

SEIL/Sec./SE/2025-26/17**May 29, 2025**

The Manager
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Bandra (East), MUMBAI 400 051
Fax # 022-2659 8237/8238/8347/8348
Symbol: SCHNEIDER

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI 400 001
Fax # 022-2272 3121/2037/2039
Scrip Code No. 534139

Sub: Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

In continuation of our letter no. **SEIL/Sec./SE/2025-26/11** dated **May 22, 2025**, regarding schedule of investor conference call, please find enclosed herewith the transcript of the conference call held on May 27, 2025, for discussing the audited Financial Results and earnings performance of the Company for the 4th quarter and financial year ended March 31, 2025.

This transcript will be made available on the Company's website i.e. <https://infra-in.se.com/>.

We request you to kindly take the above on record.

Thanking you.

Yours Sincerely,

For **Schneider Electric Infrastructure Limited**

(Sumit Goel)
Company Secretary and Compliance Officer

Schneider Electric Infrastructure Limited

Corp. Office: 9th Floor, DLF Building No.10.Tower C, DLF Cyber City, Phase II, Gurgaon – 122002, India; Tel: +91 124 7152300; Fax.: +91 (0) 124-422 2036; www.schneider-infra.in

Regd. Office: Milestone-87, Vadodara - Halol Highway, Village Kotambi, Post Office Jarod Vadodara -391510, Gujarat; Tel: +91 02668 664300 Fax: +91 664621; CIN: L31900GJ2011PLC064420

Life Is On



“Schneider Electric Infrastructure Limited
Q4 FY '25 Earnings Conference Call”

May 27, 2025

Life Is On



ElaraSecurities



MANAGEMENT: **MR. UDAI SINGH – MD & CEO**
MS. SUPARNA BHATTACHARYYA – CFO
MR. MOHIT AGARWAL – HEAD - INVESTOR RELATIONS

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

Moderator: Ladies and gentlemen, good day, and welcome to the Schneider Electric Infrastructure Limited Q4 FY '25 Conference Call hosted by Elara Securities. 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 now hand the conference over to Harshit Kapadia. Thank you, and over to you, sir.

Harshit Kapadia: Thank you, Saisha. Good morning, everyone. On behalf of Elara Securities, we welcome you all for the Q4 FY '25 and FY '25 Conference Call of Schneider Electric Infrastructure Limited. I take this opportunity to welcome the management of Schneider Electric Infrastructure represented by Mr. Udai Singh, Managing Director and CEO; Mr. Suparna Bhattacharyya, Chief Financial Officer; and Mr. Mohit Agarwal, Head of Investor Relations.

We will begin the call with a brief overview by management, followed by Q&A session. I will now hand over the call to Mr. Singh for his opening remarks. Over to you, sir.

Udai Singh: Thank you, Harshit, and good morning to each one of you, and thank you so much for joining at 11:00. I'm sure you must have gone through a small set of slides which we had shared, and I would like to take you one by one, before I hand over to my colleague, Suparna, to talk about financials.

And I would request you to go to Slide 2, which just illustrates once again as to what mission and vision your company has got. Mission very clearly stays as to be a digital partner for sustainability and efficiency. And we believe that life is on everywhere for everyone at every moment.

And at the same time, we have a very clear vision that we would lead the new digitalized energy world by offering our customers and partners the most innovative connected products and solutions, which would be ready for the then power distribution elevated expectation.

Going back to -- if you turn around and go to Slide 3, which we have sort of -- I'm sorry, this would appear to be a busy slide, but just wanted to share with you as to how do we see macro level market outlook in times to come.

One thing which is very clearly emerging is we have come to a level which is sort of a steady growth in the country, which means that a couple of years ago when we just got past towards the unfortunate periods of COVID, there was a slight surge in the capex infusion, which happened.

Now it has come down to what we see as a steady path for us ahead. If you know the GDP essentially has been consistent, roughly about 6.5. The GFCF, which is a true indicator of what capital is being invested is also stable and you have the same stability you see in multiple parameters of industrial production as well.

Now before I jump into the 4 mega trend pillars, I would also like to talk about other factors which are around us. One, we see basis the steady is done. We see, as I was telling you that we have come to a steady path, we see slight, I would say, decline in the announcements which the private sector has been doing for FY '26, which essentially there is slight dip about 10% to 12%. You read different reports. There's this -- the people and the private companies who have responded to the survey done, there is a slight decline as I compare this with the same time last year.

But there is a silver lining. You know that the inflation has come down to perhaps the lowest, 3.1%, which actually will have a cascading effect of more demand and more business. There are certain trade uncertainties which are around us. We are not insulated to it. And your company has sort of -- taking right steps as to how this should not impact us materially.

Now having said this, I would also like to speak to you on the mega trends, which are perhaps known to everybody. And what we have tried to do here is what are the new emerging trends in each of these buckets. Then how is government conducive and rolling out policies which are supporting this? Which are the segments which are important and relevant for your company? And at the end, we have tried to put forth as to in our entire basket, what are the innovative offers which your company has got to actually leverage this evolving landscape.

Now just slowly going and talking about it on the energy transition, which is one of the most relevant important vector for us. We are talking about renewables. You know about this. We are speaking about green hydrogen, that what -- the National Green Hydrogen Mission, which where government has committed for pumping in about INR20,000 crores for 5 MMTPA production by 2030.

Nuclear energy, there's another piece which is being talked about in this budget when we said that there has to be at least 5 small modular reactors to be commissioned sometime 2030 to 2032. There's another important piece, which is -- we look up to. And then, of course, we have a very strong pull, which is coming now and which we see and trying to get into is the battery-based energy storage system. Government is again funding it. There's a VGF scheme, which is getting rolled out. We have multiple offers around this. If you look at the first block, we have what we call as DERMS and GIS, which is item 1 and 2, and I'm sorry, these are a bit more technical. But these are the ones which are absolutely essential for grids like India to make it more robust, more resilient and more transparent.

DERMS is nothing, but an advanced distribution management system. And GIS is a Geographical Information System, which is important, as I said before, for grids which are prevailing and working now to have these systems up so that the transparency and the load management becomes easier and more sustainable.

And this becomes more important because you have now bidirectional flow coming in, multiple generation and consumers and consumer landscape, which are evolving, and that's the reason why 1 and 2 becomes very important along with 4, which is nothing but the micro grids, which

is sort of, I would say, a set of software, which allows and facilitates bidirectional movement of energy.

Now another way is -- another topic is, of course, AI and digitalization. We are talking about digital economy, and we are -- by the way, I think we are a sizable transactions digitally happens in India. We are roughly about 20%, 25% and maybe perhaps more.

We are talking about the schemes which have been rolled out in terms of how do we push this, which is the Production Linked Incentive scheme, which is about INR76000 crores, and we see a lot of groups in India actually thinking and investing on this on both the OSAT facilities also fabrication facilities.

We are talking about the RDSS Scheme, which are there. And of course, as we speak, data centre despite Deepseek, actually has a positive outlook in India itself because just by sheer population and by the usage of data, which stands at about 25 gigabytes per month is something which has grown by about 5, 7x, and this continues to grow. And again, we have elements like EDMS. We are talking about EcoCare and cybersecurity solutions, which are around this.

Now if I speak about sustainability and Viksit Bharat, I combined them both together just to save some time. We are talking about government spending about INR11,000 crore on the E-DRIVE scheme. We are talking about INR15,000 crore in the Green Steel Taxonomy and mission, which all supporting and aimed at India's net zero plan of 2070. And we have a lot of good things which we have to support this initiative here.

I do not know as to how many of you, gentlemen and ladies could get chance to come over in Greater Noida sometime earlier this year in Feb in Elecrama, where we have displayed all these solutions, which are so-called state-of-the-art and more futuristic in terms of RM Airset and GM Airset, which is nothing but the primary and secondary SF6 free equipment, which we have actually launched this year at Elecrama. And of course, we have something which is called as DELMS. This is another futuristic solution from Schneider, which manages the dynamic energy and loads, especially in the fast charging and EV landscape.

Viksit Bharat, I just want to tell you about the more and more indigenization efforts which we are putting. I'm sure you are aware about roughly INR200 crores is what we stand committed to invest in our own factories in India in terms of maximizing capacities and trying to prepare ourselves as to how do we deliver and serve the nation in times to come. And at the same time, trying to mitigate the uncertainties which are evolving because of few quality control orders and also the Omnibus Technical Regulation, which we are seeing in front of us.

We do have, as I mentioned, in terms of indigenization, we have 2 offers, which I have mentioned in the last block, which is where India-for-India and India-for-the-globe is the products which we have used -- I mean, which we will be manufacturing using the Schneider technologies in Baroda.

I would now like to go to Slide 5, which is nothing but it just showcases the established expertise which your company has got to get some significant wins. And I come to Slide 5, which speaks about the strength which we keep on witnessing and delivering in the core segment, where you see in the Power and Grid, we have supplied after a gap to one of the central utilities in India. And this is the transformer which we have supplied, which is fully digitalized. When I say fully digitalized, it has got all the sensors and digitalization and the cloud visibility of data. And I should thank the utility, which actually embraced this technology and really shown that how progressive they are.

In energy and chemicals, again, we are trying to supply transformers, which we have supplied and this goes in for long because the utility has got -- I mean this oil and gas company has got major plants in India, and we are trying to see as to how do we keep on engaging with them in times will come.

On the MMM segment, there is one end-to-end solution which we have supplied in one of the steel plants, which is very important and relevant to us, where both the gas insulated, the air insulated and panels have been supplied by us.

If you go to Slide 6, which is another one which is perhaps -- just showcases the shift which we are trying to drive in what we call a transactionalization business of the company, where we are trying to empower our partners who actually we have made for last about 5, 6 years and trying to see as to how can they represent us in front of the end user and the buyer with the same degree of technology and same degree of quality is what is expected out of Schneider.

Just to give you an example in Power and Grid, the second ring main is what we have supplied to one of the license partner in Central India, supplied to one of the leading discoms in Western India and then we have -- seeing we have supplied to another grid company in the South. And then at the end, we have where we have supplied the high-rated breaker, which we have actually, i would say, we launched about 7 months ago, where we are trying to see as to how do we support the solar mission of the country using these core component partners which we have. This is one success, which is there in the North.

I would move to Slide 7, which is another success in terms of seeing that how country is actually recognizing and appreciating the most advanced technological products which your company has been launching and aspiring to. The left one is one of the oil companies, government oil companies actually in West India, where we have supplied one of the most advanced state-of-the-art air insulated switchboards, which are fitted with partial discharge sensors, first time being done.

And thanks to, again, the company which actually adopted this. Then we have another private player where a well-known private player, multidimensional, I would say, in the Central India or in Western India, where we are actually supplying what we call as T500, which is perhaps one of the most advanced remote terminal unit ever being made to power the solar plants, which we are putting up of 2 gigawatts in Gujarat.

I go to -- nothing is complete till the time we speak about what we have been doing on the new energy side. And of course, if you look at Slide 8 is where we are trying to -- we are already in the process of supplying in one of the U.K.-based people who actually are making sales in India. And here also, if you see we have supplied them the most advanced AIS panels with all sensors, and we have actually proposed them in asset management, which is managed on the cloud.

Second one is also important again here is we are trying again to sign up with some IPP, who is a well-known IPP in North India and who has tons of, I would say, many gigawatts to their credit, and they are venturing into a hybrid solar/wind and we supply them transformers, again in their hybrid renewables plant and which was again fitted with sensors and everything.

I also will tell you something which I'm very proud of, like you, is what your company has been doing in areas of ESG. Now ESG, as you know, has been extremely important and very, very close to us. We have been working on it for many years in terms of improvising ourselves, in terms of bettering our operations, in terms of keeping a cautious viewpoint on this piece.

And we did a couple of -- we engaged a couple of agencies, which are very well known in this area in terms of telling you as to how the company has been faring. And I'm so happy to share that in both assessments which were done by ESG risk and CRISIL, we stood pretty strong. And I don't want to rate as to where our peers were, but we were one of the highest in this ranking as well.

I actually will also now like to briefly touch upon to Slide number 11, which is nothing but the largest stalls, which we took at Elecrama, where we showcased our solutions which are actually around sustainability and how can we really impact our users, our consumers and society at large with our sustainable products and solutions.

Just to give you a sense, we launched a couple of ranges as you see in the pictures below. The GM Airset on the left is the SF6-free technology and highly digitalized. The GM Airset on the right at the same time is made in India, as I was mentioning some time ago, which we make in our Baroda plant. Again, very much modular, extremely easy to service and fully digitalized.

Now this entire Elecrama, which actually ran for about 4.5 days because last half a day, we wind up, actually witnessed about 10,000-plus customer footfall. We had 20-plus thought leadership sessions in this stall. And this was something which was a showcase of our theme, which is being sustainable at the core and at the heart. This was a fully sustainable booth, which we had put up in that Greater Noida store.

I would also be very happy and proud to share and I would like to go to Slide number 12, which speaks about the keynote speeches which we do -- we did in eTECH's forum representing your company in terms of actually telling the world as to how we are one of the leaders when it comes to what is going to be the future in the country and in the globe.

And it is a platform, which was called as eTECHnxt, which was -- where the industry, policymakers and stakeholders all come together and decide and deliberate about how the

landscape is evolving, what are the priorities, what should industry do in terms of manufacturing and aligning ourselves so that we are all aligned society at large and what the user should do in terms of taking the India mission of delivering and becoming net zero by 2070.

On the right side, again, I'm so proud to share with you that at the Indo-French Business Awards '25, they hold a very intense competition trying to see as to which of the company has launched the most innovative product or the service of the year. And I'm so happy to share that this product, which was an SF6-free solution on the secondary side, RM Airset won the best award of the -- award for the most innovative product this year.

Now I would request my colleague, Suparna, to tell you about some numbers as to how we have maintained a sustained growth and delivered what we call as impactful results. Over to you, Suparna.

Suparna Bhattacharyya: Thank you, Udai, and good morning, everyone. So a year has gone by, and we are ready with our annual numbers and a lot of good stories to tell and in terms of the overall growth and most importantly, balancing the business growth with hygiene in what we are doing and taking care of all the compliances and the requirements of the regulatory environment, which is really, really prime importance. So sustained growth and impactful results, this is what we begin with.

Going to Slide number 14, we have been seeing a sustained growth in orders and our sales has considerably accelerated. At the orders level, we are 13.4% higher than last year, closing at INR2,693 crores. Sales closed at INR2,637 crores with 19.5% growth. Gross margins improved significantly at 26% at INR1,037 crores.

EBIT, again, a significant improvement by 35% and we did INR382 crores. At the PAT level, 55.8% growth, significant improvement over there with INR268 crores and free cash flow is -- we generated INR245 crores of free cash flow, which is a huge improvement over last year, which is at 85% levels of improvement.

So again, continuing with the increase in our sales, our revenue, our growth story, we clocked the highest revenue and profit, better profitability with focused strategies leading to consistency of profitability. Cash efficiency, most important, we did extremely well this year in terms of the cash efficiency and future readiness.

And when I say of future readiness, we -- while we were extremely busy in generating this kind of growth in the revenues, we did not -- but we did not lose sight in the future readiness. And that's how we -- you are all aware that we did some capex investments because we analysed all through the year what we need to do differently for business continuity and gaining market share.

The strategic levers that we had, we accelerated the segment -- particular segment, the growth segments like the data centres, EV, semicon and of course, the resilient segments we strengthened. More focus on services because services is basically an ongoing business after we have installed the equipment and promote partners. So distributors and panel builders are -- we are growing our relationship with them so that they help us in getting more business.

Page 15, building plant capacity and fuelling progress is what we are looking ahead for. And as I mentioned, this year was the time when we sat and looked into the future and needed to see what we need to do differently so that we are able to retain our market share, grow our market share and also be in tune with what the ecosystem -- the requirements of the economy are.

So we are pleased to announce 2 investments for 2 of our plants, the Vadodara plant and the Kolkata plant. So for Vadodara plant, we are currently manufacturing -- the existing capacity is 8,000 panels, and we are going -- and which is almost near utilization, in fact, both the plants at 90%. We will be adding another 6,000 panels capacity and with this, we will be at 14,000 panels. We are thinking that -- I mean, as of now, we are expecting that we'll be able to add this in the year '26, '27.

The investment for the Vadodara plant is about INR100 crores. And happy to share that the mode of financing will be mainly internal accruals and maybe because of the timing of the cash out, we might resort to some kind of borrowing. But with the extremely good cash situation in the organization, we are happy to say that mostly we'll be funding it through the internal accruals. And the rationale, as I mentioned, to meet the market growth and growth ambition.

Now coming to the Kolkata plant. We have a capacity of 5,000 breakers currently and which is also at 90% level of utilization. We will be adding another 40,000. So after this, our capacity will become 9x higher. We'll be having a capacity of 45,000, and we do -- and we want to explore markets within and outside India for this. Again, this also we expect to complete by '26, '27. INR90 crores approximately investment for this project. And again, similar mode of financing and similar rationale that we have.

Going on to Page number 17, I wanted to share the absolute numbers in terms of the growth in our orders. For the 12-month period, we -- our orders grew at 13.4% from INR2,375 crores to INR2,693. Only for the quarter 4 level, we have been -- we were at INR686 crores last year, and we are currently at INR762 crores, which is an 11% increase. And we are maintaining a healthy backlog of INR1,253 crores.

Now coming to the sales numbers. Overall improvement in sales by 19.5% from INR2,207 crores, we grew to INR2,637 crores. Talking of stand-alone Q4 numbers, we were at INR472 crores last year, and we closed at INR587 crores, which is 24.4% growth.

Now coming to the financials of the full year. 19.5% increase in the sales and overall PAT increase at 55% has a great story to tell.

Coming now P&L line item-wise. Good improvement in our gross margins. And you can see the improvement in gross margins by about 2 points, and this has actually come from the better pricing that we are taking from the market, better mix of the basket of products and solutions or categories that we offer and overall getting some efficiencies with respect to the metal prices, etc.. So good improvement in our material costs and overall gross margins.

Employee costs have increased by 12.3%, pretty -- sorry, 11.2%, pretty much in tune with the annual inflation or the salary increase that we give and a small part of it has come from the variable expenses related to the additional sales. Other expenses, a little higher growth at 33.1%.

Overall, at the EBITDA level, we are growing by 33.5%, which is 1.6 points over last year. Depreciation, again, resultant of the capex investments that we are doing. And these are not the major capex or you might be remembering the Kolkata plant capex, which we announced, the depreciation not yet flowing in.

Talking of the finance cost, we reduced the finance cost by 28.5% because of some internal accruals, which we have taken a reversal and which has come into exceptional items. And this is probably, I will say, because of the better tax management that we did within the entity and saved a good amount in terms of interest expenses.

Taxes, of course, last year was the first year that we started paying the taxes. And this year, we paid tax on the full year income. And of course, that has at an overall level, at PAT, we have given an increase of 55.8%. And in terms of the points change, we have grown by 2.4 points.

So good year, I will say, and a lot of improvement in terms of the cash efficiencies, which has actually given us some benefit in ECL provisioning and overall very good hygiene in our numbers.

Now coming to the stand-alone results for quarter 4. Good growth in sales, but there was a little tricky in this current quarter with respect to the transactional business, which slightly lowered. And we are seeing a dip in our gross margin by 1.9 points. Employee cost increased by about 19.4% other expenses by 15.3%. I'm not going into all the other lines specifically.

Let's come to PAT because quarter 4 of last year had minimum expenses in terms of PAT. And this year, at the total level, we did extremely well because quarter 4 versus quarter 4, we did extremely well in terms of the improvement in our PAT. And so good results and then this has flown -- this quarter 4 has flown into the 12 year -- sorry, 12-month results. Overall, I'm sure we did beyond expectations.

Thank you very much. And now over to Harshit and his team.

Moderator: Thank you very much. The first question is from the line of Ashish Kumar from Ampersand Capital Investment Advisors.

Ashish Kumar: My first question is our order backlog is up only 2% on Y-o-Y basis. So if you can give some comments on that and how we should look at it? And my second question is based on our business and product mix going forward, how we should look at the margin trajectory for next year?

Suparna Bhattacharyya: So I'll answer your question and request Udai to add to this. So while different categories of businesses that we have systems, transactional services, etc, our transaction is growing. And

with the kind of improvement in the transaction business, which is again contributing better in terms of profit, we do not need what you call a backlog really for this because these orders are quickly executed.

And if we say that our backlog is lower in terms of growth, it really doesn't mean that we are not very optimistic about the sales going forward. So that's where I can say transactional business is gaining a lot of momentum. And Udai, if you might like to add to this.

Udai Singh:

Thank you, Suparna. Thank you, Ashishji, for your observation. In fact, we grew in terms of orders, we have actually grown by about 13.5% in the year. And if you really look at, we have actually generated a positive leverage in terms of what we booked and what we sold.

Now 2% is, of course, a single-digit number. But because of a few reasons, one is what Suparna said. And also to add, it also depends on how much did we book in Q4 and how much did we sell in Q4. And as you know, Q4 in India is everyone seems to be -- all of our users seem to be asking for deliveries and normally, Q4 is a large. So that's the reason. But other than that, there is no great other reason.

So we don't see that there's going to be sort of a dip or this would like to continue or something because it's a combination of multiple orders which we book under the various classes of solutions and products which we sell.

Ashish Kumar:

Any comment on the margins?

Udai Singh:

See, we are aiming, Mr. Ashish to actually continue the momentum, and we are not losing focus in terms of the bottom line. And that's the reason why we are continuously working on 2 things: One, how do we differentiate ourselves differently with our peers; Two, as to what do we do, which can give us slightly better margin than the average. And that's the reason we would continue to focus on -- I would not be in a position to tell you some number exactly, but we are continuing to focus the way we have been doing for last few years.

Moderator:

The next question is from the line of Aditya Deorah from Divisha Investments.

Aditya Deorah:

I have a couple of queries and suggestion. Over the last 3 months, we have had 3 announcements on store capacity additions related to the transformer business, RMU breakers and panel. Now in all these announcements, we have mentioned that the existing capacity is near 90%. So for the current financial year since the Kolkata factory is also not yet operational, how would we augment the resources for revenue growth?

Udai Singh:

When we say 90% and in our plants, which are essentially customized equipment, this is sort of installed capacity. And when I say installed capacities, we can always perhaps leverage this infrastructure to derive more the need is, which means that in certain times, in certain months, we see some peaking happening, we can perhaps have multiple avenues in terms of how do we extract more output of the installed capacity.

So for example, if I say X, I can derive 1.2x or maybe 1.25x is the need is, depending on us engaging more people or running more shifts. So that's not going to be hampering if I would say, I mean, we have no limitation of upside because of 90% utilization, if that's the question which you asked.

Aditya Deorah: Perfect. Now my second query is related to the breakers capacity, which we are setting up in a plant in Kolkata. So would it be in the Prospace plant in Dankuni or would it be in our existing plant in Salt Lake?

Udai Singh: It will be in the new one, Mr. Aditya.

Aditya Deorah: Okay. So that means that the new one has additional greenfield area for setting up maybe further plants beyond this one also?

Udai Singh: Yes, it has.

Aditya Deorah: Perfect. Perfect. Sir, just one suggestion. I understand that Schneider has Schneider One philosophy in India where all the entities go to the market at Schneider as one entity. But a lot of press releases are posted on the Schneider India website, and it is not communicated to the stock exchange.

So we as investors, as shareholders, we don't get the information, something like maybe the Tata Power SF6 press release or something related to the Noida International Airport press release, we don't have access to that information. So if you can just disclose it to the Stock Exchange, even if you don't put in the order or the quantity, that would be very beneficial to the investors.

Udai Singh: Thanks, Aditya for this feedback.

Moderator: The next question is from the line of Viraj Mithani from Jupiter Financial.

Viraj Mithani: Congratulations on outstanding numbers. My question is regarding your Kolkata facility, you're adding 9x. So what gives you that kind of confidence to add capacity 9x your size right now? And if you can give more color on that breakers and all?

Udai Singh: See, we are -- what we are trying to do is two things. One, we are trying to have a line of current breakers and perhaps also thinking of putting the new generation breakers in Kolkata. And this is what we intend to do in coming times, it will be product which will be made for India and maybe perhaps sold to other units of Schneider, outside, out of this plant.

Viraj Mithani: Are these products more margin accretive. How are these products? Can you give more color on that?

Udai Singh: Can you repeat it? I'm sorry, I missed you.

Viraj Mithani: Are these products more margin accretive since you're adding capacity 9x? So can you give more color on that would be helpful. Like what would be the top line or what kind of business

you expect from this additional capacity? I know you don't give numbers, but some ballpark figures would be interesting.

Udai Singh: It will be difficult, sir, at this point in time, but we do have plans in place with various ranges of breakers, which we are going to manufacture in a staggered way. Very difficult at this point in time to give you a ballpark number as well. We'll keep on sharing as we progress on this.

Viraj Mithani: Okay. And my next question is about like how do you see the margin trajectory going forward? I mean some color on that would be helpful since now we are in a good margin trajectory.

Suparna Bhattacharyya: So overall optimization at the margin level is a very important thing that we all are looking forward for because every year, if you see our margins have improved unless and until there is a situation which is beyond our control. And also at the operational level, we keep on adding to our margins, go on for orders with better margins and we are quite selective about orders.

We do not want to dilute our margins. And also, at the same time, promote the high-margin giving categories like transactional services, etcetera. So this overall, as a combined strategy will not only help us retain the margins but also grow the margins. So that's the thought process for the margin.

Moderator: The next question is from the line of Neil Oswal from Bajaj Finserv Asset Management.

Neil Ostwal: Congratulations on a wonderful set of numbers. Just one bookkeeping question. So the order inflow number for FY '24 and Q4 FY '24 seem to be different in the current presentation versus what was mentioned last year. So can you help us understanding the same?

Suparna Bhattacharyya: So we did not include intergroup orders. But going forward, we'll be including that.

Moderator: The next question is from the line of Hiren Ved from Alchemy Capital Management.

Hiren Ved: Congratulations on very strong numbers. My question is that how much should this INR200 crores of capex, how much incremental turnover can be achieved with this INR200 crores of incremental capex? That's my first question.

And the second is that you spoke about transactional services, which I would presume are more short-cycle orders. In which end user sectors are these transactional services most applicable? So these are my 2 questions.

Udai Singh: I can take the second one first, Hiren, and then I think Suparna can tell you about the first. These are few -- just to clarify, these are 2 separate aspects which we speak about your company. One is essentially the transactional piece of business, which is where -- to explain in very layman terms, we make the entire equipment or we make the heart and give it to somebody to do the rest. So when we adopt the later model, we call that as transaction. That's one.

And the services are just pure service nature on the either of installed which is of our own or any other make which is -- which might exist in any site. And I think you did mention about that

these are short cycle. Yes, these are short cycle and so are the other normal business as well. So it depends on the order size because we typically have a defined manufacturing time depending on the equipment and configuration. And depending on the value and the way it is being executed, the cycle times of project execution is varying. That's one.

Two, I think you did mention about, I think, which sectors or segments do we do this. We do this all across. When I speak about transaction, it is -- we are not limiting that our partner would not operate or should only operate in sector 1, 2, 3. It is actually available to be -- they are expected to be penetrating and be reaching there at each and every sector or segment. So they are sort of sector or segment agnostic.

Now I would actually request Suparna to actually give you a sense if she can on the delta of our revenues, which you have been asking about INR201 crores of investment we plan to do.

Suparna Bhattacharyya: While we really can't share about the numbers, the additional or incremental revenues, but we are looking -- see, while we are doing the investment, there is certainly a need from the market side as well as our own need for sustaining our business. So -- and that would definitely add to the incremental revenue.

In our case, what we have seen and while we were getting this approved, we'll see a staggered growth. And especially if I talk of the Kolkata capacity, we will be doing not only for India, even we'll try to sell outside India.

So overall, put together, we are seeing a good traction of orders which we want to execute. It will be a staggered increase. It will be a profitable increase at least at the gross margin level, maybe some impact of depreciation in the earlier times before we reach that critical mark. But overall, we are very positive and optimistic for the revenue to grow for these lines.

Moderator: The next question is from the line of Manish Goyal from Thinqwise Wealth Managers LLP.

Manish Goyal: First of all, congratulations to the entire management on very strong cash flows this year and last year as well, probably we've done INR500 crores of cash flow from the operations, which is quite commendable. So congratulations on that. I have a few questions.

First on the capex what we have probably done in last 2 years of nearly INR120 crores and the balance sheet shows capital work in progress of INR86 crores. So is it pertaining to our new facility at Kolkata where we are putting up vacuum interrupter product? So what is the status? When do we expect that facility to start officially ramp up going forward? That is the first question.

Second question, ma'am, on the other expenses, which has jumped 33% and probably we are seeing this happening again in the last 2 years from 9.3% of sales to almost 12.2% of the sales. And this year, it seems that it is gone up despite some writeback. So maybe if you can clarify on that aspect?

And also related question here, the other income has gone up from INR9 crores to INR25 crores. Probably there is some reversal of impairment of trade receivables. And are there any onetime in these other expenses? And I have a couple of more questions, so I'll follow it up as we go ahead. Thank you.

Suparna Bhattacharyya: Okay. Talking of the CWIP, yes, it's mainly from the Kolkata plant. And maybe Udai, you can add when we will start production in this?

Udai Singh: Yes, Suparna, so we are actually -- the main facility has come up and any way we had two plants to do here. One was to set up new equipment to produce in interrupters. We have leased and commissioned 50% of what was planned. The rest was movement and all the thing at the new plant, which we are doing in, say, a quarter or 2 because we do not want to disturb the current production and the peaking requirement, which exists and as we see today is getting staggered and if the answer is when, it'd be sometime by the end of '25 or maybe early '26 is where we see that -- we moving into one plant and trying to put up most of this equipment setup.

Manish Goyal: So to clarify, you are saying that the Phase 1 has started at the new facility?

Udai Singh: Yes, it's about to start. Because we have very vigorous practice of actually testing it out before we start commercializing it. So that's almost about to happen, we are in the last stages of validating what we have produced.

Manish Goyal: Okay. And how much capex we would have...

Moderator: Sir, sorry to interrupt, can you please rejoin the queue for a follow-up?

Manish Goyal: My question is not yet answered on other expense also.

Moderator: Sir, you can proceed with your question.

Manish Goyal: Yes. My question was on other expense, which has jumped 33% and there have been some write-backs and other income has also increased. So if you can please clarify on that?

Udai Singh: Suparna, would you like to take that question, please?

Suparna Bhattacharyya: Yes, sorry. I started speaking on mute. Sorry. Okay. So I was talking of the other expenses increase. And while we had to see other expenses, there are a lot of line items which are directly correlated with the increase in sales. So with this 19%, 20% increase in sales, there are a good amount of expenses which have grown in proportion to the sales.

However, saying that we as SEIL, because we have just stabilized as an organization, our revenues are growing, profits are growing, we see good traction in our orders, and we see a good future ahead. So we've also started our branding activities which we participated in Elecrama as -- with our product launches, etc..

So with all that, we have some good amount of marketing and branding expenses, which have come. And as I said, now we have a strength to invest for the future. And when I say it's not about capex, it's also on the operating expenses where we are building internal capability on many fronts and so expenses of that nature have increased.

So all put together, of course, the sales increase has contributed to a fair -- large extent. And also our thought process and philosophy within the organization of how to keep the market, I mean keep in as well as grow market share, build internal capability, training, branding, marketing, etc..

So all that has made us spend this kind of an increase. But the assurance that I want to give is that in every rupee of expenses monitored and a good thought is gone before we give internal approvals for the spending.

Manish Goyal: And on other income, is there any onetime element? And can you please share the breakup of revenue ordered into an order book? Thank you. And I'll come back.

Suparna Bhattacharyya: I'll first talk of the other income. So we had -- we could write back a few payables which were very old ones and we took our vendor confirmation and we could probably write back those payables. That was a onetime exercise. It never happened. It shouldn't happen again. And we also get some interest on income tax refund.

Manish Goyal: Okay. And then revenue breakup and order inflow and order book?

Suparna Bhattacharyya: So, should we take that later on?

Moderator: The next question is from the line of Saurabh Shah from AUM Advisors.

Saurabh Shah: Sir, a question on the new capacity enhancements. Baroda and Kolkata, in how much time do you expect these plants to achieve like 50%, 60% utilization once they are set up in '27?

Udai Singh: Saurabh, there are multiple things which we plan to do in Baroda. And when I say multiple, I mean more than one platform, which we are trying to do here. And it will actually kick start now and it has got different completion time frames. So we expect anywhere from, say, 1 year to 2 years is where we would be bringing up the capacity as planned of these different lines and the different platforms. If I may speak.

Saurabh Shah: And so Kolkata would be similar or Kolkata given it had breakers? I thought that might be faster?

Udai Singh: Same, Saurabhji. May be here and there a few months. But otherwise, even there, there are certain breakers which may come up before. There are certain breakers which may take some time depending on the platform, as I said, again, even there. So it is all staggered. We are trying to come up in stages and we are trying to see as to how do we keep on serving the market without losing continuity.

Saurabh Shah: Sir, other question was on the sale...

- Moderator:** Sorry to interrupt, but can you please rejoin for a follow-up?
- Saurabh Shah:** It was the same question. Just one question about the capacity. Just a question about group sales. What percentage of your sales would be to the group companies? And do you expect that to change in the next 2, 3 years?
- Udai Singh:** Suparna, this is for you if you can perhaps answer.
- Suparna Bhattacharyya:** There's no change which we are expecting. Would be in the similar range as of now.
- Saurabh Shah:** Which is how much?
- Udai Singh:** 15% plus/minus 2%, 3%.
- Suparna Bhattacharyya:** It's about 18% of the group sales that we do of our total sales.
- Moderator:** The next question is from the line of Ashish Golechha from Bee Ventures LLP.
- Ashish Golechha:** Congratulations for a very good set of numbers. Sir, my first question was with respect to differentiations. In Elecrama you also highlighted and you said that you are focusing on various products with respect to competitors where currently Schneider management is focusing on that traction. If you could throw some light on that?
- Udai Singh:** Sir, I'm sorry, I could not get your question. What did you say on Elecrama?
- Ashish Golechha:** Sir, with respect to differentiation of the products, you said that Schneider management is currently focusing on various products with respect to the competitors where the traction is there. So if you could throw some light on where the current focus there and how are we doing about compared with respect to the competition from ABBs and Hitachi and other competitors with Schneider in the same product scheme, where the traction of the management is going currently?
- Udai Singh:** Yes, I cannot comment about our friends but what I can perhaps speak about what we are trying to do in terms of really innovating and putting R&D efforts by stepping into over end-user shoes and trying to see as to what is that element of his day-to-day operation, which he is pained or is actually is on top of his mind, which we can resolve either by a product, either by your solution or by a software.
- So our -- I would say, our uniqueness is that with every passing time, we keep on enhancing more and more about what we can resolve when end user who is actually using our products. For example, if you have a blind product, you get nothing out of it, i.e. you slice it, you start seeing what is inside it, i.e. put that software you will start not only seeing what is inside it, but you also start realizing and knowing that what is going to be the future looking like for that product.
- So it's something which we are trying to -- has kept you at a centre, trying to see as to what ways can we benefit and support you in your own operation and scheme of things. So I would -- it

would be unfair on my part to comment upon ABBs and Hitachi but this is what Schneider has been doing.

Ashish Golechha: Sir, another question. Like out of 100%, what percentage of focus is now going towards data centre? Is it referred to the revenue part?

Udai Singh: It's about 15%, plus/minus 3%.

Moderator: Ladies and gentlemen, this was the last question. I now hand the conference over to Harshit Kapadia for closing comments. Please go ahead, sir.

Harshit Kapadia: Thank you, Saisha. We would like to thank the management of Schneider Electric Infrastructure for giving us an opportunity to host this call. We also thank all investors and analysts for joining for this call. Any closing remarks, Udai sir?

Udai Singh: Thank you, Harshit. And I'm sorry, we overstepped by about three minutes. I would just like to thank all the investors in patronizing us and keeping faith in the company and hope you have a very great day, and thank you so much.

Moderator: Thank you very much. On behalf of Elara Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.