

**SEIL/Sec./SE/2023-24/38****August 17, 2023**

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

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI 400 001  
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/2023-24/33 dated August 7, 2023 regarding intimation of schedule of investor conference call, please find enclosed herewith the transcript of the conference call held on August 11, 2023 for discussing the earning performance of 1<sup>st</sup> quarter ended June 30, 2023.

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**

Corp. Office: 9<sup>th</sup> 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](http://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



“Schneider Electric Infrastructure Limited  
Q1 FY2024 Earnings Conference Call”

August 11, 2023



**ANALYST: MR. MUDIT KABRA – ELARA SECURITIES PRIVATE LIMITED**

**MANAGEMENT: MR. AMOL PHATAK - WHOLE TIME DIRECTOR AND PLANT  
HEAD - SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED  
MS. SUPARNA BHATTACHARYYA – CHIEF FINANCIAL  
OFFICER - SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED  
MR. ARNAB ROY – GROUP CHIEF FINANCIAL OFFICER –  
SCHNEIDER ELECTRIC  
MR. VINEET JAIN – HEAD – INVESTOR RELATIONS –  
SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED**



**Moderator:** Ladies and Gentlemen, good day and welcome to the Schneider Electric's Q1 FY2024 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 '\*\*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mudit Kabra from Elara Securities Private Limited. Thank you and over to you Sir!

**Mudit Kabra:** Thank you Lizaan. Good afternoon everyone. On behalf of Elara Securities we welcome you all to the Q1 FY2024 conference call of Schneider Electric Infrastructure Limited. I take this opportunity to welcome the management of the company. We will begin the call with the brief overview by the management followed by the Q&A session. I will now hand over the call to Mr. Vineet Jain, Head, Investor Relations. Over to you Vineet!

**Vineet Jain:** Thanks Mudit. Good afternoon everyone. I am Vineet Jain, Head, Investor Relations of Schneider Electric Infrastructure Limited. I am pleased to connect with you all to share and update the progress of our company. Let me introduce to the management team today. We have Mr. Amol Phatak, Whole Time Director and Plant Head of SEIL with us to share our overall business updates. I welcome Ms. Suparna Bhattacharyya the new CFO, SEIL. She is a qualified professional with 25 years of experience in finance and operations. She has worked in various industries like retail, healthcare, automotive and semiconductor previously. We also have our Group CFO, Mr. Arnab Roy with us. Now I will hand over the call to Amol for the presentation. Over to you Amol!

**Amol Phatak:** Thank you Vineet and once again a warm welcome to all ladies and gentlemen on the call. I will speak as the slide deck has been already shared with all of you and I will request you to move to the slide number three where we talk of the overall market scenario of India so if you see what we are presenting and sharing with you that the GDP for India grew by steady 6.1% which is almost 1% higher than what was expected by the market and just to give a ballpark figure the other economies US is growing at just 2%, China is 4.5%, France 4.2%, so we are progressing much, much better than what we are at the India level and this is what we have seen in the GDP increase. Similar trends you can also see the macroeconomic indicators like gross capital formation which is nothing but the net capex investment by the government. Although the agricultural sector has not been doing as expected our urban demand has been increased and the private consumption, etc., is also okay. So we see overall a good capex done by the entire India as a whole. Not to be left behind the industrial production also has been growing at a very steady rate and it grew by almost 4% in this quarter and it is expected to grow anything between 6% and 6.3% during this financial year and likely to go over to 7.2% in the next two years so this is a quite steady growth pattern that we see for the India as a whole whether it is for real estate or as the industrial production and since we are more into the industrial site scenario for the products and services that we offer.

I will request you now move to the next slide where we will share how the market looks for us as Schneider Electric and these are the five main sectors which we are serving being the power and grid which is nothing but mainly the state electricity boards and the utilities, the mining, minerals & metals, mainly the steel companies and cement companies, the mobility which is the rail corporations and the new segments that we are seeing in the EV charging, the cloud and service providers what we also provide as data centers, and the industries and building. So overall if we see from the power and grid sector if you see there has been a scheme launched by the Government of India what we call as the RDSS which is a Revamped Distribution Sector Scheme and around 3 lakh Crores has been outlaid by the government for this for the simple activity of reducing the transmission and distribution losses up to 12% to 15% which is today at a very higher number so this is the area where we at Schneider are also very active and focusing having a lot of specific products into services on this topic. In addition to that there is almost a significant amount of money that the government is paying on the production like incentive be it for the large scale battery storages or at least heard in the news Tesla is planning to set up some investment in India for some car manufacturer, so all this put together is quite a strong trend for the company and we would be looking forward to put our products and services into also the power and grid sector. The mining, mineral & metal is also an area which has been traditionally Schneider Electric does well. There is also a big trend on what is called as a green initiative everywhere. People are trying to use more of fossil fuels for making steels, they want to use or reuse most of the discarded industrial waste for cement and have a better and better mining where the environmental impact is minimum and all this can happen only if they have a state of art technology and good diagnostic tools which will help them and this is where Schneider is I would say present. We have I would say a very good lineup of products and services offerings which would help the industry with the steel and cement to optimize their electricity flow distribution losses and become more and more efficient and try to have this focus on the green initiative that they are doing.

On the mobility sector if I move we are aware that there are several initiatives for the metro rails being launched across the country as well as there is a big focus on the lithium ion manufacturing with the big names like Exide, Ola and our products from Schneider are very omnipresent in all of these sectors and all the activities that I mentioned so we are also quite hopeful that we will get our fare share of business out of the mobility sector. The data centre sector or what we call as cloud and service provider is a relatively new entrant and we are seeing a big expansion from companies like Amazon, Google, and Facebook in India. They are setting what they call as a hyper scale investment or hyper size data centers, big data centers of one megawatt to five megawatt in size and these are certainly the industry I would say pulling up a growth demand from the industry over here and not to be left behind there are certain business models which are also coming up as what we call as a co-location where a big site is sort of given on a rent or lease to other companies to use their data center and then we then do something what we call as edge tech solutions. Industries and building also is going to go very strong and we are seeing a bit improvement also on the trend if you put your products and services that we have.

Just to give you a quick update on how all this growth has been improving for us. There are certain wins on the next slide that you are seeing that whether we have got some exceptional orders through our power and grid sector, be it improve installation of new transformers that the customer wanted and these are breakthrough orders and also along with the digital solutions which Schneider is pushing a lot on the ecostructure asset advisor or the state of the art technology that we are doing so two such wins are shown here where we have done I would say total one Schneider approach given all our products and services to these customers.

If I move to the next slide which is basically our successes on data centers and as I said this is an emerging market, quite bullish on this market and we will continue to have our products and services which are very state of the art and this is what are also globally accepted and supplied by Schneider across the world to companies like Amazon where the standard solution deployed across the world.

The next slide speaks on our transformation and automation what we are doing and how we are helping the customers to improve their footprint at the same time offering a digital solution which has got I would say a set of sensors and all the diagnostic tools that we are having. This is coupled with some state of the art softwares that we have as a company either developed and offer this sort of turnkey solutions on a subscription basis to this company and we are also being able to on a very specific some cases use our green initiatives from Schneider because we are also focusing a lot along with digitization on the green initiatives of sustainability where we have made the transformation of natural ester oil rather than the mineral oil so it has helped us to focus a lot on the environment aspect as well as the asset advisor which is a digital tool for the customers.

Since I mentioned something about the transformers this is one particular segment on the next slide that you see. This is an EcoStructure Transformer Expert a state of the art sensor that we have in our Schneider portfolio along coupled with I would say trademark or it is a very patented license software that we have. We can offer a very diagnostic sort of tool where the entire health of the transformer on a predictive side or on the preventive side can be done and as many of you probably might be knowing these transformers are quite difficult to predict and one stoppage or a breakdown can cost a big amount of money and downtime and typically one thing every 200 transformers fails sometimes during the year which is statistically shown so it helps the customer. If they have a good diagnostic tool that how my transformers is behaving, do I need to do some maintenance or can I run for another one year without stoppage or do I need to do something, all this will happen in a very subscription-based tool that Schneider is offering to the customers. This is one of the digital services that we are sort of offering to the customer and how it influences the customer is because all this losses because of unplanned downtime either reduce the efficiency of the equipment, because of the unplanned downtime we have loss of revenue and unavailability of skilled resources, so we at Schneider tried to focus on the capex to opex model which I am showing on the next slide and with the power of data because today we have data abundantly with us, how we utilize this data to make it more useful relevant to the customer for them to get better analytics on a predictive side this is what Schneider is

trying to do with the state of the art products and solutions that we are having. So in all if I can say that there is a good trend in the quarter that we are seeing coupled with the growth in the economy and how it has reflected it with respect to our orders and sales for the Q1, I will now request my colleague Vineet to take over the next slide which will talk about our order input and the sales performance for the Q1. Thank you ladies and gentlemen.

**Vineet Jain:** Thanks Amol. Before going to the numbers so just to update you all based on all the investor feedback during our last AGM management has decided to change the currency from INR to lakh INR from this financial year and that is the reason the published financials were in lakh and the current presentation is also in the lakh INR only so just to keep the currency in mind when you are reading the number so let us move on to slide number 10. Our OG order intake is 21.4% up in this quarter and total sales is 33.3% up in this quarter. This showcases that journey we have started for the growth is continuing and strong focus on the execution and healthy backlog helped us to achieve this growth and to maintain the momentum.

So going to the next slide again this quarter we are able to improve our gross margin and major contribution is coming from the mix and the raw materials post normalization. As a result of this we are able to achieve a 10.5% of the EBITDA as a double digit EBITDA that we were continuously seeing and now you see the numbers and PAT is 7.1%. Overall P&L is aligned with our strategy but we have communicated from last few quarters. We are focused on our cash and margin and we will continue the journey. I will close here and leave the floor open for the question and answer. Over to you!

**Moderator:** Thank you. Ladies and gentlemen we will now begin with the question and answer session. Ladies and gentlemen we will wait a moment while the question queue assembles. The first question is from line of Raj Rishi from DCPL. Please go ahead.

**Raj Rishi:** I want to find out this ecostructure product which is there that is basically developed by the parent right?

**Company Speaker:** Yes Sir.

**Raj Rishi:** So this listed entity is this the only entity in India to do the business for ecostructure?

**Company Speaker:** Raj so basically ecostructure is a platform of Schneider in which all the product portfolio of the global Schneider is marked so from the SEIL perspective whatever the products we have like all the transformer AIGS is part of the three layers of the ecostructure, so ecostructure is a platform it is not a product. It is an open source IoT to complement what Vineet says and the architecture is like the first level of the architecture is connected product so whatever we sell if it is fitted with the way it can communicate that is first level of the architecture. The second level of the architecture is multiple

machines start talking to each other that is what we have called an edge controller and the third layer is when it is fitted with a software where you can do data analytics so that is what essentially ecostructure is so product of any other companies in the group can use the architecture depending on what the solution is.

**Raj Rishi:** Do you need to share some revenue with the parent for this for using the platform?

**Company Speaker:** No.

**Raj Rishi:** You do not have to?

**Company Speaker:** It is part of the group offering.

**Raj Rishi:** What is the present service percentage in the revenue business from services?

**Company Speaker:** Sales is around 11% this quarter.

**Raj Rishi:** 11% for the April to June quarter?

**Company Speaker:** Yes.

**Raj Rishi:** If you can just look ahead say in three to five years you have talked a lot about service oriented businesses in your investor presentation so say in five years time what would be some figure which you would aim at as the percentage of revenue?

**Company Speaker:** Raj as a company for the time being we are holding a tenet statement that we are not giving future statements and we will come back to in due course as the management used to forego the future statements till that time.

**Raj Rishi:** Will it be a reasonable assumption that your services business will grow significantly higher than your product business?

**Company Speaker:** As a strategy that we have communicated earlier that we want to increase our transitional and service mix in a manner because it will be giving contribution in terms of the margins and the churn so that is our reason so how much it will increase it is depending on the future.

**Raj Rishi:** What is the scope for this listed entity in the whole energy transition area, renewables, green hydrogen, etc., and how prevalent are you in the listed entity?

- Company Speaker:** Yes see the entire focus of Schneider is in the renewable so which depending on the products which every company has the focus remains and from a listed entity perspective also the portfolio which we cater to renewable in a significant way so it is absolutely the core of what we do.
- Raj Rishi:** This gross margin which you had this quarter will this be sustainable or this can also go up with services going up?
- Company Speaker:** Again it is a future statement but if you are talking about a quarterly basis we used to say that when you are looking at the gross margin on a sustainable basis please take it as a yearly number because quarter-on-quarter some of the abnormal mix and sometimes the forex fluctuation a little movement in part in this quarter number so better to take an average of the annual number it will be more sustainable.
- Raj Rishi:** Sir this data center business what would be the total addressable market for the listed entity?
- Company Speaker:** As of now data center market is emerging in India so it is tough to comment.
- Raj Rishi:** Sir what about the new MD appointment any feedback on that?
- Company Speaker:** As per the legal limits we have another one-and-a-half months to announce so management is working towards it and once it is finalized we will announce in the public domain and you will get to know.
- Raj Rishi:** Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Naysar Parikh from Native Capital. Please go ahead.
- Naysar Parikh:** Thanks for taking my question. The first one was can you give a sense of the revenue mix between your different products like industrial switchgears, transformers, etc., just to get some directional sense?
- Company Speaker:** We used to give the revenue breakup between the four services that I am giving you. The service revenue for this quarter is 11%, transactional is 24% and the system business is 65% in which equipment is 37%, project is 10% and the IG mix is 18% that is the businesses that we are giving every quarter.
- Naysar Parikh:** Sir can you repeat equipment is 37%?
- Company Speaker:** Equipment is 37%, project is 10% and IG is 18% this together makes the system as 65% and then transactional is 24% and services is 11%.



- Naysar Parikh:** Got it and on the data center side in your order book what percentage would be data centers roughly is it like directionally if you can give a sense?
- Company Speaker:** Data centre is an emerging market as of now so on the backlog side it is tough to comment at this moment because lots of traction is coming at the emerging market that we are factoring but as of now we cannot disclose on the data centre as a segment.
- Naysar Parikh:** Understood and earlier you used to have this slide on partners and that being the big driver for that but can you give a sense for this quarter what percentage revenue was from partners and secondly also can you guide in terms of the kind of work that should be outsourced to the partners is it low end unprofitable work or even partners make money so just want to understand focus from what we are outsourcing?
- Company Speaker:** I think the strategy and the direction remains the same. If you see what Vineet articulated earlier the transaction business is primarily what we do through the partners so the 24% which he said is a transaction business that is primarily partner driven and that is a continuous focus, we continue to kind of accelerate on the journey so strategy is consistent there.
- Naysar Parikh:** Can you comment on some kind of work that how do you split the work between what you are doing and what the partner is doing?
- Company Speaker:** It depends on the solution so there are some customers who will require full OEM solution including the fabrication being done by the OEM there we go with our full solution. There are some customers who are okay with the core technology given by Schneider and fabrication being done by the partners. That is where we go to the partner solution so it is really driven by the customer what the customer needs.
- Naysar Parikh:** This 84% transaction which the partner is doing so this business is typically sourced by like the partners or it is sourced by Schneider and then it allocates for partners?
- Company Speaker:** Again it is transactional does not mean that everything is going to the partner. Partner model is one of the drivers that will help so that breakup we are **(inaudible) 23:57** partner contribution it is overall business which includes all and the demand is jointly driven. To answer your specific question demand is jointly driven. We have our own sales team who keeps working on the segments and they keep generating demands.
- Naysar Parikh:** What will be the order book as of June end?
- Company Speaker:** It is almost Rs.1120 Crores.

- Moderator:** Thank you. The next question is from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.
- Pritesh Chheda:** Is it the systems business within which you set products is 37% so that portion of the business is only where the product sales exist?
- Company Speaker:** It is not product it is project.
- Pritesh Chheda:** Sir you mentioned 65% systems in which there is product, projects and then there was one more so there were three?
- Company Speaker:** Project and IG.
- Pritesh Chheda:** Equipment so basically I wrote as products so equipment, so equipment is where the only equipment or let us say your transformer is sold or switchgear is sold forms a part of this business right?
- Company Speaker:** Yes. To keep it simple where a full panel is sold or a transformer is sold full product that is equipment, project is when a set of equipments gets integrated together to form a solution.
- Pritesh Chheda:** And transactional?
- Company Speaker:** When you are giving a component of equipment so a breaker or a relay a core component when you are giving.
- Pritesh Chheda:** Can you tell us what is the utilization of your manufacturing setups? Blended is okay. I do not want a separate number for each.
- Amol Phatak:** We are approximately between 60% and 70% loaded on a two shift basis since it is working on an average basis.
- Pritesh Chheda:** You can do three shifts or we have to consider two shifts only?
- Amol Phatak:** Legally we can do three shifts.
- Pritesh Chheda:** My last question is Sir in the presentation we have given the segment areas so you mentioned as power grid, industries, mobility and data centers any rough indication of the mix of business in these four areas?
- Company Speaker:** We usually do not give the mix that between the segments so we will not be able to share.
- Pritesh Chheda:** At least you can you tell us if anything is bigger than the other or some hierarchy?

**Company Speaker:** One directionally if you look at medium voltage we are electro intensive industry and three electro intensive segments which is power and grids, mobility and mining, metals & minerals, so these are the three electro intensive where there is a heavy need of power to put in a very simple term so that will be obviously the majority of the business and then there are emerging sectors like data centers, CPGs and so on and so forth.

**Pritesh Chheda:** My last question is Sir we have been in a certain business range for the last whole decade and you know when we look at whatever is happening in the capital expenditure side there is a lot of movement, lot of projects happening around whether it is T&D, whether it is metals, whether it data centers do you share a similar opinion and do you foresee a situation where now the growth in your business is more visible for at least some many years or you do not share a similar opinion?

**Company Speaker:** I think we are bullish on the macro. I think anybody who is in India there is no reason why you should not be bullish about the macro. I think that the GDP depending on whose forecast you take is in the six to seven range and if you add inflation the nominal GDP is in the tenish range and within the GDP if you look at the new capital formation which is in the companies like us more depend on the new capital formation is probably higher than that so I think the macro looks good and government is sustaining the investment in the national critical infrastructure so that is good. There is a focus on some of the emerging segments like data center and all so that that is good so the background story continues to be bullish and our business and the Schneider core strategy is very aligned to the Government of India strategy so we see a perfect alignment between the two.

**Pritesh Chheda:** Lastly what kind of levers or drivers do you have in your operating margin numbers?

**Company Speaker:** I think you have got already the essence of the capacity which we can do more from what Amol said so that is already there and we continue to keep accelerating our journey and keep innovating and serving our customers.

**Pritesh Chheda:** Thank you very much Sir.

**Moderator:** Thank you. The next question is from the line of Aditya Deorah from Divisha Investments. Please go ahead.

**Aditya Deorah:** Good afternoon Sir. Sir how much capex we have already done for the Kolkata plant?

**Company Speaker:** Amol you want to take.

**Amol Phatak:** Kolkata is early stage at this stage I can take that, but I think we still have probably another three to four quarters for that to get completed so still early stages.

- Aditya Deorah:** Sir what kind of asset turnover we expect from that plant I guess we are spending around Rs.140 Crores in that plant?
- Company Speaker:** It is going to be a global centre. We will of course do for India requirement also and it will also cater to India for the world. So it will be utilized so there is a good plan and robust plan to utilize it but as I said it will take a year for it to operationalize.
- Aditya Deorah:** That is fine but at the optimum utilization would it be a 2X asset turnover or a 3X asset turnover?
- Company Speaker:** It will be a fully loaded facility, so whatever is there we are allowed to cater to this.
- Aditya Deorah:** Any amount it will be helpful for us Sir?
- Company Speaker:** I do not think we will get into that micro of putting asset turn there, but as I said it will be loaded facility.
- Aditya Deorah:** Perfect. Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Bharat Thakkar an Individual Investor. Please go ahead.
- Bharat Thakkar:** Thank you. I have two questions. One is that there was accumulated loss of something around Rs.300 Crores plus as per September 2022 accounts and there is no mention of that in June 2023 quarter so is it that loss has been completely squared off?
- Company Speaker:** As you know we usually show a balance sheet on half yearly basis so this is the quarterly results, so we do not show the balance sheet, but I am sure you have the March balance sheet with you and you can do the math by adding the numbers up for this quarter, so we are directionally moving where we are wiping off that accumulated loss and when we present the September result you will see an effect of this and you will be happy to see the effect of this is all I can say at this stage.
- Bharat Thakkar:** From this presentation one can say that major orders are from power sector so is there any headway in this EV charging installation which I suppose you were to concentrate on?
- Company Speaker:** No, for this listed entity EV charging is not a major business, but yes on the infrastructure which is needed for EV we keep supporting so we have products like spring and units and all which goes in the infrastructure behind the EV not the charger but the infrastructure behind the EV.
- Bharat Thakkar:** Thank you.

- Moderator:** Thank you. The next question is from the line of Nikhil Jain from Galaxy International. Please go ahead.
- Nikhil Jain:** Thank you for the opportunity. Just a couple of questions so you mentioned about this RDSS opportunity I wanted to know in what all the specific areas does Schneider play so what is the part of the total opportunity that Schneider can actually cater to one and the second question is in the current order book of Rs.1100 odd Crores so how much is a smart meter-related orders or significant part of it or they have not started to trickle and you expect them to come let us say by the end of this year or next year or something like that?
- Company Speaker:** I need to probably refresh your view about the scope of the listed entity. The scope of the listed entity is medium voltage and transformer and smart meter does not form another part of the scope so it is completed by other entities of Schneider not the listed entity.
- Nikhil Jain:** So you do not do anything on the related to the smart meter installation or manufacturing or anything like that right?
- Company Speaker:** We do the backend integration at the grid level we are not doing in the smart metering as a meter but at a grid level the integration is done.
- Nikhil Jain:** Fair enough. Thank you.
- Moderator:** Thank you. The next question is from the line of Sanjay Kohli from Gold Stone Capital. Please go ahead.
- Sanjay Kohli:** Congratulations on a good quarter. The question is on the market opportunity on your ETE platform and if you can enlighten us on the competitive landscape in this area?
- Company Speaker:** I did not get your question can you repeat what platform?
- Sanjay Kohli:** The expert platform which you introduced what is the market opportunity that you have identified if you can give us a number and what sort of competitive landscape are you facing?
- Company Speaker:** EcoStructure Transformer Expert is a new solution on the digital side to give the digitized solution for the transformer industry and to ensure the OL reading issues it is not something new in the market it is catering the market with a new digitized solution and as we recently launched and we get a very good very traction from the industry side on that but more than that at this time we cannot disclose.
- Sanjay Kohli:** Thank you.

**Moderator:** Thank you. The next question is from the line of Sanjaya Satapathy from Ampersand Capital. Please go ahead.

**Sanjaya Satapathy:** Sir thanks a lot for the opportunity and congratulations once again for a very strong set of results. Sir just wanted to ask you on this gross margin we saw a significant shift in your gross margin from Q4 onwards and that consolidated with global logistics and supply chain kind of stabilizing and chip shortage kind of coming to an end so my question should we kind of look at this as a bit of a new normal because although supply chain issues are behind you?

**Company Speaker:** I would say we have fully stabilized completely to be honest. Still electronics if you talk to anybody globally they would say that it is coming back to normal, not fully normal. So electronics is one area where I would still say it will take a couple of quarters more for us to declare that we are fully normal but overall if you see yes, definitely there is a positive trend and metal prices has been quite stable. I think if you look at the last six months metal prices have been quite stable so that is a positive. Freight has normalized quite a bit I think that is a positive. Electronics coming back to normal is not fully normal yet I think it will take a couple of more quarters to be very candid.

**Sanjaya Satapathy:** Thanks Sir. My next question is on this order inflow, so which is going up some 20% so is the current focus on getting as much order as quickly as possible or it is more of profitable order with better working capital with collection visibility, so what are the priorities right now in terms of getting orders because of the legacy that Schneider has seen?

**Company Speaker:** I think we are going to keep the house safe that is the first priority. So, collection will remain the top focus, cash will remain the top focus there is no second thought about that. So subject to that, keeping it safe, not taking unnecessary risk, but there is enough and more to do in the market today even with this as we have been speaking. So I do not see there is essentially a choice right now, of course we need to be conscious about what we do keeping the cash as a top focus, but that also leaves us with enough play today the way the macro is.

**Sanjaya Satapathy:** Sir last thing if I can ask considering the kind of turn around you have seen of course you are already starting this Rs.150 Crores capex?

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

**Manish Goyal:** Thank you so much and very congratulations on maintaining the strong growth momentum now probably we have moved to beyond the turnaround story so thanks a lot for that and nice to hear that after long time so just few questions on related to what was answered earlier on a RDSS so we did mention that we are into backward integration, so ideally what it means is that as the implementation of smart meters increase we probably see increasing demand for our software solution related to AMI

advance meter infrastructure on one side and on other side for the digital products and the transactional products am I right?

**Company Speaker:** That is right Manish and good to talk to you after a while. Yes you are right I think there will be pull-through effect as you rightly said see for example the relays which we do within the listed entity that there will be a pull through of that, there will be a pull through of the hidden systems which is what integrates the smart meter and that is where we play through our solution centre which is there in the listed entity, so those are the kind of things which are associated. As I said earlier the meter per se we do it in the other entity but the integration and the leeway are pulled through from the listed entity.

**Manish Goyal:** Are we probably tying up with any PMI providers and probably while they are bidding we are probably committed towards certain solution offering or we probably come at a later stage?

**Company Speaker:** There is no need to do **(inaudible) 39:46** because I think we keep our options open but yes, we work with most of the leading players, if I may say that.

**Manish Goyal:** Maybe like as we are progressing towards like if you can share how are the digital product revenue share and automation-related solution will definitely share how is it moving if any number you can share on?

**Company Speaker:** Manish mix side that I cannot say what are the exact mix, but I will say that other focus area now we are trying to make all offers are digitally connected and if you ask me now almost on the offering side 70% to 75% offers are digitally enabled and we are focusing to make it 100% digitally enabled except a few of the offers rest of that are digitally enabled that is the vision and that is the direction we are working.

**Manish Goyal:** Last two housekeeping questions We have seen increase in other expenses Y-o-Y I understand there was some write back last year in this quarter, but maybe is there any certain forex related or any one time item which is there or it is probably normalized on the other extension side and maybe if you can share the breakup of order inflow and order book as always Sir?

**Company Speaker:** Manish on other expenditure side there are no abnormal items, but yes there is a few of the provisions coming on account of the **(inaudible) 41:30** that is the one reason and secondly the travels because we are focusing on the order book and the execution focusing so some of the travel sides have increased and the rest of like percentage-related expenditure as the revenue grows some of the expenditure grow in the ratio of the sales that is the major reason to come up on the expenditure. No major abnormalities there it is because of the revenue guidance driven and if you are talking about the order intake break up so order intake break up is equipment is 43%, project is 23%, transactional 20% and service is 14% and if you ask me the order backlog breakup it is again transactional is 18%, services is 16%, equipment is 47% and project is 19%.

- Manish Goyal:** Last in the IG what is order inflow for this quarter?
- Company Speaker:** IG order flow is almost Rs.900 Crores for this quarter.
- Manish Goyal:** Rs.900 Crores?
- Company Speaker:** Rs.90 Crores.
- Manish Goyal:** Thank you. I am done. Thanks a lot Arnab and Vineet.
- Moderator:** Thank you. The next question is from the line of Suraj Malu from Catamaran. Please go ahead.
- Suraj Malu:** I just wanted to understand the electrical and automation business that has been acquired of that business how much is low voltage and how much is medium voltage like the portion relevant to the listed entity?
- Company Speaker:** I think that is outside the scope of the listed entity so we would not comment there that is not in the purview.
- Suraj Malu:** But eventually all the medium voltage business or that will be under Schneider Electric Infrastructure listed right?
- Company Speaker:** Today we have it in two places, so again cannot comment on the future events that is the status today. So something has come as part of the acquisition that stays there.
- Suraj Malu:** That is in the private entity Schneider Electric India Limited?
- Company Speaker:** Just to add the management is working on the integration and we are trying to just bring in all the businesses to the one place that is the reason is but strategically as of now it is still under the integration part, so as and when this development will come, it will come in the public domain.
- Suraj Malu:** Got it. Thank you.
- Moderator:** Thank you. The next question is from the line of Mudit Kabra. Please proceed.
- Mudit Kabra:** Thanks for opportunity. Can we have the exports revenue breakup for this quarter Q1 and also if we can identify the territories and regions?
- Company Speaker:** Mudit usually we do not do that territory but wholesale is around Rs.250 and Rs.28 Crores for the quarter but it is majorly greater Asia side and some of the Europe side.



- Mudit Kabra:** Do we see any sort of normalization trend coming in the automation segments in the coming quarters or any likes of that happening in near term?
- Company Speaker:** The product portfolio that we are carrying or something related to any automotive industry.
- Mudit Kabra:** Thank you.
- Moderator:** Thank you. We will move on to the next question that is from the line of Sanjaya Satapathy from Ampersand Capital. Please go ahead.
- Sanjaya Satapathy:** Sir I wanted to get a sense that now that the turnaround is kind of visible to your parent company, so what all things can now happen because one is that your CEO position of course is to be filled but I was just trying to get a sense that that will there be some kind of accelerated investment through your company considering the kind of potential that you have shown to them any thought on the big picture level?
- Company Speaker:** As I said earlier I think the macro looks good and we do not see any reason why the growth journey will not continue and you have already seen that we have announced the Kolkata facility and all of that so that that looks good. You also heard Amol say earlier that we do have some rooms available in our current facility also to grow, so that is a continuous exercise. I think we will keep doing it and we will be agile to the market to see as we can do. Need not that we need to put a big bang capex at this stage we still have rooms to do more.
- Sanjaya Satapathy:** Understood and hopefully your CEO position will be filled soon and you will come up with your medium and long term plan very, very soon. Thanks a lot.
- Company Speaker:** We will be agile and open as I said to this and we will take a call. We will not let any opportunity go because we are not ready.
- Sanjaya Satapathy:** Thanks a lot Sir.
- Moderator:** Thank you. As there are no further questions I now hand the conference over the Mr. Mudit Kabra for his closing comments.
- Mudit Kabra:** Thanks Lizaan. We thank the management of Schneider Electric for giving us an opportunity to host this call. We also thank all the investors and the analysts for joining this call. Any closing remarks Sir!
- Company Speaker:** I would like to thanks to everyone who have joined this call. We as a team thoroughly enjoyed all the interactions. Have a good day ladies and gentlemen. Thank you.



*Schneider Electric Infrastructure Limited  
August 11, 2023*

**Moderator:** Thank you members of the management team. Ladies and gentlemen on behalf of Elara Securities Private Limited that concludes this conference call. We thank you for joining us. You may now disconnect your lines.