




Life Is  when energy is on
Ensuring Reliable, Efficient, Connected and Sustainable energy.

Schneider Electric Infrastructure Limited

ANNUAL REPORT 2016

www.schneider-electric.com

Life Is 

Schneider
 Electric

> Board of Directors & Key Managerial Personnel



From Left to Right

- | | |
|--|--|
| 1. Mr. Anurag Mantri
Chief Financial Officer | 6. Mr. V.S Vasudevan
Independent Director |
| 2. Mr. Vivek Sarwate
Whole-time Director | 7. Mr. Ranjan Pant
Independent Director |
| 3. Mr. Sugata Sircar
Director | 8. Mr. Prakash Kumar Chandraker
Managing Director & CEO |
| 4. Mr. Anil Chaudhry
Director | 9. Ms. Sonali Kaushik
Director |
| 5. Mr. Vinod Kumar Dhall
Chairman & Independent Director | 10. Mr. Anil Rustgi
Company Secretary & Compliance Officer |

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> Message from Chairman



I am happy to present the Annual report of Schneider Electric Infrastructure Limited (SEIL) for the Financial Year 2015-16 to our valued shareholders. Your Company has reinforced its market leadership position in its domain and has delivered a stable performance in 2015-16, despite the challenging economic environment.

India's economy has faced subdued demand over the past few years arising from a dampened global business environment. The good news, however, is that there is still a positive socio-economical sentiment and the economic reforms that have been undertaken or promised are expected to lead to a sustainable long-term growth.

The current government had identified infrastructure as its critical priority to trigger economic growth and had also announced several central programs aimed at satisfying the basic as well as future needs of the masses. The government has made its intent clear towards the development of Indian power sector by promising 24x7 uninterrupted power for all by enhancing the reliability of the distribution grid and reducing the AT&C losses. Two key schemes - the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and the Integrated Power Development Scheme (IPDS) have made progress and are expected to improve the reliability of the sub transmission & distribution network in rural and urban areas.

To improve the financial condition of the distribution utilities, the government has also

initiated the Ujwal DISCOM Assurance Yojna (UDAY) for giving a push to the much needed financial turnaround and revival of power distribution companies (DISCOMs), which is aimed to ensure affordable and reliable power for all.

To meet the emerging challenges and to benefit from the new opportunities, at SEIL, we innovate and develop technologies that will transform the way energy is managed. With our design philosophy, we deliver the smart solutions that integrate energy seamlessly into our environment, supporting the rhythm of our lives and empowering people to do more with less. Our intent is to make sure Life Is On for everyone, everywhere and at every moment.

The Company continues to focus on innovative solutions, customer satisfaction and employee engagement as a part of its growth philosophy and is fully aligned to and supportive of the ambitious "Make In India" initiative by the government.

I would like to thank all our shareholders, customers, suppliers, communities and other stakeholders for their continuing and unstinted support to the Company during the year. I would also like to thank all the employees, and my colleagues on the Board of Directors, for their tireless commitment to enhance the performance and well being of the Company.

Vinod Kumar Dhall
Chairman

> Message from Managing Director



Your Company has made a good progress during 2015-16 in establishing itself as a thought leader in “Intelligent management of future grid”. Government’s vision of “Make in India” and its initiative to develop robust and smart infrastructure for Smart Cities will be a good business proposition for Schneider Electric Infrastructure Ltd (SEIL). Your Company is well positioned to provide self healing and advanced grid solutions in the proposed smart cities, with our wide range of digitized products and solutions.

Many of our gains and advances in efficiency are driven by the convergence of Electrical Operational Technology (OT) and Information Technology (IT). We uniquely bring together energy, automation, and software analytics to make the energy value chain more intelligent, more predictable, more efficient, more reliable and safer. Add to this the growth of the Internet of Things, i.e., more and more connected devices, and our innovation strategy is truly driving greater energy efficiency and process optimization across all market segments.

Growing demand, integration of distributed generation and ageing infrastructures have an increasingly negative effect on grid reliability. Grid operators look to boost operational efficiency,

protect their customers and maintain grid security. Your Company has a renewable integration and a self-healing network solution, which is a smart, cost-effective way to enhance the reliability of electrical distribution grids so that customers can enjoy improved power availability.

Coming to our performance in 2015-16, some of the key projects we delivered were: the first e-house solution to a prominent utility, 33kV GIS in water segment, trunk infrastructure equipment for a major state distribution company, transformers and RMUs for renewable generation projects, GIS for metro projects.

We remain focused on our strategic initiatives around cost optimization and growth in advanced technology solution products and services. Your Company has the vision, the portfolio and the commitment to maintain leadership position in the MV energy business.

I would like to sincerely thank all the stakeholders, employees, customers and board members for their continued support and confidence in our business.

Prakash Kumar Chandraker
Managing Director

> Corporate Information

Board of Directors

Mr. Vinod Kumar Dhall
Chairman (Non-Executive)

Mr. Prakash Kumar Chandraker
(Managing Director)

Mr. Anil Chaudhry

Mr. Ranjan Pant

Ms. Sonali Kaushik

Mr. Subramanian Vishar Vasudevan

Mr. Sugata Sircar

Mr. Vivek Sarwate*

* Appointed effective 04.02.2016

Chief Financial Officer

Mr. Anurag Mantri

Company Secretary and Compliance Officer

Mr. Anil Rustgi

Registered Office

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

Registrar & Share Transfer Agent

C.B. Management Services (P) Ltd.
P-22, Bondel Road
Kolkata-700 019

Auditors

S.R. Batliboi & Co.LLP
Chartered Accountants
Golf View Corporate Towers-B
Sector 42, Sector Road
Gurgaon 122 002, Haryana

Committees of Directors

Nomination & Remuneration Committee

Mr. Subramanian Vishar Vasudevan - Chairman
Mr. Anil Chaudhry
Mr. Ranjan Pant
Mr. Vinod Kumar Dhall

Stakeholder's Relationship Committee

Mr. Subramanian Vishar Vasudevan - Chairman
Mr. Prakash Kumar Chandraker
Mr. Ranjan Pant

Corporate Social Responsibility (CSR) Committee

Mr. Prakash Kumar Chandraker
Mr. Ranjan Pant
Mr. Subramanian Vishar Vasudevan

Audit Committee

Mr. Vinod Kumar Dhall - Chairman
Mr. Ranjan Pant
Mr. Subramanian Vishar Vasudevan
Mr. Sugata Sircar

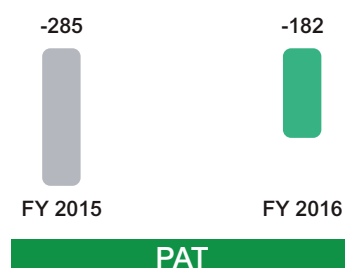
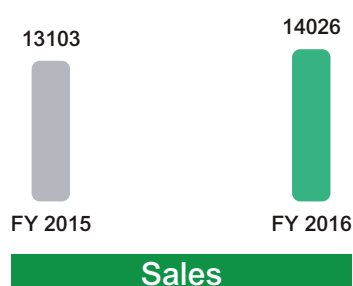
Risk Management Committee

Mr. Prakash Kumar Chandraker
Mr. Ranjan Pant
Mr. Subramanian Vishar Vasudevan

> Financial Highlights

SCHNEIDER ELECTRIC INFRASTRUCTURE LTD.

(IN MINR)



> Directors' Report

Your Directors take pleasure in presenting herewith the Annual Report and Audited Accounts for the year ended March 31, 2016.

Financial Results

	(In MINR)	
	12M FY 2015/16	12M FY 2014/15
Sales and Services (Net)	14,026	13,103
EBITDA	521	463
(As percentage of net sales)	3.7%	3.5%
Depreciation	258	249
EBITA	263	214
(As percentage of net sales)	1.9%	1.6%
Interest, net	428	385
Earnings after Interest	(165)	(171)
Exceptional items	17	0
Profit before tax	(182)	(171)
Tax expense (Deferred tax Reversal)	0	114
Profit after tax	(182)	(285)

Dividend

No dividend has been declared by the Directors for the year ended March 31, 2016, due to losses.

Performance Review

The year 2015-2016 was a year of rebalancing for your company. The energy market responded in a mixed manner to all the external impacts, be it global influence, government initiatives or consumer sentiments. We saw business uptake in some nascent segments but at the same time saw a lull in a few traditionally high demand segments like power generation, mining, etc. The company refocused its market outreach to arrest the short term negative impact of the market dynamics on the performance of the company, but at the same time initiated rebalancing initiatives to catch hold of the tailwinds when the market growth translates into on the ground opportunities. We were able to maintain leadership position in our market of operations.

Sales in 2015-2016 stood at INR 14026 million as against INR 13103 million during the same period last year, translating into 7 percent growth. Liquidity and the pace of project execution has remained a challenge due to the market conditions. Still, considering the circumstances, the company has dealt with most of the issues admirably. It has also managed to drive better business mix to create healthy order- book and streamlined the operations for smooth execution.

The focus of SEIL remained as always on "Providing consumers with smart products, systems and services that deliver true value and maximum satisfaction to our customers". This is made possible by our persistent efforts in meeting the customer needs through innovation

and improved organizational operational efficiency. In preparation of the blooming trend of digitization, your company has consciously invested in creating a holistic portfolio of smart connected products and seamless solutions.

This unwavering obsession of the company to put customers at the heart all our strategic as well as operational endeavors has enabled us to both build a culture of trust and strategic partnership with our valued customers. The vast global experience of the group coupled with the focus of the company in providing increasingly reliable, safe and environment friendly offers allowed the company to realize a healthy mix of some large traditional orders as well some relatively small but trend setting examples. The year has seen the company gaining recognition and confidence from both its customers and stakeholders.

Employees are the greatest assets of SEIL. They enable your company achieve its goals and retain its market leader position. We launched several training and engagement initiatives to further enhance their competencies. The workforce remains focused on creating value for customers and stakeholders.

Your company would like to thank all the shareholders, customers, employees and all other stakeholders for their continuous support and confidence in the company.

1. Our Strategy

Leverage the world's new energy challenges

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

efficiency and savings. Our smart grid solutions help electricity producers and distributors to improve the efficiency of their assets and to offer a better service to their consumers and build future smart cities. This also contributes to the improvement in the operation of the grid and the reduction in investment in new generation capacity.

Serve the increasing need for automation of our customers in key market segments

The Make in India as well as rising standard of power reliability and safety is creating significant opportunities for growth. Coupled with this, large corporations are looking to improve operational efficiency across the whole enterprise, while at the same time improving security and safety for operators and the environment. The power

distribution segment is undergoing a transformation to provide 24x7 power to all and improve the reliability and quality. We are today offering advanced automation solutions to establish self healing grids, unmanned stations, asset management solutions.

Support the digital transformation of customers and partners

The convergence of operational technology (OT) and information technology (IT) creates many new opportunities for customers. It makes their life easier, increases productivity, creates new business models that provide new value propositions for their own customers. Digitization is at the heart of their future growth. Through continuous innovation, we engineer products and

solutions that help them unlock this potential. Schneider Electric builds native connectivity in its product offerings, delivers a range of digital services to help customers' extract value from their data through analytics, ensures cyber security and provides the best customer experience.

Build two complementary business models: Products and Technology Solutions

Products and solutions are complementary business models and we aim to deliver profitable growth in both. Products allow us to continue to achieve scale and pricing power. In order to reinforce our leadership position and continue to grow, we leverage technology to offer connected, market leading products. Solutions and Services allow us to generate additional growth and profits, lower capital intensity and help reduce cyclicalities.

They provide significant opportunities to establish greater customer intimacy and sustainable business opportunities through dialogue with final end users, which in turn help in our quest for continuous innovation. We have developed tested, validated and documented reference architectures for solutions in targeted end-markets, in order to facilitate smooth integration of our products and speed up project design.

Invest in profitable and responsible growth while driving efficiency

We believe in the long-term growth potential of our business, and we continuously invest to drive that growth through engagement with customer and partners at the center of our R&D practices. This investment is focused on sustained spending in R&D, as well as on growing our commercial presence and skills, especially in the fields of high value-added technologies and services and also in facilitating engagement and involvement of customers to develop offers aimed at solving current and future

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