

Annual Report 2018-19

Schneider Electric Infrastructure Limited

SMART

Powering India's digital future



Life Is On

Schneider
Electric

schneider-infra.in

Life Is On

Schneider
Electric

Life is On
everywhere,
for everyone
and at every
moment.

Schneider Electric is leading the Digital Transformation of Energy Management and Automation in Homes, Buildings, Data Centers, Infrastructure and Industries.

Safe | Reliable | Efficient | Digital | Sustainable

Board of Directors



Mr. Vinod Kumar Dhall
Chairman
Independent,
Non-Executive Director



Ms. Geeta Mathur¹
Independent,
Non-Executive Director



Mr. Ranjan Pant
Independent,
Non-Executive Director



Mr. VS Vasudevan
Independent,
Non-Executive Director



Mr. Bruno Bernard Dercle
Managing Director and
Chief Executive Officer



Mr. Piyush Pandey²
Whole-Time Director



Mr. Vivek Sarwate³
Whole-Time Director



Mr. Anil Chaudhry
Non-Executive Director



Ms. Bidisha Nagaraj
Non-Executive Director



Mr. Sugata Sircar
Non-Executive Director

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER



Ms. Bhumika Sood
Company Secretary and
Compliance Officer



Mr. Arnab Roy
Chief Financial Officer

Brief profile of Board of Directors can be accessed at <https://infra.schneider-electric.co.in/investor/profile#1>.

¹ Ms. Geeta Mathur - appointed on the Board with effect from April 01, 2019

² Mr. Piyush Pandey - appointed on the Board with effect from May 22, 2019

³ Mr. Vivek Sarwate - resigned from the Board with effect from May 22, 2019

Corporate Information

Committees of the Board (as on March 31, 2019)

Audit Committee

Mr. Vinod Kumar Dhall, Chairman
Mr. Ranjan Pant, Member
Mr. VS Vasudevan, Member
Mr. Sugata Sircar, Member

Stakeholder's Relationship Committee

Mr. VS Vasudevan, Chairman
Mr. Ranjan Pant, Member
Mr. Bruno Bernard Dercle, Member

Corporate Social Responsibility (CSR) Committee

Mr. VS Vasudevan, Member
Mr. Ranjan Pant, Member
Mr. Bruno Bernard Dercle, Member

Nomination & Remuneration Committee

Mr. VS Vasudevan, Chairman
Mr. Ranjan Pant, Member
Mr. Vinod Kumar Dhall, Member
Mr. Anil Chaudhry, Member

Risk Management Committee

Mr. VS Vasudevan, Member
Mr. Ranjan Pant, Member
Mr. Bruno Bernard Dercle, Member

Finance and Banking Committee

Mr. Anil Chaudhry, Member
Mr. Bruno Bernard Dercle, Member
Mr. Sugata Sircar, Member

Statutory Auditors

S.R. Batliboi & Co. LLP

Chartered Accountants
Golf View Corporate Towers-B
Sector 42, Sector Road
Gurugram 122 002, Haryana

Registrar & Share Transfer Agent

C.B. Management Services (P) Ltd.

P-22 Bondel Road, Kolkata- 700019
Contact: +91 033 4011 6700/ 2280 6692/
2282 3643/ 2287 0263
Email: Mr. Subhabrata Biswas (subhabrata@cbmsl.co)

Offices

REGISTERED

Milestone-87, Vadodara - Halol Highway
Village - Kotambi, Post - Jarod
Vadodara - 391510, Gujarat
Contact: +91 02668 664300
Fax: +91 02668 664621

Email: Company.secretary@schneider-electric.com

CORPORATE

9th and 10th Floor, DLF Building No. 10, Tower-C
DLF Cyber City, Phase-II,
Gurugram - 122002, Haryana
Contact: +91 0124 7152300

Financial Highlights	1
----------------------	---

Statement from Chairman	2
-------------------------	---

Statement from Managing Director	3
----------------------------------	---

Directors' Report	4
--------------------------	---

Report on Corporate Governance	54
---------------------------------------	----

Business Responsibility Report	80
---------------------------------------	----

Management Discussion and Analysis Report	89
--	----

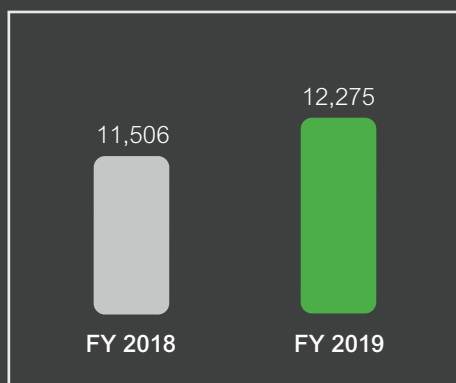
Financial Statements Schneider Electric Infrastructure Limited

1. Independent Auditor's Report	95
2. Annexure	101
3. Balance Sheet as at March 31, 2019	110
4. Statement of Profit and Loss for the Year Ended March 31, 2019	111
5. Cash Flow Statement for the Year Ended March 31, 2019	112
6. Statement of Changes in Equity for the Year Ended March 31, 2019	114
7. Notes to Financial Statements	115



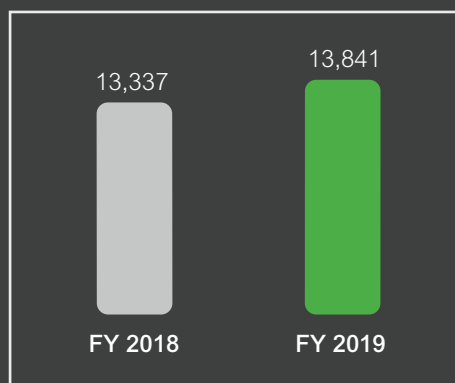
Financial Highlights

Order

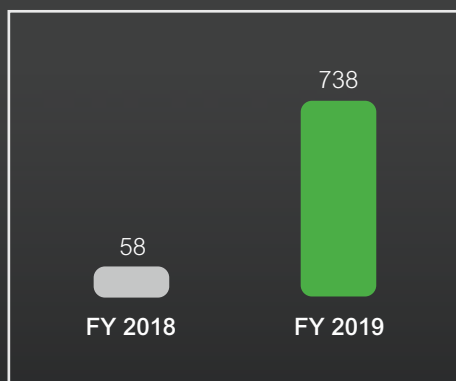


Sales

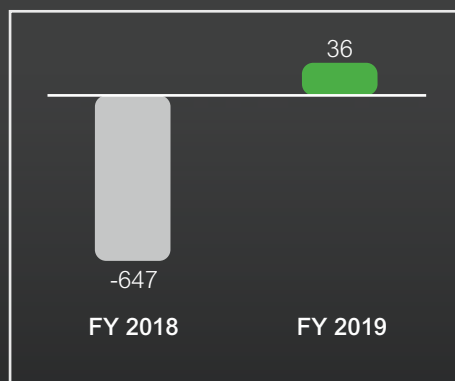
(Rupees in million)



EBITDA



PAT Before Exceptional



Making 'New India Energy Positive'

At Schneider Electric Infrastructure Limited (SEIL), we are ahead of the curve with innovative products and solutions, empowering our customers to achieve best-in-class performance from their electrical infrastructure.



Dear Shareholders,

It is with great pleasure that I present to you our Annual Report for the year 2018-19.

2018 has been a momentous year for the Indian economy, with a series of achievements and milestones on the back of digitisation, globalisation, favourable demographics and progressive reforms. India continued to be one of the fastest growing major economies in the world, probably the fastest, and the GDP is estimated to have increased by 7% in 2018-19.

In an effort to meet the demands of a swiftly developing nation, the infrastructure segment witnessed a never-before transformational phase in 2018. Furthermore, driven by the sustainable development goals, we are all invested with the task of building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation.

The power sector scenario remained positive with Government of India's continued focus on the segment. Programmes like 'Power for all' accelerated capacity addition in the country. Energy generation through renewable sources maintained its prominence, and was further pushed with initiatives around tariff capping.

Backed by the series of government initiatives in the infrastructure segment and a fast-paced economic growth, the power sector is currently on a high growth path. We are at a juncture where, by

embracing technological advancements like Internet of Things (IoT), Artificial Intelligence (AI), Apps and Analytics, we aim to ensure optimum utilisation of our energy resources and attain energy efficiency. At Schneider Electric, we call it making 'New India Energy Positive' that embraces innovative solutions and connected products. We at SEIL are ahead of the curve with our innovative products and solutions, empowering our customers to achieve best-in-class performance from their electrical infrastructure. Through our EcoStruxure architecture, we continue to achieve higher levels energy efficiency and operational excellence in the most cost-effective manner. This digital platform ensures safe, reliable, sustainable and connected energy, ensuring better productivity and profitability for our customers.

Going forward, we at SEIL are excited, as we attempt to change some business models, and be the role model in the industry with our "Customer First" attitude. I am sure that this attitude will improve our ability to understand customer problems and implement mutually beneficial solutions, thereby sharing the value that we create together.

I would like to sincerely thank all our shareholders, customers, suppliers, communities and other stakeholders for their continued 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 enhancing the performance and health of the Company. ■

A STATEMENT FROM MANAGING DIRECTOR BRUNO BERNARD DERCLE



Poised for a profitable growth

Schneider Electric Infrastructure Limited continues to develop digitally advanced products and services, while keeping customers at the center of its business focus.

Dear Shareholders,

I am happy to present to you the SEIL Annual Report for 2018-19, I extend my greetings and warm wishes to you. From my vantage point in the Company I see the immense potential of its growth - along with its stakeholders.

2018 was a good year for your Company. The management has been continuously cautious and selective in term of customers while building the healthy backlog in line with our strategy. Your Company was able to book new orders worth Rs. 12,275 million, 6.7% up over the previous year with a strong growth. The Company, after a significant cleaning of balance sheet in previous years, has adjusted operational efficiencies and product portfolio, and is poised for a profitable growth in coming years.

Strengthening the digitisation agenda

In 2018, SEIL remained focused on its digitisation agenda through Schneider Electric EcoStruxure platform. We continued to develop products and services that are digitally advanced, while keeping customer centricity as the cornerstone of our business. Your Company enhanced its connected product portfolio with a full set of integrated offerings and customer value propositions, from asset management to software and digital services.

Our extensive and trusted partner programme

Your Company embraced technology in every sphere of its business, and remained focused on empowering its robust partner community, to support government programmes like "Make in India". We launched the Partner Express programme to facilitate business agility amongst our partners, to enable them to manage time more efficiently, and also improve their productivity. With Partner Express,

consultants, designers and engineers get best-in-class, dedicated technical support and tools to simplify project design and accelerate business. This means access to best-in-class tools and support, including our eCatalog of products, and offering datasheets and references, a library of CAD drawings and the eCatalog 3D Power app, featuring 3D models to enhance MV design.

Your Company also launched for the first time in India its flagship APPS Course - Analysis & Protection of Power Systems, designed for technicians and engineers who wish to reinforce their knowledge and experience in protection relays and substation automation applications.

Positive Outlook for 2019

We have set up a good momentum for 2019. We are going to sharpen our focus on emerging domains like commercial buildings and hospitals, while keeping our focus on faster deployment of our EcoStruxure architecture in all domains.

We are committed to fostering growth, leveraging our partners network, and with the launch of many new innovative offers, developing services and software, working on margin improvement through continued selectivity on projects and keeping strong attention on cost control.

To support the above, we have undertaken a specific project of "fixing up the basics" in our approach to manufacturing practices in our factories. Clarity in this strategy, combined with an aligned approach among the various stakeholders, gives me ample confidence to fix gaps in our profitability.

We look forward to continuing this journey with you towards a strong 2019 and beyond. ■



Directors' Report

Dear Members,

The Directors are pleased to present to you the 9th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended March 31, 2019.

Financial results

	(Rupees in million)	
	Financial Year 2018-19	Financial Year 2017-18
Sales and Services (Net)	13,841	13,337
EBITDA	738	58
(As percentage of net sales)	3.3%	0.4%
Depreciation	258	269
EBIT	480	(211)
Interest, net	444	436
Profit before Restructuring	36	(647)
Restructuring	280	-
Profit after tax (as per financials)	(244)	(647)

Note: The Performance of the Company has improved in current fiscal year vs last year. The Company has published a profit before restructuring expense this year.

Financial performance and state of the Company's affairs

The Operating Revenue of the Company was at Rs 13,840.56 million in FY19, compared to Rs 13,336.55 million in FY18. The Profit/(loss) after Tax in FY19 was at Rs (243.66) million compared to loss of Rs (646.72) million in the previous year.

For further update on performance of the Company in FY19, please refer Point No.5 of Management Discussion and Analysis, forming part of this Annual Report.

Exceptional Items

Exceptional items represent expenses incurred under organisational restructuring, to achieve higher efficiency.

Planned for a period of time it includes shifting of factory lines to other locations and related employee settlement cost.

Annual Performance

Details of the Company's annual financial performance as published on the Company's website and presented during the Analyst call, after declaration of annual results can be accessed using the following link:

<https://infra.schneider-electric.co.in/investor/announcements>

Dividend and Dividend Distribution Policy

No dividend has been declared by the Directors for the year ended March 31, 2019, due to losses.

According to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the top 500 listed entities based on market capitalization, calculated as on 31st March of every financial year are required to formulate a dividend

distribution policy which shall be disclosed in their annual reports and on their websites. Accordingly, the Dividend Policy of the Company is provided in Annexure-I.

The Dividend Distribution Policy of the Company can be accessed using the following link:

<https://infra.schneider-electric.co.in/supervision/images/policies/policies7LWFvGw5Nh.pdf>