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

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

Sub: Transcript of Earnings Conference Call on Audited Financial Results for 4th quarter and financial year ended March 31, 2026

Dear Sir(s)/ Madam,

In continuation of our letter no. **SEIL/Sec./SE/2026-27/08** dated **May 22, 2026**, regarding schedule of investor conference call, please find enclosed herewith the transcript of the conference call held on May 29, 2026, to discuss the Audited Financial Results and earnings performance of 4th quarter and financial year ended March 31, 2026.

This transcript will be made available on the Company's website at <https://infra-in.se.com/en/investor/annual-reports-financials.jsp>.

We request you to kindly take the above on record.

Thanking you.

Yours Sincerely,

For **Schneider Electric Infrastructure Limited**

(Sumit Goel)
Company Secretary & Compliance Officer

Schneider Electric Infrastructure Limited

Corporate Office: 15th Floor, DT-4, DLF Downtown, Phase 3, Sector 25A, Gurugram, Haryana – 122002

Tel. +91 9228078000

Registered Office: Milestone 87, Vadodara-Halol Highway, Village Kotambi, Post Office Jarod, Vadodara-391510 Gujarat, India | Tel. +91 0266866200

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“Schneider Electric Infrastructure Limited
Q4 FY26 Earnings Conference Call”

May 29, 2026



MANAGEMENT: **MR. UDAI SINGH** – MD & CEO
MR. OMKAR PRASAD – CFO
MR. MOHIT AGARWAL – HEAD - INVESTOR RELATIONS

MODERATOR: **MR. NEMISH SUNDAR** – ELARA SECURITIES (INDIA) PRIVATE LIMITED

Moderator: Ladies, gentlemen, good day, and welcome to the Q4 FY26 Results and Business Update Call from Schneider Electric Infrastructure Limited hosted by Elara Securities India 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Nemish Sundar from Elara Securities Limited. Thank you, and over to you, sir.

Nemish Sundar: Yes. Thank you, Jitesh. Very good morning to everyone present here. On behalf of Elara Securities, we welcome you all for the Q4 and FY26 Conference Call of Schneider Electric Infrastructure. I take this opportunity to welcome the management of Schneider Electric Infrastructure represented by Mr. Udai Singh, Managing Director and CEO; Mr. Omkar Prasad, Chief Financial Officer; and Mr. Mohit Agarwal, Head, Investor Relations. We will begin the call with a brief overview of the management, followed by a Q&A session.

I will now hand over the call to Udai sir for his opening remarks. Over to you, sir.

Udai Singh: Thank you so much, and very good morning to all, and thanks again for joining us. And I'm sure that you've got sufficient time to read the material which we had shared yesterday. And as planned, I will actually take you through as to what the company has been. And the first thing which I want to start off with, which you see on your Page 2 is something which we are collectively as a company very proud of is the selection and recognition by the IOD in terms of awards which we have got 2 in a row.

The first one which we got in the later part of last year, which was the Golden Peacock Award for ESG 2025 for excellence in sustainability. That was something which we got last year in October, November. And then again, we have proven the excellence by winning the Golden Peacock Award for one of the most innovative products and services in 2026.

And this is for what we are very proud of in sharing is for EcoStruxure XR Operator Advisor. And this is a new offer, which is one of its type, which is very beneficial to the end users who are maintaining assets at multiple locations of industrial sites in terms of maintaining it in a much better and more efficient and more defined way.

I would now would like to take you and again run you past as to what your company's vision and mission is. The vision stays as what we are very focused on is leading the new digitalized energy world by offering to all our customers and partners the fully innovated and connected products and solutions. Which are ready for the then emerging power distribution elevated expectations. And we do this by using our balanced business models, superior quality and efficient supply chain, which keeps our growth and profitability resilient and sustainable.

Now if you notice, there is a tag which we are talking about now, which is advancing energy tech. Now we are now proudly state to all our customers and stakeholders that we are their energy technology partner wherein we electrify, automate and digitalize each and every industry, any business homes, driving efficiency and sustainability forward.

I would now like your attention on Page number 4, which is a broad market outlook, which we see for the company in times to come, which is how is India faring and how -- because recent times, every one of us is aware the global headwinds which we have been facing. And how do we see for the company, the situation ahead of us.

Now it is a mix of some tailwinds, which you read at the top left, where the GDP forecast for the country actually still is about 7%. The capex planned and which is getting rolled out by the government is about 11.5% higher than what it was last year, which is typically about INR12.2 lakh crores. And the power central utilities have been actually having a lot of declaration on the financial outlay, which will be -- they will be doing in FY27, which is roughly up by about 20%.

Now these all indicators, they open up good avenue for us for the company, but we should be also conscious about certain headwinds which we see, forex fluctuations, the government political uncertainties and also very importantly, the raw material. If you typically look at the raw material has gone and changed and it has moved north side quite a bit.

Just to give you like copper, aluminum in last 1 year, I'm talking about the year, which is between April '25 and March '26, has seen an upward movement of 30% plus. And so is steel, which is another component which we use extensively in our products, which has seen close to 10% increase in the last 12 months.

So these are certain headwinds which we have to encounter and recognize while we leverage what is the opportunities coming across, which are stipulated by the tailwinds that I said. Now what we are also trying to do is trying to tell you as to these 4 segments which we have highlighted, which are namely energy transition, transportation, the digitalization driven by AI and manufacturing, what does it open for us?

And I'll spend some time in terms of explaining to you to best of my effort as to what this offers to us. And starting off with energy transition. India is sitting at a very sweet spot. We actually have come to a per capita consumption of about 1.5 units per year, which is likely to almost go up by another about 30% by year 2030, which means that consumption will go up roughly at a CAGR of about 12% to 15% in times to come, which means more power, more generation, more distribution, where -- and these are the 2 areas where we typically operate.

Now even if you look at the non-fossil fuel, where the country had a target of 500 gigawatts, and I would not be having any hesitation in stating that India is moving at least about 8 to 9 months ahead of this target.

We -- as we speak, we are close to about 280 gigawatts already done. What also comes alongside is the energy storage system based on batteries, which is typically about 1. But for the best of the estimates of industry, this is likely to go up to 200x to about 230, 210 by 2030. Now this

offers -- and as I think you might have read sometime later, there are slides where we are -- we have an offer on the energy storage system also.

The point which I'm trying to make that energy transition by itself offers quite a good opportunity for your company. The other side, which I want to take is transportation. EVs are picking up. The government has a penetration plan of 30% by 2030. We have started moving in that direction, although there are turbulence in between in certain quarters, but we are on the path.

Now this alongside Vande Bharat trains, which today we have about less than about close to 100 trains, 80 already running and then another plant. The overall objective of government is about 400 trains by 2030.

And I'm again very proud to say that most of these trains are being run by the equipment which are made by us. Other thing which I also want to speak about is manufacturing. Manufacturing contribution to GDP is going to go up by 5% in 5 years. This is a huge, huge opportunity for us.

There are a lot of schemes which have been rolled out, as you may be aware, the PLI, the rare earth corridors, which has been made the EMS, the ISM 2.0. These are all facilitations being carried out by Government of India, which will give a boost to manufacturing under self-reliance program of the country. And therefore, the manufacturing will enhance. And when manufacturing enhances, it requires power distribution and power management, and that's where we work upon.

And the last is, of course, data center is a known fact. Data centers are going big. We -- with the best of industry estimates are sitting close to about 1.5 gigawatts of IT load. There are a set of people who say that we should be close to about 8 gigawatts by 2030. And this is a reality because what we understand is there's about 3 gigawatts, which have been already in a very advanced stage of sort of getting signed up and getting rolled out in the next 1.5 to 2 years' time.

So this is going to be there. And where we see -- we do a lot in the entire value chain of data centers, and that is where -- which is quite a positive thing for us. We have certain actions, which we have undertaken how to leverage these tailwinds, which you see, the segmental growth and nuances which you notice and also how do we defend to our level best ability to counter these headwinds which are coming in front of us.

I want you to take -- go to Slide 6 or Page 6 of our presentation, our the deck which we have shared, where we are extensively proud to share as to what we have done in many segments. And I start off with our core sectors, which are infrastructure, metro, energy and chemicals and metals, where with our products and solutions, we are present quite at good places, like if you see the first time, which is infrastructure, we are supplying a lot many solutions, which are the primary and secondary distribution, along with the digital software and stack for one of the smart cities in North India.

We speak about metro. These are the full distribution for the entire line, which we are doing in a city in Western India. The energy and chemicals is something which has been very close to us like metals, where we are trying to give transformers and the medium voltage solutions in metals, which is our core.

I want you to turn to Page 7, where we are talking about what we are doing in the booming data center range, where we have supplied this in one of very established respected player where we are trying to do in terms of either supplying power transformers with fully digitalized solution or giving high-end relays, which actually make the infrastructure site much resilient and much active or we are modernizing at many places by uplifting the technology with the present installed base has.

And this is being done because the customer really believes in us and in our solutions and sees the merit which we bring in terms of modernization, which we do in these areas. I would like to take you to as to what we are doing in semiconductors, in renewables in other areas, which are the future-ready segment.

Now semiconductor, and I'm sure I'm not the first one to share with you, but India is an inflection point. And this is going to be really driving -- this industry is really going to drive, in my opinion, in times to come. I'm so happy to share that in semicon, we have been engaging with the people who are investing big money in the country, and we have been there right from last 2.5, 3 years, and our success has been continuing.

We have been supplying the equipment, the software, the software which control operation, which gives advisories in this area. The one which you see in the left is something which we have given a digital solution to one of the customers in Central India.

Then we have another success which we have in -- under renewable space, where we have given the substation solutions, which are fully automated panels, which are given to manage the solar energy, so to say. And of course, we have another in manufacturing side where we are trying to do it with supplying high-end transformers, which are fully digitalized and sized.

Having said so, I would now request you to turn to Page 10, wherein we just want to share with you as to how our brand has been performing, how is the brand of your company is being perceived by markets, by customers, by all stakeholders and the efforts which we have undertaken in areas of CSR and sustainability.

Now March end and April 1 week was very busy for us because we participated in Bharat E Summit in Delhi, which was managed by Ministry of Power. And this is the place where we actually had displayed the offerings which the company has.

And this went on, in my opinion, quite great. I was myself there for almost all the days. We had about 1,000-plus booth visitors, which comprised about 300-plus customers who came, who witnessed really gave those statements, which reinforce our own confidence in us about what -- how and what solutions have been given them great advantage in terms of maintaining site more seamlessly.

And thereafter, we had another thing which was an Innovation Summit, which we as a company organized in first week in Delhi again in Yashobhoomi. And this was a larger event, which was managed by us, where about 5,000-plus attendees came. 40-plus CEO level people came in.

We had about another 150-plus C-level C-suite people came in, and they saw the entire strength of Schneider, the entire portfolio basket of Schneider and which just proves that how do we have an extensive end-to-end capability of executing projects on time.

There were about 200 government officials, which actually came in and saw as to what we can really do for the country in terms of building up infrastructure, which is highly digitalized, as I had mentioned in my mission statement, how can we drive that for them is something which was really appreciated.

And we also called it about 500 students to really see and how do they know as to what companies in India are doing and how they can get equipped for future because they are our future eventually. So this went on pretty well.

And I would also have a slide, which is on what we have done on the grid side. And this is a case which has been done, you can find this video in tube also, where we have done in Tata Power Odisha, which is actually the West Odisha, there are 2 of them.

There is the West and there's another one. But this is something which came out where the customer testimony states that the Schneider solutions, which were proposed, supplied, implemented and what benefit this actually is bringing to Tata Power assets in the state of Odisha.

I would just like to take you to another slide, which is Page number 13, just -- and just to share as to how we have been progressing on a charter, which we have rolled out for ourselves in areas of ES&G. And if you see we have certain tiles which we have captured, which are very relevant and pertinent to ESG journey of any corporation. The CO2 emission has come down by 83% in last year, 83% reduction we have been able to manage.

And I'm so happy to share that 100% electricity sourced from renewables are actually with -- everything is renewable, either by on-site solar or buying REC bonds. There has been 0 incident in 4 factories which we are running as a company. And the gender diversity, we have -- we strongly believe on gender diversity, and we have been able to take it to about close to 20%.

That is by far, I would say that is one of the highest in our peer industry group. Skill development, we have -- I think you may be aware, but we are again so happy to share that we have 11 skill development centers in government and -- which are state-run ITI centers, where we have been training youth, and we have trained 1,000-plus youth in last year.

We have also gone ahead in this area in terms of electrifying communities. We have distributed upwards of 3,000 portable solar lamps, which were given in areas where there was scarcity of power.

And of course, as I mentioned before, we got recognized because of these efforts which we undertook, and we were also awarded the Golden Peacock Award for ESG in 2025. I would like to give you an update, and there are 3 pages which we'll speak about as to what we are doing new because we realize that we need to improvising ourselves by bringing in innovation, which are focusing on making customer site management better and improved.

So the first one which we are talking about, and I would like to take your attention to Page number 15 is the type transformer. Now dry type transformer just for a simple explanation, it is a transformer, which is casted. And we have a design, which is a global design, which is called Trihal. That is something which we do a 33 kV class.

And we have actually supplied close to 170,000 units worldwide across 100 countries. And what specifically which this brings in is, if you notice, is E4, C4F1 class, which is one of the -- I would say, is one of the most stringent, more robust endurance class made in dry type transformers.

And that is what we are going to bring in Baroda, and we will start catering to especially areas like data centers. Areas like metros, areas like commercial building, residential complex, hospitals, hotels, those areas. And another important element which I want to point out and there are other things which are pretty technical is that the compliance with this transformer has around seismic. India is a complex country. When you travel from north to south, east to west, there are various seismic zones.

I do not want to make it and sound it more technical, but there are various levels to which the equipment and installations have to comply with. This transformer by far complies to the highest standard. I would like to take you to another page, which is Page 16 on your deck. And -- this is another element which India needs. And this is something which we showcased and we sought a lot of attention in the innovation hub, which I just described some time ago, which is something which we call as One Digital grid.

Now in very simple layman terms, this is a tool which advises guides and interacts with the DISCOMs in terms of telling them how do they make the grid work most efficiently. So what it actually does using AI is it not only captures as to where the fault is, how do you bring it back, what is the lease cost of bringing it back, where -- which asset geographically is placed where, how to attack it.

And then all of this, which actually does the planning, how do we do, how do we modify, how do we scale up, how do we scale down the operations and the asset management, which is very important for keeping the SEBI down is something which is done very well on this. And this is as a flexibility. This is available on cloud as well as on-premise as we call it. And this comes up with deep AI-based modeling and it also differentiates itself in terms of having a chat bot.

So if some operator, and this is extremely unique, the point which you see, which we are calling as grid AI assistant, wherein if you like ChatGPT, if somebody wants to really pose a question to the software or the system, they can just ask and get answer to the best of bad answers, which can come out and it can advise the operator who is not perhaps as conversant as he ought to be.

I would also would like to take you to the last of the offers which we launched, which are energy storage for smarter energy future. This is one thing which you remember, I discussed some time ago where we are sitting close to about 1 gigawatt hour, and we are expected to go by 2030 to at least about 210 and about 240 gigawatt hours by 2032 as per the plan and the government quantification.

Now what we have done, if you look at this, what we have done and we are trying to bring in all solutions of from Schneider side, which are either power distribution, power management, software, the structure, the design.

We are trying to give a combination of this, and we are working, especially with all those clients who are really looking for one of the best-of-breed solutions fully automated, fully connected, which can actually help them to unlock the peak savings and the time of utilization in provision of power quality and of course, give them a power backup.

So this is something which we are trying to do a new offer, which is being launched, we are trying to see as to now how do we secure business and this because the demand is just going up.

Now at this point in time, I'll stop, and I'll request my colleague and our CFO, Mr. Omkar Prasad, to take you through the financials of the company. Over to you, Omkar.

Omkar Prasad:

Thank you, sir. Thank you very much. So good morning, everyone. Myself, Omkar Prasad, CFO of the company, Schneider Electric Infrastructure. I would like to give you the brief update on the financial performance for the 12 months end of the quarter 4. I would like to bring your attention on Page number 19, where we given the summary of the financial performance of the key 3 KPIs, which is orders, sales and profit before tax.

As we see in the historical quarters, the orders growth was actually consistently very strong, and we've grown year-to-year growth of 27.4%. The sales we have grown 9.6% year-to-year and the profit for the year is 10.1%. Bringing your attention to quarter 4.

Before that, I want to give you the external perspective, which you know better than me that the Q4 was not normal quarter. It was completely unprecedented in terms of the external geopolitical reasons and also due to the commodity market because of the such a dependency on the geopolitical happen. In spite of that, the orders, we continue to show.

And that's why if you look at last year, the growth was good and then we continue to at least keep the momentum on and we maintain the growth while very moderated around 1.4%, but we -- together, we try to make sure that we should not degrow. And that's why if you look at the order overall, the backlog which is there is around 50% up from the last year.

And that shows the complete robustness in terms of what we have on the hand to execute in the upcoming quarters. Sales was quite modest. We're able to have the flat sales in spite of so much dependency on the customer, our product goes to the company who actually has a capex-intensive engineering company.

They also had a dependency and they had an impact because of this geopolitical crisis. There are many orders we've seen in our Q4 execution that the customer intentionally or you can say because of dependency on the LPV dependency on the other their processes, they are asking us to hold the dispatches and ship to the next quarter.

So in spite of that, we're able to have INR590 crores of sales in this quarter. And profit, 6%. I will give you the more brief in the next slide because that was actually the lever which impacted

our profit in this quarter. I want to move to the Slide number 20, where you have the P&L for the 12 months. We discussed about the sales.

Coming to the gross margin, the gross margin, when you look at, it's slightly dropped. If you look at in terms of margin, it is close to 1.6%, 1.5% drop. The ideal believe these 2 things. One is the drop is coming completely because of the external commodity impact. And there, our company also got impacted.

As you remember that last quarter, we discussed that we had an inventory hold. So Q3 was not impacted much, but Q4, we see good impact on the -- because of the commodity. And also, the mix of the revenue the way we have the service mix, then we have the transition of standard products and then we have the projects and equipment supplies, that mix also has impacted the gross margin.

Other expense, I will talk about some more employee while you see the growth of expense in 11.6% against the sales of 9.6% in both ways. I just want to say that employee cost 11.6% is the 2 parts. One is from operation, which is close to 9% increase.

And then we also have increase in headcount because of some technical engineering staff being deployed to support global. So we don't keep this cost here we recharge. So 11.6% is not exactly looking from the like-to-like sales. There is some recharge happening here. So employee cost has increased 9% like to likes.

Other expense, 11.5% while you see this number percentage-wise, but if you look at overall percentage to sales, 12.2% versus 12.4%. If you follow the last year's financials, there was the impact in earlier years on account of the ECL in the bad debt and all which we covered last year very good. And that was help us in other expense. This year, we also realized we are not impacting any bad debt. That's a good news.

So -- but the realization in terms of what we had bad debt in earlier years in the last year versus this year, there's a delta. So we can't -- there's no provision, so we can't realize more than provisions. So that's why you see another expense like-like little bit increasing this year, which is more, I will say, it was one-off last year. Rest, I will not be because it's more in line with our planning in terms of capex, depreciation and finance cost.

Exceptional cost, just I want to bring your attention in Q3 when we updated you that there was a Labour Code impact and we restructured the salary and all done in the month of December. That was more on draft code. Impact was taken in Q3 was around INR24 crores. When we restructured the final impact is coming only INR14 crores. INR14 crores exceptional item what you see here is because of the Labour Code. And last year, INR18 crores gain is coming because of the reversal of the direct tax litigation where we and so there was a reversal of interest cost and exceptional item.

I want to move into the Slide number 21, where you will see the Q4 performance. We discussed about the sales and margin. Margin largely, as we said, that's largely impacting because of the commodity. Almost 2.5% is coming from commodity and is coming from the sales. Now this

quarter, what is happening because sales and then also there's the overheads, there's a phasing impact.

So when I say phasing impact, then throughout the year, what you saw in the previous slide, while it is showing in the right trend, but Q4, because of the phasing certain Q4, we do all the other costs booked in YTD basis and sales we've grown only at flattish. That's why you see only a phasing impact. It's very temporary. But when you look at overall year, it gets catch up. So it's not something we increased the cost. That's not the case.

It is the cost is like-to-like in absolute number, if you look at, it's not significantly unit. But if you look at percentage, yes, because sales has not grown in that way because of the external market conditions. Rest all is in line that we plan. The dep, if you look at increase in Q4 is largely you all approved the capex to invest, and we have started capitalizing from Q4 end of the Q4 and then impact is coming. So that's all.

And I now hand over to our moderator to open for the Q&A. Thank you.

Moderator: Thank you very much. We'll now begin the question and answer session. The first question is from the line of Sucrit D Patil from Eyesight Fintrade Private Limited.

Sucrit D Patil: I have questions. The first question is Mr. Singh, I just want to understand for guidance on what type of strategic levers are you prioritizing in FY27 to expand Schneider's footprint in smart grid and digital solutions and to accelerate renewable integration and manage risk from regulatory transactions and global supply chain volatility. That's my first question. I'll ask my second question after this?

Udai Singh: So thank you for asking this. I'm -- I don't know whether you are aware, but I think the first solution, which is towards modernization of grid in the country is by us, which has been running in one of the South states since 2012. And I think what we see as where India is moving to is driving robustness and modernizing grid.

And that also has become very pertinent and important now because the amount of integration of renewable power is likely to happen on the grid, which has been conventionally very robust in the country.

The second aspect, which is extremely important, where we have a right solution is the multidirectional flow of power or energy between multiple widespread sources. The scheme which has been launched of by -- people are putting solar rooftop solar and other things, which are eventually leading them to behave like what we call consumer, which buy and sell power both.

So we have software, which we call as microgrid solutions, which actually takes care of that flow. It is nothing but it really showcases you the fiscal flow of power and how do you manage it. That's one solution which we have.

Another solution we have on the software, which I was explaining you if you might have understood is the One Grid Platform, which integrates 3, 4 elements which comes together on

the grid solution, I think, which is primarily a SCADA or an ADMS solution or we have a DEM solution and DEM is nothing, but how do you manage a distributed energy resource and the outage management system and a maintenance system.

So all this actually is likely to happen. And as a matter of fact, government by itself is trying to set up now training centers in the country where the intention is to train the DISCOM people as to how to perhaps upskill themselves in terms of using the grid and the tools to manage the grid more efficiently. And we are also in process of setting up one of the such skill center in North India to -- which will be used by PFC to train people.

Sucrit D Patil:

My second question to Mr. Prasad, again, a forward-looking one. Just want to understand what type of capital allocation and risk management frameworks have been applied in 2027 to balance dividend payout with funding for grid mod projects. Any hedge against forex and commodity volatility any liquidity buffers that will be put into place to sustain for the large-scale infrastructure contract?

Omkar Prasad:

Yes. So 2 things. I think I will take the first coverage against the hedging forex -- we have both. And -- but as a policy, we have a certain policy. We don't know one cover 100%. So commodity hedging is completely covered up to the 50% to 60%. And forex hedging for any dependency on the import, we do 2 type of hedging.

One is also the PO hedging particularly on order by order and then we also have a net ARAP forex hedging. So that is covered. And what you see the impact in the P&L, and that's why I see that impact is lesser in our P&L because the hedge benefits also has given some good positive in the GM revenue impact would have been more in the quarter 4.

The second thing you were asking about more on large infrastructure projects. Mostly what we try to do the large infrastructure project, which is more than 6-month delivery period, which always with the customer with some variable contract. It means what it means we make sure that we give the price today. But if price may go up, we try to negotiate that differential has to be recovered from the customer.

So that pattern most of the apply in the large infrastructure project, which takes more than a year and all. So that process is already there. What you see here, but if you look at in terms of our contracts, it's a mix.

We do have -- we call big projects more than 1-year execution period. That's there. But the impact which you see here is more the contract which was supposed to be delivered and booked in somewhere in the Q2 and we have to in this quarter. That impact is more the delivery period is less than 6 months. I hope I answered your question.

Sucrit D Patil:

Yes, yes.

Moderator:

The next question is from the line of Mahesh Bendre from LIC Mutual Fund.

Mahesh Bendre: Sir, during the quarter, the revenue growth was almost flat, I think in terms of around 1% growth. So in the presentation, we have mentioned that delivery deferrals and external factors impacted the quarterly sales. So could it be possible to share more details on this?

Omkar Prasad: Sure, sir. So if you look at the revenue, as you see our backlog was very strong. So it was not a challenge in making the deliveries to customer push and get the hit in the quarter, okay? So we are trying to, first of all, deliver wherever we have a material ready.

And second, the customer is also willing to pay and did the delivery this quarter. What we observed many of the customers who had a dependency on their end customer ultimate use. They also started saying that because of the order dependency and they also got impacted with this crisis, they are asking us to hold the deliveries.

And that's why the revenue has been moved from this quarter to next quarter. And when I say external factor, that was very cautious because we also don't want to take every hit in this quarter and were only prioritizing the customer delivery where the material and everything is ready and with the all impact, which can impact less rather than get all the deliveries made and then get the higher impact.

That was the idea. So the team has turned the company I think very well to manage the customer expectation and trust at the same time, making sure that we get minimum rent in this quarter.

Mahesh Bendre: So the delay, I mean, from an end consumer point, are they private companies or is it that they were public sector undertakings or SEBs?

Omkar Prasad: Sir, earlier, I think we clarified in terms of GTM, we have a different GTM. So if I'm going through the EPC or if I go to the even to large infrastructure in other company, both state is impacted. Largely, it's EPC because we go to EPC and EPC has a customer. So there, I have a larger dependency.

Mahesh Bendre: Okay. And do you think that will get rectified in this quarter?

Omkar Prasad: Finger crossed, sir. I think that's why we are looking at and I heard the news yesterday again that there's some -- again, some prices going to come from U.S. So I don't know. I'm that's keep the finger crossed that all the essential LPG copper issues are getting solved. So I hope that will recover in Q1.

Mahesh Bendre: Sir, last question from my end. Sir, Udai sir just mentioned about the solution in battery storage, energy that segment. So do we have that technology? Or is it that we will get it from the parent? I mean, how are we placing that?

Udai Singh: So a good question, sir. Thank you for asking this. We do not make batteries, okay? And -- but the rest of the items, either we make by ourselves or we are trying to partner with somebody who can give a piece of it. So essentially -- and battery is -- I would say, battery is something which is also -- the technology has been evolving. The advanced chemistry cell technology has been actually being worked out.

So -- and we are not a master in making battery by ourselves for sort of large-scale stationary usage. So the entire portfolio, which you see, which comprises of many things, which is AC and DC power equipment and alongside it, which was a software-led arrangement, which manages this flow of power is something which is done, which is inherently our own to a large extent.

There is some alliances and partnership, which is happening on some convergent systems to make the entire offering done. So long and short answer, we are making the entire system. We are getting battery from somebody who's actually good in making batteries because battery is not our forte. The rest of it is primarily us. The entire solution design is Schneider.

Moderator: The next question is from the line of Anirudh Agarwal from Valuequest Investment Advisors.

Anirudh Agarwal: A couple of questions from me. First is on the data center opportunity, right? So you spoke about the multiple products that we now have which go into data centers. If you could give us some sense of the kind of opportunity that you see from data centers in quantitative terms with all the products that we have.

And we obviously also mentioned that 3 gigawatts of capacity is kind of getting signed up for the next couple of years. What sort of revenue uplift or order uplift, whatever you can share on that will help us quantify the opportunity better for the company?

Udai Singh: See, data center is something which is going to be incremental to us because of the rate at which it is going to go up. Now depending on the location, depending on the arrangement, depending on the class, depending on the redundancy level of data center, the volume of equipment which we can supply to a data center typically varies.

Now we can supply equipment right from the receipt of power at 132 kV and then go down to a level to what we call as a low voltage level, which is 415 volts. And anything in distribution at multiple floors fiscally, we can do it.

Now to answer you whether it's A or B is actually difficult because the design of these hyperscalers, which they want to implement and roll out in India typically is different. The level at which they want to make redundancy as they call it, is also different. The requirements coming up by colos who make keeping in mind some arrangements they tie up with these hyperscalers is actually dependent mostly on the hyperscaler design.

So it is nothing which can be quantified because of one basic fundamental reason that they are not alike. Now -- but what it promises is that in different formats, we will have something or the other for the company to really supply and leverage this data center.

Anirudh Agarwal: Sir, if you could help us with the current order backlog that we have, what percentage would be from data centers?

Udai Singh: Maybe if under control of my CFO, maybe typically about 10% to 12%.

Anirudh Agarwal: 10% to 12%. This percentage, how do you see that kind of moving with the sort of action that we are seeing on ground over the next couple of years?

- Udai Singh:** Should go up.
- Anirudh Agarwal:** Got it, sir. And final thing, if you could broadly quantify the amount of orders that have got shifted for delivery from Q4 to further quarters, what is the broad quantum of the delivery deferrals that we've seen in this quarter?
- Udai Singh:** About 10% to 12%.
- Omkar Prasad:** I'm not sure we can take the numbers in this call. But I think a couple of orders we can consider.
- Moderator:** The next question is from the line of Ashish Ajit Golechha from Bee Ventures LLP Fund.
- Ashish Ajit Golechha:** Sir, are you able to hear me?
- Udai Singh:** Yes, sir.
- Ashish Ajit Golechha:** Yes. Sir, my first question is your gross margin consistently from 39.1% in FY25 to 37.5% in FY26. And now it is 36.6% in Q4. Multiple calls, the management has said mix improvement will drive margins. services has gone from 12% to 15% of the revenue book 300 bps improvement can happen in services, what produces this 160 bps deterioration in gross margins? Can you tell that when the actual margin recovery thesis happen? This is my first question. And then second question, I will ask the first question is completed?
- Omkar Prasad:** Okay. So the Q4, I suggest that don't benchmark with the usual gross margin because that was largely impacted because of many factors. But if you look at drop in the margin in FY26 versus FY25, there was -- when you talk about the mix and services growing in services also, sir, we have 3 components. We have a spare and then we have revenue at AMC.
- And then we also have a modernization projects where we say that either more on revamp where we call projects mostly what happened the third category is growing compared to other 2. Other 2 has better margin than third one, which is modernization and RA. Unfortunately, the last for the renewable and brownfield projects will also go as a capex model of many of the industry and they again go for L1, okay?
- So there is a competition happening even in that segment is not based on the, you can say, margin very intensive. And there also the pen end users and the company decide based on the L1 or what you call the capex model.
- And there, while revenue is increasing our service, but when you look at the mix of even service within modernization has actually margin-wise, it's dropping. But if you look at the whole story and the whole story, I think the revenue we are trying to capture and then improving the margin we are working in all 3 ways.
- I think this -- if you look at it in this year, which was unprecedented in terms of the commodity market because this -- if you discount it, okay? And if you remove that, we have not dropped the margin. And that's why we gave a reason that when commodity even in this year, almost close to 1% is just because of the commodity, which are -- cannot be benchmarked like-to-like.

And if you remove that factor, the margin it from the company side that we are focusing how to improve and further bring some efficiency in terms of design and in terms of the customer and negotiations on the customer. So like-for-like is not there, sir, that's why...

Ashish Ajit Golechha:

Okay. So second question is, you always position feel as a premium technology different center player in EcoStruxure, GMT, digital SCADAs but Udai sir was saying that we have also basically launched new products in the PT the market has not expanded. Can you tell us how would we basically go about basically winning the market share and how we are going about basically translating this into commercial because commercial are not reflected.

Even who was asking questions on data center from value, the management answers were very opaque. It has been now nearly 2 to 3 years. The management is giving gol – gol answers. At least we accept from the investor community, we expect some clarity and some answers which are very straightforward?

Udai Singh:

Point noted, sir, to whatever I could hear, I mean you are unfortunately not absolutely clear. We try to tell as to what is seemingly possible and direction. We are not in a position to really quote an absolute and an exact number in percentage because the dynamics keeps evolving. We keep on deciding things which are in favor of the company.

Like, for example, you said that there's a market share and there is a market, how much market share will it come. So we may decide in certain areas, in certain operations and certain solutions not to chase the market because we are trying to also maintain the point which you pointed out in your question one. We are absolutely and equally sensitive about profitability. So we are not chasing. We are selective in certain areas.

We try to chase and be the market leader in certain areas. And that's a combination, and that's what we do by managing product mix, which also you mentioned in your question. So I and my colleagues from the management hear you. But unfortunately, we'll not be able to give you an absolute percentage number as what you have been asking.

Moderator:

Please rejoin the queue for more questions as we are not able to hear you. The next question is from the line of Deekshant, DB Wealth.

Deekshant:

Sir, firstly, we understand that the commodity prices is not on our hands, and we are trying to do our best on profitability and operating leverage will take a hit if commodities are going up. But sir, last quarter was a really good order inflow. And going forward, what do you think we can do on our operating leverage, which will be also our margins. But the whole year this year, one thing that makes us wonder is our sales growth for the whole year, except for the December quarter was in single digits. Y-o-Y basis?

So December was a good quarter where we were hoping that now we will see an acceleration, but it doesn't seem to be. So can you just highlight that what is now the next growth catalyst for us that the company is positioning itself towards because we clearly are really good at what we are doing. Customers are loving us. That's why they're rewarding us. But could you give us some clarity?

Omkar Prasad:

2 questions. I think you asked about the Q4 order intake. The Q4 order intake because of uncertainty in commodity market, we were very, very selective. Were only selecting the orders where we can get certain leverage in terms of whether I can realize the price even with the price increase, so variable clause. So these are certain controls we put into when we book the order with the customer and negotiate with the customer.

Still in Q4, when we're booking the order, any customer was not very keen to pay based on the variability and all, okay? And that's the reason that we took that call, okay, let's hold it, okay? So that's the reason you see that selectivity made the reasoning to have a low order booking in the Q4.

Operating leverage, sir, obviously, this Q4 is pure seasonality, I can tell you. If you look at in terms of the numbers, I'm talking of the absolute number, if you look at, is not that significantly increased as we are looking in terms of the percentage.

So if you look at -- if my -- obviously, sales grow and this operating leverage, it's a seasonality. And over the year 12 months, you saw that it's making sense in terms of the percentage. So that's only I can just want to clarify on the operating leverage. On sales side, you are saying about the single digit in the 3 quarters and then quarter 4 was in double digit.

This is again, we said in the earlier earnings calls, it depends on the customer prioritizations. And since our projects are more engineering based customer clearance and depending on there to give clarity and to dispatch.

So many things what happen when things are getting deferred, while we have a very strong pipeline, but it also depends more on the customer side to get the clearance to dispatches. So then as far as if you ask me that as far as the order is there, we will definitely execute it. It's just the customer giving credit. I just also want to tell you that even sales, we are also very careful in terms of not only clearance, but also with the cash. We don't want to give open credit all the customers.

So we are very mindful that when we dispatch, we have only a credential-based customer where we keep the open credit. Otherwise, we always try to make and secure the cash. And the cash, sometimes the customer delays in making the payment.

So that's why we try to hold deliveries. So those all actions we take make sure that in the safeguarding the interest of the company that while we make profit, but also we should not lose cash. At the same time, we should also keeping momentum on the revenues and all.

Moderator:

I would request you to please rejoin the queue for more questions. The next question is from the line of Abhijeet Singh from Systematix.

Abhijeet Singh:

Sir, our product offerings in the BESS side, I mean you explained briefly, but just to get more clarity. So apart from the battery in the BESS, apart from that, do we manufacture anything in-house and also we source from global as well?

Udai Singh: So it's a combination, sir. Like, for example, the entire structure will be made in India. The switch gear will be made mostly here and then the few which we do not make, especially in the DC range, we will get in from other sites. So it's a combination.

And it depends on the sizing of BESS system, the modularity of the system and the way we are going to combine them together. That will quantify the amount of work which will be done by us here and amount of work which will be asked, but we'll be sourcing it from outside.

Abhijeet Singh: Right, sir. And what is our scope in our BESS project, let's say, of INR100 project, what is our addressable market?

Udai Singh: Sir, not a very straightforward answer because we will not be -- because there are various, as I think Omkar was mentioning about it. The BESS go-to-market is slightly different. There are people who actually have been buying on capex model. There have been people who have been buying on the opex model.

We are trying to see as to which fits us best and to which customer do we supply so that the continuity and our -- eventually, the cash is secured in terms of getting it on time. So it's very difficult to quantify the market. What I can again say that in times to come, there will be a great need of BESS.

There are so many people who will start making BESS, and we are trying to create a niche for us by giving something which is 2 notches more than what actually is given by a normal BESS integrator or supplier.

Abhijeet Singh: Exactly that is what I was trying to understand because there are a number of players who are talking about visibility and integration visibility. So how competitive would we be in comparison to those players? There are 20, 30 players talking about presenting this in manufacturing or software.

But there is -- it is really hard to assess the competitive advantage that we have. So that is what the question aiming -- and sir, are we looking at export also for data center products? Are we already do -- have done it already in kind of order for data center and exports?

Udai Singh: We are exploring about the export piece. And in terms of competitiveness, we are not the best, of course, we are not the cost leaders because we really retain and deliver quality. And the certain USPs which we drive is consistent quality and backed up by advisory software, which makes BESS system operate and run more efficiently for longer duration of time.

And out of those 15, 20, 25 players, we are not stacked in top in terms of cost competitiveness, but then there are many customers who really come to us because of the other merits which they see what is coming up from SEIL.

Moderator: In the interest of time, that was the last question for the day. I now hand the conference over to Mr. Nemish Sundar for closing comments.

Nemish Sundar: [inaudible 1:03:31] to host this call. We would also like to thank all the investors and analysts for joining this call. Udai, sir, would you like to give any closing remarks to the investor.

Udai Singh: Yes. So first of all, thank you so much for really coming and asking these questions, which we'd love to clarify. You can understand that we, at times, are not able to really answer all your questions and cite you some numbers, which perhaps you are interested in knowing because we ourselves are perhaps not in a position to really give you an accurate number, so to say. What we tell us, what we tell you is a directional number, which your company actually is trying to work along and make it happen.

So thank you so much for being with us in this call and hearing us out, asking questions, which were very pertinent and important, which gives us direction and also sort of gives a queue as to which are the areas which perhaps is you are very inquisitive about. Thank you, and all the best for time to come. Thank you.

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