

SEIL/Sec./SE/2024-25/16**May 29, 2024**

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Fax # 022-2272 3121/2037/2039

Symbol: SCHNEIDER**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(s) no. SEIL/Sec./SE/2024-25/08 dated May 17, 2024 regarding intimation of schedule of investor conference call, please find enclosed herewith the transcript of the conference call held on May 23, 2024 for discussing the earning performance of 4th quarter and financial year ended March 31, 2024.

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**

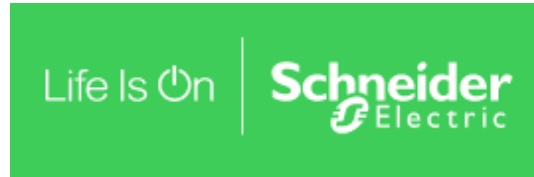
(Bhumika Sood)
Company Secretary and Compliance Officer

Encl: As above

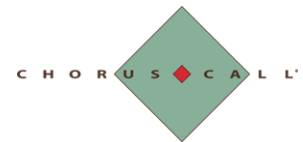
Schneider Electric Infrastructure Limited

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“Schneider Electric Infrastructure Limited
Q4 FY 2024 Earnings Conference Call”
May 23, 2024



MANAGEMENT: **MR. UDAI SINGH - MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER - SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED**
MS. SUPARNA BHATTACHARYYA - CHIEF FINANCIAL OFFICER - SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED
MR. MOHIT AGARWAL - HEAD OF INVESTOR RELATIONS - SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to the Schneider Electric Infrastructure Limited Q4 FY '24 Earnings Conference Call hosted by Elara Securities Private Limited. 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 a touch-tone phone. Please note that this conference is being recorded.

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

Harshit Kapadia: Thank you. Good evening, everyone. On behalf of Elara Securities, we welcome you all for the Q4 FY '24 and FY '24 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; Ms. Suparna Bhattacharyya, Chief Financial Officer; and Mr. Mohit Agarwal, Head of Investor Relations. We will begin the call with a brief overview by the management followed by Q&A session. I'll now hand over the call to Mr. Singh for his opening remarks. Over to you.

Udai Singh: Thank you, Harshit. Thank you so much, and a very warm welcome and a very happy afternoon to all of you who could find time to join this call. We are happy to share that your company has shown continued growth momentum with a growth of 24.2% in revenues and an EBIT growth of 4 points, and we continue our sustainable growth philosophy, which we have adopted.

I would also like at this point in time to request you to go through the small presentation, which we had shared, and I request you to go to Slide 2, which just summarizes what is the vision and what is the mission which we have undertaken, which is very clear, is that your company will lead the new digitized energy world with offering our customers and partners the most innovative connected products and solutions and be ready for the then power distribution's elevated expectations.

Alongside our balanced business models, superior quality and efficient supply chain will keep this growth momentum and profitability resilient and sustainable. Our mission, as you can read, is to be the digital partner for sustainability and efficiency for all our esteemed clients, and we strongly believe that Life is On everywhere, for everyone and at every moment.

I then go to your Slide number 3 is where I'm very proudly happy to share with you that the company, Schneider in India, has actually been rated as top companies by LinkedIn to work in, and this has happened second year in a row. Alongside, we have also been recognized as the French Group of the Year award at Indo-French business, a presentation which was facilitated and done by the French ambassador in India. If you see this slide, you find 6 persons standing here holding on 6 tags. Now 6 tags, if you read are inclusion, mastery, purpose, action, curiosity and teamwork. This is nothing but this is the core.

This is the core of our own self within the company by creating impact within ourselves and also to all our esteemed clients with whatever solutions and services and products, which we offer

them. This statement with core, we just wanted to share with you as to how your company is trying to work internally and working to have an external impact on the marketplace.

Next to take you on the fourth slide something which is what are relevant things which are happening, which are shaping our business now and what intends to be the levers, which will drive our business in times to come. As you are aware, I have actually bucketed them into 5 or 6 columns, if you read. One is, of course, the Make in India. You know that government is actually promoting Make in India by launching product incentive schemes.

And the green growth story, because now we have taken an oath for the coming 2070 numbers at Glasgow, then a 2047 number, and Viksit Bharat, of course, all is going to drive lot of greenness besides what is going to get added in the renewable space by adding 500 gigawatts through the 2070 and making it about a sizable composition of renewables in what we do in 2030 in India.

This also green growth of green hydrogen, where we want to be self sufficient by 2030 is something, which has actually been also a lever of growth for us. INR20,000 crores, INR19,000-some crores are being spent by the government actually to make it happen. RDSS, you must have heard where the government is trying to bring the AT&C losses down. I think you have seen the 12th integrated report, which said that the efficiency has come down to 15.4%, and we have actually ways and means and measures actually how to bring it more optimally at about 12%.

Steel, cement, the expansion plans are there in place. We want to add 150 metric tons to 160 metric tons of cement because of -- to support the India infrastructure growth. And likewise, the steel demand of 190 megawatt, 200 megawatt is something, which actually we are trying to make by our own steel plants, private and government headed. Other few things which are very relevant and which I actually would like to share with you is what is happening in the EV space.

So we know that we have a sizable market for this. The number of EVs will multiply multi-fold in 7 years' time to come. There are a lot of people, investors who are trying to make India self sufficient in stationary and mobile battery storage space. So there's a lot happening here, and we are trying to bring in our solutions, etcetera, to actually ride on this emerging needs and demands of EV space.

So is the data center. You know that everyone holds a mobile now in India, generative AI, 5G installation is actually leading a phenomenal growth. Your company has done good in this segment in the last few years, and we want to continue this. Typically, about 300 megawatts is what typically gets added -- spent in a practical sense what we have seen in the recent past. We are going to be close to 1 giga in 7 major cities by end of this year, and this sector is one positive, bullish sector, which we see in front of us.

So overall, in a nutshell, you see the areas which -- where we operate, the segments where we actually deal in, which are essentially electro-intensive segments are those segments where there's a positive play we see going forward. The policies are conducive, the investments are

happening, and we are pretty, I would say, positive about the entire environment which we have around us.

Just happy to share about a few quick wins. And then I see -- I want to turn to Page 6 of your presentation, where we are trying to share with you as to what has been the breakthrough orders in Q4. If you look at, there are 3 cases, which we have populated. One is the 33kV GIS for one of the old Indian metros where we have supplied this. And this supply not only establishes the work efficiency and the rigidity and the robustness of the power distribution by us, it also opens up in future scope for inserting our digital solutions in this equipment, which we have supplied.

The other two are essentially the key buildings, which we have been building it. And the point to be noted is these are digitalized e-buildings. Second point to be noted is these are in private sector -- I'm sorry, these are in public sector. And these are the places, the middle one of the coal producing company. The other one is one of the northern companies where we have provided this with a strong reference in the digital powertrain, which we supply.

If I go to the next slide. In continuation with that I just spoke is the digital transformation, which we are trying to bring in to our customers. And the basic idea of bringing in digital transformation is that what are the ways and means in which we can actually release or relieve the said and unsaid need of our customers who are working day and night, 24/7, with the equipment at manufacturing sites.

So the basic idea is how do we digitalize more, how can you make those informations available to our users, our steel buyers with which they can maintain the minimum downtime of the assets they have. They have least production loss, their productivities are defined. They can take preventive actions for safeguarding the production.

They can have a very intelligent planning of outages, so that they can maintain and things like this. So essentially, this is like we are giving an ECG of an asset. You're scanning it and you're giving it and preparing upfront, okay? This is something where there can be a problem, that's not treatable. So this is a solution which we are trying to bring in and it's been highly appreciated. If you see, and I'm super happy and very excited to share Slide 9, which is Page 9, where we are launching something which is new of this table.

This is the state-of-the-art, which makes customer life easy. There's a slight picture on the left, which is nothing but how the panel looks like. This is the primary distribution, peer-insulated range from Schneider. This is what multiple applications, especially around DISCOMs, utilities, data centres and other infrastructure booming industries. What it brings is besides many more things, it is one of the most compact footprint with the global structure.

It has got the right ergonomic arrangements, facilitating easy work at site. And it is also really, as I said, in continuation with that this is also digitalized. So this product is something which is I would call it as a hero offer, which we have -- we are launching now. And we see that this will be -- and I am very hopeful that this offer will be appreciated by the industries to come. There's other slide before I would like to hand over this to finance, my able colleague, Suparna,

I would like you to go to Page 10, and this Page 10 actually talks about two pictures, if you see. This picture, the left picture is where we have -- these pictures are part of two manufacturing setups, which we have in Vadodara. The left one is where we make medium voltage equipment. The right one is where we make transformers. Now the point is that all whatever we speak like digitalization, the immense support, help, guidance, what digitalization brings to customer is something which we are showcasing now.

So, what we have done, we have assimilated these labs in our manufacturing setup where all buyers, customers whomsoever is interested, they come, they see for themselves what exactly we are trying to do for them. How is it tangibly meaningful to them? What benefits does it bring? What sort of pains it is going to release them off? These are the elements because we strongly believe that if you see for yourself what is there for you with your own eyes, it is always better to recognize and appreciate.

So these are the two setups, which we have made in last year, which only showcases the strength which our offers and solutions brings to all our esteemed customers who keep on patronizing us. With this, I pause and I would like to call upon Suparna, who is the CFO for the company, to take you through what financial achievements we have done in last year. Over to you Suparna.

Suparna Bhattacharyya:

Once again, good afternoon, everyone, and I'm very happy to share the financial year '23-'24 results, for your company, which is built on the philosophy of good governance and sustainable growth that we have been seeing for the last few quarters. So let me share the key financial indicators with all of you. Please refer to Slide number 12. So at the orders, we are at INR1,951 crores, which is 26.9% higher than last year. Sales INR2,207 crores, which is 24.2% higher than last year.

At the gross margin level, we are 37.1%, which is up by 4.4 points. EBITDA at 13.8%, up by 3.7 points. EBIT 12.8% up by 3.7 points. And we are happy to share that as we enter into the next financial year, we are carrying an order backlog of INR1,226 crores, which is again 14% higher than last year when we began. So some key points. Highest ever revenue and profit since inception, consistent profitable growth all the four quarters, free cash flow generated, which is very important for the organization.

And we have reduced our loan, which is basically an intercompany borrowing because of the good cash that we have generated in the organization. So the strategic levers, which have helped us achieve this wonderful result is that we are accelerating the segmental growth. We are leveraging emerging segments and strengthening the resilient segment. So basically, it's not that we are only focusing on the newer segments, the core, which has built the company over the years, continues to build the base of the company.

So we have a balanced approach towards the market where we take care of the core sectors as well as the emerging sectors of the economy. More services. We all know that services -- after the product sales, services is definitely an area which gives top-up revenue for the organization and better margins. So our focus is on the modernization, digital services and remote asset monitoring. And then we are promoting our business relationship with partners who are the distributors and panel builders, in those cases where we cannot go directly to the customer or we

are basically one part of the total solutions that the distributors and panel builders are giving to the customers.

Let's come to Slide number 13. So this is a view of the orders. For quarter four, we are up by 6.2% from INR558 crores to INR592 crores. For a 12-month period for the full year, we are up by 26.9%. We are at INR1,951 crores over INR1,538 crores of last year. So basically, there has been good momentum in all the segments and the order backlog is up by 14.2% versus same period of last year.

Coming to Slide number 14. This is the sales view. For quarter four, the sales growth has been 14.9%. We were INR411 crores, we clocked INR472 crores in quarter four. And for the 12-month view, we are at 24.2% higher than last year. We were INR1,777 crores, and now we are at INR2,207 crores. So good momentum in sales coming from the good momentum of orders that we have seen. And we are very proud to say that your company has the highest ever revenue in any year. And thank you very much for all the support that you give to us.

Let's come to Slide number 15. The first line, talking of the sales and the sales growth for -- this is the quarter's view. As we just saw in the previous slide, we are 14.9% higher in sales. At the gross margin level, we are up by 3.3 points, EBITDA up by 0.5 points, EBIT at 0.6 points above last year, and then probably let me come to PBT, which is up by 2.8 points (apologies!, PBT is actually down by 2.8 points); PAT, we are lower, and the total comprehensive income, we are lower by 9.1 points.

So overall, what I want to say is that GM improvement has happened due to raw material cost normalization and better mix in this quarter. Now let's look at the full year numbers, which is more relevant and gives a better view of the business because we have some skewed business trends during the year. Every quarter is just not the same -- it's not having the same average number in terms of sales.

At the 12-month period growth level, we are at 24.2%. Our gross margin is up by 4.4 points, EBITDA 3.7 points, EBIT 3.7 points. Profit before exceptional items, we are up by 3.6 points. And after this, if I come to PAT, we are up by 0.8 points. Overall, our PAT, which was 7% of sales last year, is now at 7.8%.

The margin has come predominantly from the gross margin improvement due to raw material cost normalization and better mix. However, we have some other expenses which are on the higher side, and this is predominantly to cover the risk of the organization and take care of the inflationary items. So that's all from my side. Overall, good business growth, cash generation, and we are on the right trajectory of growth, and thank you very much.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Mahesh Bandre from LIC Mutual Fund. Please go ahead.

Mahesh Bandre: Sir, in the quarter, our sales have gone up by around 15%, but our other expenses have gone up by 26%. So what could be the possible reason for this high growth in other expenses?

Suparna Bhattacharyya: I will take that, Udai.

- Udai Singh:** Yes, please.
- Suparna Bhattacharyya:** Okay. So as we all know that this quarter 4 is basically we are accounting for the full year. We are closing the full year book. And definitely, the level of focus, the level of attention is a little different as a normal course. So we have factored some risk coverages here. Certain things which have come directly as a volume growth, of course, the portion of this quarter is less as compared to the other quarters during the year, and especially the prior quarter, but we have basically factored -- covered all the risk, made some due diligence with respect to all that we could see and capture in terms of expenses, and that is why you see a higher level of expenses in quarter 4.
- Mahesh Bandre:** So ma'am, are you talking about the provisions?
- Suparna Bhattacharyya:** Some specific provisions have been made, which are verified and vetted by the auditors. So that's a part of the normal business course.
- Mahesh Bandre:** Okay. So this is nothing extraordinary, right? This is...
- Suparna Bhattacharyya:** No, nothing extraordinary, whatever we could see in terms of the normal course of business.
- Mahesh Bandre:** Okay. Sure. And sir, you highlighted...
- Suparna Bhattacharyya:** I'll just add one more sentence here. It was normal course of business and also the company policy.
- Mahesh Bandre:** Sure. Sir, you highlighted initially that opportunity across segment. So I just wanted to understand which are the sectors who are actually driving our sales and the order book?
- Udai Singh:** Listen, Mahesh, in fact, India is shining and there are a few sectors we shine more, there are a few sectors we shine less. And this shine is also primarily how conducive the environment is, how supportive the policies are and what the segment sees in times to come? Primarily, if you really ask me, this business and this company over the years is primarily driving products and services which are towards power-intensive sectors.
- So when I speak, the people who -- actually, the segments which take power more are the ones where we have the right solutions. For example, power and grid; For example, metals; For example, minerals; For example, sealant; For example, steel; For example, oil and gas; For example, data centers.
- For example, industries which are on the sidelines, I would say, like infrastructure, if you're having a residential complex coming up, you have a big hospital coming up, you have airports coming up where we have a series of solutions, rights that we just not speak about the equipment that distributes power.
- Efficiently, we're also talking about the digital way, the software which will actually get added on top of the solution so that to make the full one enterprise solution is what we speak here. So primarily, Mr. Mahesh, is more of those segments, which you see, which are -- which consume or distribute power.

Mahesh Bandre: Sir, last question from my end, about the data centers. You highlighted the opportunity in this segment. So how -- what has been the contribution from this business to our sales or order book? And what is the outlook for this?

Udai Singh: See outlook, as I mentioned, Mr. Mahesh, the outlook is very positive. Outlook is positive because we know that the data centers coming up in multiple locations, primarily being driven by Mumbai, Hyderabad, Chennai and NCR. And what these segments require is essentially power, land and water.

Now we see this going up because we see two type of data centers, right? I think one is the hyperscale data centers, which are the big ones. Then we see the colocation or colo data centers, we call them, where the developer develops and leases it out. And there's a third segment, which is also emerging in the last few quarters, I would say, or rather half year I would say, which we call as enterprise data centers.

Now all this have got a different trajectory growth, all 10% plus, if you ask me. And this is something which is going to get fueled by the need which data center will have in times to come. So there are government policies where the Ministry of Information has revealed that the data of India should reside in India, there's a MeitY guideline. And these things will actually push and fire this data center business in times to come.

This is what we feel intelligently about data center side. And if you really ask me as to what contribution of this data center typically brings to our kitty, of all whatever we do, it may not be a very exact number, if I quote, but maybe typically about anywhere 15% plus/minus 5% or something. It depends. It's cyclical. Typically, this is the number we sum.

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

Manish Goyal: Congratulations to entire team for a very good set of numbers, sir. I have a few questions. First, I would like to continue on the other expenses itself. Probably the jump is quite significant in Q4 from INR31 crores to INR52 crores basically from 7.5% of sales to 11% of the sales. And if I probably look at your cash flow statement, what I see is that provisions for warranties have increased from INR8 crores to INR34 crores and allowances for credit losses are almost INR12.5 crores versus write-back of INR3 crores.

So I just would like to get a sense that how much of this is in Q4 and how much is this for entire year? And I believe provisions or warranties are probably, as you earlier mentioned, on a conservative policy and there is a probability of write-back also over here? So that was my first set of questions.

And then on the second, sir, in the cash flow statement, again, what I see that repayment of short-term borrowing is showing INR72 crores. But the balance sheet number, somehow the debt number probably remain similar at INR469 crores. And in your presentation, we have mentioned about big reduction of INR25 crores. So maybe if you can help us understand this as well?

And my third question is on, if you can please give us an update on the new greenfield facility. When do we expect it to start as probably the transition has started based on the provisions we have taken in last year? And I have one more question on the provision of INR48 crores what we have done basically on ordering tax matter for earlier period, which you can just help us understand what is it pertaining to? And last question on the stock adjustment, what we see is INR44 crores, does it imply that certain revenues where we were not able to book and we are carry forwarding the inventory buildup and the dispatches will probably happen in the coming quarter? Thank you so much.

Suparna Bhattacharyya: Okay. So I'll first take -- although your 5 questions are quite long. I mean I couldn't note them. Probably you can repeat them. So I'll try to address your questions on the financials. So first is that you talked of the exceptionally high expenses, that's what you meant by -- in quarter 4. So you rightly said that we are -- we have some expenses where we are covering the risk, especially of our AR specific warranties. And when we say that, it is the philosophy of prudence and conservatism that we see why we are covering over -- where we are relooking the warranty aspect -- or the specific warranty aspect for all the sales that we have done over the years.

So if you really ask me, it doesn't really hit -- everything doesn't pertain only to quarter 4. It is our review of the entire sales that we did and you should actually see the total expenses as a part of the yearly expenses, especially for warranty and the AR provision. So I think this answers 2 of your questions.

Manish Goyal: So ma'am, just to -- sorry to interrupt. But yes, I forgot to mention that even for full year, we have seen that other actions going down from 9.3% to 11%, which is quite 47% higher as compared to sales going up 24%. So I fairly appreciate that lot of these provisions are for the entire year, but I see referred in your initial month and large part of it gets adjusted in Q4 and Q4 itself shows a significant jump. So that is why I was trying to understand that how much of these provisions have come in Q4 itself? If you can please provide that number.

Suparna Bhattacharyya: So I will again say that we will not see it completely in isolation. Very few expenses have come only as a result of Q4. It is mainly a yearly review of all the data that we have seen and whatever we could reanalyse and reassess the expenses, the provisions, we've built it up accordingly. A good part of the increase in expenses is also coming from the volume increase because 27% volume is definitely a good amount of business growth. And some of our provisions, which are -- some of our -- sorry, expenses, which are volume based as a direct offshoot of that. So I would really say that better that you see the 12-month expenses and not completely focus on the Q4 expenses. As I've told you, what we try to relook and rebuild in terms of the expenses.

Manish Goyal: And on the -- my second question was on the repayment of short-term borrowings, which cash flow certainly shows at INR72.5 crores. But the balance sheet number remains at INR469 crores while your presentation says INR25 crores debt repayment. So I'm just wondering why the cash flow shows such a large number?

Suparna Bhattacharyya: Okay. So cash flow is just not a resultant of whatever we have paid as the INR25 crores loan repayment. It also has other components of the other cash holding, etcetera, arrangements that we make. And the other quantum, which is flowing out of the depreciation after we readjusted

that to our PBT, etcetera. So I would really say that it's a mix of many things put together. And we, again, can't say that just because we repaid this, the exact amount needs to get reflected in the balance sheet. I hope this answers your query.

Manish Goyal: Sure, ma'am. And my other question was the stock adjustment of INR44 crores implies that probably there is an inventory buildup and we were not able to dispatch finish goods and probably otherwise, it could have resulted in better revenues? Is that a fair assessment?

Suparna Bhattacharyya: Okay. So if you are aware of the nature of this power systems business, this is basically a project base business. So it so happens that these are -- these orders of large amounts and there is often a timing difference of maybe a few days that we are able to dispatch because there are certain obligations that the quality assessment has to be done before we are invoicing. So in case the customer say not able to come before the month end and then the inventory definitely gets accumulated, but then it is not a buildup of inefficient inventory. It is just a timing difference based on the nature of our business.

Manish Goyal: Okay. And my other question was for provision of this INR48 crores for tax matters for earlier periods. So what was it pertaining to, ma'am?

Suparna Bhattacharyya: Okay. These are some old cases, quite vintage cases. And we were trying to sort it out with the tax department by giving all the documents that we had and trying to establish a relationship with what document, the earlier matters, etcetera. But in the course of the -- all the work that we were doing with the tax department. In the last few weeks or so, we kind of came to know that our case is getting a little weaker. So just to be conservative as far as the P&L is concerned, we decided to build this provision and this has been explained, because it's a significant amount,

I agree with that. And this has been properly explained to our auditors, and they have understood and they have accepted the provision buildup. And to add to this, I can say that what -- something which was a medium risk before this, because we were very hopeful to win the case from the medium risk, it's gone to a little higher risk category. So that's why we thought of building this provision.

Manish Goyal: Sure. And my other two questions, one on the update on the greenfield facility, when we expect it to start? And in terms of what is the potential revenue one can look for? And my other two questions are, as always, revenue breakup and order inflow breakup and order book breakup with IG revenue contribution?

Suparna Bhattacharyya: I'm sorry, but there are many others waiting as I understand. We'll take these questions towards the end.

Moderator: The next question is from the line of Apoorva Bahadur from Goldman Sachs. Please go ahead.

Apoorva Bahadur: Just wanted to understand like your view on the gross margins, what could be a sustainable number now that we have stabilized the operations?

Udai Singh: Apoorva, thank you so much for asking this. And you see the business in which we are in is a cyclic business, is a multi-product business, is a multi-solution business, is a multi-sector

business and is a multi-go-to-market business. So now what we have been trying to do for quite some time is trying to be in our own operations try to be more predictive, number one; more accurate, number two. And then on the front side, to be more selective, I would say, in terms of choosing the right requirement where we should actually pitch in and take your company into.

And this number, which you have perhaps seen is by far a good number I would reckon with at about 36%, 37% margin is something good. And we are trying to see as to how do we now take this ahead in small steps as we move on in the coming years. So if you -- your question was whether is it sustainable? Yes. We'll be sustainable. And this will be sustainable with a key focus internally as well as externally if you actually -- someone tries to step out and try to see or looked inwards and try to streamline the operation they don't need to update. I don't know whether I have answered your question, but this is how it is.

Apoorva Bahadur: No, I think that makes sense. My second question will be, I think you mentioned that data centers contribute to 15% plus/minus 5%. Is that for your revenue? Did I hear it right?

Udai Singh: There's a time effect. Otherwise, what we book we sell. So on the same. I book something seven months ago, I sell now. And what I book now, I sell six months down the line. So actually the reflection is only a time effect which comes into sales and earnings.

Apoorva Bahadur: Okay. But the overall contribution is around 15%?

Udai Singh: Yes. Roughly, I would say, because the question was roughly around this number. We can get back to you with more accuracy on the historical periods which we have had.

Moderator: The next question is from the line of Naysar Parikh from Native Capital. Please go ahead.

Naysar Parikh: First one is on the order book, the order inflows that we've done this quarter, it has slowed down a bit, right? We've grown 6% whereas, obviously, we want to grow 15%, 20%. So one, what is the reason for that? And how should we look at order inflow growth in the future over the next couple of quarters?

Udai Singh: Okay. If you are looking at quarter, I would say quarter was impacted because of two things. One, we can appreciate because there was a subsequent quarter where we had general elections which did create some impact on the order intake on Q4 as well as we also -- we are selective, as I just mentioned some time ago, in terms of choosing the right orders, which we can seamlessly execute. So we have been choosing.

We have seen impact of the election quarter, which -- because our engagement and our, I would say, exposure to government and [used 0:43:30], I would say, about 50%. And therefore, it did impact this. And if you ask me, how do you see it going forward? We did have some impact in this Q1 also because of the same reason. And I expect that things will get streamlined when civil government gets formed in times to come. We'll catch up and try to deliver something which will be customizable as what we have seen in previous years.

Naysar Parikh: So you said 60% -- if I heard it right, you said 60% is from government/PSEs, right?

- Udai Singh:** Mr. Parikh, I said and used by government.
- Naysar Parikh:** Sorry, your voice is not clear, sorry.
- Udai Singh:** I said and used by government.
- Naysar Parikh:** Okay. Got it. And the second question is...
- Moderator:** Sorry to interrupt, Mr. Parikh. I request you to rejoin the queue.
- Naysar Parikh:** Sorry, that was just a form of the second question. Can I just complete this question, please?
- Moderator:** Okay, sir.
- Naysar Parikh:** The second question was can you give us -- you stopped giving disclosures since I think a couple of presentations. Can you give some more disclosures? It helps in terms of sectors that you are looking at, sector mix of order book or revenue mix between like you were giving earlier. So that is not there in the disclosure. So at least can you start doing that and for this quarter/year can you provide that now?
- Udai Singh:** Your input taken. So, we will try to see what best we can.
- Naysar Parikh:** Okay. Thanks. And the Q4 and FY '24, can you provide the revenue mix and order book mix?
- Suparna Bhattacharyya:** Mix between what?
- Naysar Parikh:** Between systems of- the way you've been giving us the revenue mix?
- Suparna Bhattacharyya:** Okay. So, for the orders, just give me a minute. Okay. Sorry to keep you waiting. So, for quarter 4, the equipment has been at 47%, project 5%, transaction, 31% and services at 17%. And are you also looking for full year?
- Naysar Parikh:** Yes.
- Suparna Bhattacharyya:** Okay. Equipment at 43%, projects 16%, transaction 25% and services 16%.
- Moderator:** The next question is from the line of Naman Parmar from Niveshaay Investment Advisory.
- Naman Parmar:** I just wanted to understand how big will be the opportunity size for the transformer? Can you please help me to quantify that?
- Udai Singh:** Thank you for asking this. The transformer size if I may, rightfully tell INR1000 crores markets in India. Now we have multiple applications, we have multiple meetings, we have multiple players operating in this territory.
- Today, we see this market grow if I may say roughly about an average of about 8%, 7% to 8%, and there are a few which may be growing at faster pace, there are few which may not be growing in that pace. For example, if I may tell you the one, which is being consumed by people who are putting up solar farms is growing at a faster pace. When we speak about the smaller transformers,

and I typically say [inaudible 0:47:53]. The ones, which are medium range is sort of average at the middle.

And when I speak about this, I speak about the platforms in which your company is operating. We are not in the higher ranges. So, I see transformer doing good as an industry. But what is meaningfully important is as to how we can actually deliver something, which makes more meaningful the consumers who are patronizing us. And that has been our way of working, our way of operation, the philosophy as to what do we do more.

And I am happy to share that all those digitalized solutions, which we are bringing in, there is a good ask and acceptability fast connection stability of those solutions in those people who really rely on the quality transformers which we intend to buy as a capex, which they want to run and maintain peacefully for 20 years. So, I see a good growth. And I also mindful that there are multiple players who actually have put up large capacities to keep on working in the same marketplace at times and it's a cyclical again. At times you see some friend of ours getting up and doing something otherwise.

On an overall basis, it is a growing market for a few years that used to come till the time we are, and there are multiple viewers. One is of course, as great as the solar enhancement which is happening.

Moderator: The next question is from the line of Prathmesh Salunkhe from PL Capital. Please go ahead.

Prathmesh Salunkhe: So again, my question was on the transformer side. So just wanted to know what is the mix of the transformer in our current revenue in terms of percentage. Also, if you could share our current transformer manufacturing capacity, that would be very helpful?

Udai Singh: See we have a capacity of about 6,000 MVAs in there. And this is actually we can we can always have a flexible capacity of addressing another seeking demand per month, which is about 10% to 15% to this capacity on a monthly basis. The range that we operate is I think the second question was that how -- What percentage is this contribution, which I think Suparna will tell you the right numbers, but typically about maybe the overall number you see is about 30% -- overall 30%.

Prathmesh Salunkhe: Sorry, did you say 35%? I wasn't able to hear you clearly.

Udai Singh: Yes. Suparna, can you get back with the exact data, but typically on a thumb level, this will be the contribution of transformer range alone, standalone.

Moderator: Thank you. The next question is from the line of Dhruv Ravai from Shreeji Finserv LLP. Please go ahead.

Dhruv Ravai: Can you just talk a little bit about where we are in the entire value chain of data centers because you mentioned in your introduction about the whole piece and even the new product that we launched, but in terms of probably the TAM or some side of -- how much percentage of total contract size will be contributing and some qualitative statement around that?

- Udai Singh:** So we step into as soon as the data center developer...
- Moderator:** Sorry to interrupt, Mr. Udai sir. I request you to move the device near to you. The audio is not clear.
- Udai Singh:** So I was explaining you that we get into the data center as soon as the developer received the call. And from there on, the primary and secondary distribution is done by us. And then it involves the entire 2 levels of high voltage. It involves intelligence, which is actually embedded into this equipment which we supply. So typically, we are a primary contributor and actually distributing and managing power. And then as we manage power, this management of power is done by the digital embedment which we do in the device and this is the plan.
- Dhruv Ravai:** Okay. Thank you. And my another question is, what is the reason for the increase in the finance?
- Moderator:** Sorry to interrupt Mr. Dhruv. I request you to rejoin the queue for your follow-up.
- Dhruv Ravai:** Okay.
- Moderator:** Thank you, sir. The next question is from the line of Viraj from Jupiter Financial. Please go ahead.
- Viraj:** No, my question has been answered. Thank you.
- Moderator:** Thank you. The next question is from the line of Sanjay from Ampersand Group. Please go ahead.
- Sanjay:** Hi sir, thanks a lot for the opportunity. My single question is that you have, of course, explained the growth of only 6% in your order flow. But I could not follow it properly. Can you please re-explain it?
- Udai Singh:** I think you were asking about in quarter 4 in the year which went by, why was it 6% year-on-year? That was the question as again. So the reason which I was trying to explain it was a mixed reasons. One reason was also the fact that there was the current quarter where we are and that was approaching. And then there was slight deferment of places, which actually had to get concluded because of the election quarter the present one. There is a reason which some inside of actually others, which we could take in Q4 this environment.
- Moderator:** Mr. Sanjay, I request you to rejoin the queue. Thank you. The next question is from the line of Bharat Sheth from Quest Investment. Please go ahead.
- Bharat Sheth:** On a broader question to understand, we are present in the whole energy sector from distribution, transmission or distribution. So whether it's related to government sector or data center or private industry. So how do we see growth among the whole different growth, I mean number that we see and over a period that our reliance on this government orders can come down. So if you can give a little more broad color, which are sectors that you expect to grow faster?
- Udai Singh:** I think it's a mix. we will not be able to find out that sector A is going at this and this is what it will contribute to our growth story. But of course, we are doing the segments and sectors where

there is a promising investment happening. And those sectors, which are conducive and are required for India to reach to five trillion, is something where we are also keen and operate and work and add value to clients. And it may not be always government, as I would like you to slightly correct. It would be anyone.

And I see a lot of investment coming also in private, like for example, semiconductors, you have seen what announcements have happened in Assam. In EV battery space, the EV recharging, the data center developer. These are not government of India, but they are still increasing money, and we will -- we are hopeful that we'll be able to support this drive and investment out there in terms of able to offer our partnership to them. So actually, we cannot go and say, okay, this goes at A and B and C, but is it mixed always. This keeps on evolving and changing in the same quarter of the year.

Moderator: Thank you. The next question is from the line of Rucheeta Kadge from Iwealth Investment. Please go ahead.

Rucheeta Kadge: Yes. Sir, so my question was mainly on this provision that we have taken. So this pertains to which year?

Suparna Bhattacharyya: Which provision are you talking of? The tax provision?

Rucheeta Kadge: Yes, the tax provision that you have taken?

Suparna Bhattacharyya: Yes, it was a couple of years earlier.

Rucheeta Kadge: Okay. So it does not pertain to 1 specific year?

Suparna Bhattacharyya: No.

Rucheeta Kadge: Okay. Understood. Thank you.

Moderator: Thank you. The next question is from the line of Manish Goyal from ThinQwise Wealth Managers. Please go ahead.

Manish Goyal: Yes. Probably a couple of questions which got unanswered. Firstly, if you can please provide update on new Greenfield facility when do we expect to start? And what revenue potential we can offer over a couple of years? Second, also that probably when we had talked about this new facility, we mentioned...

Moderator: Sorry to interrupt, Mr. Goyal. I request you to ask only one question.

Suparna Bhattacharyya: Have already been signed. So particularly, let me answer that we will start the operations in the new greenfield project by the end of this financial year, so towards quarter 3 or quarter 4.

Manish Goyal: And the revenue breakup -- the breakup in due it was for revenue breakup, right? And earlier in your question?

Suparna Bhattacharyya: I didn't get your question, sorry.

- Manish Goyal:** You had given a breakup of equipment projects and products and services. So it was pertaining to the revenue breakup for order inflow breakup?
- Suparna Bhattacharyya:** Order.
- Manish Goyal:** That was the order inflow breakup. Okay. So would it be possible to share the revenue, please -
- revenue breakup?
- Suparna Bhattacharyya:** Yes, the revenue breakup for quarter 4 was systems, 59%, transaction 24%, services 17%.
- Manish Goyal:** For quarter 4. And just if you can give us the IG number in quarter 4?
- Suparna Bhattacharyya:** It was 20% approximately.
- Manish Goyal:** Thank you so much.
- Moderator:** Thank you. Due to time constraints, that will be the last question for the day. I would now like to hand the conference over to Mr. Harshit Kapadia from Elara Securities. Please go ahead.
- Harshit Kapadia:** Thank you. We would like to thank the management of Schneider Electric Infrastructure for giving us an opportunity to hold this call. And we would also like to thank investors and analysts for joining for this call. Any closing remarks, Udai sir?
- Udai Singh:** No, I would thank you all the investors who actually could get time, and call, we truly appreciate and admire and thank the association and the personalization, which you all have got into your company. Thank you again. Have a great thanks to come. Thank you so much.
- Moderator:** Thank you. On behalf of Elara Securities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.