwise				
Unsecured, considered good				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	1,855.30	1,665.66
Others	402.87	533.08	4,955.61	5,891.14
Unsecured, Considered Doubtful				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	650.39	423.94
	402.87	533.08	7,461.30	7,980.74
Less: Provision for doubtful receivables	-	-	(650.39)	(423.94)
	402.87	533.08	6,810.91	7,556.80
Trade Receivables includes dues from Schneider Electric India Private Limited in which Company's Non-executive director is a director			267.03	180.04

12. Inventories

	March 31, 2014	March 31, 2013
Raw materials and components (refer note 17) (In transit Rupees 147.07 Millions ; March 31, 2013 - Rupees 44.46 Millions)	714.36	541.07
Work-in-progress (refer note 18)	581.97	492.33
Finished goods (refer note 18)	494.52	463.37
Stores and spares	8.45	0.43
	1,799.30	1,497.20

13. Cash and Bank balances

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Cash and Cash Equivalents:		
Balances with banks:		
On current accounts	7.28	43.04
Cheques on hand	3.07	-
Restricted Cash:		
Unclaimed Dividend	0.88	0.90
	11.23	43.94

14. Other current assets (Unsecured, considered good)

	March 31, 2014	March 31, 2013
Unbilled Contract Revenue	339.72	139.69
	339.72	139.69

15. Revenue from operations

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Sale of finished goods	10,146.15	11,030.75
Project revenue (Refer note 32)	2,746.88	2,614.43
Service revenue - Engineering and Design Services	217.16	315.07
Service revenue - Maintenance Contract Services	122.10	136.78
Other operating revenue:		
Scrap sales	76.18	80.99
Revenue from operations (gross)	13,308.47	14,178.01
Less: Excise duty*	1,151.96	1,073.88
Revenue from operations (net)	12,156.51	13,104.13
* Excise duty on sales amounting to Rupees 1151.96 Millions (March 31, 2013 - Rupees 1073.88 Millions) has been reduced from sales in Statement of profit and loss and excise duty on increase/decrease in inventory amounting to Rupees 3.59 Millions (March 31, 2013 - Rupees 23.48 Millions) has been considered as (income)/expense in Note 20 of Financial Statements.		
Details of finished goods sold		
Transformers	2,552.70	3,302.21
Automation	1,195.31	1,281.60
Switchgear, Ring Main Units, etc.	6,398.14	6,446.94
	10,146.15	11,030.75

16. Other income

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Provisions written back	12.55	17.48
Subvention from Corporate*	421.16	-
Other non-operating Income	16.62	50.83
	450.33	68.31

* Subvention from corporate was received for operational financial support.

17. Cost of raw material and components consumed

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Inventory at the beginning of the year	541.07	775.87
Add: Purchases	8,990.94	8,839.12
	9,532.01	9,614.99
Less: inventory at the end of the year	714.36	541.07
Cost of raw material and components consumed*	8,817.65	9,073.92
* Includes Contract Costs of Rupees 2,505.04 Millions (March 31, 2013 - Rupees 1,973.79 Millions)		
Details of raw material and components consumed		
Ferrous	670.17	378.21
Non-Ferrous	1,472.68	1,132.95
Components and others	6,674.80	7,562.76
	8,817.65	9,073.92
Details of Inventory - Raw materials and Components		
Ferrous	78.39	55.12
Non-Ferrous	101.82	32.28
Components and others	534.15	453.67
	714.36	541.07

18. (Increase)/decrease in inventories

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Work in Progress		
At the beginning of the year	492.33	448.12
Less: At the end of the year	581.97	492.33
(Increase) / Decrease in Work in progress	(89.64)	(44.21)
Finished Goods		
At the beginning of the year	463.37	415.04
Less: At the end of the year	494.52	463.37
(Increase) / Decrease in Finished goods	(31.15)	(48.33)
(Increase) / Decrease in inventories	(120.79)	(92.54)
Details of inventory		
Work-in-progress		
Transformers	246.72	295.19
Automation	70.75	35.19
Switchgear, Ring Main Units, etc.	264.50	161.95
	581.97	492.33
Finished goods		
Transformers	207.26	101.80
Automation	11.42	28.14
Switchgear, Ring Main Units, etc.	275.84	333.43
	494.52	463.37

19. Employee benefit expense

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Salaries, wages and bonus	1,190.62	1,206.08
Contribution to provident and other fund	99.74	101.71
Gratuity Expenses (Refer note 25)	12.38	27.08
Staff welfare expenses	131.95	147.82
	1,434.69	1,482.69



20. Other expenses

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Consumption of stores and spare parts	36.82	44.85
Power and fuel	67.12	70.91
Rent	96.47	82.48
Rates and taxes	2.30	22.75
Repairs and maintenance		
Buildings	86.85	68.79
Plant and machinery	11.01	25.01
Others	38.22	46.43
Insurance	39.26	15.75
Royalty and technical know-how	1.38	2.51
Directors' sitting fees	0.38	0.46
Freight and forwarding charges	374.35	396.19
Travelling and conveyance	185.94	215.20
Payment to auditors	16.35	15.02
Provision for doubtful debts / advances	226.45	69.46
Provision for warranties	-	29.37
Provision for Contract Loss	7.46	-
Bad debts / advances written off	453.71	354.12
Provision for litigation	187.49	17.53
Loss on sale of Tangible Assets	-	17.22
Tangible assets written off	2.47	1.67
Trade mark fees	205.50	245.60
Data management charges	208.60	109.33
(Increase) / Decrease of Excise Duty on Inventory	3.59	23.48
Foreign exchange variation cost (net)	302.52	69.70
Miscellaneous expenses	309.91	367.36
	2,864.15	2,311.20
Payment to auditors :		
for Audit fee	9.15	8.80
for Taxation matters	0.80	0.80
for Limited review	4.05	4.05
for Other services (Certification Fees)	0.40	0.50
for Reimbursement of expenses	1.95	0.87
	16.35	15.02

21. Depreciation and amortization expense

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Depreciation of tangible assets	227.09	259.51
	227.09	259.51

22. Finance costs

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Interest	195.96	248.34
Bank Charge	49.11	30.77
Foreign exchange variation cost	15.25	39.23
	260.32	318.34

23.

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Exceptional items	373.00	100.00
	373.00	100.00

Exceptional items represent following cost incurred on account of rationalization of Company's transformer business:

- Separation cost on account of voluntary retirement scheme given to employees – Rupees 159 Millions
- Written down value of Fixed Assets written off – Rupees 126.02 Millions
(Including Capital Work In Progress Written off - Rupees 3.58 Millions)
- Provision for Inventory – Rupees 36.92 Millions
- Miscellaneous unit closure provision/expenses – Rupees 51.06 Millions

(March 31, 2013 - Exceptional items represents stamp duty of Rupees 100 Millions paid by the Company on stamping of the orders, pursuant to the scheme of demerger approved by the Hon'ble High Courts)

24. Earnings per share (EPS)

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit/(loss) after tax	(1,249.27)	(284.59)
Weighted average number of equity shares in calculating basic EPS (No.s in Million)	239.10	239.10
Basic / diluted EPS as reported (In Rupees)	(5.22)	(1.19)

25. Employee benefits

25.1 The company operates two defined plans, viz., gratuity and PF fund trust, for its employees. Under the gratuity plan, every employee who has completed atleast one year of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Net employee benefit expense recognized in the employee costt

	(Rupees Millions)	
	Gratuity	
	March 31, 2014	March 31, 2013
Current service cost	16.67	13.79
Interest cost on benefit obligation	11.90	11.04
Expected return on plan assets	(13.15)	(12.40)
Net actuarial (gain) / loss recognized in the year	(3.04)	14.65
Net benefit expense	12.38	27.08
Actual return on plan assets	12.00	11.57
Benefit asset/ liability		
Present value of defined benefit obligation	155.43	160.61
Fair value of plan assets	146.59	145.14
Plan asset / (liability)	(8.84)	(15.47)
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	160.61	134.77
Current service cost	16.67	13.79
Transfer in	-	-
Employee Contributions	-	-
Interest cost	11.90	11.04
Benefits paid	(29.56)	(12.80)
Change in Reserves		
Actuarial (gains) / losses on obligation	(4.18)	13.81
Closing defined benefit obligation	155.44	160.61
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	145.13	127.59
Expected return	13.15	12.41
Contributions by employer	19.01	18.77
Transfer in	-	-
Employee Contributions	-	-
Benefits paid	(29.56)	(12.80)
Actuarial gains / (losses)	(1.14)	(0.83)
Closing fair value of plan assets	146.59	145.14

The company expects to contribute Rupees 17.93 Millions (March 31, 2013 - Rupees 16.68 Millions) to gratuity in the next year.

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

	Gratuity	
	March 31, 2014	March 31, 2013
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the company's plans are shown below:

	(Rupees Millions)			
	Gratuity		Provident fund trust	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Discount rate	9.00%	8.16%	9.20%	8.60%
Expected rate of return on plan assets	8.85%	9.40%	8.80%	9.00%
Attrition rate	9.50%	5.00%	9.50%	5.00%
Salary escalation	7.50%	7.50%	7.50%	7.50%
Mortality table	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)

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. There has been significant change in expected rate of return on assets due to change in the market scenario.

Amounts for the current period are as follows:

Gratuity	(Rupees Millions)		
	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	155.43	160.61	134.67
Plan assets	146.59	145.14	127.59
Surplus / (deficit)	(8.84)	(15.47)	(7.08)
Experience adjustments on plan liabilities	11.32	(8.45)	4.59
Experience adjustments on plan assets	(1.14)	(0.83)	(3.75)

Amounts for the current period are as follows:

PF Trust	(Rupees Millions)		
	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	208.79	453.52	441.85
Plan assets	211.84	458.13	445.98
Surplus / (deficit)	3.05	4.61	4.13

The Company has adopted Accounting Standard 15 - Employee Benefits as prescribed by the Companies (Accounting Standard) Rules, 2006 w.e.f March 12, 2011 as the entity was incorporated on that date. Therefore, only three year figures have been disclosed as required by Para 120(n) of AS - 15.

25.2 The Company has contributed an amount of Rupees 39.29 Millions (March 31, 2013 - Rupees 24.73 Millions) to Regional Provident Fund Commissioner during the year. The same is recognised as an expense and included in Employee benefit expense in the Statement of Profit and Loss.

25.3 The Company has a defined contribution plan towards Superannuation fund and ESI, for which an amount of Rupees 12.78 Millions (March 31, 2013 - Rupees 28.68 Millions). The same is recognised as an expense and included in Employee benefit expense in the Statement of Profit and Loss.

26. Leases

Operating Lease: Company as Lessee

The company has entered into non-cancellable lease for an office at Noida. As per contract, this lease has an average life of nine years with renewal option and 15% escalation clause at the end of every three years.

There is an initial lock-in period of three years and after that each renewal is at the option of the lessee. There are no restrictions placed upon the company by entering into this lease.

The lease rental expense recognized in the Statement of Profit and Loss during the year in respect of this lease transaction is Rupees 55.86 Millions (Including a Provision of Lease Equalization of Rupees 5.30 Millions) (March 31, 2013 - Rupees 55.86 Millions).

Future minimum rentals payable under non-cancellable operating leases are as follows:

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Within one year	50.46	50.46
After one year but not more than five years	227.82	216.97
More than five years	122.61	183.91
	400.89	451.34

The Company has cancellable operating lease arrangements for its office premises and storage locations, with varying renewable options. Some of the lease agreements have escalation clause ranging from 5% to 15%. There are no exceptional / restrictive covenants in the lease agreements. Lease payments recognised in the statement of profit and loss for the period is Rupees 40.61 Millions (March 31, 2013 - Rupees 26.62 Millions).

27. Segment information

The Company is engaged in the business relating to product and systems for electricity distribution only, and accordingly there are no primary segments to be reported, as per Accounting Standard 17 "Segment Reporting".

The secondary segment by geographical location is given below:

			(Rupees Millions)
	Segment Sales	Segment Assets	Capital Expenditure
France	139.12	107.41	-
	(312.35)	(170.39)	-
Australia	17.92	10.09	-
	(53.99)	(48.78)	-
Germany	68.39	51.87	-
	(23.95)	(21.94)	-
India	12,513.64	11,972.59	295.33
	(12,748.32)	(12,343.77)	(208.63)
Other countries	569.40	210.64	-
	(1,039.40)	(276.92)	-
Total Segment Information	13,308.47	12,352.60	295.33
	(14,178.01)	(12,853.79)	(208.63)
Add : Income Tax Assets		213.66	
		(197.07)	
Total Assets		12,566.26	
		(13,050.86)	

Amounts in parentheses are pertaining to Previous Year ended March 31, 2013

28. Related party disclosures

a. Names of related parties and related party relationship

Related parties where control exists

Holding company	Energy Grid Automation Transformers and Switchgears India Limited
Ultimate holding company	Schneider Electric SA, France
Parent of holding company and Others	Schneider Electric Singapore Pte. Limited, Singapore

b. Related parties with whom transactions have taken place:

Fellow subsidiaries

Schneider Electric India Private Limited, India	Schneider Electric Canada Inc., Canada
Schneider Electric Protec Controle, France	Schneider Electric FZE, Oman (UAE)
Schneider Electric Sachsenwerk GmbH, Germany	Schneider Electric Brasil Ltda, Brazil
Schneider Electric Services International SPRL, Belgium	Schneider Electric Indonesia PT, Indonesia
Schneider Switchgear (Suzhou) Co. Ltd., China	APW President Systems Limited, India
Schneider Electric Energy Poland SP ZOO, Poland	Schneider Electric Huadian Switchgear (Xiamen) Co. Limited, China
Schneider Electric Energy, France	Schneider Electric Taiwan Co., Limited, Taiwan
Schneider Electric (Honk Kong) Limited	Schneider Electric Energy Hungary Limited, Hungary
Schneider Electric Telecontrol, France	Schneider Electric (China) Investment Co. Ltd., Shanghai
Schneider Electric DMS Ns LLC, Serbia	Schneider Electric de Columbia, S.A., Columbia
Schneider Electric Lanka Pvt.Ltd., Sri Lanka	Schneider Electric Vietnam Limited, Vietnam
Schneider Electric Overseas Asia PTE Limited, Singapore	Schneider Electric Industries SAS, France
Schneider Electric Industries (M) SDN BHD, Malaysia	Schneider Electric (Australia) Pty Ltd., Australia
Schneider Electric Energy Manufacturing Italia Srt, Italy	Schneider Electric Nigeria Limited, Nigeria
Schneider Electric Energy UK Limited, United Kingdom	Shanghai Schneider Electric Power Automation Co., Limited
Schneider Enerji Industri Sanayi ve Ticaret AS, Turkey	Schneider Electric Espana SA, Spain
Schneider Elektrik Sanayi ve Ticaret AS, Turkey	Schneider Electric Limited, United Kingdom

Key management personnel

Mr. Prakash Kumar Chandraker, Managing Director
Mr. Alexander Tagger, Whole Time Director (Upto July 10, 2013)

c. Related party transactions*

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

	(Rupees Millions)				
	Sale of Goods	Sale of Services	Purchase of Goods/Services	Amounts owed by Related Party	Amounts owed to Related Party
Schneider Electric India Private Limited, India	227.89 (296.31)	68.17 (25.39)	940.19 (488.80)	268.33 (180.04)	1,062.60 (424.19)
Schneider Electric Protec Controle, France	- (51.89)	27.58 (33.46)	1,122.27 (532.91)	39.45 (13.27)	1,379.07 (750.66)
Schneider Electric Sachsenwerk GmbH, Germany	68.10 (21.17)	-	169.40 (274.37)	46.67 (17.11)	253.40 (280.20)
Schneider Electric Services International SPRL, Belgium	-	-	205.50 (245.60)	-	234.48 (279.02)
Schneider Electric Industries SAS, France	5.27	101.54	-	60.40	80.86
	-	(271.12)	(84.25)	(129.64)	(84.25)
Others	209.19 (546.57)	28.60 (10.49)	264.73 (483.93)	148.10 (111.04)	341.20 (281.68)
Total	510.45 (915.94)	225.89 (340.46)	2,702.09 (2,109.86)	562.95 (451.10)	3,351.61 (2,100.00)

*Amounts in parentheses are pertaining to Previous Year ended March 31, 2013

d. Loans taken

	Loans taken	Repayment	Interest accrued	(Rupees Millions) Amount owed to Related parties
Fellow subsidiary:				
Schneider Electric IT Business India Private Ltd. (March 31, 2014)	900.00	-	39.94	1,939.94
(March 31, 2013)	(1,000.00)	-	(29.33)	(1,029.33)

Loans taken from Fellow subsidiary is repayable with interest at the rate of 7.5% p.a. (March 31, 2013 - 8.00% p.a.)

e. Remuneration to key managerial personnel

	(Rupees Millions)	
	Alexander Tagger	Prakash Kumar Chandraker
Salary, bonus and contribution to PF etc.*	1.61 (14.15)	8.05 (7.75)
Balance Outstanding*	-	-

*Amounts in parentheses are pertaining to Previous Year ended March 31, 2013

Note: 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.

f. Subvention from corporate

	(Rupees Millions)
Schneider Electric Services International SPRL, Belgium	421.16

29. Capital and other commitments

a. At March 31, 2014, the company has commitments of Rupees 140.87 Millions (March 31, 2013: Rupees 358 Millions) relating to purchase of tangible assets.

b. There are no significant other commitments.



30. Contingent liabilities

- a. Post demerger, Company and ALSTOM T&D India Limited (ALSTOM) have bifurcated the total outstanding demands of Excise/ Service Tax and Sales tax in accordance with the arrangement agreed between the two Companies. Accordingly, ALSTOM is contesting the total outstanding demands, before various appellate authorities, including the share of the Company
- (i) Total outstanding demands of Excise / Service tax aggregates to Rupees 277.81 Million out of which Company share is Rupees 67.27 Million. The Company has considered NIL demand as contingent as at March 31, 2014, net of provisions of Rupees 50.45 Million.
(March 31, 2013- Total outstanding demands of Excise / Service tax aggregates to Rupees 277.81 Million out of which Company share is Rupees 67.27 Million. The Company has considered demands amounting to Rupees 3.84 Million as contingent, net of service tax provision of Rupees 46.61 Million)
The deposits pertaining to Excise/ Service tax considered as contingent aggregates to Rupees 17.92 Million (March 31, 2013 - NIL).
- (ii) Total outstanding demands of Sales Tax aggregates to Rupees 2,193.17 Million out of which Company share is Rupees 628.20 Million. The Company has considered demands amounting to Rupees 397.92 Million as contingent, net of provisions of Rupees 227.43 Million.
(March 31, 2013- Total outstanding demands of Sales Tax aggregates to Rupees 820.17 Million out of which Company share is Rupees 324.90 Million. The Company has considered demands amounting to Rupees 171.30 Million as contingent, net of provisions of Rupees 144.24 Million).
The deposits pertaining to Sales tax cases considered as contingent aggregates to Rupees 160.15 Million (March 31, 2013- Rupees 61.20 Million).
- b. For the demands pertaining to the Company only (with no ALSTOM share being there), the Company has considered Excise/ Service Tax demands amounting to Rupees 361.59 Million as contingent, net of provisions of Rupees 10.34 Million. (March 31, 2013 - NIL).
The deposits pertaining to Excise/ Service tax considered as contingent aggregates to Rupees 2 Million (March 31, 2013 - NIL).
- c. For the demands pertaining to the Company only (with no ALSTOM share being there), the Company has considered Sales Tax demands amounting to Rupees 144.81 Million as contingent, net of provisions of Rupees 74.59 Million. (March 31, 2013 - Rupees 195.74 Million, net of provision of Rupees 42 Million).
The deposits pertaining to Sales Tax cases considered as contingent aggregates to Rupees 8.91 Million (March 31, 2013 - Rupees 2.94 Million).

The Company has preferred appeals against the above demands which is pending before various appellate authorities, and has been advised by the reputed professional advisers, engaged by it, that there are reasonable chances of success in these appeals.

31. Forward cover instruments and unhedged foreign currency exposure

Particulars	Currency	(Rupees Millions)		Purpose
		Foreign Currency	Indian Currency	
a. Forward covers outstanding				
Buy	USD	3.27 (3.64)	209.13 (203.30)	To hedge Import purchases & loans
Sell	USD	- (0.59)	- (32.77)	To hedge export sales
		3.27	209.13	
Buy	Euro	12.34	1,093.29	To hedge Import purchases & loans
		-	-	
Sell	Euro	- (1.17)	- (87.64)	To hedge export sales
		12.34	1,093.29	
Buy	CHF	0.61	43.16	To hedge Import purchases & loans
		-	-	
		0.61	43.16	
b. Particulars of unhedged foreign currency exposure				
Import trade payables	USD	7.64 (10.91)	459.21 (591.04)	
	Euro	15.91 (9.46)	1,318.47 (678.14)	
	Others	0.24 (0.31)	22.34 (21.49)	
			1,800.02	
Export trade receivables	USD	2.64 (2.91)	158.37 (158.09)	
	Euro	3.00 (1.89)	248.47 (132.80)	
			406.84	

Amounts in parentheses are pertaining to Previous Year ended March 31, 2013

32. Disclosure pursuant to AS - 7 - “Construction Contracts”:

Particulars	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Contract revenue recognised for the year	2,746.88	2,614.43
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress upto the period end	5,612.28	5,936.75
Gross amount due from customers for contracts in progress	339.72	139.69
Gross amount due to customers for contracts in progress	522.91	812.40
Amount of advances received	238.17	159.43
Amount of retentions	408.33	669.61

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

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
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	22.51	89.56
Interest due on above	2.56	6.52
	25.07	96.08
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	4.54	-
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)	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	12.75	19.34
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	-	-

34. Earnings in foreign exchange (accrual basis)

Particulars	(Rupees Millions)	
	March 31, 2014	March 31, 2013
FOB value of exports	546.58	1,039.90
Other Service Income	149.07	315.07
	695.65	1,354.97

35. Value of imports calculated on CIF basis

	(Rupees Millions)	
	March 31, 2014	March 31, 2013
Raw materials	2,173.09	2,061.85
Components and spare parts	-	1.12
Capital goods	-	9.31
	2,173.09	2,072.28

36. Expenditure in foreign currency (accrual basis)

Travelling	25.22	26.05
Royalties	1.38	2.51
Trademark Fees	205.50	245.60
Data Management Charges	165.35	77.09
Others	142.31	91.04
	539.76	442.29



37. Imported and indigenous raw materials, components and spare parts consumed

	(Rupees Millions)	
	% of total consumption	Value
Raw Materials		
Imported	18%	681.68
Indigenously obtained	82%	3,051.07
	100%	3,732.75
Components		
Imported	26%	1,300.05
Indigenously obtained	74%	3,784.85
	100%	5,084.90
Spare parts		
Imported	0%	-
Indigenously obtained	100%	36.82
	100%	36.82

38. Minimum public shareholding

Consequent to the closure of "Open Offer" in February 2013, the shareholding of the Acquirer/Promoter Group in the Company had increased from 73.40% to 78.13%. Also, shareholding of holding company (Energy Grid Automation Transformers and Switchgears India Limited) had increased from 73.40% to 73.70%. Accordingly, in order to achieve minimum 25% public shareholding in the Company in terms of Rule 19(2)(b) and 19A of the Securities Contracts Regulation Rules, 1957, read with Clause 40A (ii) (c) of the Listing Agreement, the holding company sold 7,479,178 equity shares of the Company (i.e 3.13%) in the secondary market by way of "Offer for Sale" of shares through the Stock exchange mechanism in the month of January, 2014.

Consequently, shareholding of holding company has decreased from 73.70% to 70.57% and overall shareholding of Acquirer/Promoter group reduced to 75%.

39. The Company had entered into transactions of purchase and sale of goods and availing and rendering of services with a company covered under section 297 of the Companies Act, 1956. The Company has received approval from Central Government for goods transactions starting from March 6, 2013 and services transactions starting April 1, 2013. Pending Government approval on compounding the goods transactions prior to March 6, 2013 and services transactions prior to April 1, 2013, no adjustments have been considered in financial statements as Management is of the view that it will not have any material impact on the results.

40. Previous year figures

The company has reclassified previous year figures, wherever necessary, to conform to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors of
Schneider Electric Infrastructure Limited

For S.R.Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E
Chartered Accountants

Per Manoj Gupta
Partner
Membership No.83906

Prakash Kumar Chandraker
Managing Director

Anil Chaudhry
Director

Anurag Mantri
Chief Financial Officer

Sameet Gambhir
Company Secretary

Place: Noida
Date: 22nd May 2014



North Region

Regional Office

4-7th Floor, Block 3, IGL complex, Plot No. 2B, Sector 126, Noida-201304, UP.

Branch Office

SCO 15, 2nd Floor, Sec-26, Madhya Marg, **Chandigarh**-160 019
309, 3rd Floor, Jaipur Buisness Centre, Sangam Tower, Church Road, **Jaipur**-302 001
27/2A, First Floor, Asha Bhavan, Gokhle Marg, **Lucknow**-226 001

East Region

Regional Office

Technopolis, 3rd floor, Wing-B, Plot-4, Block-BP, Sector-V, Salt Lake City, Bidhan Nagar, **Kolkata**-700 091

Branch Offices

A-3/1, 'L' Road, Bistupur **Jamshedpur**-831001, Jharkhand
Apeejay Business Centre, Near Nemcare Hospital G. S. Road, **Guwahati**-781 005, Assam
Plot - 14, Forest Park **Bhubaneswar**-751 009, Orissa

West Region

Regional Office

Unit No. 1141/1142, Building No. 11, 4th Floor, Solitaire Corporate Park, Andheri Kurla Road, Chakala, Andheri (E), **Mumbai**-400 059

Branch Offices

305, "CONCORDE", RC Dutt Road, Alkapuri, **Vadodara**-390007
42/A Space House, Opp. Shree Krishna Centre Mithakhali Six Road, **Ahmedabad**-380 009
Fortune Business Centre, 1st Floor, 6, Vasant Vihar, W.H.C. Road, Shankar Nagar **Nagpur**-440010
2nd Floor, R.B.Bussiness centre, Above PUMA Showroom, Sanghvi Nagar, Aundh, **Pune**-411007

South Region

Regional Office

4th Floor, Electra, Wing'A', Exora Business Parks, Marathahalli-Sarjapur Outer Ring Road, **Bangalore**-560 103, INDIA
No.1-8-271 to 273, 401-404A, 4th Floor, Ashoka Bhoopal Chambers, SP Road, **Secunderabad**-500003
3rd Floor DBS Westminister, 108/4, Dr. Radha Krishnan Salai, Mylopore, **Chennai**-600 004

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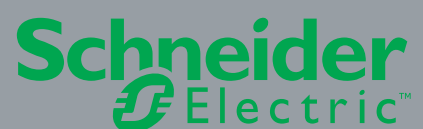
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Schneider Electric Infrastructure Limited

4 - 7th Floor, Tower 3, IGL Complex, Plot No. 2B
Sector - 126, Noida - 201 304, Uttar Pradesh, India
Tel: 120 - 3898703, Fax: 120 - 3898700

Customer Care Centre

Toll-free numbers: 1800 425 4272, 1800 103 0011
General number: 0124 4222040
Email: customercare.in@schneider-electric.com
Web: www.schneider-infra.in



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of Schneider Electric Infrastructure Limited will be held on Thursday, the 25th September, 2014 at 11:30 A.M at the Gateway Hotels, Vadodara Akota Garden, Akota, Vadodara 390 020, Gujarat to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March 2014 and the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Anil Chaudhry (DIN 03213517) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint S.R Batliboi & Co, LLP, Chartered Accountants (ICAI Registration No. 301003E) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the fifth Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Manish Arun Jaiswal be and is hereby appointed as a Director of the Company"
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Vinod Kumar Dhall (DIN 02591373), Director of the Company be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period not exceeding five consecutive years, subject to annual evaluation by the Board."
6. To consider, and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Ranjan Pant (DIN 00005410), Director of the Company be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period not exceeding five consecutive years, subject to annual evaluation by the Board."
7. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. V.S. Vasudevan (DIN 00130205), Director of the Company be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period not exceeding five consecutive years, subject to annual evaluation by the Board."
8. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
"RESOLVED THAT as recommended by the Audit Committee and the Board of Directors of the Company, the payment of remuneration of Rs. 4,00,000/- excluding service tax as applicable, to M/s. Shome & Banerjee, Cost Accountants, Kolkata (Firm Registration No. 000001), to carry out the audit of the Cost Accounting Records of the Company for the financial year ending 31st March, 2015 be and is hereby approved and ratified".
RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government if any, the consent of the Company be and is hereby accorded to the appointment of Mr. Manish Arun Jaiswal (holding DIN: 06901832) as Whole Time Director of the Company with effect from 18th June, 2014 for a period of one year, upon the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty and power to the Board of Directors (hereinafter referred to as “the Board” which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment.

RESOLVED FURTHER THAT the remuneration as contained in the said statement be paid to Mr. Manish Arun Jaiswal as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification(s) as may be deemed to be in the best interest of the Company.”

10. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as Special Resolution:

“RESOLVED THAT the consent of the Members be and is hereby accorded in terms of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) to the Board of Directors of the Company for borrowing from time to time any sum or sums of money (exclusive of interest) not exceeding at any time of Rs. 450 Crores (Rupees Four Hundred Fifty Crores only) on such terms and conditions as the Board may deem fit, notwithstanding that the amount to be borrowed together with the sum already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification(s) as may be deemed to be in the best interest of the Company.”

Registered Office:

Milestone 87, Vadodara, Halol Highway
Village Kotambi, P.O. Jarod
Vadodara 391 510, Gujarat
CIN: L31900GJ2011PLC064420
Phone: 02668 662000 Fax: 02668 662200
Website: www.infra.schneider-electric.com/in
e-mail: sameet.gambhir@schneider-electric.com

By the order of the Board

Sameet Gambhir
Company Secretary

Date: 6th August, 2014

Place: Noida

NOTES:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A proxy form duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

- b. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to the business at item 4 to 10 of the Notice as set out above, is annexed hereto.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 19th September, 2014 to Thursday, 25th September 2014 (both days inclusive) for annual closing.
- d. The Register of Directors and Key Managerial Personnel and their Shareholding and Register of Contracts or Arrangements in which Directors are interested, will be available for inspection by the members at the AGM.
- e. Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be.
- f. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/ Proxies should bring the Attendance Slip to the Meeting duly filled in, for attending the Meeting.
- g. Members, who hold shares under more than one folio in name(s) in the same order, are requested to send the relative Share Certificate(s) to the Company's Registrar and Transfer Agents for consolidating the holdings into one account. The Share Certificate(s) will be returned after consolidation.
- i. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.
- j. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents.
- k. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents, at the address mentioned below:
CB MANAGEMENT SERVICES (P) LIMITED
P-22, BONDEL ROAD, KOLKATA- 700 019
TEL: +91 33 4011 6700/2280
EMAIL: rta@cbmsl.com Contact Person: Mr. Shankar Ghosh
- l. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of this Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- m. Electronic copy of the Annual Report for the year 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2013-14 is being sent in the permitted mode.

- n. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the year 2013-14 will also be available on the Company's website www.infra.schneider-electric.com/in/ and NSDL e-voting website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Gujarat, Vadodara for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, free of cost, upon making a request for the same. For any communication, the shareholders may also send requests to the Company Secretary at email id: sameet.gambhir@schneider-electric.com
- o. Voting through electronic means
In compliance with provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide facility to the members to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). A separate document containing e-Voting details and instructions is enclosed to this Annual Report.
- p. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the business at Items 4 to 10 of the accompanying Notice.

Resolution No. 4

The Board of Directors at their meeting held on 22th May, 2014 appointed Mr. Manish Arun Jaiswal as an Additional Director of the Company with effect from date of allotment of Director Identification Number i.e.18.06.2014.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Manish Arun Jaiswal will hold office up to the date of the ensuing Annual General Meeting ("AGM"). The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Manish Arun Jaiswal for the office of director.

The Board recommends that he may be appointed as Director.

Except Mr. Manish Arun Jaiswal, no other Director or Key managerial personnel of the Company or their relatives is in any way concerned or interested, financial or otherwise in this Resolution.

Resolution No. 5

Mr. Vinod Kumar Dhall (DIN 02591373) is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013. Mr. Vinod Kumar Dhall being eligible for appointment, is proposed to be appointed as an Independent Director for a period not exceeding five consecutive years. A Notice has been received from a member proposing Mr. Vinod Kumar Dhall as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Vinod Kumar Dhall fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder, for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vinod Kumar Dhall as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Vinod Kumar Dhall as an Independent Director, for the approval by the shareholders of the Company.

A brief resume of Mr. Vinod Kumar Dhall as required in terms of Clause 49 of the Listing Agreement is given elsewhere in this Notice.

Except Mr. Vinod Kumar Dhall, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5.

Resolution No. 6

Mr. Ranjan Pant (DIN 00005410) is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013. Mr. Ranjan Pant being eligible for appointment, is proposed to be appointed as an Independent Director for a period not exceeding five consecutive years. A Notice has been received from a member proposing Mr. Ranjan Pant as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Ranjan Pant fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder, for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ranjan Pant as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. Ranjan Pant as an Independent Director, for the approval by the shareholders of the Company.

A brief resume of Mr. Ranjan Pant as required in terms of Clause 49 of the Listing Agreement is given elsewhere in this Notice.

Except Mr. Ranjan Pant, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 6.

Resolution No. 7

Mr. V.S. Vasudevan (DIN 00130205) is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013. Mr. V.S. Vasudevan being eligible for appointment, is proposed to be appointed as an Independent Director for a period not exceeding five consecutive years. A Notice has been received from a member proposing Mr. V.S. Vasudevan as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Ranjan Pant fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder, for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V.S. Vasudevan as an Independent Director. Accordingly, the Board recommends the Resolution in relation to appointment of Mr. V.S. Vasudevan as an Independent Director, for the approval by the shareholders of the Company.

A brief resume of Mr. V.S. Vasudevan as required in terms of Clause 49 of the Listing Agreement is given elsewhere in this Notice.

Except Mr. V.S. Vasudevan, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 7.

Resolution No. 8

The Board on the recommendation of the Audit Committee appointed, M/s. Shome & Banerjee, Cost Accountants, Kolkata (Firm Registration No. 000001) as Cost Auditors of the Company for the financial year 2014-15.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Shareholders. It is proposed to pay a remuneration of Rs. 4,00,000.-/- excluding service tax as applicable for the year 2014-15 to M/s. Shome & Banerjee.

None of the Directors and Key Managerial Personnel or relatives of them are interested in the above Resolution.

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

Resolution No. 9

Mr. Manish Arun Jaiswal was appointed as the Whole Time Director of the Company for a period of one year with effect from 18th June, 2014 subject the approval of share holders and Central Government, if required. The Board of Directors at their meeting held on 06th August, 2014 subject to the approval of the Shareholders and Central Government, if required, has appointed Mr. Manish Arun Jaiswal as the Whole Time Director of the Company for a period of one year with effect from 18th June, 2014.

Mr. Manish Arun Jaiswal has the experience of more than 23 years in Extra High, High & Medium voltage Switchgear Industry successfully associated with Swiss & French multinationals for last 8 years. An innovative, radical thinker and seasoned business manager with a proven background of developing Vision, Making Strategic Growth Plans & Execution, building Highly Motivated Team with their proper Growth/Succession Planning, Mr. Jaiswal was responsible till Dec 2011 for Primary Line of Business of the Company with multi-location world class facilities at Baroda and Kolkata.

The material terms and conditions of his appointment are as under.

Remuneration

Basic Salary	Rs. 25,55,364 p.a.
House Rent Allowance	Rs. 12,77,688 p.a
Other Allowances	Rs. 21,18,918 p.a

Perquisites

Co Contribution to Provident Fund	Rs. 306,648 p.a
Car	As per Company's rules
Telephone Mobile Other amenities	As per Company's rules
Medical Reimbursement	Rs. 15000/- p.a.
Professional Development expenses	Rs. 7000/- p.a

Note: The above remuneration doesn't include the performance incentive, if any and the Gratuity and the retiral benefits

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

Except Mr. Manish Arun Jaiswal, no other Director and Key Managerial person or their relatives are concerned or interested in the Resolution.

Resolution No. 10

For the future funding requirements, if any, in view of future growth plans of the Company, the Board of Directors hereby seeks the members' approval by way of Special Resolution, pursuant to Section 180 (1) (c) of the Companies Act, 2013, to authorize the Board to borrow amounts upto Rs.450 Crores (Rupees Four Hundred Fifty Crores Only).

None of the Directors and Key Managerial Personnel and their relatives are interested in this Resolution except to the extent of their shareholding in the Company.

Details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement:

Name of Director	Mr. Anil Chaudhry	Mr. Vinod Kumar Dhall	Mr. Ranjan Pant	Mr. V.S. Vasudevan	Mr. Manish Arun Jaiswal
List of Companies in which Directorship is held	Schneider Electric India Private Limited Schneider Electric President Systems Limited Invensys India Private Limited Schneider Electric Lanka (Private) Limited Energy Grid Automation Transformers and Switchgears India Limited	ICICI Prudential Life Insurance Company Limited ICICI Prudential Trust Limited ICICI Prudential Pension Funds Management Company Limited Bharti Infratel Limited Orient Cement Limited	DSP Blackrock Investment Managers Private Limited I S R Projects Private Limited Perseus India Advisors Private Limited S P V Project Consultants Private Limited Mahindra Two Wheelers Limited DSP Blackrock Pension Fund Managers Private Limited Morarjee Textiles Limited	Schneider Electric President Systems Limited Vishar Portfolio Investment Private Limited Win Information Technology Private Limited	NIL
Chairman/ Member of the Committee (s) of Board of Directors of Other Companies	NIL	(ICICI Prudential Life Insurance Company Limited Board Nomination & Remuneration Committee Member Share Transfer Committee Chairman Board Customer Service & Policyholders' Protection Committee Chairman Board Corporate Social Responsibility Committee Chairman (ICICI Prudential Pension Funds Management Company Limited) Board Risk Management & Audit Committee Member Board Nomination & Remuneration Committee Chairman (ICICI Prudential Trust Limited) Audit Committee Member (Orient Cement Limited) Audit Committee Member Remuneration Committee Member Shareholders/ Investors Relation Committee Chairman Management Committee Member (Bharti Infratel Limited) Audit Committee Member		Member, Nomination and Remuneration Committee and Member of Audit Committee of Schneider Electric President Systems Limited	NIL
Committee Membership, if any, in Schneider Electric Infrastructure Limited	Nomination & Remuneration Committee	Nomination & Remuneration Committee Audit Committee	Stakeholder's Relationship Committee Risk Management Committee Corporate Social Responsibility (CSR) Committee Nomination & Remuneration Committee Audit Committee	Risk Management Committee Corporate Social Responsibility (CSR) Committee Nomination & Remuneration Committee Audit Committee Stakeholder's Relationship Committee	NIL
No. of Shares held in the Company	Nil	Nil	Nil	Nil	Nil

Other details pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement are provided in the report of Corporate Governance part of the Annual Report for the year 2013-14

Registered Office:

Milestone 87, Vadodara, Halol Highway Village Kotambi,
P.O. Jarod Vadodara 391 510, Gujarat
CIN: L31900GJ2011PLC064420
Phone: 02668 662000 Fax: 02668 662200
Website: www.infra.schneider-electric.com/in
e-mail: sameet.gambhir@schneider-electric.com
Date: 6th August, 2014 Place: Noida

By the order of the Board

Sameet Gambhir
Company Secretary

DETAILS AS REQUIRED UNDER SCHEDULE V PART II SECTION II 1(B) (iv)

I. General Information

1. Nature of Industry

Schneider Electric Infrastructure Limited, is in the business of manufacturing, designing, building and servicing technologically advanced products and systems for electricity distribution including products such as distribution transformers, medium voltage switchgears, medium and low voltage protection relays and electricity distribution and automation equipments.

2. Date or expected date of commencement of commercial production

The Company has already commenced its commercial production

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

4. Financial Performance based on given indicators

(Amount In MINR)

Income:	31.03.14	31.03.13	31.03.12
Net Sales	12,156.51	13,104.13	13491.92
Other Income	450.33	68.31	43.09
Total Income	12,606.84	13,172.44	13535.01
Profit before Taxation	-1,249.27	-280.68	612.94
Profit After Taxation	-1,249.27	-284.59	397.65
Dividend Payout	--	-	95.64
Corporate Tax on Dividend	--	-	15.52
Dividend (%)	--	-	20%
Earnings per Share	-5.22	-1.19	1.66

5. Foreign investments or collaborations, if any:

Please refer to the Annual Report

II. Information about the appointee:

a. Background details of Mr. Manish Arun Jaiswal

Mr. Manish Arun Jaiswal has the experience of more than 23 years in Extra High, High & Medium voltage Switchgear Industry successfully associated with Swiss & French multinationals for last 8 years. An innovative, radical thinker and seasoned business manager with a proven background of developing Vision, Making Strategic Growth Plans & Execution, building Highly Motivated Team with their proper Growth/Succession Planning, Mr. Jaiswal was responsible till Dec 2011 for Primary Line of Business of the Company with multi-location world class facilities at Baroda and Kolkata.

b. Past remuneration

Basic Salary	Rs. 25,55,364 p.a.
House Rent Allowance	Rs. 12,77,688 p.a.
Other Allowances	Rs. 21,18,918 p.a.

Perquisites

Co Contribution to Provident Fund	Rs. 306,648 p.a.
Car	As per Company's rules
Telephone Mobile Other amenities	As per Company's rules
Medical Reimbursement	Rs. 15000/- p.a.
Professional Development Expenses	Rs. 7000/- p.a.

Note: The above remuneration doesn't include the performance incentive, if any and the Gratuity and the retiral benefits

c. Recognition or awards/Achievements

- **Outstanding Performance Award** from Managing Director & Vice Chairman, ABB Ltd in 2005.
- Received the **BEST TQM PRACTICE AWARD** in TQ convention 1994.

d. Job profile and his suitability:

As Whole Time Director, he will be responsible for the operations of Schneider Electric Infrastructure Limited, i.e, Manufacturing, design, build and service technologically advanced products and systems for electricity distribution.

Therefore his appointment will be in the best interest of the Company.

e. Remuneration proposed

- i. Remuneration: Rs. 80,32,372 per annum gross with authority to the Board or a Committee thereof to grant annual increments and any additional performance Incentive as may be decided by the Board, based on merit and taking into account the Company's performance;
- ii. Benefits, perquisites and allowances as may be determined by the Board from time to time.

f. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration of the Whole time Director is commensurate with remuneration of Board level positions in the similar sized domestic companies, taking into consideration the responsibilities shouldered by them.

g. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Besides the remuneration proposed, no other pecuniary relationship exists.

III. Other information:

The fiscal year 2013-14 has been significantly challenging for the Company. The prolonged slowdown in the economic activity, weak market sentiments, subdued infrastructure activity, tight financing environment prevailing in Indian Electric Infrastructure industry continue to put pressure on SEIL's P&L. The company had also restructured its transformer facility to minimize the fixed cost and optimising its capacity. Further it had created provisions for pre-acquisition one off charges like old legacy debtors, tax litigation etc. These lead the company's financial in to losses.

To deal with tough environment and for profitability, management is focusing on new segments with mission critical application like Oil & Gas, Metro, Ports along with conventional offerings which helped to grow in order intake which has medium term execution cycle. Further we are gearing up for building/ customising our offerings, localisation, introducing latest technologies to cater & align with the local demand and the new govt's vision for building Smart Cities.'

IV. Disclosures:

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:—

1. all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
2. details of fixed component and performance linked incentives along with the performance criteria;
3. service contracts, notice period, severance fees;
4. stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The above applicable details have been provided elsewhere in the accompanied Annual Report.

Registered Office:

Milestone 87, Vadodara, Halol Highway
Village Kotambi, P.O. Jarod
Vadodara 391 510, Gujarat
CIN: L31900GJ2011PLC064420
Phone: 02668 662000 Fax: 02668 662200
Website: www.infra.schneider-electric.com/in
e-mail: sameet.gambhir@schneider-electric.com

By the order of the Board

Sameet Gambhir
Company Secretary

Date: 6th August, 2014

Place: Noida

Schneider Electric Infrastructure Limited

Registered Office:

Milestone 87, Vadodara-Halol Highway,
Village Kotambi, Post Office Jarod,
Vadodara 391 510, Gujarat
Ph. No.: 02668 662000, Fax: 02668 662200
www.infra.schneider-electric.com/in

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companiesw (Management and Administration) Rules, 2014]

04th Annual General Meeting – September 25th, 2014

Name of the member(s):.....

Registered address:.....

.....

Email:..... Folio no. / Client ID:.....

DP ID:.....

I / We, being the member(s) of..... shares of the above
named company, hereby appoint

Name:.....Email:.....

Address:.....

.....

.....
Signature

or failing him / her

Name:.....

Email:.....

Address:.....

.....

.....
Signature

or failing him / her

Name:.....

Email:.....

Address:.....

.....

.....
Signature

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 4th Annual General Meeting of the Company, to be held on September 25, 2014 at 11:30 A.M at Gateway Hotels, Vadodara Akota Garden, Akota, Vadodara 390 020, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	To consider and adopt Audited Balance Sheet, Profit and Loss Account and the Reports of Directors and Auditors thereon for the year ended 31st March, 2014			
2.	To appoint Director in place of Mr. Anil Chaudhry, who retires by rotation and being eligible offers himself for re-appointment			
3.	To appoint Statutory Auditors and fixing their remuneration			
Special Business				
4.	To appoint Mr. Manish Arun Jaiswal as Director of the Company			
5.	To appoint Mr. Vinod Kumar Dhall as Independent Director of the Company			
6.	To appoint Mr. Ranjan Pant as Independent Director of the Company			
7.	To appoint Mr. V.S. Vasudevan as Independent Director of the Company			
8.	To ratify and approve the payment of remuneration to the Cost auditors for the year ending 31st March, 2015			
9.	Special Resolution to appoint Mr. Manish Arun Jaiswal as Whole-Time Director of the Company			
10.	Special Resolution under the provisions of Section 180 (1) (c) of the Companies Act, 2013 to consider and approve the borrowing powers up to Rs. 450 Crores			

Signed this..... day of 2014.

.....
Signature of the Member

.....
Signature of the Proxy holder(s)

Affix
Revenue
Stamp here

Notes :

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Schneider Electric Infrastructure Limited

Registered Office:

Milestone 87, Vadodara-Halol Highway,
Village Kotambi, Post Office Jarod,
Vadodara 391 510, Gujarat
Ph. No.: 02668 662000, Fax: 02668 662200
www.infra.schneider-electric.com/in

Attendance slip**04th Annual General Meeting – September 25th, 2014**

DP ID No.	
Client ID No.	
Registered Folio No.	
Number of Shares Held	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 04th Annual General Meeting of the Company at Gateway Hotels, Vadodara Akota Garden, Akota, Vadodara 390 020, Gujarat on Thursday, 25th September, 2014 at 11:30 A.M

.....
Name of the Member / Proxy
(in BLOCK letters)

.....
Signature of the Member / Proxy

NOTE : PLEASE FILL UP THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE AGM.

SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange		
1.	Name of the company	Schneider Electric Infrastructure Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis as per the Audit Report
4.	Frequency of observation	Un-qualified Audit Report. Matter of Emphasis as per the Audit Report in the attached Annual Report has appeared for the second time.
5.	To be signed by-	<p>For Schneider Electric Infrastructure Limited</p>  <p>Mr. Prakash Kumar Chandraker Managing Director</p>
		<p>For Schneider Electric Infrastructure Limited</p>  <p>Mr. Anurag Mantri Chief Financial Officer</p>
		<p>For S. R. Batliboi & Co. LLP (ICAI FIRM REGN No.-301003E) Chartered Accountants</p>  <p>Mr. Manoj Gupta Partner Membership Number: 83906</p>
		<p>For Schneider Electric Infrastructure Limited</p>  <p>Vinod Kumar Dhall Chairman- Audit Committee</p>

FORM B: Not Applicable