

SEIL/Sec./SE/2025-26/84**February 16, 2026**

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Symbol: SCHNEIDER

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Scrip Code No. 534139

Sub: Transcript of the Earnings Conference Call on Unaudited Financial Results for 3rd quarter and nine months ended December 31, 2025

Dear Sir(s)/ Madam,

In continuation of our letter no. **SEIL/Sec./SE/2025-26/75** dated **February 5, 2026**, regarding schedule of investor conference call, please find enclosed herewith the transcript of the conference call held on February 13, 2026, to discuss the Unaudited Financial Results and earnings performance of 3rd quarter and nine months ended December 31, 2025.

This transcript will be made available on the Company's website at [https://infra-in.se.com/en/investor/annual-reports-financials.jsp](https://infra.in.se.com/en/investor/annual-reports-financials.jsp).

We request you to kindly take the above on record.

Thanking you.

Yours Sincerely,

For **Schneider Electric Infrastructure Limited**

(Sumit Goel)
Company Secretary & Compliance Officer

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“Schneider Electric Infrastructure Limited
Q3 FY '26 Earnings Conference Call”

February 13, 2026



ElaraSecurities



MANAGEMENT: **MR. UDAI SINGH** – MD & CEO
MR. OMKAR PRASAD – CFO
MR. MOHIT AGARWAL – HEAD - INVESTOR RELATIONS

MODERATOR: **MR. HARSHIT KAPADIA** – ELARA SECURITIES (INDIA) PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '26 Earnings Conference Call of Schneider Electric Infrastructure Limited hosted by Elara Securities India. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Harshit Kapadia from Elara Securities. Thank you, and over to you, sir.

Harshit Kapadia: Thank you, Alaric. Good morning, everyone. On behalf of Elara Securities, we welcome you all for the Q3 FY '26 and 9-month FY '26 conference call of Schneider Electric Infrastructure. I take this opportunity to welcome the management of Schneider Electric Infrastructure represented by Udai Singh, Managing Director; Omkar Prasad, Chief Financial Officer; Mohit Agarwal, Head, Investor Relations. We will begin the call with a brief overview by the management, followed by a Q&A session.

I will now hand over the call to Udai sir for his opening remarks. Over to you, sir.

Udai Singh: Thank you, Harshit, and very good morning to all of you. I would like to take your company's performance in a few slides, which I'm sure you've got a chance to have a look, the one which we shared yesterday. But if you pull the number and the slide and go on the Slide 2, which clearly states what your company vision and mission is.

I just want to reiterate for better clarity. Your company will lead the new digitalized energy world by offering our customers and partners alike the innovative connected products and solutions, which should be ready for the emerging power distribution elevated expectations at any point in time in future.

Now how we do this? The vision is that we do this through our balanced business models, maintaining consistent superior quality and a very efficient supply chain, which will keep the growth and profitability resilient and sustainable.

Now what at this point in time, I would also like to share about our mission. We now are your energy technology partner for all our customers and partners. What it means is this we electrify, we automate, we digitalize each and every industry, business and homes aimed at driving efficiency and sustainability for all. This is the mission which we would be now working at with the above vision, which I just stated.

Now I just want you and request you to go on the next slide, which actually just stipulates and showcases our awareness about the company with the customers and the stakeholders and what is it actually leading it? I just have few pictures on this to share.

The first picture, which you see on the left is a SWICON picture, which is a SWICON event, which was held in this quarter after a gap of 10 years. And this is by far a flagship event

conducted by IEEMA, where your company represented very well. And the right 400-odd people, corporations got participated in this and had an active display of what your company does, and this was a grand success.

What we also do is keep on representing ourselves, our thought leadership, our supremacy in the market by participating in events of repeat. Like there are a couple of pictures which you see is a IFFCI event and EU Chambers event where we got a place to really speak about as to what your company does for Indian customers and Indian stakeholders.

On the right is a picture which is by Mr. Shriram Singh. There's a small video, and I encourage to actually see on our website. This is a 2 minutes video, which actually establishes as to what the company has done in state of Bihar, especially in Patna in terms of really digitalizing the city by providing the most efficient systems, which the company has in terms of maximizing the uptime of the DISCOM, which runs South Bihar.

I would now take you on a slide, which is a bit heavy slide, I'm sure you would have seen, is the market outlook what your company sees. And the headline message, which I would like to communicate here is that, the government is pushing growth despite the global or geopolitical uncertainties or headwinds which we face.

Just to elaborate on this further, the GDP forecast for next year is supposed to be anywhere in the range of 6.8% to 7.2%, which is consistent. What is also being done by government is to infuse more capex. We are expected to end the year revised estimate close to INR11 lakh crores.

And the next year capex is slated to be about 11% more at about INR12.2 lakh crores, which means that government is really trying to push demand, and this is also coming out by various initiatives of policy decisions which have been taken by the government in the last few quarters like the continuous repo rate cut. We are now sitting at 1.25% cut over what we were in December '24.

The tax reliefs, which has been given, the GST rationalization, which has come up is all a booster for domestic demand. When the demand goes up, the supply also has a rightful reflection, and that's the reason why we see that this is good for the company.

What we also heard our Honorable Finance Minister say on the 1st of this month is infrastructure risk guarantee bond. We are not fully aware about what these details of this fund would be, but this typically is aimed in mitigating the risk which a developer might see in putting up infrastructure projects. Which, is again positive, and we are talking about the other investments which are in emerging segments like data centers, semiconductors and in the renewable space where there is a robust public investment plan in '27.

Just to give you a sense, we are talking about close to INR20,000 crores in data centers, maybe about INR15,000 crores to INR18,000 crores in semicon, and maybe about in excess of, upwards of INR2 lakhs or INR1.7 lakh crores to INR2 lakh crores in renewables.

PLI scheme also stays because 3/4 of PLI is on the manufacturing IIP, which is manufacturing cycle, and that is where people will put up more manufacturing setups and sites and where we can supply our products manufactured.

Now I also want to take about 3-4 minutes in terms of really telling you about the 4 pillars, which are very pertinent to us and which would carve our future. And these I would call them as energy transition, which the country is witnessing. The huge growth, which is anticipated in AI and digitalization, the urbanization and therefore, transportation and of course, last being the manufacturing resilience of the country.

Just to give you a sense as to what we are talking about, 5 years down the line, we are talking about a renewable target of 500 gigawatts. We are talking about the EV penetration rate to go to 30%. This is what all we know despite the fact that we are still at eight-ish now.

And more importantly, we are also talking about energy storage systems, which are battery-based just to make our grids more resilient and powerful. So is the case in data centers. We, today, as we speak, we are at roughly about 1.7 gigawatts of IT commission load, which we see that in next 5 years down the line, this will go up to at least 4x, if not more, to about anywhere number 7 to 8 gigawatts.

Now this is important because the way data centers have been coming up, the way country needs it, the way population is using and leveraging the AI and digitalization, which is evident from the fact that we expect the digital economy, which today is roughly about 12%-13% will contribute to about 20% of GDP in 2030.

You heard on the transportation about what is happening. We have actually come up from 17% when we got independent to about 41% urbanization, which is slated to happen by 2030. And we heard the Finance Minister speak about the high-speed rail corridors, which are 7, which are getting announced, which will cover about 4,000 kilometers, the INR16,000 crores investment. And also an additional dedicated freight corridor, which will be 2,000 kilometers connecting Dankuni to Surat.

Manufacturing resilience stays as very important because we are driving Viksit Bharat '47. And we are we are witnessing the merit of these schemes which are getting launched by government, especially the ECMS scheme, which is where the investment has been doubled. We are talking about the dedicated rare earth corridors in 2 states, which will sort of bring in a lot of localization capabilities in making permanent magnets, which will be required in EV, space, and aerospace and industries like that.

And the last is the Indian Semiconductor Mission 2.0, where another INR1,000 crores have been allocated in the budget, which will actually drive the semicon mission of the country by becoming subsidiary.

Now we, the company, if you look at and you focus on the last line, we are getting ready for leveraging all these waves which the country will witness. And I would say at this point in time that we are at the right inflection point to actually capture the growth coming in this industry.

I'm also happy and proud to share a few of the wins which we did in this quarter, which went by. And speaking about the Sunrise segment, which is essentially data centers, renewables and semiconductors. We supplied entire end-to-end solution in one of the data centers in this Q3, where the order was taken for the entire value chain, including power transformers, the digitalized AIS panels, along with the subscripive maintenance contract.

We are talking about the breakers and the transformers, which we keep on supplying in the segment of solar. And we are one of the largest orders we secured for transformers in '25 in this quarter which went by. And of course, the last is -- the biggest order which we won from one of the leading semiconductor manufacturers who is putting up a front-end fab in the state of Gujarat.

Continuing, we also witnessed major wins in the core segments where we actually have been working for quite a while, and these are what we call as electro-intensive segments, typically being the metal, mining and minerals, the mobility and also the Power and Grid, which is nothing but the utilities.

We supplied here GIS panels, and this is one of the steel plants where we have supplied the high-end, high-rated, digitalized GIS panels and so was one of the plant in Central India, where we supplied this connected panels, which are for power distribution. And of course, one of the large orders, which came in from a north utility which is for the remaining units which are used for secondary distribution.

And as I said, we are highly digitalized, technologically advanced people and that's the reason we're prescribed in the TBCB tenders, and we actually got 765 kV modernization and digitalization win, where we are supplying the control and relay panel and substation automation SCADAs. And the digital journey continues where we are supplying full SCADA system in one of the leading metro network in Western India.

I would also be very happy and proud to share as to what your company has been trying to do on the CSR angle where we -- actually, the core underlying principle remains as how do we build a skill around us, how do we give something which is the basic necessity, and also how do we earn trust as a good corporate citizen.

Now if you look at under these 3 buckets, the skill development, we actually have established 10 skill centers in government ITIs. And we tell these students as to what they should be doing and how they can actually flourish and make their careers out of the contemporary technologies which India is witnessing.

We are talking about community electrification. We electrify what we call as community health centers, the public health centers and a few urban bodies with solar energy and solar-led power systems.

We, in fact, have been also trying to provide and reach out to about 2,500 underprivileged families in remote and slum areas by providing them portable lighting and charging solutions. And therefore, we actually have been recognized by FICCI and by FE Green Sarathi Award is something which we took in this quarter, which went by.

Now just continuing as to what we have been trying to do in the manufacturing plants, which we have in the company and the pictures which you see here on this slide, which is Slide number 10, is the work which has been done by us and our plants in Vadodara, where we are now attempting to really see as to how do we measure and optimize the Scope 1 and 2, which is a very primary fundamental basic of being more sustainable.

We have installed an on-site 1-megawatt capacity at both Vadodara plants. And just to tell you and give you a perspective, 1/4 of the power which we do is actually sourced out of renewable resources in our manufacturing sites.

If I speak about water management, which we are very conscious about, we have been taking measures to reduce water consumption, 30% and a few examples. If you see the picture, I'm sure you would have seen, there's a pond which you see, which is the rain harvesting pond. And we actually leveraged this pond, which we have made for using 30% of water consumption in plant in Vadodara.

We actually have also installed the liquid -- zero liquid discharge at all the plants and all the right usage by using treated water for our washroom, et cetera, is what we have implemented in the plants.

Now we have kept safety at top of our radar, and there's a reason why we have sort of bettered our rooftop safety. And there are many things which we have done in terms of fool-proofing our manufacturing operations by using solutions which are deeply engaging AI detection systems in terms of safeguarding our operators and people who actually are running operations.

Now I'm also very happy to announce and declare that we have launched, and I would urge you to go to Page 12, which speaks about the latest in the block, which is GMSeT, which is a primary distribution gas-based equipment, which is made fully in India. It has got all the global technologies of Schneider Electric sitting inside, and this is absolutely modular and digital switchgear is what we have done.

Now the key benefits is that you get -- being modular and digital, it is more safer and reliable. It is digitalized. It can give you all those elements of maintenance, whether it's predictive or condition based. It has got better life because you can always predict what is going wrong in the asset. And of course, because it is all indigenously made, localized in India, it is faster in delivery in terms of addressing the growing and agile needs of the country.

End markets for this are plentiful, but to name a few are the Power and Grid, which we are calling as utilities; the transportation, which is the metro network, airports; the buildings, which are high-rise buildings, commercial buildings or office spaces; and of course, the data centers, which are going to be booming in times to come.

Now at this point in time, I would request my CFO, Mr. Omkar Prasad, to share with you the financial performance. But I'm also happy and I encourage you to go on the site where first time we have issued a press release for the performance of the last quarter, which is available on NSE, BSE, and also at our own site.

Over to you, Mr. Omkar.

Omkar Prasad:

Thank you, sir, and good morning, everyone. And I really want to thank everyone for taking out time to join this earnings call. I just want to give you the update on the financial performance of the quarter and 9 months.

I urge you that go to Slide number 14, where we have the highlights of 9 months and Q3. So this quarter, I have to tell you that this is the first time a quarter we crossed INR1,000 crores. It's a stellar performance that in 1 quarter, we are crossing INR1,000 crores. And this has come with very good news with a strong order backlog. So if you see in the slide, we have an order backlog growth around more than 50%, and we have order backlog of INR1,700 crores in our company.

We also -- I just reiterate that what we have explained in the earlier quarters that our focus continue to have more efficient order execution and focus on profitability. So this will remain continue, and we are continuing to make sure that we execute very efficiently going forward as well.

In brief, for 9 months, our order booking, if you look at 37% growth and now we have order for 9 months is INR2,657 crores. For quarter, we have a 60% growth, which is INR909 crores. Sales, we are at 12.3% growth around INR2,300 crores. And quarter, we have INR1,000, which is 20-plus up movement from the last same year.

Profitability, I'm just calling it out before exceptional expense. I will clarify you what is the exceptional expense in the next slide. But profitability for 9 months, we have crossed INR281 crores, which is INR8.2 crores Y-o-Y growth and quarter INR155 crores, close to 20% Y-o-Y growth.

If I move to the next slide, number 15, where you can see the P&L. It is already published yesterday. But I give a little bit detailed analysis that sales, we grew around 12%, as you know. We continue to leverage our fixed cost, which is employee cost, other expense and depreciation, if you look at. We have actually, if you look at percentage to sale, has reduced from the like-to-like last year's 9 month.

In finance cost also, if you look at in terms of the percentage is low, and we have a good cash in the company. You must have seen the balance sheet in September. And that also we are earning now certain income in the finance on the FDR.

Exceptional item, important to call out. This 9 months, we have a gratuity impact due to the labor code change. The impact -- onetime impact, which is a cumulative impact till December, it's coming close to INR25 crores is what you see in exceptional item. And this is -- every company is making a provision in the December.

Last year, if you look at, we had an income here. And if you recall that we explained that last year, there was a litigation -- direct tax litigation, where we opted the Vivad se Vishwas Scheme of the Government of India tax scheme, where we opted and filed the settlement. And because of that, there was provisions done in previous year got reversed.

So we had an income in the last year and then expense -- due to the labor code change, we have an expense. And that's why you look at the Y-o-Y delta, it's making a negative in the PBT level. That's only one-off. Otherwise, our profitability before exceptional item, we have grown 8.2%. Other tax expense and other comprehensive number is as normal, nothing to specify here.

If I take you to quarter performance in the Slide number 16. Again, here, the quarter's sales is 20% growth. All the overheads like employee cost, other expense and depreciation and finance costs as normal, but we're able to leverage it because of the very good sales growth.

And again, all the exceptional items, what we call out just in the previous slide, it actually impacted the same in this quarter. And also the income was interest on reversal of DT litigation on Vivad se Vishwas it happened in the -- exactly the same quarter in previous year. So this also come in the quarter's movement. And that's why we have a normal tax expense, and we have grown the profit again before exceptional even for quarter, it's around 15% before exceptional expense.

Now I hand over to our moderator to get your questions to respond back to you. Thank you.

Moderator: Thank you sir. Our first question comes from the line of Mahesh Bendre from LIC Mutual Fund. Please go ahead.

Mahesh Bendre: Great set of numbers, execution and order booking. Sir, I mean, very, very impressive order booking. I mean, we have booked around INR 900 crores of order this quarter. So how the order pipeline looks going forward? Is it as strong as what we have witnessed in this current quarter?

Udai Singh: So Mahesh, thank you for the appreciation. And we are sitting at INR1,700 crores is the order book which we have currently, which has grown upwards of 50% Y-o-Y. And these orders, we also grew 60%, as you appreciated.

We see going forward, these schemes which have been getting rolled out will boost the requirements because government is pursuing that there has to be a demand push coming and which we see that we will be able to maintain a healthy, I would say, order intake in coming times as well.

Mahesh Bendre: Okay. Sir, in presentation, you have mentioned that we have launched the GMSeT, a modular and the digital switchgear. So is this a unique product for data center?

Udai Singh: It is a unique product, but not limited to data centers. It can apply wherever you need to distribute power at 33 kV in the most compact and highly digitalized way. So just to give you a brief about this, Mr. Mahesh. These are embedded with sensors, which are really state-of-the-art and can give you the entire health of the asset. Also those type of healths, which were conventionally in the past was never available. So I don't want to get into technicals, but this is something which is really out of the class.

Mahesh Bendre: So we'll be the only company offering this product in India?

- Udai Singh:** I would not like to make a comment on it. People are trying to do something in their own ways. But from our side, this is very unique.
- Moderator:** The next question comes from the line of Nisar from ValueQuest.
- Anirudh:** This is Anirudh from ValueQuest. Congratulations on a strong quarter. First question was to understand the gross margins this quarter. So there seems to be a contraction in our gross margin in this quarter. So how should we look at it? Is it due to -- what are the factors that led to it? And how should we look at the margin trajectory ahead?
- Omkar Prasad:** Thanks, Anirudh, for questions. When you look at gross margin, yes, if you look at it in terms of the percentage there is dilution, but what we have the sales growth. It's coming largely the impact of the mix. So as you know that we have a multiple segment in terms of the transactional where we offer standard product. We have services, then we have the projects and equipment and IG.
- So it is just the margin dilution. What you see there the last 9 months versus this 9 months and quarter-to-quarter mix has only changed the margin mix in the gross margin. Nothing unusual, I will say, but that's only a mix impact.
- Anirudh:** Right. Sir, any impact of this commodity cost inflation that we are seeing on our margins going ahead? And how are the contracts structured in terms of price variation clauses, et cetera?
- Omkar Prasad:** Commodity inflation is not impacted in this quarter largely, because generally, our projects' tenure to execute it's 3 to 6 months. So we had an RM already on hand and the process was in WIP stage. So that's why you don't see the much impact of commodity in this quarter for sure. But yes, obviously, as different industry getting impacted, we also foresee such impact may come.
- Anirudh:** Okay. And how do we hedge against that, sir, going ahead? I mean, are we able to secure some back-to-back contracts for commodity? Or is that position open?
- Omkar Prasad:** Yes. If you look at in the P&L in the last line, other comprehensive income, this includes the hedging unrealized gain of commodity. So yes, we do hedge not 100%, but we do hedge the commodity, some key component.
- Anirudh:** Understood, sir. Sir, final question was on the data center opportunity. How large a component in our order inflows now would data centers be contributing?
- Udai Singh:** Data centers till date order has been roughly about 10-ish, and we are trying to see as to going forward how will this contribute more for your business.
- Moderator:** The next question comes from the line of Parimal Mithani from Credential Investments.
- Parimal Mithani:** Sir, just I wanted a clarification. In your opening remarks with reference to Slide number 4, you mentioned you are at an inflection point. Can you tell what you meant in terms of opportunity for us? And second question is, any time frame of coming to dividend distribution, sir, for the shareholders?

Udai Singh: I can take the first question. My colleague will take the second question. See, why Mr. Parimal I said we are at an inflection point because today, we do things which are around energy and energy management. Now for us, the energy stays as electricity. And all this, what you see on the Slide 4 are the drivers of electricity demand.

Coupled with it, as you generate more and more electricity, or energy, which is either from fossil or non-fossil, you're also going to witness very strongly the management of this energy, the multidirectional flow of this energy. And the manufacturing in India will boost the demand of capex equipment, which the company makes.

So all in all, because there is a thrust coming in, which is getting witnessed and supported and reinforced by government policies, we see a pretty stable and strong future for the company. That's the reason why I said it is more of an inflection because everything seems to be moving in almost the right direction.

Parimal Mithani: Sir, can you quantify the addressable market size for us in terms of -- I know the budget figure is quite high, but what is the addressable market size for Schneider?

Udai Singh: Very difficult to answer, sir, because these are all different basis the segments and basis -- many other variables which come in picture. But typically speaking, like, for example, if you pick up power generation, it is something else.

If we speak about distribution, it's something else. You come to data centers, it really depends on where is the data center being put up, what are the voltage class, the distribution, the mirroring, the redundancy, mode of data centers and many things.

So it will be highly correct of me if I get -- give you a ballpark number, which actually as a percentage of investment being done by the developer, saying this is the addressable market size. So it really is different for different segments.

Parimal Mithani: Okay, sir. And the second question, can you answer?

Omkar Prasad: Yes. Your question on dividend. Your company has a dividend policy. It's there in our website. And rest assured that the company is taking up the necessary step to take up to the Board of Directors considering all operational and strategical -- strategy. And then accordingly, we'll come up and we will let you know in coming time. So rest assured. And we know that these questions are coming from the last couple of times. So it's there in the policies, and we will work it on that.

Moderator: The next question comes from the line of Sanjay from Goldstone Capital.

Sanjay: Congratulations on a very nice quarter, very successful quarter. Going forward, could you share what sort of capex we have planned for the next -- for the remainder of this financial year and the next financial year?

Udai Singh: Sanjay sir, thank you. Omkar, you take this question.

- Omkar Prasad:** Yes. So as per, I think, SEBI, whenever we take a capex budget, anyway, it will get announced publicly. I think last time what we have announced somewhere in mid of last year, 2025. And updates are there in the balance sheet in September. And accordingly, we'll have the update status also in the March. So definitely, if anything gets approved internally, you will come to know through the announcement.
- Sanjay:** Okay. So this quarter being the strongest quarter seasonally, going forward, are we to see some sort of smoothening out of the seasonality now in the business now that there is quite a bit of diversification across different applications, different end users?
- Udai Singh:** So I wish I could have answered you this with certainty, but we are hopeful. We are hopeful for the infusion, which is being done by the private sector and also by the government sector in terms of really infusing and putting up capital. So we are hopeful that it will become more stable, slightly more predictable than what it was.
- But then when I say this, I say this, the situation which we see today and as all of us will appreciate that, because of the geopolitical situations things do -- things may go slightly off track, but then what we are trying to do is how do we mitigate and of course correct ourselves in case that those things happen.
- Sanjay:** Yes, one would imagine, because the strong order inflow that you've got would give you quite a bit of visibility now going forward for the next year or 2 and how this is going to be spread over the quarters and thereby get a little more evenly spread?
- Udai Singh:** No, we could secure certain high-value orders, a few of them, and that's the reason why you see a 60% growth in the quarter or INR900 crores in number. It really depends now the way these manufacturing requirements are going to be coming up and being seen by us. We are trying to - - the company is trying to see as to how can we really stitch together a solution and adopt a solution approach so that we can maximize in order. So there's actually -- and that's the reason why I said we are hopeful that perhaps we will be able to see a stable growth in times to come in terms of orders.
- Sanjay:** Okay. My second question is on item in the other expenses. Basically, do we have Scope 2 leverage, the fixed element of warranty expenses and management support expenses because these are fairly significant items? Going forward, are we going to see some operating leverage around these expenditures to -- so basically see them go down as a percentage?
- Omkar Prasad:** See, warranty expense, it's not a fixed component. Warranty expense depends on the volume and the value. And yes, territory allocations and other costs, which are there, obviously, we'll see the leverage for sure.
- Moderator:** The next question comes from the line of Viraj Mithani from Jupiter Financial.
- Viraj Mithani:** Congratulation on outstanding numbers. Sir, my question is, we had a product called E-House. And I think that something like that is being used massively in data centers. So do we still have this product or?

Udai Singh: Viraj ji, of course, we have this. We are one of the pioneers who established this technology in the country, and we continue to have this and it's going strong. And this is -- just to clarify, this has got multiple usage, not limited to data centers. It is primarily a solution, which is where you are killing speed and you don't want to get into a civil construction of a substation where you box it up in a steel enclosure and put everything and thereby making it mobile at times. And this is seen by lot many people, including Power and Grid.

Data centers, of course, they have this at times, because success in data centers in India is how quickly can one make an infrastructure for hosting data. So it does use -- what it also use, just to elaborate, is something which is not an E-House, but is a skid. And a skid is where you put everything on a platform, make it one composite structure. You install it as one composite structure and it actually gives you a plug-and-play advantage. So there are many things which are evolving, and let me assure you that we are on top of all of them.

Viraj Mithani: Okay. So what is the scope? Can you give some market numbers on the E-House? Or is it possible?

Udai Singh: There is a very thin line. I will not be able to give you some numbers, but there's something which goes as E-House and a power substation or a compact substation. These are usually a mirror term, which is used. And the E-House or CSS or PSS market, if I may say, my sense is about INR1,400 crores in the country. And we directly or through our partners are at a rightful share in this.

Viraj Mithani: Okay. And sir, when you -- in your slide, you referred to the word digital, does it -- are you referring to EcoStruxure?

Udai Singh: Yes, of course. So EcoStruxure stays as the core, the basic fundamental. And if you -- thank you for reminding us of EcoStruxure. If you remember, there's something which we call as connected and there's something which we call edge and there's something which we call as analytics. And the connected is the one which is the digitalization and sensorization. Because you provide these sensors, which give input to a simulator or an accumulator, which therefore, is topped by a layer of software, which give you far more insights into anything which you would like to seek. So yes, digital is the basic backbone of EcoStruxure.

Viraj Mithani: And how is the revenue share you are...

Moderator: I'm sorry to interrupt you. Viraj, I would request you to rejoin the queue. The next question comes from the line of Piyush from Batlivala & Karani Capital.

Piyush: Congratulations on a very great set of numbers. I wanted to understand, currently, what is the percentage of exports that we have? And will any of these free trade agreements that have been signed, in particular, the EU FTA have any benefit to us?

Omkar Prasad: Okay. So if you look at exports today, in 9 months, if I give you the number, it's close to 11% to 12%, okay? And we also have a certain recharges. So that's a mix we have in exports.

Udai Singh: Just to add to what -- sorry, just what Mr. Omkar said, these are very positive movements, which we are trying to do with free trade agreements with EU, which we all saw. We are still trying to see as to what additional business will it translate for us because it is not yet out in great details as to what will it facilitate. But overall, there is a positivity between India and European nations.

Piyush: Okay. And my second question is, do you have any kind of guidance that you can give for Q4 generally being the strongest quarter? Is that something that we can continue to think of in this FY as well?

Udai Singh: I cannot be telling you any numbers, but we -- be rest assured that your company is trying to do the best we can under the given confines of operations which we have.

Moderator: The next question comes from the line of Gunal Bansal from NBG Investments.

Gunal Bansal: And my question is to Mr. Udai Singh. We heard your opening remarks, which talks about a very strong footing of the company, and it is well supported by your financial numbers. So my question is, what are the challenges or concerns which you see, which makes you worried?

Udai Singh: Mr. Bansal, thank you for asking this. Today, we -- if you really ask me, the top most priority of us is how do we have a profitable growth. Which means that we have to pick up the right strategic contracts.

Two, as I think, and just a few minutes ago, there was another gentleman asking, how do we mitigate the risk of raw material impact, which we might see in times to come. And what at this point in time I want to say is that while there can be an impact, but the actions -- internal actions taken by us is how do we mitigate that impact to the least.

So if you really ask me today, Mr. Bansal, we are trying to see as to in this geopolitical situation, in this absolutely volatile raw material scenario, in the growing demand, which is challenging capacities of manufacturer, number one, how do we pick the right contract? Number two, how do we execute it profitably, mitigating the risk and volatility of raw material which those contracts might offer.

Moderator: The next question comes from the line of Pratik Dharmshi from Union Mutual Fund.

Pratik Dharmshi: Many congratulations team for a splendid set of numbers. A couple of questions from my side. One is, which are the sectors which you are seeing good growth or positive tailwinds currently and from next couple of year point of view?

And the second question is, we have a lot of our products in the distribution capex side as well. So what are you -- what's your understanding in terms of potential DISCOM-related opportunities going ahead for our products?

Udai Singh: See, this RDSS scheme is a booster. And I can rattle out many views on segment-wise. But for us, what stays important is the Power and Grid, and you rightfully mentioned in terms of how do we maximize our presence in the distribution sector of Power and Grid.

There are many states which are augmenting their infrastructure, modernizing their infrastructure, not only tangibly by putting up the capex equipment, which we can offer and supply. But parallelly, there is a lot of push which actually has been happening in terms of how do they modernize their localized and their national grid.

Now just to give you some insight, even the Ministry of Power has been actually advocating extensive usage of AI and ML for making the grids more resilient and transparent. So we see this as a major booster. We see the mass rapid transport in the country is going up. We are talking about airports being made, the new ones. We are talking about metro networks being -- getting established, besides the 4 metros to our other cities.

We know that data centers will see a spike, which will again fuel the power demand. So all in all, we -- if you ask me is there are many segments which are really clicking. And hopefully, if everything is going right as planned, it will give us a stable environment to operate in times to come.

Pratik Dharmshi:

Sure. And just a follow-up on that. Considering a lot of levers for growth for our company, there are scope for also operating leverage to kick into our business. So are you happy with the current margin band? Or over time, do you see there is opportunity to get better on the margin side as well?

Udai Singh:

As I said, sir, we are trying to do business profitably. So we are always in constant search for how -- which areas do we optimize the cost, which areas can we get better prices. So that's a continuous rigor which we have in the organization. So the leverage of volume will certainly come because, as you know, it's there on our website, the capex, which we are infusing in all our 3 plants in terms of getting ready for the future. With those volumes, certainly, there will be some advantage and some leverage will come on the profitability.

Moderator:

The next question comes from the line of Sanjay Kohli from Goldstone Capital.

Sanjay Kohli:

Sir, do we provide the breakup between our central government deals and the state government deals, the percentage? For instances Bihar -- South Bihar, South Patna DISCOM case study, which you've highlighted in the presentation. Is this -- I mean, it's a related question. Is this a recent relationship? And going forward, it would probably extend to a number of years?

And how significant in particular, would -- I mean, if you can give some sense of some kind of number to this sort of thing and the division between the center and the state? Some sort of elaboration of this sort of this case study, yes?

Udai Singh:

So Sanjay ji, I'll try to answer this, and I hope that I'll be able to clarify. I have not greatly understood the split which you are seeking between center and state. But if there's any distribution company, which is government run, seeks funding, they have 2 options. Option is it is done by the state. And as you rightly said, it is funded partially or fully by center. And there are 2 nodal agencies, which were REC and PFC who used to do that, which are getting merged by the way.

Now that really doesn't matter to us as to who's the funding agency. Eventually, we need to have clear right of way. We need to have clarity in what we need to supply. We need to have clear support from the state coming in to implement our solutions and hand over. If that is there, to answer your question, we don't have the number of -- we don't track as to how much is state and central funded.

Now two, you're asking about Bihar, that's something which we have actually commissioned to the last mile some time ago and recently. But what we are trying to showcase is that there are certain cities, which have ambitions to become smarter. And a very important piece of this is how do you make the basic necessities available 24/7.

And there's just a showcase of that, which Patna has done, where if you -- I do not know whether you got a chance to visit Patna 25 years ago and what you see Patna now in terms of availability of power and the support which the DISCOM is able to give, which has been getting possible because of the solution...

Sanjay Kohli: Yes, huge, huge difference, obviously, I mean?

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Udai Singh: Thank you so much. And I really would like to extend thanks and for the appreciation which you have given to the team here. Along with me, I have Mr. Mohit and Mr. Omkar, who has joined for this. And I wish you a great day and lots of health and wealth in coming times. Thank you so much. God bless you all.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Elara Securities, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.