

SEIL/Sec./SE/19-20/26

August 19, 2019

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

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI 400 001  
Fax # 022-2272 3121/2037/2039

**Symbol: SCHNEIDER**

**Scrip Code: 534139**

Dear Sir(s),

***Sub: Notice of the 9<sup>th</sup> Annual General Meeting ('AGM') and Matters Related***

We hereby inform you that the 9<sup>th</sup> Annual General Meeting (AGM) of the members is scheduled to be held on Thursday, September 12, 2019 at 11:00 am at Taj Vivanta, Akota Garden, Akota, Vadodara 390020, Gujarat, India ("the meeting").

The calendar of events related to the AGM is detailed below:

Event	Day & Date	Time
Cut-off date to vote on AGM resolutions	Thursday, September 05, 2019	-
Closure of Register of Members and Share Transfer Books	From Friday, September 6, 2019 to Thursday, September 12, 2019 (both days inclusive)	-
E-voting commencement date	Monday, September 09, 2019	9.00 am IST
E-voting closure date	Wednesday, September 11, 2019	5.00 pm IST
AGM	Thursday, September 12, 2019	11.00 am IST

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Annual Report for the Financial Year 2018-19 along with the Notice convening the meeting is attached.

The aforesaid documents are also available on website of the Company at [www.schneider-infra.in](http://www.schneider-infra.in).

This is for your information and record.

Thanking you,  
Yours Sincerely,  
For **Schneider Electric Infrastructure Limited**

**Bhumika Sood**  
**Company Secretary & Compliance Officer**  
Encl: As above  
cc:  
**National Securities Depository Limited**  
4th Floor, "A" Wing, Trade World, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel, Mumbai 400013

**Central Depository Services (India) Limited**  
Marathon Futurex, Unit No. 2501, 25<sup>th</sup> Floor, A Wing,  
Mafatlal Mills Compound, N M Joshi Marg,  
Lower Parel, Mumbai 400013

Annual Report 2018-19

Schneider Electric Infrastructure Limited

# SMART

Powering India's digital future



Life Is On

**Schneider**  
Electric

[schneider-infra.in](https://schneider-infra.in)

Life Is On

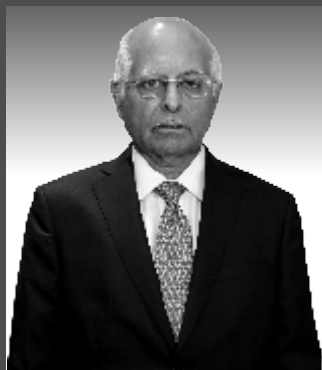
**Schneider**  
Electric

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 Mathur<sup>1</sup>**  
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 Pandey<sup>2</sup>**  
Whole-Time Director



**Mr. Vivek Sarwate<sup>3</sup>**  
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>.

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

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

<sup>3</sup> 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](mailto:Company.secretary@schneider-electric.com)

### CORPORATE

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

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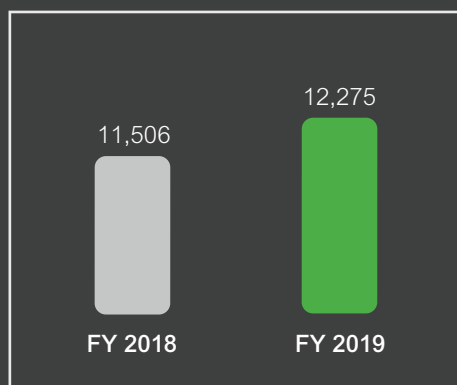
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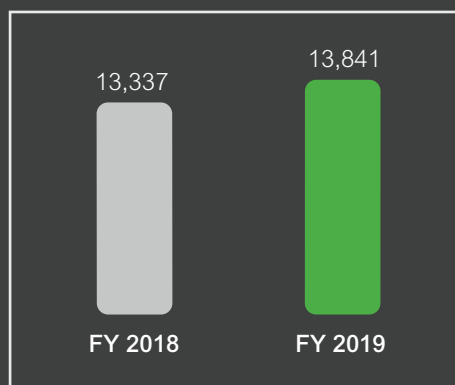
# Financial Highlights

## Order

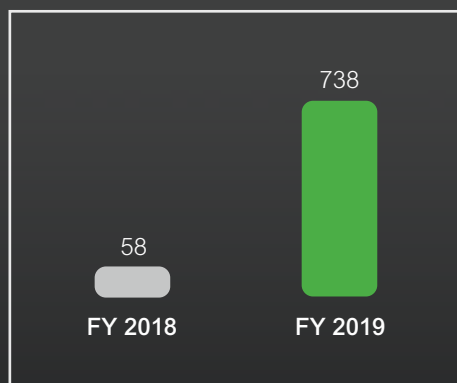


## Sales

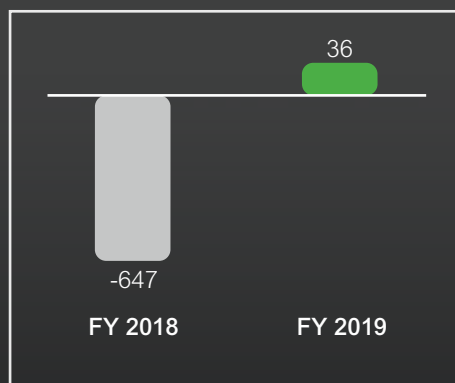
(Rupees in million)



## 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 9<sup>th</sup> 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
<b>EBITDA</b>	<b>738</b>	<b>58</b>
(As percentage of net sales)	3.3%	0.4%
Depreciation	258	269
<b>EBIT</b>	<b>480</b>	<b>(211)</b>
Interest, net	444	436
Profit before Restructuring	36	(647)
Restructuring	280	-
<b>Profit after tax (as per financials)</b>	<b>(244)</b>	<b>(647)</b>

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>

# Current Business Strategies and Key Events

## The present is digital

Digital transformation, we believe, is a key driving force of our markets. In the past 20 years, the internet has connected 3.8 billion people together, and will add another 3 billion by 2030. We have just entered the next phase of internet deployment with the Internet of Things (IoT), which should see the number of connected devices approximately double every four years. Over the next few years, there will be 10 times more devices connected than people, and by 2020, the internet will connect over 30 billion devices, according to the World Bank.

This hyper connectivity is creating a world of speedier access to information, which is meaningful and relevant for productivity. Today, we are using cloud and edge to address challenges in the critical infrastructure space as well.

Your Company is committed to building efficiencies in our consumption of energy and bringing that to our extended ecosystem as well. Our responsibility though extends beyond our ecosystem to the world, and we are focussed on supporting the world to take urgent climate action.



These changes around us have inspired us to create our core offer - the EcoStruxure™ platform, which helps thousands of our customers worldwide drastically reduce their energy use. The EcoStruxure platform also supports our commitment to shift to 80% renewable energy by 2020.

We are also on track to go carbon neutral by 2030. We will accomplish this through more investment in clean electricity and major energy efficiency gains across our supply chain. Through these efforts, we, along with more than 160 signees to the RE100 100% renewable commitment, will show the global business community that sustainability drives profitability.

## The future is Electric

The energy transition is underway. The global energy demand is growing at 1% annually, and electricity demand is growing nearly twice as fast as the overall demand for energy, or even 4x according to more aggressive estimates. Some of the factors driving this transition are:

- Global economic growth and urbanisation - The higher demand for buildings, especially the residential and commercial buildings, is driving energy consumption.
- Industrialisation of new economies - Electricity continues to be the primary source of energy for modern development.
- Digitisation of businesses and society - Electricity consumption by the information technology sector, modern day consumer electronic devices, data centers and internet distribution are all on the rise.
- Decarbonisation of energy - One of the biggest challenges we face today is the need to meet rising energy demand while reducing carbon emissions. The transition to a lower-carbon energy system can be achieved by migrating the power sector towards a greater mix of renewable energies, through rapid deployment of clean energy technologies.
- Electrification of transportation - The use of non-oil energy sources is on the increase in the transport sector. The market for electric vehicles is expected to grow rapidly, driving the energy demand.

At Schneider Electric, we believe that the future will be electric.

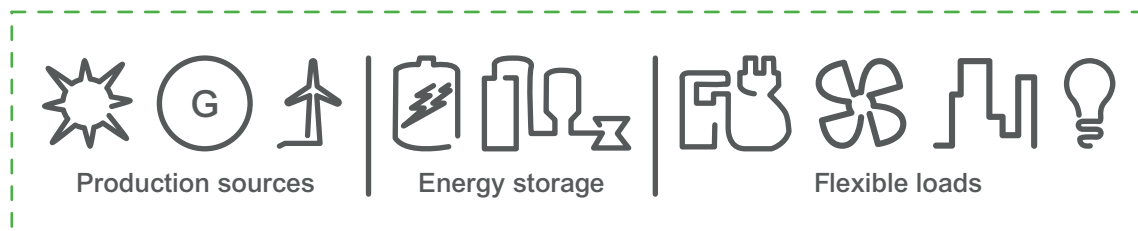
The energy landscape is changing. The world is shifting to a low-carbon energy system. This future will require a new architecture, as the world sees a paradigm shift towards decentralised and intermittent renewable power. The decentralisation will drive re-architecture of the grid,

creating increased flexibility, efficiency and new market models to meet the increased demands from customers and local producers.

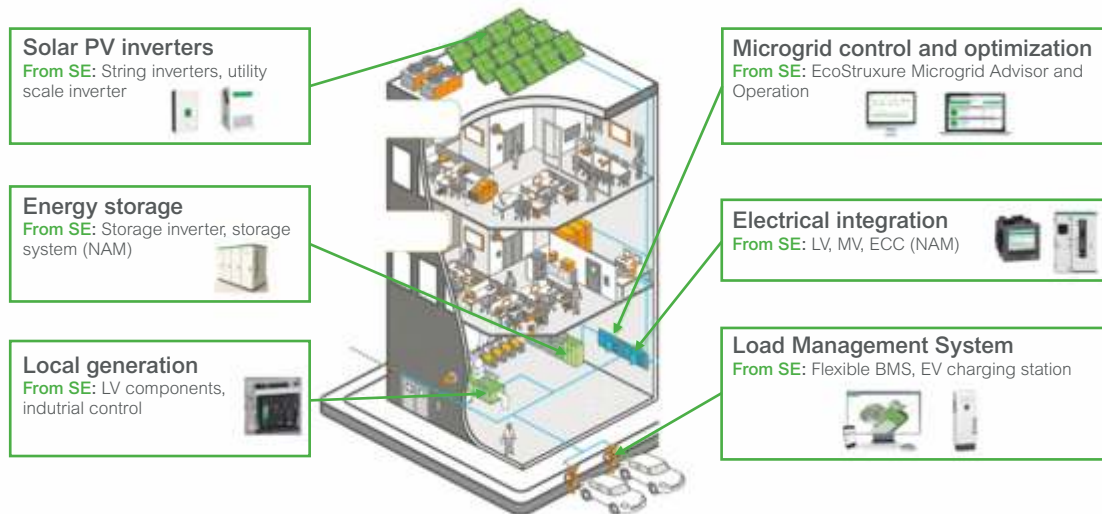
To integrate the smaller, nimbler, decentralised sources of energy, we require significant investments in upgrading transmission and distribution networks and widespread adoption of digital technologies. Even today, utilities struggle to transmit from load centres to demand centres, and the challenges are mostly on the demand side. Digitisation on the demand side is the foundation for driving the energy transition towards clean electrification, i.e. all electric and fully decarbonised, used in the most efficient way.

In the new world of energy, we have taken a step forward towards decreasing our dependency on conventional energy resources and utilising renewable energy, particularly solar energy. Solar is the answer at the current point of time. But how does the future look? Are we optimising the solar energy? Do we know how to balance between solar and grid? How do we increase the efficiency of our systems? These are the questions we are leaving unanswered. The ultimate answer to these questions is 'Microgrid'. A microgrid is a collection of local, on-site Distributed Energy Resources (DER) that work together as a single system. Adding microgrid technology to your energy system empowers you to control and use solar and other DER in sophisticated ways that will benefit you most in terms of sustaining a grid outage, using your own power during peak periods when energy rates are high, or selling your power to the grid when it is most advantageous. A microgrid leverages control technology to intelligently manage and optimise on-site generation and storage resources, enabling businesses to automatically make choices that provide economic and energy resilience benefits. In other words, a microgrid unlocks the full power of your DER, allowing you to maximise the value of your resources.





## We are technology provider



To navigate the complexity of digitisation and to ensure reliable, 24x7 energy demand, Schneider Electric has invested in Smart Cities solutions. Our Smart City solutions provide a wide array of IoT enabled devices that can be attached to the grid to augment or replace many of the costly, manual processes involved in monitoring

and maintaining assets. The Smart City Solutions can maintain, optimise and improve reliability and connectivity of ageing city systems, improve operational efficiencies of legacy systems with limited new investment, and ensure sustainable and efficient smart buildings.

## Smart City @ Atal Nagar (NRDA)

In 2018, we completed the execution of the integrated greenfield Smart City, Atal Nagar, which was inaugurated by our honourable Prime Minister Shri.Narendra Modi. Atal Nagar aims to develop an ultramodern 'Green and Smart City' with all modern amenities for its residents. Atal Nagar's vision for smart city is to 'enable state and local governments to establish connect with citizens, plan and drive investments, and increase efficiency for long term economic, environmental, social and cultural prosperity'.

To fulfil this vision, Schneider Electric has, as part of the ongoing development initiatives at Atal Nagar, implemented certain Information and Communications Technology (ICT) infrastructure for providing the necessary smart city facilities. The Urban Efficiency Platform has been provided by Schneider Electric for the Command and Control Centre, combined with advanced distribution management system for the city's Smart Grid requirements.

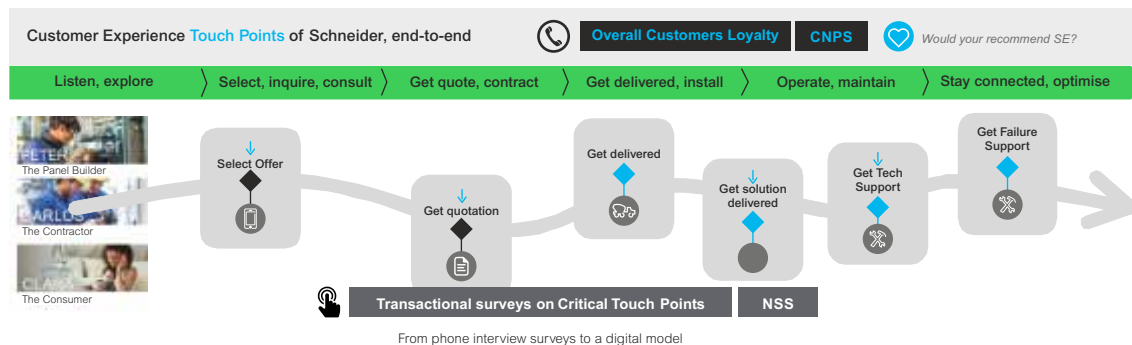
## Enhancing customer experience

Customer satisfaction continues to be at the core of Schneider Electric's growth strategy and now "Customer First" is a core value of every Schneiderite.

In 2018, we have transformed the way Customer Experience (CX) is measured across the six 'Moment of Truth' touch points, along with measuring overall Customer Loyalty through Customer Net Promoter Score (CNPS). We deployed a best-in-class way of measuring CX and taking corrective actions.

The platform enables us to:

- Have an unified way of accessing all survey data
- Close the customer concerns quicker and have data on a unified platform to predict CX issues in advance
- Provide complete access through bFO, Schneider's CRM system, to all sales force to use CX data for winning sales tactics
- Engage employees on CX listening thereby driving innovation



## Customer connect

For us, 'Customer First' means being 'Above' and 'Beyond' for our customers. Our intent is to surprise and delight our customers, as we would be nowhere without them. So, not only do we put ourselves in their shoes, but

we also anticipate their needs and go the extra mile. Whatever our role be, we always aim to have an impact on the customer's experience.



## Our Strategy

A pioneer in technologically advanced Medium Voltage (MV) solutions, Schneider Electric Infrastructure Limited has a mission to improve the lives of the consumers by offering better connectivity, sustainability, efficiency, reliability and safety in all the energy domains.

### Complimentary business models by leveraging multiple access channels, for a wide and diffused user base

With high levels of standardisation and faster deliveries, your management is committed to transform the conventional MV business model from Engineered to Order (ETO) to Made to Order (MTO) or Configured to Order (CTO) business model, establish various marketing channels for solution selling by leveraging existing partners and distributors network, and also widen this network by appointing new partners and distributors.

We have developed technical tools to support our partners and distributors in this transformation journey for a seamless digital experience, with a single objective of best-in-class customer experience.

Today's value chain in electrical distribution is highly fragmented and inefficient, from design to maintenance. At SEIL, we strive to improve interactions across the value chain and bring all partners on to one open platform, with the right tools to simplify the CapEx phase.

### Leveraging market trends and government policies to create opportunities

Urbanisation, industrialisation and digitisation continue to be an inevitable part of our lives. These three megatrends are creating many new opportunities for Schneider Electric.

Rising standards of power reliability and safety requirements, and the government's 'Make in India' initiative, in conjunction with other policies like UDAY, IPDS, Smart Cities, etc., are creating significant opportunities for growth. The power sector is facing new

challenges with a new paradigm shaping up. The focus now is on sustainable, reliable, efficient and flexible network with decarbonised and decentralised energy. To cater to this high element of dynamism in energy sector, we have realigned our focus on specific segments like Utilities, Renewables, Oil & Gas, Mining Minerals and Metals, Data Centers and Transport, by enhancing our offering and EcoStruxure solutions for specific requirements of these segments.

### Transitioning to a smarter electricity grid

The present electricity grid is carrying electricity from centralised generation plants to users in homes, buildings, and facilities. But the grid is now undergoing a revolution. Energy demand is consistently increasing; and carbon emissions need to be kept in check. Electricity being a big carbon emitter, the thrust is on leveraging renewable energy sources, which are by nature intermittent and by design distributed. Another factor of concern is that the current electric infrastructures are old, overloaded and in need of heavy maintenance. The network must therefore become smarter to adapt to these complex environments.

Unlike conventional energy sources, renewable generations are highly intermittent and variable type. Large scale integration of renewable generation requires special balancing mechanism to deal with the uncertainty and variability to maintain grid stability and

security. To address these issues and bring efficiency, seamless integration of emerging technologies in the field of monitoring, automation, control, communication and IT systems with active participation of all stakeholders are inevitable. In this direction, smart grid technology has a potential to revolutionise electricity delivery system and provide solutions for the challenges ahead.

A smart grid constitutes smarter supply (the efficient integration of renewable energy sources and flexible distribution) via a smart network, smarter demand (energy-efficient sites and homes, connected to the grid), and demand response to balance the two, along with surveillance systems, facility management system, mobile systems and common control centre for integrated management system. Schneider Electric is a pivotal organisation contributing in all the latter domains.

## Driving the world's digital energy transition

The energy transition generates significant issues that remain to be tackled, as the energy sector is going through a paradigm shift towards decentralised and intermittent renewable power. Digitisation on demand side is a key success factor to enable this transition. To cater to this megatrend, Schneider Electric has

developed microgrid solutions, which inherently bring new levels of flexibility to the grid. Schneider Electric's innovative, advanced digital solutions and services enable utilities for a smooth integration and management of distributed energy resources into power networks with reliable, resilient, and efficient grids.

## Major Solution Business milestones of your Company in 2018-19

### Major Orders:

A key player in the turnkey project business segment, your Company has won several major orders in 2018-19.

- Mangalore Refinery and Petrochemicals Limited placed an order for supply of HV Gas Insulated Switchgear (33 kV & 6.6 kV GIS Panels) along with associated Erection, Testing and Commissioning for BS-VI projects at Mangalore Refinery and Petrochemicals Limited.
- Hyosung T&D India Pvt. Limited awarded an order for Design, Supply, Installation, Testing and Commissioning of 132/6.6 kV Power Transformer, 6.6 kV MV Switchboard, 6.6 kV Busduct and Control & Relay Panel with associated equipment for an upcoming textile facility of spandex at Shendra MIDC, Aurangabad.
- Your Company has won an order for Design, Supply, Installation, Testing and Commissioning of 132 kV Switchyard, Line-In Line-Out (LILO) Bay Extension for Ultratech Cement plant at Patliputra, Bihar from Ultratech Cement Limited.
- JSW Steel Limited, a JSW Group company, awarded an order for Design, Supply, Installation, Testing and Commissioning of E-House for their Vijayanagar Steel Plant expansion in Bellary, Karnataka.
- Your Company has received an order for the Design, Supply, Installation, Testing and Commissioning of E-House from Odisha Industrial Infrastructure Development Corporation (IDCO).
- Your Company has received an order from HCL Foundation for Solar Photo-Voltaic Power Plant (Microgrid) Systems with energy storage, local distribution and service connections to households, community buildings and street lights, to serve 59 Villages in Kachauna Block of District Hardoi in Uttar Pradesh. This project comes under 'Project SAMUDAY' of HCL Foundation.

### Sterlite Technologies Limited - Glass Plant - Project 'Gaurav' (Aurangabad)

Your Company has executed project of Design, Engineering, Supply, Installation, Testing and Commissioning of outdoor 132 kV Switchyard with 1.5 KM long, 132 kV Overhead transmission line interfaced with Maharashtra State Electricity Transmission Company Limited grid network, along with 33 kV MV Switchboard, Power & Distribution Transformers, fully

Type Tested LV Blokset assembly, Sandwich Busway and associated equipment required for powering up the Glass Plant, Project - 'GAURAV'. The project was successfully commissioned within the contractual timelines and to the complete satisfaction of customer. Sterlite technologies is one of the esteemed customers of your Company.



## BSES Yamuna Power Limited - 33/11 kV Substation, Delhi

Your Company has successfully completed Survey, Design, Engineering, Civil Works, Supply, Erection, Testing and Commissioning of new 33/11 kV GIS Sub-Station on turnkey basis at Tibbia College, New Delhi for BSES Yamuna Power Limited (BYPL), Delhi.



## Birla Cellulosic Excel Fiber Division - Kosamba, Gujarat

Your Company has successfully completed Design, Engineering, Supply, Erection, Testing and Commissioning of 66 kV Switchyard with One Line Bay and Sectionaliser and 2 Nos. 12.5 MVA 66/6.9 kV Transformer.



## Services Activity

Your Company strives to support and work as a trusted advisor to its customers and their infrastructure. The Services team ensures their customers peace of mind by looking after their infrastructure from the planning phase to the infrastructure renewal phase. Schneider Electric's Services Business is at the heart of SEIL business model. The Services team strives to be available to customers at all times, making sure that all their pain points are addressed with optimal solutions. This approach ensures that customers can not only maintain their uptime but also be provided with solutions that help cut-costs, improve efficiency and productivity, ensure safety and reliability, and enhance the life of their installations with an overall objective to improve the Return on Investment (ROI).

One of the ways we bring maintenance costs under control, is by moving from many agreements with varying costs to one service plan with one responsible provider. This makes management and budgeting easier by creating controlled and consistent costs without surprises.

There is an increase in demand from our customers to optimise and maintain their facilities. There are also demands to extend the life of their already existing systems, with the aim to utilise capacity of generation and distribution units. We provide our customers with smart and simple retrofit, panel extension and revamping solutions to optimise their existing on-site space and improve their systems efficiency and safety. With increasing complexity and requirements in the electrical network, lack of permanent skilled resources on site and demand for greater reliability, customers are keen to audit and assess their entire facility to learn best-practices and gain recommendations on what they need to do to improve their facilities. Your Company has several audits, assessments and consultation services available, including a wide range of classroom trainings, E-learning, etc.

Present throughout the entire life cycle of our solutions, our aim is to assist our customers to proactively plan, install, operate, optimise and renew all solutions, and to define and implement the best solution, thereby improving performance and flexibility, while controlling ageing infrastructures' costs. We are quick to adapt and act with flexibility that makes it possible to capture opportunities. The personal attention we give to each customer helps us develop a strong relationship with them, and in many instances, we have evolved as a trusted advisor to our customers. We have been able to create the impression in the market that your Company is here to meet our customers' ever growing demand throughout the entire life-cycle of their installations.

In our vision for digitisation and providing peace of mind to our customers, our Asset Connect solution helps our customers to upgrade their installations with smart sensors, transforming their non-communicable ageing assets into connected products. Our extensive digital products and systems improve management and customer experience. Offers such as EcoStruxure Asset Advisor (Remote Monitoring Service) that monitor our customers' critical equipment 24x7 help to predict and prevent failures before they happen, allowing the customers the ability to move from a reactive approach to a proactive, condition-based approach.

On-site maintenance and repair also helps lower downtime. Our personalised customer service, advanced products and expertise, especially digitisation, makes our Field Services offer a truly comprehensive and reliable experience.

Your Company's services cover customer needs around the complete installation lifecycle, and the portfolio includes planning services (Energy Audit, Harmonic Study, Consultation and Power Analysis & Assessments), Installation services to ensure expert installation, Testing and Commissioning of our customer assets properly, Operational services (Comprehensive Maintenance Contracts, Warranty Extensions, Classroom Training and E-learning Programmes and Diagnosis), Optimise services (Preventive and Predictive Asset Monitoring) and Renewal Services (Retrofitting, Upgrading with Smart Sensors, Extending and Revamping solutions). To effectively deliver our wide range of service options, we have a pan India presence of dedicated services, authorised service centres and specialised channel partners, who cater to all the legacy and current brands of your Company and quickly respond to customer calls.

Your Company's strong presence in Infrastructure, Power, Building, Industry and IT segments, coupled with our ability to offer services cutting across these segments, provides us a distinctive advantage to serve our customers. Capability building is key to meeting diverse needs of the market viz. minimal shutdowns while doing upgrades and retrofits, scaling up and completing critical projects during short annual maintenance breaks, etc. A dedicated Services Business Unit enables this capability building, and as the services market matures, our focus and preparedness takes us ahead of the curve. Composition of Services business and the business model employed make it very attractive in terms of return on capital employed and enhancing customer satisfaction.

Field Services Business of your Company has set the benchmark in the country in the field of services in electrical distribution, by obtaining the BVCI's IMS certification comprising of ISO9001:2008 & ISO14001:2004, and also BS OHSAS 18001:2007 for maintenance services, supply of spares, design, engineering, supply, installation, testing and commissioning of retrofit solutions and Medium Voltage/ Low Voltage revamp project.

Some of the major projects by Services Business in 2018-19 include:

#### **HCL Foundation, Project Samuday, Uttar Pradesh, India**

Your Company has been helping HCL keep 47 Microgrids protected and safe with comprehensive operations and maintenance services. This contract covers all 47 Microgrids for five years and ensures that 50,000 people in Hardoi, UP have access to clean, safe and reliable electricity. This contract promises 10,000 students access to digitised education while reducing 1.4 Million Tons of CO<sub>2</sub> emission.

This opens new opportunities for your Company in other Capex to Opex projects. For customers, it ensures peace of mind in knowing that their equipment is in professional hands from supply to commissioning and has the promise of enhanced reliability and safer technology.

It has been one of the biggest orders for Field Services this year.

#### **HPCL, Mehul Refinery- Mumbai :**

HPCL was facing major challenges with their 33 kV electrical network including space constraints in the Mehul refinery and safety issues and failures due to age of the installation. Our Customer was looking for a highly efficient product that promises reliability, continuity and safety with cost optimisation of their pre-existing aged electrical network.

Your Company was rewarded a revamp project due to the strong relationship it has with HPCL. Your Company has previously supplied 33 kV gas-insulated switchgears for primary distribution in a renowned MEHUL refinery and has also been awarded comprehensive maintenance contracts for all 33 kV GIS.

#### **New Delhi Municipal Corporation (NDMC), Revamping three Sub-Stations in New Delhi.**

Your Company was awarded with a complete revamp project of three Substations (Kidwai Nagar, Nehru Park and Tilak Marg) in New Delhi. NDMC needed to optimise their substations to meet the growing energy demand and maintain sustainability, as their current sub-stations were very old with aging MOCB. This was leading to increased maintenance costs due to continuous breakdown and safety issues. They also wanted to make use of their current on-site space.

Your Company has been awarded contract to Supply, Erect, Test and Commission 23 nos. 33 kV GHA type GIS 23 Nos. 33 kV C&R Panels and supply of 20 MVA, 33/11

kV Power Transformer at one substation. Currently the Erection, Testing and Commissioning is in progress.

This project will help NMDC meet the energy demands of the people of New Delhi.

#### **IISCO Steel Plant – Steel Authority of India Limited, Comprehensive Annual Maintenance Contract**

Your Company has been awarded with annual maintenance contract for around 2000, 11 kV, 6.6 kV & 440V Switchgears with other substation auxiliaries and equipment under IISCO's Power Distribution Department, with 24x7 round the clock breakdown support. IISCO were facing numerous challenges in maintaining their assets. The comprehensive maintenance contracts gives them assurance about the asset security, reliability, and continuity.

The scope of work includes a two year contract for maintenance of HT Circuit Breakers (Vacuum, SF<sub>6</sub>, BOCB, MOCB) and Vacuum Contactors of different makes, their control panels and cable chambers; maintenance of LT Circuit Breakers of PCC, MCC, ACDB, DCDB, MLDB, their control panels and cable chambers; maintenance of Bus-Section ranging from 415VAC to 11 kV AC & 30V-220V DCDB; and maintenance of other components of HT Switchboard (Current Transformers, Potential Transformers).

The multi-year contract shows the trust and confidence the customer has in our services.

#### **JSW Group, Blast Furnace #3 (BF#3)**

Your Company was awarded the project to upgrade and enhance capacity at the JSW BF#3.

JSW BF #3 had existing HWX Panels, and your Company needed to supply an additional HWX Extension Panels of 3000A, 6.6 kV, 40KA, along with supervision of Erection, Testing and Commissioning.

#### **UltraTech Cements - Baloda Bazar**

UltraTech was facing numerous issues with their existing Voltas breakers (an obsolete make of breakers) located in Baloda Bazar. Continuous failures and breakdown was affecting the plant's production, and there were safety issues due to arc flash. The lack of spare parts availability and constant failures resulted in high operational costs, making it very difficult for the customer to manage operations.

Your Company was awarded a complete revamp project of Ultratech Cement and were asked to replace all the aging Voltas breakers with 6.6 kV PIX-ROF Panels.

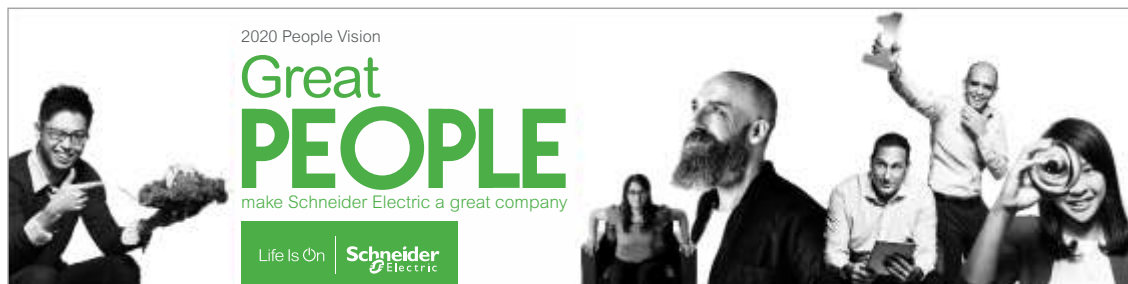
#### **Ratnagiri Gas and Power Private Limited**

Your Company was awarded a Panel Extension project by Ratnagiri Gas and Power Private Limited. The order included an additional 21, 12 kV Air Insulated HWX switchgear along with Erection, Testing and Commissioning. The customer needed the extension project to save cost and space in their power plant. Our expertise in panel extension projects has led us to bag this and other similar orders.

## Human Resources

We, as global specialist in energy management and automation, strongly believe that our people are our most valuable assets, and therefore, the Human Resources philosophy, policies and strategy are structured to attract and retain the best talent that encourages innovation and

creates a healthy work environment. We invest in technology to get the best innovation in the market, and in our People because we believe 'Great People will make Schneider Electric a great company'.



The agenda around people has been deeply rooted into our business strategy. Our mission is to do a great job for our customers by creating the best products and solutions and simplifying the customer experience. To achieve that, we are constantly making sure our employees develop in the right environment to deliver the best of Schneider to our customers. Our ultimate ambition is to generate high performance and employee engagement through world-class people practices.



To support our 2020 vision, we created a companywide programme around People Transformation called 'Step Up'. The six pillars of transformations that determine immediate and long-term HR priorities of Schneider are High Performance Culture, Well-being, Diversity & Inclusion, Learning, Leadership and Talent Management. Schneider as an organisation is driven by meaningful purpose, which continuously creates an inclusive environment where each individual is empowered to do their best and innovate. This is our Employee Value Proposition (EVP), our commitment to engage with existing and future talent.

We decided to update our People Vision in order to accelerate the transformation of our Culture and Leadership. Our Core Values namely Customer First, Dare to Disrupt, Embrace Different, Learn Every day and Act Like Owners define the way we work together.

In order to uphold the values of ethical conduct and compliance to our Principles of Responsibility, we ensure all employees of the Company, including the newly joined employees, follow a detailed training and awareness programme to familiarise themselves with the standards and expectations of ethics.

## Well-Being

The world and people's expectations are changing, and hence, well-being becomes a critical differentiating factor for the future. We believe that well-being creates performance, and performance generates well-being. This in turn ensures engaged and positive employees, and these work together to lead to the overall business growth of an organisation.

“Healthy & Happy People and Teams improve the customer experience and bring sustainable business performance”

## Well-Being at Schneider Electric is a holistic approach with five main pillars of focus

Health & Wellness	Flexibility at work	Workspace	Leaders	Organisational Culture
Healthy behaviours, healthy lifestyles, and general well-being	Working in flexible ways for a better work-life integration	Smart, attractive and energising workplace	Great and caring leaders who inspire people to adopt healthy well-being behaviours	Building a culture of well-being

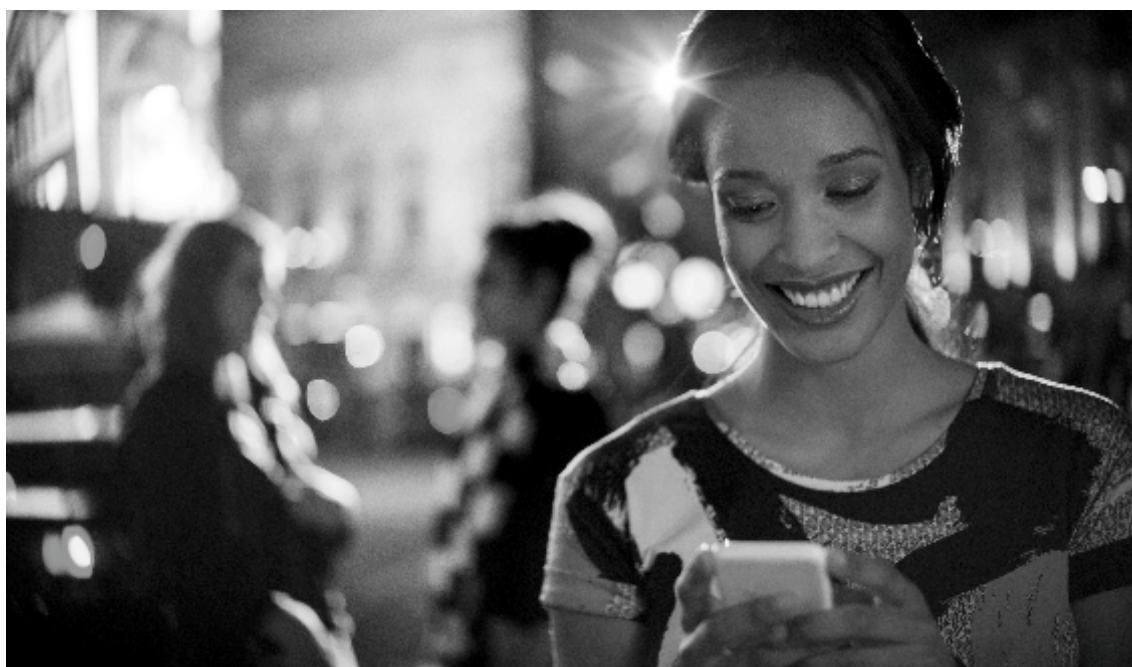
We have a basket of activities and programmes under the Well-Being initiative that have been categorised under four main pillars, namely Social well-being, Mental well-being, Physical well-being and Emotional well-being. This is being further facilitated by:

- Ensuring overall health and wellness of our employees through regular health camps, on-site yoga, revised insurance policies, etc;
- Allowing employees and teams to free up their energy;
- Well-being labs to encourage teams to experiment and brainstorm new actions and take steps to implement those in reality;
- Leadership involvement to demonstrate their care about employees' well-being;

Employees are encouraged to attend various global and local trainings (both in person as well as webinar) to gain better insights towards topics like Mindfulness, Neuroscience of Change, Positive Psychology at Work, Realising your Strengths, etc, and benefit from the wealth of documented knowledge by making them available at their finger-tips.

“Be Happy on the Job”

Great people make Schneider Electric a great place to work.



## Schneider Electric Cares - Cancer Prevention Programme



## Diversity & Inclusion

Diversity and Inclusion (D&I) is an integral part of Schneider Electric's history, culture, and identity. Over the years, we have been making progress in improving different aspects of our D&I practice. Our ambition is to provide equal opportunities to everyone, everywhere; and we achieve this ambition through a number of strategies:

- Provide global job opportunities to employees via the introduction of Multi-hub model and enhancement of International Mobility policy;
- Promote inclusive work environment by implementing a Global Family Leave policy, offering work schedule flexibility, and initiating pay equity reviews;
- Develop inclusive leadership through the deployment of Hidden Bias Education workshops.

“Diversity & Inclusion go hand in hand. Diversity is about having the ‘right mix’ and Inclusion is about ‘making the mix work’”

Diversity & Inclusion → Belonging → Innovation & Performance

Empowered Diversities	Inclusive Practices	Inclusive Behaviours	Advocacy
Gender Nationality Generation LGBTI Disability	Family Leave Pay Equity Bias-Free Processes Multi-Hub	Hidden Bias Education	UN HeForShe Awards & Indices Speaking Engagements
50% of total hiring in 2018 were women			

## Learning & Development

Development of people continues to be a key area of focus for us, and our learning and development initiatives during the year are based on the 3Es approach, viz. 'Education, Experience and Exposure'. Thus, all organised trainings are based on development reviews

held by managers, addressing real and critical needs of the organisation. This not only includes technical skill building trainings, but also interventions and workshops of change management, culture building and leadership.

### 29 hours of learning clocked by an employee on an average

All new people managers were offered training on Great Feedback and Performance Coaching, so as to improve their skills in managing their teams effectively. Adding to this, a new module on hidden bias was imparted to all people managers. We have identified internal mentors and coaches from a pool of key talents who help young professionals hone their skills and apply their knowledge effectively.

Internal Trainer policy has been implemented with an intent to encourage and engage internal trainers towards common organisational goal for employee development.

The objective is to leverage the knowledge and experience inside Schneider in a planned and structured manner. This helps internal trainers have a sense of pride in delivering trainings.

Your Company continues to promote and strengthen a culture of continuous learning at all levels through digital learning. An intensive e-learning campaign was undertaken to create champions who drive this process. The process has resulted in tremendous improvement in productivity and efficiency of the employees.

### 45% of total learning has been by digital means

Sales and Marketing assessment workshop was conducted to gauge the development needs of all sales and marketing employees, based on the required competency levels and offer knowledge. Various initiatives and sessions have been planned since then with a right blend of technical knowledge, EcoStruxure modules and soft skills/behavioral development.



#Whatdidyoulearntoday during Learning Week



Energy team winning a game during Learning Week



Market Place @ Learning Week

Development programmes like Champions Club, Ojas, Urja, Transforming Schneider Leadership, etc, helped develop employees / leaders who can be role models for future.

## Leadership

With the launch of New People Vision, our leadership expectations act as a ready reckoner for our leaders on 'How do I Lead @ Schneider Electric'. Our Leadership Expectations and core values form the foundation of our culture, and every employee is expected to live by them. Our leaders are authentic and inspire their teams. Our leaders are expected to not just deliver the business results, but also to be a role model for our leadership expectations, namely Shape our Future, Build the Best Team, Deliver the Results, Free up Energy and Use your Judgement.

Take a look at some of our leadership expectations.

### Leadership Expectation



BRUNO BERNARD  
**DERCLE**

“ Ethical Behaviour and Transparency are the most prized values that I am looking for and expecting from my business partners, be it my Leadership Team, our Customers, our Partners or all our supporting teams, and of course myself. We go faster, in an ever changing environment, when we trust the stakeholders and when they know they can trust you. And we need to go faster in Power Systems industry, when we see all the constraints our customers are facing with the development of new technologies and drastic changes of their business models.”



ARNAB  
**ROY**

“ Effective leadership in a fast-changing world needs one to be grounded real-time in the external environment, have complete transparency, be fact-based and work with a great collaborative team.”



PIYUSH  
**PANDEY**

“ Taking complete ownership for work and also agility to change in this rapidly changing world are what make for successful teams. The ability to unlearn and learn again too is a key part of this agility which we seek.”

Leadership & Employee engagement are ensured through periodic connect of MD & CFO with employees, workshop with leadership team and multi-dimensional activities engaging employees throughout the year.



Leadership connect by Bruno Bernard Dercle, Managing Director and Chief Executive Officer



Leadership Connect: Schneider Group CEO Jean-Pascal Tricoire with SEIL team and SEIL leadership team



Leadership Connect: Schneider Group CEO Jean-Pascal Tricoire with SEIL team and SEIL leadership team

## Talent

One of our key initiatives under “Talent” Pillar has been the deployment of Employer Value Proposition (EVP) in its true sense. These are core differentiators for us to attract and engage both internal and external talent, making Schneider Electric their employer of choice.

### MEANINGFUL



### INCLUSIVE



### EMPOWERED



Every single employee in our organisation is considered as a 'Talent' because of the uniqueness and value addition they brings to the table. Our employee mobility processes provides opportunities to all, to gain lateral and/or vertical movements across different geographies, departments and businesses. These processes help them grow and unleash their potential. There are various engagement activities carried out throughout the year, including Townhalls by leaders, leadership connect, communicating business strategies, etc.



Learning by doing - Activity based learning of core values

## High Performance

We strongly believe in High Performance philosophy, wherein our continuous feedback culture acts as a catalyst in supporting business growth. This is supported by a robust employee development process, wherein each employee and manager is responsible for their own development, which contributes towards maintaining DNA of high-performance culture.

Performance and Rewards differentiation has been reinforced in each department and function, aiming to create a culture of recognition and celebrating performance at multiple levels across the organisation, for individuals and teams.



Employees recognised for high performance

## Achievements

Schneider Electric is the proud winner of the prestigious **Catalyst Award 2019**. The award recognises our efforts in leading the culture of diversity and inclusion in our workspace. Schneider Electric's strategic focus on accelerating gender equality is an integral part of our global diversity and inclusion transformation. As a Company, we are committed to providing equal opportunities to everyone everywhere, and we want our people - no matter who they are or where in the world they live - to feel that they belong and are valued.



In recognition of the efforts put in by your Company, IR Magazine has nominated and awarded **Certificate of Excellence** for best practices in investor relation. Your Company has a strong belief in stakeholder's engagement to build a long-term relationship and confidence. The Company is putting its best efforts to ensure the accurate and timely communication of information to all stakeholders.

Your Company has received **Appreciation Award** for demonstrating customer centric culture and Quality projects driven at workmen level, to enhance "Make in India" concept by Confederation of Indian Industry (CII).



SEIL MV plant won the Schneider **APAC- WINGS of Fire award 2019** for best practices in Joint Pack Assembly Testing Automation. The plant has successfully converted from manual testing to automatic testing system to achieve zero defect and better quality (first time right), and deliver customer delight.

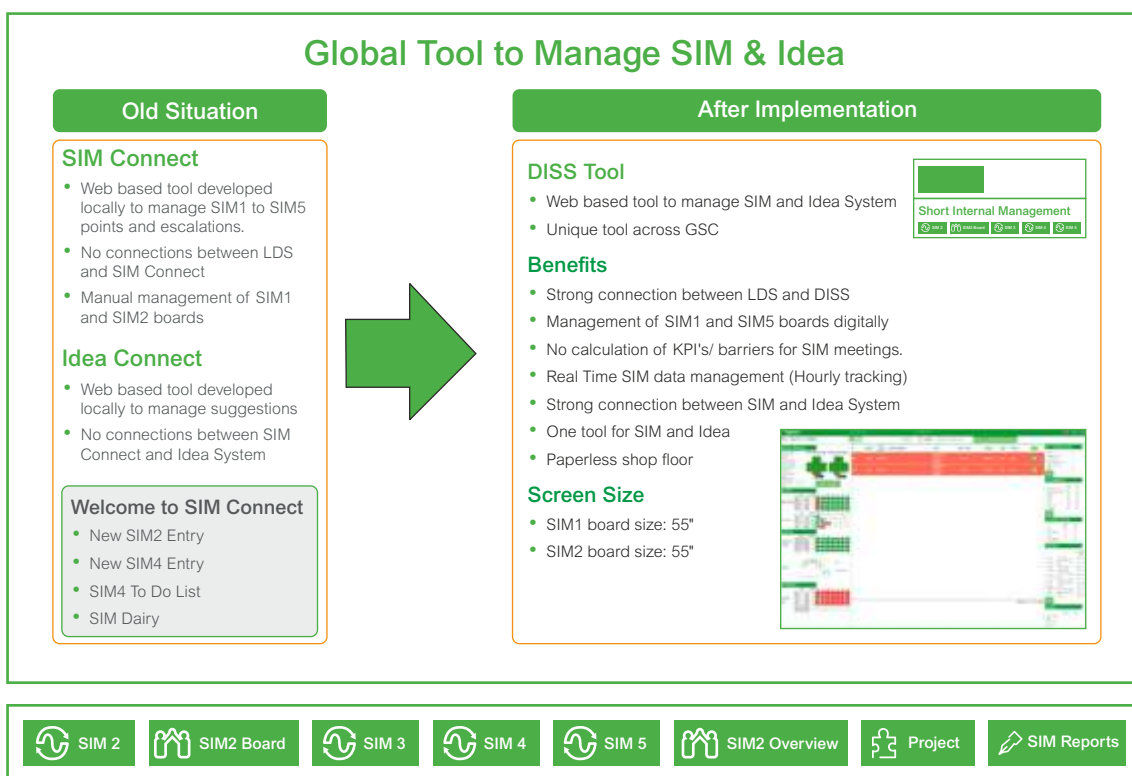


## Plant

### Initiative for Energy Savings

1. Power monitoring expert (PME8.2) & Resource advisor is installed for regular energy reviews and necessary actions.
2. Heat reflecting coating is applied on roof top (partial area covered) to minimise the inside temperature, resulting in energy savings.
3. LED lamps are installed in factory area, resulting in savings of 70,000 Kwh in FY 2018-19.
4. Energy performance improved by 7.3% in FY 2018-19 against normalised base line of 2017.

### Digital Idea and SIM System - DISS:



## Key Events of 2018-19

### Innovation Day: Launch Easergy P3

Your Company expanded its innovation-led connected product portfolio by introducing Easergy P3, the medium voltage protection relay, to deliver high level of operational efficiency and reliability to the user. Easergy P3 is an addition to the Company's portfolio of connected products that combines real-time analytics with advanced technologies and solutions powered by Internet-of-Things.



The product was launched to an audience, comprising of electricity companies, electro-intensive industries and commercial buildings, through a digital virtual event: The Innovation Talk.

It was attended by 350 end-user customers and 70 channel partners. Some of the eminent customers who had witnessed the launch were BHEL Bhopal, KSEB, L&T Mumbai, BSES Rajdhani Power Ltd, etc.



### Innovation Hub: Intellect Expo

Your Company participated in Intellect, India's flagship exhibition for Hi-Tech Power Distribution. The theme for the exhibition was 'Towards Smart, Reliable, Efficient and Safe Electricity'. It was organised by IEEMA at Bombay Exhibition Centre, Mumbai.



The know-how and experience gained from projects implemented and our innovative technology were showcased at the SEIL booth. The SEIL booth was done in green and white, complete with our smart solutions under the EcoStruxure Grid and EcoStruxure Power domains.





The stall attracted over 1,000 plus visitors including utilities, policy makers, technocrats and researchers from the industry, like Adani Electricity Mumbai Ltd, TATA Power, MSPGCL, BEST Undertaking, etc. Shri. Sudhir Garg - Joint Security MSME inaugurated the stall at the Intellect. Your Company gained a lot of online and offline exposure through this participation.

### Innovation Day: Atal Nagar

Your Company participated in the unveiling of India's 1<sup>st</sup> Green Field Integrated Smart City, Atal Nagar, inaugurated by the Honourable Prime Minister Shri. Narendra Modi - the city sets a benchmark for other upcoming Smart Cities in India.

Your Company has leveraged its EcoStruxure platform, which is based on cutting edge technology of IoT, sensing, analytics and cyber-security technologies, to deliver a world-class integrated Smart City, the Atal Nagar.

The Smart Grid system powered by your Company's EcoStruxure™ increases overall efficiency of complete electrical infrastructure. The three-layer solution that includes Connected Products, Edge Control and Apps & Analytics is a reliable, scalable and highly secure Grid



that works in closed loop to provide an uninterrupted power supply. This Distribution Management System optimises the network infrastructure in real time, resulting in efficiency improvement for better profitability, reduced carbon footprint and better customer satisfaction.



Your Company got exclusive rights to LIVE stream the inauguration programme on its website and amplify it amongst its customers and partners. The LIVE event was witnessed by the Prime Minister's cabinet, chief of urban development and all other Smart City stakeholders



across India, covering 100 Smart Cities. This programme was followed by #4 more Innovation Talks, which were delivered by your Company at the Atal Nagar project site, leading to development of potential business.

## APPS - Analysis and Protection of Power Systems - Customer Training

Your Company has successfully completed a two week refresher course for practising Protection Engineers, and will focus on both theoretical and tutorial sessions on all the protection applications. It was conducted by core product expert team and the trainer who came from France. It was attended by 35 end-user representatives.



## Annual General Meeting

Your Company has successfully completed 8th AGM in Vadodara in September 2018. It was a wonderful connect with the shareholders. Shareholders raised their concerns and queries, which were properly answered by your Company management.



## Significant and Material Orders passed by the Courts and Tribunals

There has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

## Development and Implementation of Risk Management Policy

In compliance with the requirement of the Companies Act, 2013 (herein after referred to as "the Act"), the Company has put in place Risk Minimization and Assessment Procedures. In order to effectively and efficiently manage risk and address challenges, the Company has formulated Risk Management Policy. The objective of any risk identification and assessment process is to evaluate the combination of likelihood and level of negative impacts from an event. The three main components of a risk assessment are business risk, service/ operational risk and external risk.

The Company manages the risk in line with current risk management best practices. This facilitates the

achievement of our objectives, operational effectiveness and efficiency, protection of people and assets, informed decision-making, and compliance with applicable laws and regulations.

The Board has constituted a Risk Management Committee. The details of the same are available in the Corporate Governance Report forming part of this Annual Report.

The Risk Management Policy of the Company can be accessed using the following link:

<https://infra.schneider-electric.co.in/supervision/images/policies/policiesJp6l51g8d2.pdf>

## Internal Audit and Internal Financial Control

The Company has put in place, a robust internal audit system, designed to provide a reasonable assurance with regards to the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The in-house internal audit department of the Company is an independent and objective function, performing assurance and consulting activities designed to provide assurance over end-to-end Company processes. The intent is to add value and improve Company processes.

To supplement the audit assurance provided by the in-house team, the Company had also outsourced some audit work to third party audit firms. All the five essential components of COSO framework i.e. control environment, risk assessment, control activities, information-communication and monitoring are considered while defining the control objective to be audited.

The annual audit plan is based on risk assessment, which is approved yearly by Audit Committee. The Company has set up a robust risk management and internal control assessment framework across the organization which facilitates identification, assessment, communication and management of risk in effective manner.

As per requirements of the Act, a detailed internal financial control framework had been documented through Risk & Control Matrix (RCMs). RCM's are reviewed and updated on annual basis. Documented key controls are tested annually to ensure its effectiveness. Post control testing, a diagnostic review of the Company processes is documented and communicated, highlighting existing risks and corresponding mitigation plan with status of previously identified risks, in compliance with Internal Financial Control (IFC) guidelines.

The Board of Directors appointed Mr. Anurag Bothra as the Internal Auditor for financial year 2018-19.

On review of the internal audit observations, we can state that there are no adverse observations and the Internal financial controls are adequate and were operating effectively except controls related to purchase order approval process and financial statement closure process. Management is in the process of taking corrective action in this regard.

## Board of Directors

### Appointment(s)

The Board on the recommendation of the Nomination & Remuneration Committee (NRC):

- approved the appointment of Ms. Geeta Mathur (DIN: 02139552), as an Additional Non-Executive Independent Director for a period of 3 (three) years w.e.f. April 1, 2019 and holds office upto the date of the 9<sup>th</sup> Annual General Meeting ('AGM');
- approved the appointment of Mr. Piyush Pandey (DIN: 08451135), as an Additional Whole-Time Director for a period of 3 (three) years w.e.f. May 22, 2019 and holds office upto the date of the 9<sup>th</sup> AGM.

The appointment of Ms. Geeta Mathur and Mr. Piyush Pandey are subject to the approval of the Members at the 9<sup>th</sup> AGM.

Further, Mr. Bruno Bernard Dercle was appointed as an Additional Director Designated as Managing Director and Chief Executive Officer (CEO) w.e.f. August 1, 2018 for a period of 3 (three) years.

On the recommendation of the Nomination & Remuneration Committee and based on the performance evaluation, Mr. Vinod Kumar Dhall, Mr. VS Vasudevan and Mr. Ranjan Pant were re-appointed as Non-Executive Independent Directors for a second and final term of 3 (three) years w.e.f. May 22, 2019 i.e. immediately upon expiry of their first term on May 21, 2019 by the Board of Directors in their meeting held on July 27, 2018. The said appointments were confirmed by the Members at the 8<sup>th</sup> AGM on September 14, 2018.

### Number of Board Meetings

Four Board Meetings were held during the financial year 2018-19. For further details, please refer to Report on Corporate Governance, which forms a part of this Annual Report.

### Independent Directors

All Independent Directors have provided declarations that they meet the criteria of independence as laid out under Section 149(6) of Act and the SEBI Listing Regulations.

### Key Managerial Personnel(s) (KMPs)

The Company appointed Mr. Bruno Bernard Dercle as Managing Director and CEO w.e.f. August 1, 2018; Mr. Piyush Pandey as Whole-Time Director w.e.f. May 22, 2019 and Ms. Bhumika Sood, as the Company Secretary of the Company w.e.f. July 27, 2018 and designated them as the KMP under Section 203 of the Act.

Mr. Prakash Chandraker and Mr. Vivek Sarwate ceased to be in employment of the Company and accordingly relinquished their position of KMPs w.e.f. July 31, 2018 and May 22, 2019, respectively. The following Directors/Executives are KMPs of the Company during the FY 2018-19 and till date of this report:

- Mr. Bruno Bernard Dercle, Managing Director and CEO
- Mr. Piyush Pandey, Whole-Time Director (w.e.f. May 22, 2019)
- Mr. Arnab Roy, Chief Financial Officer
- Ms. Bhumika Sood, Company Secretary and Compliance Officer (w.e.f. July 27, 2018)
- Mr. Vivek Sarwate, Whole-Time Director (Ceased w.e.f. May 22, 2019)

### Re-appointment(s)

In accordance with the provisions of Act and the Articles of Association of the Company, Mr. Sugata Sircar (DIN:01119161), Non-Executive Director, is retiring by rotation and has offered himself for re-appointment.

Brief profiles of Ms. Geeta Mathur, Mr. Piyush Pandey and Mr. Sugata Sircar along with the disclosures required pursuant to Listing Regulations and the Act are given in the Notice of the AGM.

Attention of the Members is invited to the relevant items in the Notice of the AGM and the Explanatory Statement thereto.

### Cessation(s)

Mr. Prakash Kumar Chandraker resigned from the position of Managing Director and CEO w.e.f. close of business hours of July 31, 2018 to pursue career opportunities outside Schneider.

Mr. Vivek Sarwate resigned from the position of Whole-Time Director w.e.f. May 22, 2019 as he moved to Sales function from plant operations which has been taken by Piyush Pandey.

Board places on record its appreciation for the valuable services rendered by Mr. Chandraker and Mr. Sarwate during their tenure.

## Annual Evaluation of Board's Performance and Performance of its Committees and Individual Directors

The Board of Directors has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees, pursuant to the provisions of the Act, Regulation 25 of the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI on January 05, 2017.

The following process was adopted for Board evaluation:

- i) Feedback was sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee(NRC) then discussed the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also apprised the Independent Directors at their meeting, summarizing the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Executive Non Independent Directors and Board Chairman was also reviewed by them.
- iv) Feedback was sought from each Director about the performance of every statutorily mandated Committee of the Board and these assessments were presented to the Board for consideration. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- v) Feedback was provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation were presented to the Board and action plans drawn up. During the year under report, the feedbacks about the performance of Board as Whole was overall satisfactory.

## Remuneration Policy

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on

Diversity of Board of Directors and Policy on remuneration to be paid to directors, key managerial personnel and other employees and criteria for appointment of directors.

The above policies of the Company can be accessed using the following link:

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

## Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

In addition the Board has constituted banking and Finance Committee inter-alia to take care of the day to day banking operations of the Company.

Details of composition, terms of reference and number of meetings held for respective committees are given in the Corporate Governance Report, which forms a part of this Annual Report.

All the recommendations made by each of the Committee were accepted by the Board.

The Board has laid down Code of conduct - Principles of Responsibility (PoR) for Directors and Senior Executives of the Company and the same can be accessed using the following link:

<https://infra.schneider-electric.co.in/supervision/images/codeofconduct/codeofconductMCDYoI9ezr.pdf>

## Particulars of Employees and Remuneration

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) is annexed as Annexure - vi to the Report.

The statement shall be available for inspection at the Company's Registered Office.

## Related Party Transactions

In line with the requirements of the Act and Listing Regulations, all related party transactions are entered into, on arm's length basis and in the ordinary course of business. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

Pursuant to Listing Regulations, prior approval of the Audit Committee is obtained for all related party transactions. Omnibus approval is obtained for unforeseen transactions. A report on the transactions, specifying the nature, value and terms and conditions of the same, done during the quarter vis-à-vis the approval granted are presented to the Audit Committee on a quarterly basis for its review. The transactions which are

likely to cross materiality threshold, as prescribed, are placed before the Members for their approval.

Pursuant to Regulation 23 of the Listing Regulations an Ordinary resolution was passed by the shareholders for the approval of Material Related Party Transaction with Schneider Electric India Private Limited on March 22, 2019 through postal ballot.

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed using the following link:

<https://infra.schneider-electric.co.in/supervision/images/policies/policiesyn0kCFEtav.pdf>

## Deposits

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014, during the year under review.

## Loans, Guarantees, Securities and Investments

During the year under review the Company has neither extended any Loan, Guarantees, Securities and nor made any Investment in terms of the provision of Section 186 of the Act..

## Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo

The information on Conservation of Energy, Technology Absorption as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, and Foreign Exchange Earnings & Outgo is annexed as Annexure II.

## Reserves

The details of reserves are provided under note of equity in financial statements.

## Extract of Annual Return

Pursuant to Section 92 of the Act and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in Annexure-III to this Report.

## Auditors

### Statutory Auditors

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E/E300005), were appointed as Statutory Auditors of the Company at the AGM held on August 11, 2015 for a term of 5 (five) consecutive years i.e. until the conclusion of the 10th AGM.

The report given by the Auditors on the Financial Statements of the Company for financial year 2018-19 forms part of this Annual Report. There has been no qualification, reservation, adverse remarks or disclaimer

given by the Auditor in their report except the internal financial controls related to purchase order approval process & financial closure process due to limitations of the ERP. Management is in the process of taking corrective action in this regard.

During the year under the review no instances of Fraud has been reported by the Statutory Auditors under Section 143(2) of the Act and the rules framed thereunder, neither to the Company nor to the Central Government.

### Cost Auditors

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time the Company is required to maintain cost records and accordingly, such accounts are made and records has been maintained in respect of the applicable products for the financial year ended March 31, 2019.

On the recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. Shome & Banerjee, Cost Accountants, Kolkata (Firm Registration No. 000001) as Cost Auditors of the Company, for the financial year ending March 31, 2020, on a remuneration

as mentioned in the Notice convening the 9<sup>th</sup> AGM for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. Shome & Banerjee, Cost Accountants has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking Members' approval for remuneration payable to Cost Auditors forms part of the Notice of the 9<sup>th</sup> AGM and same is recommended for your consideration.

The Company had filed the Cost Audit Report for financial year 2017-18 with the Registrar of Companies on October 12, 2018, which is within the time limit prescribed under the Companies (Cost Records and Audit) Rules, 2014.

## Secretarial Auditors

The Board has appointed M/s Sanjay Grover and Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2018-19 as required under Section 204 of the Act and Rules made thereunder.

The Secretarial Audit Report for the financial year 2018-19 is attached as Annexure - IV to this Report. The

As per the requirement of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts are made, and records has been maintained in respect of the applicable products for the financial year ended March 31, 2019.

Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer.

The Board has re-appointed M/s Sanjay Grover and Associates, as Secretarial Auditors for the financial year 2020.

## Corporate Governance

A separate report on Corporate Governance setting out the governance structure, principal activities of Board and its Committees and the policies and practices that enable the Board to fulfill its responsibilities together with

a Certificate from a practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is provided as annexure to the Annual Report.

## Vigil Mechanism

The Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's Whistle-Blower Policy. As per the Policy adopted, all complaints are reported to the Group Compliance Officer, who is independent of operating management. In line with global practices, dedicated email IDs, a centralized database, a whistle-blower hotline and a web-based portal have been created to facilitate receipt of complaints. All employees and stakeholders can register their integrity related concerns either by calling the toll free number or by writing on the web-based portal.

The hotline provides multiple language options. All cases reported as part of whistle-blower mechanism are taken to their logical conclusion within a reasonable time frame. After the investigation, established cases are brought to the Group Ethics Committee for decision-making. All Whistle-Blower cases are periodically presented and reported to the Company's Audit Committee. The details of this process are also provided in the Corporate Governance Report and the Whistle-Blower Policy is available on <https://infra.schneider-electric.co.in/supervision/images/policies/policiesg7dbFlyt0Q.pdf>

## Directors' Responsibility Statement

The Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departure from the same;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. March 31, 2019 and of the loss of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis.
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively except controls related to purchase order approval process and financial statement closure process. Management is in the process of taking corrective action in this regard.
- f) they have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.
- g) the Company has complied with the Secretarial Standards-1 (Meetings of Board of Directors) and Secretarial Standards-2 (General Meetings) issued and amended from time to time, by the Institute of Company Secretaries of India.

## Prevention of Sexual Harassment at Work Place

Pursuant to the provisions of the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 read with Rules as amended upto date, the Company has constituted Internal Complaints Committees (ICCs). ICCs have been given the responsibility to receive and address the complaints received, if any, at all locations where the Company is present. The Company has also taken steps to create

awareness about familiarisation to the said policy having been put in place.

A report on these cases have been reported to the Audit Committee and Board of Directors of the Company on quarterly basis.

During the year under review, there were no instance of alleged sexual harassment cases reported.

## Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations a detailed report on the Management Discussion and Analysis Report is presented in a separate section in the Annual Report.

## Corporate Social Responsibility

In terms of the provisions of Section 135 of the Act and the rules framed thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee comprises of the following Director as members:

1. Mr. Bruno Bernard Dercle
2. Mr. Ranjan Pant
3. Mr. VS Vasudevan

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure-V.

In the Financial Year 2018-19 Schneider Electric India Foundation, the social impact arm of various SE Entities in India, trained 20778 unemployed youth as electricians and solar technicians. During the year 2018-19 the electrician training programme was introduced at 33 new centers taking the overall number of centers to around 300 across 26 states.

In our Rural Electrification Programme, we were able to impact to 12,704 families through our solar based lighting and water pumping interventions.

To sensitise the children, future leaders of tomorrow, one Energy and Environment Conservation we reached to over 13,000 students across 105 schools in 10 cities.

We provided 22 new scholarships to deserving students from financially challenged background and renewed 37 scholarships from previous batches.

Further, during the Kerala floods , last year, the group contributed 5,000 Earth Leakage Circuit Breakers which were requested by the State Electricity Board for the rehabilitation work, post the floods. We also contributed 200 portable solar lights and 35 Hybrid Inverter Package Systems to power the lighting requirement of various flood relief camps.

A fund collection drive was organized and group employees contributed INR 22 Lakhs for the CM's Kerala Flood Relief Fund and INR 8 Lakhs were contributed for Coorg Floods. Further, employees supported many NGO's by donating the disaster relief material like dry ration , clothes , medicines etc. Organization facilitated this drive by setting up the collection camps at various office and plant locations.

The Company's policy on Corporate Social Responsibility can be accessed at <https://infra.schneider-electric.co.in/supervision/images/policies/policiesYmdxzoUFKA.pdf>

## Business Responsibility Report

In compliance with Regulation 34(2)(f) of Listing Regulations, your Company has included Business Responsibility Report, as part of the Annual Report.

## Acknowledgments

Your Board takes this opportunity to convey its deep appreciation to our shareholders, customers, business partners, vendors, bankers, financial institutions and academic institutions for all the support rendered during the year.

The Directors are thankful to the Government of India, the various ministries of the state governments, the central and state electricity regulatory authorities, communities in the neighborhood of our operations, and local

authorities in areas where we are operational in India; as also partners, governments and stakeholders in international geographies where the Company operates, for all the support rendered during the year.

Finally, we appreciate and value the contributions made by all our employees and their families for making the Company what it is.

# Dividend distribution policy

## 1. Background, scope purpose and effective date

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations).

Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Schneider Electric Infrastructure Limited (the "Company") being one of the top five hundred listed company as per the criteria mentioned above, has approved and adopted this Dividend Distribution Policy (the "Policy") at its meeting held on May 19, 2018, being the effective date of the Policy.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Policy shall not apply to:

- Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders
- Issue of Bonus Shares by the Company
- Buyback of Securities.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

### Definitions

- 1.1 **"Board"** shall mean Board of Directors of the Company.
- 1.2 **"Companies Act"** shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.
- 1.3 **"Dividend"** included any interim dividend.
- 1.4 **"Listed Entity/ Company"** shall mean Schneider Electric Infrastructure Limited.
- 1.5 **"Policy"** means Dividend Distribution Policy.
- 1.6 **"Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.

- 1.7 **"Stock Exchange"** shall mean a recognised Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (regulation) Act, 1956.

### POLICY

#### A. Parameters and factors for declaration of dividend

Every year, the dividend payout decision will be taken by the Board after taking into consideration the following financial parameters and internal and external factors:

Financial parameters and Internal Factors:

- i. Operating cash flow of the Company
- ii. Profit earned during the year
- iii. Profit available for distribution
- iv. Earnings Per Share (EPS)
- v. Working capital requirements
- vi. Capital expenditure requirement
- vii. Business expansion and growth
- viii. Likelihood of crystallisation of contingent liabilities, if any
- ix. Investment opportunities
- x. Upgradation of technology and physical infrastructure
- xi. Creation of contingency fund
- xii. Acquisition of brands and business
- xiii. Cost of Borrowing
- xiv. Past dividend payout ratio / trends

#### External Factors

- i. Economic environment
- ii. Capital markets
- iii. Global conditions
- iv. Statutory provisions and guidelines
- v. Dividend payout ratio of competitors

#### B. Circumstances under which the shareholders of the Company may or may not expect dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i. Proposed expansion plans requiring higher capital allocation
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- iii. Requirement of higher working capital for the purpose of business of the Company
- iv. Proposal for buy-back of securities
- v. In the event of loss or inadequacy of profit

#### C. Utilization of the retained earning

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan
- Product expansion plan
- Increase in production capacity
- Modernisation plan
- Diversification of business
- Long term strategic plans
- Replacement of capital assets
- Where the cost of debt is expensive
- Dividend payment
- Such other criteria's as the Board may deem fit from time to time.

#### D. MANNER OF DIVIDEND PAYOUT In case of final dividend:

- i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and

approves the annual financial statements, subject to approval of the shareholders of the Company.

- ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

In case of interim dividend:

- i. Interim dividend, if any, shall be declared by the Board.
- ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.
- iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

#### E. Parameters to be adopted with regard to various classes of shares

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

## 2. Disclosures

This Policy was duly approved by the Board of Directors in their meeting held on May 19, 2018 and it shall come into force with effect from May 19, 2018.

This Policy shall be disclosed in the Annual Report and on the website of the Company i.e. <http://www.schneider-infra.in>.

## 3. Policy review and amendments

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

## Annexure - II

## Conservation of energy and technology absorption & foreign exchange -earning & outgo Vadodara - Medium voltage switchgear factory

### A. Conservation of Energy

1. The steps taken or impact on conservation of energy management	<ul style="list-style-type: none"> <li>Plant is ISO:50001 certified</li> <li>Power monitoring expert (PME8.2) &amp; Resource advisor is installed for regular energy reviews and actions as necessary</li> <li>Energy manager is deputed to drive energy management programme</li> <li>Monthly EnPI report is published</li> </ul>
2. The steps taken by the Company for utilising alternate sources of energy	<ul style="list-style-type: none"> <li>LED lamps in shop floor for @ 13500 sq. mtr. Energy saving achieved for yr. 2018 : 60k KWH</li> <li>LED street lamp with @ 8600 KWH saving</li> <li>LED lamps for reception area with @ 2200 KWH saving</li> <li>Operational controls to avoid energy wastage &amp; ensure equipment efficiency for air conditioning, lighting &amp; compressed air system with saving of @ 39000 KWH</li> <li>Energy audit by Schneider energy audit team in May-2018</li> </ul>
3. The capital investment on energy conservation equipments	<ul style="list-style-type: none"> <li>888 KINR invested for energy efficiency improvement programme</li> <li>1600 KINR invested for PME8.2 &amp; RA implementation</li> </ul>
4. Energy conservation and saving calculation	<ul style="list-style-type: none"> <li>Energy performance improvement: +7.8%</li> <li>At MVI Vadodara, Energy Performance improved by 7.3% in FY 2018-19 against normalized base line of 2017. The team has set up various energy conservation projects in FY 2018-19 as follows: <ul style="list-style-type: none"> <li>Replacement of Metal halide lamps by LED lamps</li> <li>Operation controls for equipment efficiency improvement</li> <li>Energy audit and PME/ Resource Advisor installation for energy monitoring and analysis</li> </ul> </li> </ul>

### B. Technology Absorption

1. The effort made towards technology absorption	<ul style="list-style-type: none"> <li>As a part of EcoStruxure programme, PIX-RoF Connected product launched with integrated Thermal sensor (TH110) and Climatic sensor (CL110) and Arc sensor.</li> <li>Technology transfer of New generation Vacuum interrupter type T1X, T2X &amp; T2XN to India.</li> </ul>
2. The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> <li>PIX-RoF product launched with combination of new global VCB "Easypact EXE" (12 kV, 31.5kA upto 2500A).</li> <li>PIX Easy offer launched for global license partners.</li> <li>Development of 5 function ring main unit (FBX) in one tank.</li> </ul>

- |   |  |
|---|--|
| <p>3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</p> <p>a) The details of technology imported</p> <p>b) The year of Import</p> <p>c) Whether the technology has been fully absorbed</p> <p>d) If not fully absorbed, area where absorption has not taken place and the reasons thereof</p> | <p>No technology was imported during last three financial years.</p> |
|---|--|

## Vadodara - Transformer factory

### A. Conservation of Energy

- |  |  |
|--|--|
| <p>1. The steps taken or impact on conservation of energy management</p>           | <ul style="list-style-type: none"> <li>• Plant is ISO:50001 certified</li> <li>• Resource advisor and 65 nos. of Energy Meters are installed for continuous energy monitoring &amp; control</li> <li>• Maintenance manager is driving energy management programme, improvement achieved by 12% over last year</li> <li>• Monthly EnPI report is published</li> <li>• Shop Floor Metal Halide Lights Converted to LED</li> <li>• LED Lights 118Watt, Light Count 180, KWH Saved = 11928 over 2017</li> <li>• Diesel Saving Over 2017 Approx 16 KL</li> <li>• MPT Air Drying Oven takeout from operation to save on Electrical and Diesel Energy cost</li> </ul> |
| <p>2. The steps taken by the Company for utilizing alternate sources of energy</p> | <ul style="list-style-type: none"> <li>• Third Party Solar Panel Deployed, Capacity 359 KW</li> <li>• Energy audit by Schneider energy audit team in November 2016</li> <li>• Energy management system Audit done in March 2019</li> </ul>   |
| <p>3. The capital investment on energy conservation equipments</p>                 | <ul style="list-style-type: none"> <li>• Solar System - 1.7 Cr (Indirect Investment)</li> <li>• LED Shop Floor Lights - 39 Lakh</li> </ul>   |
| <p>4. Energy conservation and saving calculation</p>                               | <ul style="list-style-type: none"> <li>• Savings during the financial year 2018-19 (in Rs.):               <ul style="list-style-type: none"> <li>• Electricity saving - 21 Lakh</li> <li>• Diesel saving - 19 Lakh</li> <li>• Water saving - 2.40 Lakh</li> </ul> </li> </ul>   |

### B. Technology Absorption

- |   |  |
|---|--|
| <p>1. The effort made towards technology absorption</p>   | <p>Deployment of global technology with flat yoke, Bandage clamping, Corrugated Fin wall tank design in Distribution Transformers - Product is under prototype and validation.</p>   |
| <p>2. The benefits derived like product improvement, cost reduction, product development or import substitution</p> | <ul style="list-style-type: none"> <li>• Launch of MTO standard series</li> <li>• Standardisation of distribution transformers design up to 2.5 MVA, 33 kV to offer faster delivery in market with a standard energy price list</li> <li>• Launch of global mechanical design software for Medium Power Transformer (1st Phase)</li> </ul> |

## Annexure II Continued

- |  |   |
|--|---|
| 3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | No technology was imported during last three financial years. |
| a) The details of technology imported  |   |
| b) The year of Import  |   |
| c) Whether the technology has been fully absorbed  |   |
| d) If not fully absorbed, area where absorption has not taken place and the reasons thereof                                |   |

## Kolkata - SLW Factory

### A. Conservation of Energy

- |   |   |
|---|---|
| 1. The steps taken or impact on conservation of energy management           | <ul style="list-style-type: none"> <li>• Implementation of LED in shop floor in place of PL &amp; Metal halide light to reduce electrical energy consumption</li> <li>• Accumulate the sitting arrangement in single floor from 3 different floors reduce the electrical energy consumption.</li> <li>• Customize the Vacuum interrupter furnace load planning to have a block closure of furnace &amp; AC plant (most significant energy consuming area) to save electrical energy.</li> <li>• Reduction of contract demand from 820 KVA to 730 KVA.</li> <li>• Improved air circulation in VI testing building to reduce HVAC consumption.</li> </ul> |
| 2. The steps taken by the Company for utilising alternate sources of energy | Not Applicable  |
| 3. The capital investment on energy conservation equipments                 | Nil   |
| 4. Energy conservation and saving calculation                               | The energy efficiency improved by 19.5% in FY 2018-19 against the normalised baseline of 2017-18.   |

### B. Technology Absorption

- |  |  |
|--|--|
| 1. The effort made towards technology absorption   | No new technology was imported in FY 2018-19 |
| 2. The benefits derived like product improvement, cost reduction, product development or import substitution               | No new technology was imported in FY 2018-19 |
| 3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | Not Applicable                               |
| a) The details of technology imported  |  |
| b) The year of Import  |  |
| c) Whether the technology has been fully absorbed  |  |
| d) If not fully absorbed, area where absorption has not taken place and the reasons thereof                                |  |

### C. Foreign Exchange - Earnings and Outgo

Particulars	Amount in MINR	
	As at March 31, 2019	As at March 31, 2018
Foreign Exchange Earnings	1,490.56	2,141.67
Foreign Exchange Outflow	3,457.89	3,914.41

## FORM NO. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31.03.2018

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

**I. Registration and other details:**

- i. CIN: L31900GJ2011PLC064420
- ii. Registration Date: March 12, 2011
- iii. Name of the Company: Schneider Electric Infrastructure Limited
- iv. Category / Sub-Category of the Company: Public Listed Company
- v. Address of the Registered Office and Contact details: Milestone 87, Vadodara, Halol Highway, Village Kotambi, Post office Jarod, Vadodara, Gujarat 391510, Tel. 02668-664300/664466, Fax: 02668 - 664621
- vi. Whether listed company: Yes
- vii. Name, Address and contact details of Registrar & Transfer Agents (RTA), if any: C.B. Management Services (P) Ltd. P-22, Bondel Road, Kolkata-700019, Tel. +91 33-40116700/2280, Email: rta@cbmsl.com, Contact Person: Mr. Subhabrata Biswas.

**II. Principal business activities of the company**

The Company is engaged in the business relating to product and systems for electricity distribution.

S.No	Product Particulars	NIC Code of the Product/service	% to total turnover of the company
1.	Switchgear and Ring Main Units Transformers Automation and others	2710	100%

**III. Particulars of holding, subsidiary and associate companies**

S.No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Energy Grid Automation Transformers and Switchgears India Private Limited	U65921DL2010PTC326077	Holding Company	70.57	2(46)

**IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)****(I) Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(A) Promoter										
1 Indian										
(a) Individuals/ HUF										
(b) Central Government										
(c) State Government(s)										
(d) Bodies Corporate	168735367	0	168735367	70.57	168735367	0	168735367	70.57	0.00	
(e) Bank/ Financial Institutions										
(f) Any other (specify)										
Sub Total(A)(1)	168735367	0	168735367	70.57	168735367	0	168735367	70.57	0.00	

Category of Shareholder	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2 Foreign</b>									
(a) NRIs-Individuals									
(b) Other-Individuals									
(c) Bodies Corporate	10592659	0	10592659	4.43	10592659	0	10592659	4.43	0.00
(d) Bank/ Financial Institutions									
(e) Any Other (specify)									
<b>Sub Total(A)(2)</b>	<b>10592659</b>	<b>0</b>	<b>10592659</b>	<b>4.43</b>	<b>10592659</b>	<b>0</b>	<b>10592659</b>	<b>4.43</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>179328026</b>	<b>0</b>	<b>179328026</b>	<b>75.00</b>	<b>179328026</b>	<b>0</b>	<b>179328026</b>	<b>75.00</b>	<b>0.00</b>
<b>(B) Public shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds	16233504	3500	16237004	6.79	19338540	3500	19342040	8.09	1.30
(b) Bank/ Financial Institutions	152867	8015	160882	0.07	107172	8015	115187	0.05	-0.02
(c) Central Govt									
(d) State Govt(s)	0	605	605	0.00	800	605	1405	0.00	0.00
(e) Venture Capital Funds									
(f) Insurance Companies	6627671	0	6627671	2.77	4680660	0	4680660	1.96	-0.81
(g) Foreign Institutional Investors (FII)/ Foreign Portfolio Investors (FPI)	507488	4450	511938	0.21	170650	4450	175100	0.07	-0.14
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
<b>Sub-Total (B)(1)</b>	<b>23521530</b>	<b>16570</b>	<b>23538100</b>	<b>9.84</b>	<b>24297822</b>	<b>16570</b>	<b>24314392</b>	<b>10.17</b>	<b>0.33</b>
<b>2 Non-institutions</b>									
(a) Bodies Corporate									
i) Indian	3985037	77125	4062162	1.70	3626265	76325	3702590	1.55	-0.15
ii) Overseas									
(b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs.1 lakh	21715518	3662695	25378213	10.61	21655617	3338316	24993933	10.45	-0.16
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	5497612	0	5497612	2.30	5416310	0	5416310	2.27	-0.03
(c) Others (specify)									
(c-i) NRI	1115704	89320	1205024	0.50	1111740	77320	1189060	0.50	0.00
(c-ii) Foreign National	250	405	655	0.00	250	405	655	0.00	0.00
(c-iii) Trust	23830	0	23830	0.01	23000	0	23000	0.01	0.00
(c-iv) Clearing Member	70413	0	70413	0.03	136069	0	136069	0.06	0.03
<b>Sub-Total (B)(2)</b>	<b>32408364</b>	<b>3829545</b>	<b>36237909</b>	<b>15.16</b>	<b>31969251</b>	<b>3492366</b>	<b>35461617</b>	<b>14.83</b>	<b>-0.33</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>55929894</b>	<b>3846115</b>	<b>59776009</b>	<b>25.00</b>	<b>56267073</b>	<b>3508936</b>	<b>59776009</b>	<b>25.00</b>	<b>0.00</b>
<b>TOTAL (A)+(B)</b>	<b>235257920</b>	<b>3846115</b>	<b>239104035</b>	<b>100.00</b>	<b>235595099</b>	<b>3508936</b>	<b>239104035</b>	<b>100.00</b>	<b>0.00</b>
<b>(C) Shares held by Custodians for GDRs &amp; ADRs</b>									
<b>Sub-Total (C)</b>									
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>235257920</b>	<b>3846115</b>	<b>239104035</b>	<b>100.00</b>	<b>235595099</b>	<b>3508936</b>	<b>239104035</b>	<b>100.00</b>	<b>0.00</b>

## Annexure III Continued

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			
		No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Energy Grid Automation Transformers and Switchgears India Private Limited	168735367	70.57	0.00	168735367	70.57	0.00	0.00
2	Schneider Electric Singapore PTE Ltd.	10592659	4.43	0.00	10592659	4.43	0.00	0.00
	<b>Total</b>	<b>179328026</b>	<b>75.00</b>	<b>0.00</b>	<b>179328026</b>	<b>75.00</b>	<b>0.00</b>	<b>0.00</b>

## (iii) Change in Promoter's Shareholding (please specify if there is no change)

S. No.	Folio No.	Name	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
					No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	IN30014210717156	Energy Grid Automation Transformers and Switchgears India Private Limited	At the beginning of the year	01-04-18	168735367	70.57	168735367	70.57
			At the end of the year	31-03-19			168735367	70.57
2	IN30263810065687	Schneider Electric Singapore PTE Ltd.	At the beginning of the year	01-04-18	10592659	4.43	10592659	4.43
			At the end of the year	31-03-19			10592659	4.43

Note : There is no change in Promoters' shareholding

## (iv) Shareholding Pattern of Top Ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRS)

S. No.	PAN No.	Name - For each of the Top 10 Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
					No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
1	AAATR0090B	Reliance Capital Trustee Co. Ltd. - A/c Through its various schemes	At the beginning of the year	01-04-18	16056604	6.72	16056604	6.72
			Increase	20-04-18	90000	0.04	16146604	6.75
			Increase	24-08-18	87915	0.04	16234519	6.79
			Increase	31-08-18	133100	0.06	16367619	6.85
			Increase	14-09-18	202964	0.08	16570583	6.93
			Increase	21-09-18	128216	0.05	16698799	6.98
			Increase	28-09-18	376000	0.16	17074799	7.14
			Increase	05-10-18	286805	0.12	17361604	7.26
			Increase	19-10-18	180000	0.08	17541604	7.34

S. No.	PAN No.	Name - For each of the Top 10 Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
					No.of Shares	% of total shares of the Company	No.of Shares	% of total shares of the Company
			Increase	02-11-18	162987	0.07	17704591	7.40
			Increase	16-11-18	107013	0.04	17811604	7.45
			Increase	23-11-18	340559	0.14	18152163	7.59
			Increase	30-11-18	49824	0.02	18201987	7.61
			Increase	07-12-18	239617	0.10	18441604	7.71
			Increase	14-12-18	90000	0.04	18531604	7.75
			Increase	15-02-19	93452	0.04	18625056	7.79
			Increase	22-02-19	38251	0.02	18663307	7.81
			Increase	01-03-19	28	0.00	18663335	7.81
			Increase	08-03-19	212599	0.09	18875934	7.89
			Increase	15-03-19	58050	0.02	18933984	7.92
			Increase	22-03-19	227620	0.10	19161604	8.01
			At the end of the year	31-03-19			19161604	8.01
2	AAACN4165C	The New India Assurance Company Limited	At the beginning of the year	01-04-18	3888019	1.63	3888019	1.63
			Decrease	01-06-18	93038	0.04	3794981	1.59
			Decrease	15-06-18	69964	0.03	3725017	1.56
			Decrease	21-09-18	170233	0.07	3554784	1.49
			Decrease	28-09-18	104994	0.04	3449790	1.44
			Decrease	05-10-18	176013	0.07	3273777	1.37
			Decrease	19-10-18	175440	0.07	3098337	1.30
			Decrease	02-11-18	100323	0.04	2998014	1.25
			Decrease	30-11-18	57006	0.02	2941008	1.23
			At the end of the year	31-03-19			2941008	1.23
3	AADPB5433H	Akash Bhanshali	At the beginning of the year	01-04-18	3637268	1.52	3637268	1.52
			At the end of the year	31-03-19			3637268	1.52
4	AAACG0615N	General Insurance Corporation of India	At the beginning of the year	01-04-18	1501000	0.63	1501000	0.63
			Decrease	03-08-18	200000	0.08	1301000	0.54
			Decrease	10-08-18	22908	0.01	1278092	0.53
			Decrease	02-11-18	71769	0.03	1206323	0.50
			Decrease	09-11-18	42578	0.02	1163745	0.49
			Decrease	16-11-18	230000	0.10	933745	0.39
			Decrease	23-11-18	155653	0.07	778092	0.33
			Decrease	14-12-18	70000	0.03	708092	0.30
			Decrease	21-12-18	207092	0.09	501000	0.21
			At the end of the year	31-03-19			501000	0.21

## Annexure III Continued

S. No.	PAN No.	Name - For each of the Top 10 Shareholders	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
					No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	AARFA5161F	Aadi Financial Advisors LLP	At the beginning of the year	01-04-18	1000000	0.42	1000000	0.42
			At the end of the year	31-03-19			1000000	0.42
6	AAACT0627R	The Oriental Insurance Company Limited	At the beginning of the year	01-04-18	826950	0.35	826950	0.35
			At the end of the year	31-03-19			826950	0.35
7	AAACN9967E	National Insurance Company Ltd	At the beginning of the year	01-04-18	411702	0.17	411702	0.17
			At the end of the year	31-03-19			411702	0.17
8	AABPP9493K	Haresh Mulchand Poladia	At the beginning of the year	01-04-18	348100	0.15	348100	0.15
			At the end of the year	31-03-19			348100	0.15
9	AACHJ5352E	Jagdish N Master	At the beginning of the year	01-04-18	333000	0.14	333000	0.14
			Increase	06-04-18	500	0.00	333500	0.14
			Decrease	04-05-18	8500	0.00	325000	0.14
			Increase	01-06-18	1000	0.00	326000	0.14
			Increase	08-06-18	1000	0.00	327000	0.14
			Increase	06-07-18	500	0.00	327500	0.14
			Increase	10-08-18	500	0.00	328000	0.14
			Increase	28-09-18	1000	0.00	329000	0.14
			Increase	05-10-18	500	0.00	329500	0.14
			Decrease	16-11-18	25500	0.01	304000	0.13
			Decrease	30-03-19	12000	0.01	292000	0.12
			At the end of the year	31-03-19			292000	0.12
10	AADPP9378H	Amal N Parikh	At the beginning of the year	01-04-18	296383	0.12	296383	0.12
			At the end of the year	31-03-19			296383	0.12

## (v) Shareholding Pattern of Directors and Key Managerial Personnel

S. No.	Name - For each of the Directors and KMP	Remarks	Shareholding/ Transaction Date	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company

None of the Directors and Key Managerial Personnel holds any equity shares at the beginning of the financial year 2018-19, nor acquired any equity shares during the financial year 2018-19.

**(vi) Indebtedness**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment** (All Figures in MINR)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	21.08	3,828.77	Nil	3,865.59
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	268.25	Nil	268.25
Total (i+ii+iii)	21.08	4,097.02	Nil	4,133.84
<b>Change in Indebtedness during the financial year</b>				
• Addition	18.59	605.04	Nil	633.80
• Reduction	(6.95)	(175.26)	Nil	(191.78)
Net Change	11.64	429.78	Nil	442.02
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	32.72	4,210.55	Nil	4,259.61
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	316.24	Nil	316.24
Total (i+ii+iii)	32.72	4,526.79	Nil	4,575.85

**(vii) Remuneration of Directors and Key Managerial Personnel**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:** (All Figures in INR)

S. No.	Particulars of Remuneration	Bruno Bernard Dercle (from August 01, 2018)	Vivek Sarwate	Prakash Kumar Chandraker (till July 31, 2018)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,21,30,377	88,76,208	1,64,60,027
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	20,40,555	16,81,856	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others specify			
	- others, specify...			
5.	Shares based payments recognized under IND AS	-	-	-
	Total (A)	1,41,70,932	1,05,58,064	1,64,60,027
	Ceiling as per the Act	In terms of the provisions of the Act and Schedule V, the appointments of the managerial personnel are made in professional capacity.		

## Annexure III Continued

### B. Remuneration to other directors:

(All Figures in INR)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	<b>A. Independent Directors</b>	<b>Vinod Kumar Dhall</b>	<b>VS Vasudevan</b>	<b>Ranjan Pant</b>	
	Fee for attending Board and Committee meetings	9,20,000	7,60,000	7,20,000	24,00,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (A)	9,20,000	7,60,000	7,20,000	24,00,000
2.	<b>B. Other Non-Executive Directors</b>				
	Fee for attending Board and Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (B)	-	-	-	-
3.	<b>Total (C)=(A+B)</b>	<b>9,20,000</b>	<b>7,60,000</b>	<b>7,20,000</b>	<b>24,00,000</b>
4.	<b>Total Managerial Remuneration</b>				<b>4,11,89,023</b>
5.	Overall Ceiling as per the Act	The total managerial remuneration paid during the financial year 2018-19 was in terms of the provisions of Schedule V of the Act.			

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTG

(Amount in INR)

S. No.	Particulars of Remuneration	Anil Rustgi (till July 04, 2018)	Bhumika Sood (from July 27, 2018)	Arnab Roy
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	61,16,667	37,92,933	1,59,40,139
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	9,49,047
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify			
5	Others, please specify	-	-	-
	Total	61,16,667	37,92,933	1,68,89,186

(viii) Penalties/ Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT/	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers In Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**SECRETARIAL AUDIT REPORT FOR FINANCIAL YEAR 2018-19**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members  
**Schneider Electric Infrastructure Limited**  
 (CIN: L31900GJ2011PLC064420)  
 Milestone 87, Vadodara, Halol Highway,  
 Village Kotambi, Post Office Jarod,  
 Vadodara, Gujarat-391510

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Schneider Electric Infrastructure Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**We report that**

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules, regulations and standards and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; The Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018;
  - (d) \*The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

\* No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable.

The transactions with related parties were prior approved by the Audit Committee;

the amount of few transactions exceeded the approved limits, were ratified by the Audit Committee later on.

- (vi) The Company is engaged in the business of Manufacturing, Designing, Building and Servicing Technologically Advanced Products and Systems for Electricity Distribution including products such as Distribution Transformers, Medium Voltage Switchgears, Medium and 1000 Voltage Protection Relays and Electricity Distribution & Automation Equipments and accordingly, following are the laws which are applicable specifically on the Company:

- Indian Boiler Act, 1923 and rules made there under;
- Environment (Protection) Act, 1986;
- Manufacture, Storage and Import of Hazardous Chemical Rules, 1989; and
- Hazardous Wastes (Management and Handling) Rules, 1989.

We have checked the compliance reporting system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance reporting system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

We further report that the Company took approval from its shareholders by way of Postal Ballot which was passed on March 22, 2019 for increasing the limit of transaction with Schneider Electric India Private Limited, a related party for maximum aggregate transactions of Rs. 500/- Cr. (Rupees Five Hundred Crore) in a financial year.

**For Sanjay Grover & Associates**  
Company Secretaries  
Firm Registration No. P2001DE052900

**Devesh Kumar Vasisht**  
Partner  
CP No.: 13700

Place: New Delhi  
Date: May 14, 2019

## Annual report on CSR activities of the Company

1. A brief outline of the Company's CSR Policy, objectives including overview of projects or programmes proposed to be undertaken and a reference to the web link to the CSR policy and project or programmes	<p>The Company's CSR Policy has been framed within the prescribed parameters under Schedule VII of the Companies Act, 2013 as per the following Vision and Objective:</p> <p>1. Vision:</p> <p>To be an active contributor in raising the country's human development index and fulfill the role of a Socially Responsible Corporate, being cognisant of environmental concerns.</p> <p>2. Objective:</p> <p>2.1. To align and integrate the Schneider Electric - CSR activities with the Schneider philosophy and make them outcome oriented.</p> <p>2.2. To sustain and continuously improve the quality of life and economic well being of the local populace.</p> <p>2.3. To create a brand image of Schneider in the society, a Company which is socially responsible.</p> <p>CSR activities proposed to be undertaken by the Company shall be in pursuance to Section 135 read with Schedule VII of the Companies Act, 2013.</p> <p>The policy is also posted on the Company's website at the weblink: <a href="https://infra.schneider-electric.co.in/supervision/images/policies/policiesYmdxzoUFKA.pdf">https://infra.schneider-electric.co.in/supervision/images/policies/policiesYmdxzoUFKA.pdf</a></p>
2. The Composition of the CSR Committee	<p>Mr. Bruno Bernard Dercle, Managing Director and CEO</p> <p>Mr. Ranjan Pant, Independent Director</p> <p>Mr. VS Vasudevan, Independent Director</p>
3. Average net profit of the Company for last three years (Amount in MINR)	-217.72
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (amount in Rs. Lakh)	Not required due to losses

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5. Details of CSR spent during the year

- 1) Amount to be spent for the year
- 2) Amount unspent, if any
- 3) Manner in which the amount spent during the financial year

The Company is not required to spend any budget towards the mandatory CSR spend under the CSR rule as per the Companies Act, 2013 since the Company has been at a loss, at an average, for last 3 financial years.

However, in the Financial Year 2018-19, Schneider as a group was actively involved in CSR activities. Schneider Electric India Foundation, the social impact arm of various SE Entities in India, trained 20778 unemployed youth as electricians and solar technicians. During the year 2018-19 the electrician training programme was introduced at 33 new centers taking the overall number of centers to around 300 across 26 states.

In our Rural Electrification Program we were able to impact to 12,704 families through our solar based lighting and water pumping interventions.

To sensitize the children, future leaders of tomorrow, one Energy and Environment Conservation we reached to over 13,000 students across 105 schools in 10 cities.

We provided 22 new scholarships to deserving students from financially challenged background and renewed 37 scholarships from previous batches.

Further, during the Kerala floods, last year, the group contributed 5,000 Earth Leakage Circuit Breakers which were requested by the State Electricity Board for the rehabilitation work, post the floods. We also contributed 200 portable solar lights and 35 Hybrid Invertor Package Systems to power the lighting requirement of various flood relief camps.

A fund collection drive was organized and group employees contributed INR 22 Lakhs for the CM's Kerala Flood Relief Fund and INR 8 Lakhs were contributed for Coorg Floods. Further, employees supported many NGO's by donating the disaster relief material like dry ration, clothes, medicines etc. Organization facilitated this drive by setting up the collection camps at various office and plant locations.

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## Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### A. Remuneration to Whole-Time Directors

Name of the Director	Designation	Remuneration in fiscal year 2018-19 (Rs)	Remuneration in fiscal year 2017-18 (Rs)	% increase of remuneration in fiscal year 2018-19 as compared to fiscal year 2017-18	Ratio of remuneration to Median Remuneration of Employees excluding WTDs i.e. Mr. Bruno Bernard Dercle and Mr. Vivek Sarwate	Ratio of remuneration to Median Remuneration of Employees including WTDs i.e. Mr. Bruno Bernard Dercle and Mr. Vivek Sarwate
Mr. Bruno Bernard Dercle*	Managing Director and Chief Executive Officer	1,41,70,932	NA	NA	22.79:1	22.81:1
Mr. Vivek Sarwate	Whole-Time Director	1,05,58,064	78,48,366	25.48	15.84:1	15.85:1

\*Remuneration for the part of the year

### B. Remuneration of other Key Managerial Personnel (KMP)

Name of the KMP	Designation	Remuneration in fiscal year 2018-19 (Rs)	Remuneration in fiscal year 2017-18 (Rs)	% increase of remuneration in fiscal year 2018-19 as compared to fiscal year 2017-18	Ratio of remuneration to Median Remuneration of Employees excluding KMPs i.e. Ms. Bhumika Sood and Mr. Arnab Roy	Ratio of remuneration to Median Remuneration of Employees including KMPs i.e. Ms. Bhumika Sood and Mr. Arnab Roy
Ms. Bhumika Sood*	Company Secretary	37,92,933	NA	NA	6.93:1	6.94:1
Mr. Arnab Roy	Chief Financial Officer	1,68,89,186	1,48,32,318	32.79	31.68:1	31.69:1

\*Remuneration for the part of the year

**C. The Median Remuneration of Employees (MRE) excluding Whole-Time Directors (WTDs) was Rs. 6,21,395 and Rs. 6,57,167 in fiscal 2018-19 and fiscal 2017-18 respectively. The increase in MRE (excluding WTDs) in fiscal year 2018-19, as compared to fiscal year 2017-18, is -5.44%**

**D. The MRE including WTDs was Rs. 6,21,796 and 7,49,360 in fiscal 2018-19 and fiscal 2017-18 respectively. The increase in MRE (including WTDs) in fiscal 2018-19, as compared to fiscal 2017-18, is -17.02%.**

### E. Top 10 employees in terms of remuneration drawn during the year 2018-19

Employee name	Designation	Remuneration in fiscal 2018-19 (Rs)	Qualification	Date of Commencement of employment	Age (Years)	Experience (Years)	Particulars of Last Employment	Nature of Employment (Contractual/ otherwise)	% of equity shares held
Mr. Arnab Roy	Director - Finance	1,68,89,186	B.Sc economics, MBA, CA	08 Mar 2017	45	21	G4S Security Systems (India) Pvt Ltd	Permanent	0
Mr. Bruno Bernard Dercle	Managing Director and Chief Executive Officer	1,41,70,932	Bachelor of Engineering - Radio Communication	01 Feb 1988	57	33	Schneider Electric, Dubai	Permanent	0
Mr. Vivek Sarwate	Whole-Time Director	1,05,58,064	BE Electrical Engineering	01 Feb 2008	44	23	Areva T&D Limited	Permanent	0
Mr. Saibal Choudhury	Director Sales - End User	1,05,51,205	BE (Electrical)	11 Oct 2006	49	26	Siemens	Permanent	0
Mr. Ponniah Sankarakumar	Director Marketing & Strategy	82,41,952	BE	01 Nov 2013	44	18	Alstom UK Ltd.	Permanent	0

Employee name	Designation	Remuneration in fiscal 2018-19 (Rs)	Qualification	Date of Commencement of employment	Age (Years)	Experience (Years)	Particulars of Last Employment	Nature of Employment (Contractual/ otherwise)	% of equity shares held
Mr. Stephane Lavigne	Global Execution of Projects Director	82,31,588	Master in Electrical Engineering	24 Jun 2002	47	19	Astom Transmission and Distribution	Permanent	0
Mr. PP Sreekanth	Director - Sales	74,61,062	B-Tech Electrical	03 Jul 1995	49	27	Areva T&D Limited	Permanent	0
Mr. Subbarao Guntupalli	Director - HUB & EAC	71,44,182	B.E	20 Aug 2004	55	30	Allport International Pvt Ltd	Permanent	0
Mr. Saurabh Mittal	GM-Taxation	66,49,116	Chartered Accountant	25 Aug 2014	38	16	KPMG	Permanent	0
Mr. Anil Sharma	Director Human Resource	61,79,296	Post Graduate Diploma in Personnel Management and Labour Welfare	01 Apr 2017	47	21	Philips Lighting India Ltd.	Permanent	0
<b>F. Employees drawing a remuneration of Rs. 1.02 crore or above per annum and posted in India</b>									
Mr. Arnab Roy	Chief Financial Officer	1,68,89,186	B.Sc economics, MBA, CA	08-Mar-17	44	20	G4S Security Systems (India) Pvt Ltd	Permanent	0
<b>G. Employed for part of the year with an average salary above Rs. 8.5 lakh per month posted in India</b>									
Mr. Prakash Kumar Chandraker	Managing Director & CEO	1,64,60,027	BE Electrical, IIM Bangalore, Business Management	12-Jan-96	57	32	Voltas Ltd	Permanent	0
Mr. Bruno Bernard Dercle	Managing Director and Chief Executive Officer	1,41,70,932	Bachelor of Engineering - Radio Communication	01-Feb-1988	57	33	Schneider Electric, Dubai	Permanent	0

#### H. Number of permanent employees on the rolls of the Company - 1317

##### Notes:

1. In accordance with the clarification given by the Ministry of Corporate Affairs, remuneration has been computed on the basis of actual expenditure incurred by the Company.
2. Remuneration includes salary, allowances, value of perquisites and Company's contribution to retirement Fund.
3. All appointments are contractual in nature.
4. None of the employee is relative of any Director of the Company.

Directors' Report

Report on  
Corporate Governance

Business  
Responsibility Report

Management Discussion  
and Analysis Report

Financial Statements

# Report on Corporate Governance

## Schneider's Philosophy on Code of Corporate Governance

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the report contains the details of Corporate Governance systems and processes at Schneider Electric Infrastructure Limited (SEIL or the Company).

Corporate Governance broadly refers to the mechanisms, processes and relations by which companies are controlled and directed. It is the framework of rules and practices by which the Board of Directors ensures accountability, fairness and transparency in a company's relationship with all its stakeholders (government, customers, management, employees, and society at large).

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over long-term. At SEIL, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. The Company is committed to provide in time, accurate and complete information as required, to all its stakeholders. The Company is committed to achieve and maintain the highest standards of Corporate Governance. Over the years, governance processes and systems have been strengthened within the Company and Corporate Governance has been an integral part of the way business is done.

The Company's guiding principles are enshrined in "Principles of Responsibility" document of Schneider Electric group which is also a tool in carrying out the Company's social responsibility in a more effective manner.

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact.

Schneider Electric reaffirms its commitment to respect and comply with the laws of and regulations in all the countries in which it works.

### Kotak Committee on Corporate Governance

The Securities and Exchange Board of India ('SEBI') accepted recommendations made by Kotak Committee on Corporate Governance and consequently, on May 9, 2018 the amended Listing Regulations were introduced.

Your Company welcomes this progressive step of SEBI and has already been in compliance with many of the recommendations made by the Kotak Committee as part of its Corporate Governance framework. The Company shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

### The main objectives that drive Corporate Governance in our Company are:

- Compliance of laws, rules and regulations.
- A sound system of internal control to mitigate risks associated with achievement of business objectives, both short term and long term.
- Adherence to ethical standards for effective management and eradication of corruption and mismanagement.
- Accuracy and transparency in disclosures regarding operations, performance, risk and financial status.
- A clear delineation of shareholders' rights.
- Timely and balanced disclosure of all material information to all the stakeholders.

## Our Principles of Responsibility

As a global company, Schneider Electric is convinced that its responsibility goes beyond compliance with local and international regulations and is committed to conduct its business ethically, sustainably and responsibly. Driven by Group values, the Responsibility & Ethics Dynamics programme forms the basis of common references and processes.

Our Principles of Responsibility synthesises the Group's common commitments to its employees, partners, shareholders, the planet and society. Our Principles of Responsibility do not claim to cover all ethical dilemmas, but rather serve as general guidelines to be adopted. They are complemented by global and local policies to

provide a precise response to the specific legal and local practices, as well as sector policies (purchasing, quality, environment, etc.).

Our Principles of Responsibility is prepared in compliance with the ten (10) principles of the Global Compact of the United Nations, the Universal Declaration of Human Rights and standards issued by the International Labor Organization and the Organization for Economic Cooperation and Development. As a result, they address the issues related to respect for human rights, working conditions, protection of the environment and the anti-corruption principles. Today, our Principles of Responsibility have been translated into 30 languages

and sent to all the Group employees. They are also accessible on the Group's official website and intranet.

The Responsibility & Ethics Dynamics programme is the subject of regular internal communication. The objective is to inform all the employees and remind the management teams of the priority actions that they must drive forward, depending on the risks to which they are exposed in their countries of operation.

The Group is proud to have been selected by The Ethisphere Institute for its 2018 World's Most Ethical

Companies index for the eight year running. Schneider Electric is one of just 124 international companies recognised for their commitment and approach to ethics. Performance is measured based on the existence and depth of governance, the Company's reputation and influence, the quality of actions to promote citizenship and societal responsibility, the culture and actions carried out to promote ethics.

## Anti-corruption

To promote and develop integrity in business activities, various anticorruption initiatives have been created or strengthened. The implementation of the Business Agent policy and the Gifts & Hospitality policy, created in 2015, continued throughout the year in the group.

## Board of Directors

The Board of Directors of the Company ("the Board") hold a fiduciary position to promote the success of the Company for the benefit of its members as a whole. They are entrusted to direct, monitor and guide the Management towards building of such goals and objectives that guarantees effectiveness and enhancement of shareholder value and fulfils their aspirations.

Your Company's Board combines a number of longer serving Directors with Directors who have joined the Board more recently. This combination provides the Board with a fresh perspective while ensuring there is continuity and experience from Directors.

The Board in conjunction with its Committees ensures transparency, responsibility and accountability with an aim to create long term sustainable growth.

In order to maintain independence of the Board, the Company has a judicious combination of Executive; Independent; and Non-Executive Director(s). As on March 31, 2019, the Board comprises of Eight (8)

directors including Two (2) Whole-Time Directors and Six (6) Non-Executive Directors of which Three (3) are Independent Directors. The Company has a Non-Executive Independent Chairman. The Company does not have any nominee Director.

During the year, the Board met 4 times on May 19, 2018, July 27, 2018, October 31, 2018 and February 13, 2019. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the Directors before the meeting or placed at the meeting, including the minimum information required to be made available to the Board as prescribed under Part A of Schedule II of sub regulation 7 of Regulation 17 of the Listing Regulations.

During the year, a separate meeting of the Independent Directors was held on February 13, 2019 without the attendance of Non-Independent Directors and members of the management. All Independent Directors attended the said meeting.

The Composition and Category of Directors, attendance of each Director at the Board Meetings and the last Annual General Meeting, along with details of other Directorships and Committee Membership/Chairmanship as at 31.03.2019, is tabulated hereunder:

Names of Directors	Category of Directorship	No. of Board Meetings attended			Whether attended last AGM held on September 14, 2018	Number of Directorship in other entities <sup>a</sup>		Name of the other listed Companies in which holding position of Director and category of Directorship	Number of Committee <sup>#</sup> positions held in other Public Companies	
		Held	Attended <sup>b</sup>	%		All	Listed		Member (including Chairmanship)	Chairman/ Chairperson
Vinod Kumar Dhall	Chairman - Non-Executive Independent Director	4	4	100	Yes	5	2	Advani Hotels and Resorts (India) Limited - Independent Director ICICI Securities Limited - Independent Director	3	1
Ranjan Pant	Non-Executive Independent Director	4	2	50	No	2	1	Morarjee Textiles Limited - Independent Director	2	2
VS Vasudevan	Non-Executive Independent Director	4	4	100	Yes	0	0	Nil	0	0
Anil Chaudhry	Non-Executive Director	4	4	100	Yes	0	0	Nil	0	0
Sugata Sircar	Non-Executive Director	4	4	100	Yes	1	0	Nil	2	0
Bidisha Nagaraj	Non-Executive Director	4	1 <sup>c</sup>	25	Yes	0	0	Nil	0	0
Bruno Bernard Dercle <sup>2</sup>	Managing Director & CEO	2	2	100	Yes	0	0	Nil	0	0
Vivek Sarwate	Whole Time Director	4	3	75	Yes	0	0	Nil	0	0
Prakash Kumar Chandraker <sup>3</sup>	Managing Director & CEO	2	2	100	NA	0	0	Nil	0	0

<sup>a</sup> Includes attendance through audio-visual means in terms of the Act and Rules made thereunder.

<sup>b</sup> Does not include Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

<sup>#</sup> Includes only Chairmanship/ Membership of the Audit Committee and Stakeholders' Relationship Committee

Notes: <sup>1</sup> In addition to Meetings attended, Ms. Bidisha participated in the meeting over the audio call on July 27, 2018 and October 31, 2018.

<sup>2</sup> Appointed as Additional Director and Managing Director and CEO with effect from August 1, 2018. Shareholders confirmed the appointment in their meeting held on September 14, 2018.

<sup>3</sup> Resigned as MD & CEO with effect from July 31, 2018

In addition to the Board Meetings, the Board approved five (5) matters through circulation.

At the 8<sup>th</sup> Annual General Meeting held on September 14, 2018, the shareholders approved the re-appointment of Mr. Vinod Dhall, Mr. Ranjan Pant and Mr. VS Vasudevan as Non-Executive Independent Director to hold office for another term of three (3) consecutive years effective immediately after expiry of their current term on May 21, 2019 i.e. from May 22, 2019 to May 21, 2022 by way of Special Resolution(s).

The Board of Directors in their meeting held on February 13, 2019 have appointed Ms. Geeta Mathur as a Non-Executive Independent Director w.e.f. April 1, 2019 for a period of continuous three (3) years, subject to approval of Shareholders in the 9<sup>th</sup> Annual General Meeting (AGM).

None of the Independent Directors have resigned before the expiry of their tenure.

None of the Independent and Non-Executive Directors held any equity shares of the Company during the financial year ended March 31, 2019. None of the Directors had any relationships inter-se.

## BOARD FAMILIARISATION

For any organisation it is of utmost importance to set a suitable induction programme for new Directors and ongoing training and orientation for existing Directors as it acts as a major contributor for maintaining high Corporate Governance Standards.

The Company has formulated a familiarisation programme for Independent and Non-Executive Directors. The programme aims at adopting a structured programme for orientation and training of Independent & Non-Executive Directors at the time of their joining so as to enable them to understand the nature of industry in which the Company operates and business model of the Company by imparting suitable training sessions. The programme also aims at updating the Directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decisions. The familiarisation programme for Directors is available on the website of the Company (web link: <https://infra.schneider-electric.co.in/supervision/images/policies/policiesuFwYldN27L.pdf>).

### Matrix setting out the skills/ expertise/ competence of the Board

The following skill areas and related descriptions have been identified by the Board. The matrix reflects the core competencies of the Individual Directors

Skill Area	Board of Directors as on March 31, 2019							
	Vinod Kumar Dhall	Ranjan Pant	VS Vasudevan	Anil Chaudhry	Sugata Sircar	Bidisha Nagaraj	Vivek Sarwate	Bruno Bernard Dercle
<b>Part A - Collective Skills</b>								
Strategy and planning	✓	✓	✓	✓	✓	✓	✓	✓
Industry Knowledge	-	✓	-	✓	-	✓	✓	✓
Regulatory, legal Governance, Risk and Compliance	✓	-	✓	✓*	✓	-	-	-
Financial Performance	✓	✓	✓	✓	✓	-	✓	✓
Government Relations (policy & process)	✓	-	-	✓	-	-	-	-
Marketing & Communications	-	✓	-	✓	-	✓	✓	✓
Member and stakeholder engagement	✓	✓	✓	✓	-	✓	✓	✓
Technology and Digitization perspective	-	✓	-	✓	✓	✓	-	✓
<b>Part B - Personal Attributes</b>								
Integrity (ethics)	✓	✓	✓	✓	✓	✓	✓	✓
Constructive Questioner	✓	✓	✓	✓	✓	✓	✓	✓
Critical and innovative thinker	✓	✓	✓	✓	✓	✓	✓	✓

\*Competency is more for Risk & Compliance. Dependence on experts for Legal and Regulatory Governance.

#### Confirmation

On the basis of declaration received from the Independent Directors, the Board confirms that in their opinion the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management.

#### Code of business conduct and ethics - Principle of Responsibility

The Company has in place a comprehensive Code of Conduct - Principle of Responsibility ('POR') applicable to the Board Members, Senior Management and Employees of the Company.

The POR provides guidance and support required for conducting the business ethically and in the ambit of law. The Code is circulated to all members of the Board and Senior Management and affirmations have been taken for compliance with the POR. A declaration signed by the Chief Executive Officer (CEO) to this effect is attached as Annexure A to this Report.

#### Certification

The certificate required under Regulation 17(8) of the Listing Regulations duly signed by the Chief Executive Officer and Chief Financial Officer was placed before the Board and the same is provided as Annexure B to this report.

## Board Committees

The Committees of Board are constituted to focus on specific and distinct areas/activities which benefit the Company in making informed decisions. The Board Committees are created formally with the approval of the Board and each Committee is directed and guided by its Charter defining its purpose, scope, responsibilities, authorities etc. The Chairman of the respective Committees apprises the Board briefly on the discussions and decisions taken in the Committee

Meetings. The proceedings of all Committee Meetings are circulated to the members of the Committee and the minutes of the meetings of all the Committees are placed before the Board for its review and noting.

As on March 31, 2019 the Company comprises of six (6) Committees. Ms. Bhumika Sood, Company Secretary and Compliance Officer of the Company acts as the Secretary of the Committees.

The constitution of the Committees is as detailed below:

<b>Audit Committee</b> <ul style="list-style-type: none"> <li>Vinod Kumar Dhall, Independent Director (Chairperson)</li> <li>Ranjan Pant, Independent Director</li> <li>VS Vasudevan, Independent Director</li> <li>Sugata Sircar, Non-executive Director</li> </ul>	<b>Nomination and Remuneration Committee</b> <ul style="list-style-type: none"> <li>VS Vasudevan, Independent Director (Chairperson)</li> <li>Ranjan Pant, Independent Director</li> <li>Vinod Kumar Dhall, Independent Director</li> <li>Anil Chaudhry, Non-executive Director</li> </ul>
<b>Stakeholders Relationship Committee</b> <ul style="list-style-type: none"> <li>VS Vasudevan, Independent Director (Chairperson)</li> <li>Ranjan Pant, Independent Director</li> <li>Bruno Bernard Dercle, Managing Director and Chief Executive Officer<sup>1</sup></li> <li>Prakash Kumar Chandraker, Managing Director and Chief Executive Officer<sup>1</sup></li> </ul>	<b>Corporate Social Responsibility Committee</b> <ul style="list-style-type: none"> <li>Anil Chaudhry, Non-executive Director</li> <li>Sugata Sircar, Non-executive Director</li> <li>Bruno Bernard Dercle, Managing Director and Chief Executive Officer<sup>1</sup></li> <li>Prakash Kumar Chandraker, Managing Director and Chief Executive Officer<sup>1</sup></li> </ul>
<b>Risk Management Committee</b> <ul style="list-style-type: none"> <li>VS Vasudevan, Independent Director</li> <li>Ranjan Pant, Independent Director</li> <li>Bruno Bernard Dercle, Managing Director and Chief Executive Officer<sup>1</sup></li> <li>Prakash Kumar Chandraker, Managing Director and Chief Executive Officer<sup>1</sup></li> </ul>	<b>Finance and Banking Committee</b> <ul style="list-style-type: none"> <li>Anil Chaudhry, Non-executive Director</li> <li>Sugata Sircar, Non-executive Director</li> <li>Bruno Bernard Dercle, Managing Director and Chief Executive Officer<sup>1</sup></li> <li>Prakash Kumar Chandraker, Managing Director and Chief Executive Officer<sup>1</sup></li> </ul>

<sup>1</sup> Mr. Prakash Kumar Chandraker ceased to be a member of Stakeholders' Relationship Committee; Corporate Social Responsibility Committee; Risk Management Committee; and Finance and Banking Committee w.e.f. July 31, 2018. Mr. Bruno Bernard Dercle is appointed as the member of all these Committees w.e.f. August 1, 2018.

## Audit Committee

The role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013 (the Act) and Regulation 18 of the Listing Regulations, besides other terms as referred by the Board of Directors.

### Role of the committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management and examination of the, annual financial statements and auditor's report thereon, before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of section 134 of the Act
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with the listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertaking or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors on any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the Audit Commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

The composition of the Committee is in compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. As on March 31, 2019, the Audit Committee of the Board comprises of four (4) Non-Executive Directors, three (3) of whom are Independent. The Chairperson of the Audit Committee is a Non-Executive Independent Director. All the members of the Audit Committee are financially literate.

The CEO, CFO and the Statutory Auditors regularly attend the meeting of the Audit Committee as permanent invitees. The Audit Committee invites such of the executives, as it considers appropriate, to brief the Audit Committee on important matters.

The Committee met 4 times during the financial year i.e. on May 19, 2018, July 27, 2018, October 31, 2018 and February 13, 2019. The attendance of the Members at the meetings is as follows:

Members	No. of meetings held during the tenure	No. of meetings attended <sup>§</sup>	% of attendance
Vinod Kumar Dhall	4	4	100
Ranjan Pant	4	2 <sup>1</sup>	50
VS Vasudevan	4	4	100
Sugata Sircar	4	4	100

**Notes:**
<sup>§</sup>Includes attendance through audio-visual means in terms of the Act and Rules made thereunder.

<sup>1</sup>In addition to Meetings attended, Mr. Ranjan Pant participated in one meeting over the audio call on May 19, 2018.

In addition to the Audit Committee Meetings, the Committee approved five (5) matters through circulation.

## Nomination and Remuneration Committee

The role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Act, and Regulation 19 of the Listing Regulations, besides other terms as referred by the Board of Directors.

**Role of the Committee**

Nomination and Remuneration Committee is broadly entrusted with the following responsibilities:

1. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
2. Providing assurance that the Board has the effective composition and size to adequately discharge its responsibilities and duties and devising a policy on diversity of Board of Directors;
3. Ensuring that an evaluation of the performance of the Board is performed;
4. To recommend and review the remuneration policies and remuneration of Directors based on their performance and defined assessment criteria;
5. To consider and evaluate whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance

evaluation of Independent Directors;

6. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
7. To oversee and monitor the terms and conditions of the Employees' Stock Option Scheme; if any,
8. Making recommendations to the Board on the appointment and retirement of directors and ensuring that there is an appropriate induction programme in place for new directors;
9. Carry out any other function as directed by the Board and/or mandated by any statutory authority through any notification, amendment or modification from time to time.

The composition of the Committee is in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. As on March 31, 2019, the Nomination and Remuneration Committee of the Board comprises of four (4) Non-Executive Directors, three (3) of whom are Independent. The Chairperson of the Nomination and Remuneration Committee is a Non-Executive Independent Director.

During the Financial Year 2018-19, the Committee met three (3) times i.e. on May 19, 2018, July 27, 2018 and February 13, 2019. The attendance of the Members at the meetings was as follows:

Members	No. of meetings held during the tenure	No. of meetings attended <sup>§</sup>	% of attendance
VS Vasudevan	3	3	100
Anil Chaudhry	3	3	100
Ranjan Pant	3	2 <sup>1</sup>	66.67
Vinod Kumar Dhall	3	3	100

**Notes:**
<sup>§</sup>Includes attendance through audio-visual means in terms of the Act and Rules made thereunder.

<sup>1</sup>In addition to Meetings attended, Mr. Ranjan Pant participated in one meeting over the phone on May 19, 2018.

### Performance Evaluation

The Nomination and Remuneration Committee (NRC) has laid down the criteria for performance evaluation of Independent Directors and other Directors, Board as a whole and the Committees thereof. The criteria for performance evaluation cover the areas relevant to their functioning as Directors, Member of the Board and Committees of the Board.

The NRC has evaluated the performance of each Director for the Financial Year ended March 31, 2019. The evaluation of the performance of each Director was based on level of participation in meetings, understanding the roles and responsibilities, understanding the strategic issues and challenges in the Company.

The Broad parameters for reviewing the performance of the Independent Directors amongst other include participation at the Board/Committee meetings, understanding their roles and responsibilities and business of the Company, effectiveness of their contribution/ commitment, effective management of relationship with stakeholders, integrity and maintaining of confidentiality, exercise of independent judgment in the best interest of the Company, ability to contribute to and monitor corporate governance practice, adherence

to the code of conduct for Independent Directors, bringing independent judgement during Board deliberations on strategy, performance, risk management etc.

The NRC at its meeting also discussed the performance of the Non-Executive Directors including the Chairman of the Board. Based on the above broad parameters, the effectiveness of the Board and its Committees was found satisfactory.

The performance evaluation of Independent Directors was done by the entire Board of Directors excluding Independent Director being evaluated.

The evaluation of the Performance of Board was based on Board composition, experience and competencies, understanding of business and competitive environment, quality of discussions at the Board Meetings, time spent by the Board on the Company's long-term goals and strategies.

The results of the evaluation were shared with the NRC and the Board in their meeting held on May 22, 2019. The survey results demonstrated strong confidence in the leadership of the Board.

### Remuneration of Directors

None of the Non-Executive Non-Independent Directors are paid any fee or Commission. The Independent Directors receive Sitting Fee for participation in the Board meetings and meetings of the Board level Committees i.e. Audit, Stakeholders Relationship, Nomination and Remuneration, Corporate Social Responsibility and Risk Management Committee.

The appointment letter covering the terms and conditions of appointment of Non-Executive Independent Directors is available on the website of the Company.

The details of remuneration paid/ payable to the Directors during 2018-19 are as follows:

(Amount in Rs.)

Name of the Director	Sitting Fees	Salaries and Allowances	Commission and STIP <sup>1</sup>	Total
Vinod Dhall	9,20,000	-	-	9,20,000
Ranjan Pant	7,20,000	-	-	7,20,000
VS Vasudevan	7,60,000	-	-	7,60,000
Bruno Bernard Dercle <sup>2</sup>	NA	12,130,377	-	12,130,377
Vivek Sarwate <sup>3</sup>	NA	6,537,051	2,339,157	88,76,208
Prakash Chandraker <sup>4</sup>	NA	10,583,625	5,876,382	16,460,027

<sup>1</sup>The Short Term Incentive under the Short-Term Incentive Plan (STIP) to Executive Directors for FY 2017-18 is paid during FY 2018-19.

<sup>2</sup>For the period from August 1, 2018 till March 31, 2019;

<sup>3</sup>In addition, Long-Term Incentive Plan under the free share plan of the Ultimate Holding Company (SE France) are granted to certain senior management employees, which are vested over a period of 3 or 4 years as per the respective plans. During the FY 2018-19, Mr. Sarwate has exercised options aggregating to a value of Rs. 54.73 lacs.

<sup>4</sup>For the period from April 1, 2018 till July 31, 2018.

The Company does not have any stock option scheme. The Company participates in the Worldwide Employee Share Ownership Plan (WESOP) Scheme of ultimate holding company, Schneider Electric SE, France.

## Stakeholders Relationship Committee

The Stakeholders Relationship Committee specifically looks into redressal of complaints/ grievances of Shareholders and Investors, pertaining to transfer/ transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The Committee oversees and reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for Prevention of Insider Trading in our Company's securities. The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of the Act and Regulation 20 of the Listing Regulations.

As on March 31, 2019, the Stakeholders' Relationship Committee of the Board comprises of three (3) Directors, out of which two (2) are Independent and one (1) is an executive director. The Chairman of the Stakeholders' Relationship Committee is Mr. VS Vasudevan, Non-executive Independent Director of the Company. The Committee met once during the financial year 2018-19 i.e. on February 13, 2019. All members except Mr. VS Vasudevan attended the meeting in person.

In addition to the Stakeholders' Relationship Committee Meeting, the Committee approved three (3) matters through circulation for approving issuance of duplicate share certificates.

### Compliance officer

Subsequent to the resignation of Mr. Anil Rustgi, the then Company Secretary and Compliance Officer, w.e.f. July 4, 2018; the Board of Directors appointed Ms. Bhumika Sood as the Compliance Officer and Company Secretary of the Company w.e.f. July 27, 2018 for complying with the requirements of the Listing Regulations and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 2015.

### Investor complaints

The status of complaints is reported to the Board on quarterly basis. During FY 2018-19, the investor complaints received by the Company were general in nature, which were resolved to the satisfaction of the shareholders. Details of investors' complaints from April 1, 2018 till March 31, 2019 is as under:

Nature of complaints /letters and correspondence	Received	Replied	Closing Balance
Non-receipt of Shares after Transmission	2	2	0
Non-receipt of Annual Report and Dividend	3	3	0
Conversion into Remat & Demat /Split	2	2	0
Communication to be in physical mode	1	1	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>0</b>

## Risk Management Committee

In compliance of Regulation 21 of Listing Regulations, the Board of Directors had constituted a Risk Management Committee.

### Role of the Committee:

1. Ensure compliance with the Risk Management Policy.
2. Review adequacy and effectiveness of Business Risk Management.
3. Review the organization wide risk portfolio and consider it against the risk appetite.
4. Define the risk appetite for the Company, advice business units/support functions on risk initiatives.
5. Review and approve changes in the risk appetite of the Company.
6. Suggest improvements to risk management techniques and lift management awareness.

7. Provide quarterly updates to Board through the A&EC on the current risk management procedures and status of key risks.

8. Monitor emerging issues and best practices.

9. Monitor Business Risk Reporting.

10. Ensure communication of Policies and standards to successive levels of Management.

11. Consideration of any other item which may be delegated in this regard by the Board of Directors.

As on March 31, 2019, the Risk Management Committee of the Board comprises of three (3) Directors, out of which two (2) are Independent and one (1) is an executive director. There is no appointed chairman for the Risk Management Committee. The Committee met once during the financial year 2018-19 i.e. on February 13, 2019. All members except Mr. VS Vasudevan attended the meeting in person.

## Corporate Social Responsibility Committee

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred by the Board of Directors and discharges the roles as prescribed under Section 135 of the Act which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII of the Act; the amount of expenditure to be incurred and monitoring the CSR Policy of the Company.

As on March 31, 2019, the Corporate Social Responsibility Committee of the Board comprises of three (3) Directors, out of which two (2) are Independent and one (1) is an executive director. There is no appointed chairman for the Corporate Social Responsibility Committee. The Committee met once during the financial year 2018-19 i.e. on February 13, 2019. All members except Mr. VS Vasudevan attended the meeting in person.

## Finance and Banking Committee

To facilitate seamless operations and cater to various day-to-day requirements, the Company has formed a functional Committee known as the Finance and Banking Committee. The Committee meets as and when deem necessary to cater to the day to day requirements of the Company. The Committee comprises three (3) Directors

including two (2) Non-Executive Non-Independent Directors. The Committee met two (2) times during the FY 2018-19.

The Committee operates within the overall responsibilities and powers entrusted upon the Committee by the Board.

## General Body Meetings

### Annual General Meetings

Location, date and time of the AGMs held during the preceding 3 years are as under:

Day, Date & Time	Location	Particulars of Special Resolution
September 23, 2016 11:00 A.M	The Gateway Hotels Vadodara, Akota Garden, Akota, Vadodara - 390020, Gujarat	<ol style="list-style-type: none"> <li>1. To appoint Mr. Vivek Sarwate as the Whole Time Director and the Key Managerial Personnel and approve his remuneration</li> <li>2. To approve participation of Employees in the Worldwide Employee Share Ownership Plan (WESOP) Scheme of the Ultimate Holding Company, Schneider Electric SE, France and to ratify the financial assistance provided by the Company under the Scheme for 2015-16.</li> </ol>
September 22, 2017 11:00 A.M	The Gateway Hotels Vadodara, Akota Garden, Akota, Vadodara - 390020, Gujarat	<ol style="list-style-type: none"> <li>1. To approve alteration in the Memorandum of Association of the Company as per Companies Act, 2013</li> <li>2. To approve alteration in the Articles of Association of the Company as per the Companies Act, 2013</li> <li>3. To approve Material Related Party transaction(s) limit of the Company.</li> <li>4. To approve participation of Employees of your Company in the Worldwide Employee Share Ownership Plan (WESOP) Scheme of the Ultimate Holding Company, Schneider Electric SE, France and to ratify the financial assistance provided by the Company under the Scheme for 2016-17.</li> </ol>

Day, Date & Time	Location	Particulars of Special Resolution
September 14, 2018 11:00 A.M	Four Point Sheraton, 1275, Ward No.7, Fateh Gunj, Vadodara, Gujarat - 390002	<ol style="list-style-type: none"> <li>1. Re-Appointment of Mr. Vivek Sarwate (DIN: 07424152) as Whole-Time Director in Professional Capacity</li> <li>2. Re-Appointment of Mr. Prakash Kumar Chandraker (DIN: 05150366) as Managing Director and Chief Executive Officer in Professional Capacity.</li> <li>3. Appointment of Mr. Bruno Bernard Dercle (DIN: 08185909) as Managing Director and Chief Executive Officer (CEO) of the Company in Professional Capacity</li> <li>4. Re-Appointment of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director for a second and final term of Three (3) years effective from May 22, 2019 till May 21, 2022 and continuation of Directorship after attainment of 75 years of age</li> <li>5. Re-Appointment of Mr. Ranjan Pant (DIN: 00005410) as an Independent Director for a second and final term of Three (3) years effective from May 22, 2019 till May 21, 2022</li> <li>6. Re-Appointment of Mr. VS Vasudevan (DIN: 00130205) as an Independent Director for a second and final term of Three (3) years effective from May 22, 2019 till May 21, 2022</li> <li>7. Participation in the Worldwide Employee Share Ownership Plan (WESOP) Scheme.</li> </ol>

#### Postal ballot

During the year, pursuant to the provisions of Section 110 of the Act, read with the Companies (Management and Administration) Rules, 2014, the Company approached the shareholders through Postal Ballot. An Ordinary resolution for approval of Material Related Party Transaction with Schneider Electric India Private Limited was put to vote through Postal ballot. The Notice of the postal ballot was mailed to all shareholders along with the postage prepaid envelopes. E-voting facility was also offered to eligible shareholders to enable them to cast their votes electronically. The voting results were declared on March 25, 2019 in compliance with Regulation 44 of the Listing Regulations.

The resolution was passed with 99.77% of the votes casted in favour of the resolution.

Ms. Bhumika Sood, Company Secretary and Compliance Officer was authorised by the Board of Directors to conduct the postal ballot exercise. Mohd. Nazim Khan was appointed as the Scrutinizer.

#### Proposal for postal ballot

None of the businesses that are proposed to be transacted at the forthcoming Annual General Meeting require passing a resolution through Postal Ballot. Further, there is no immediate proposal for passing any resolution through Postal Ballot.

## Means of communication

#### Quarterly results:

The quarterly/ half-yearly/ annual results along with the audit/ limited review report, is filed with the stock exchanges immediately after the approval of the Board;

#### Newspaper publication:

The results are published in at least one Prominent national and one regional newspaper having wide circulation viz. Financial Express (English and Gujarati).

#### Website:

The Financial Results are displayed on the Company's website at <https://infra.schneider-electric.co.in/>

#### Presentations made to the institutional investors:

The schedule of analyst/ investor calls post the declaration of results, and the presentation of the same are filed with stock exchanges and simultaneously uploaded on the website of the Company.

#### Annual report:

The Company sends the soft copy of the Annual Report to those shareholders whose email ids are registered with the Company. The physical copy of the annual report is sent to all shareholders whose email ids are not registered with the Company/ RTA/ or their Depository Participants.

## General shareholders' information

### Annual General Meeting For FY 2018-19

Date	: September 12, 2019
Day	: Thursday
Time	: 11:00 a.m. [IST]
Venue	: Taj Vivanta, Akota Garden, Akota, Vadodara 390020, Gujarat, India

### Financial Year

The Financial year of the Company commences on April 01 of each year and ends on March 31 of subsequent year. The Board of Directors approved the quarterly financials for each quarter on following dates:

First Quarter Results	: July 27, 2018
Second Quarter and Half Yearly Results	: October 31, 2018
Third Quarter and Nine Months Results	: February 13, 2019
Fourth Quarter and year end Results	: May 22, 2019

The tentative dates of meeting of the Board to consider and approve the quarterly financial results for FY 2018-19 are as follows:

First Quarter Results	: Second week of August, 2019
Second Quarter and Half Yearly Results	: Second week of November 2019
Third Quarter and Nine Months Results	: Second week of February 2020
Fourth Quarter and year end Results	: Fourth week of May 2020

### Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 6, 2019 to Thursday, September 12, 2019 (both days inclusive).

<b>Dividend Payment Date</b>	: Not Applicable
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### Listing on Stock Exchanges

Name & Address	Script Symbol/Code
<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051	SCHNEIDER
<b>The BSE Limited (BSE)</b> Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023.:	534139

The Company has paid annual listing fees as applicable to the BSE Limited and National Stock Exchange of India Limited within stipulated time.

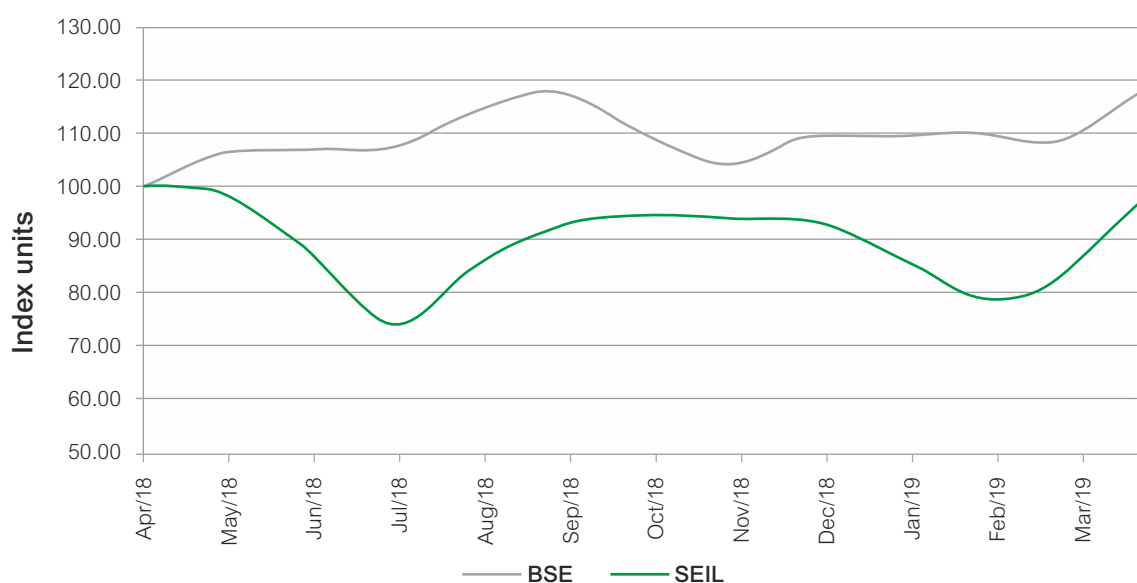
The ISIN of Schneider Electric Infrastructure Limited on both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is INE 839M0108

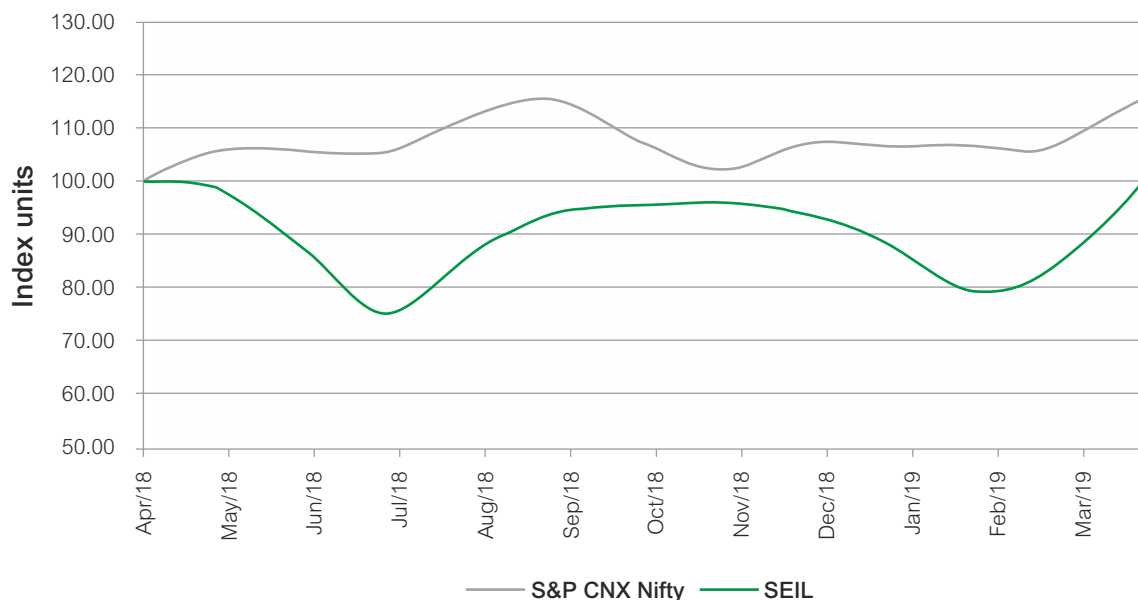
## Market price data

High, Low (based on the closing prices) during each month of FY 2018-19 on BSE, NSE, BSE Sensex and S&P CNX Nifty are given below:

	BSE		BSE Sensex		NSE		S&P CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
April 2018	123.35	112.00	35213.30	32972.56	123.30	111.50	10759	10111.30
May 2018	134.80	99.00	35,993.53	34,302.89	133.85	99.70	10929.20	10417.80
June 2018	105.05	84.50	35,877.41	34,784.68	105	84.70	10893.25	10550.90
July 2018	106.80	81.80	37,644.59	35,106.57	106.10	81.15	11366	10604.65
August 2018	112.95	92.30	38,989.65	37,128.99	113	91	11760.20	11234.95
September 2018	128.00	101.35	38,934.35	35,985.63	128	101.30	11751.80	10850.30
October 2018	119.30	99.10	36,616.64	33,291.58	119.40	98.80	11035.65	10004.55
November 2018	121	100.95	36,389.22	34,303.38	121	100.15	10922.45	10341.90
December 2018	112.45	98.80	36,554.99	34,426.29	112.75	98.65	10985.15	10333.85
January 2019	103.95	87.40	36,701.03	35,375.51	103.80	87.95	10987.45	10583.65
February 2019	97.15	81.430	37,172.18	35,287.16	97.80	81	11118.10	10585.65
March 2019	117.50	96.10	38,748.54	35,926.94	122.45	95.95	11630.35	10817.00

Source: Web-sites of BSE and NSE





## Registrar and share transfer agent

### Share Transfer System

Requests for Transfer/ Transmission of shares held in physical form can be lodged with the CB Management Services (P) Limited (RTA). To expedite the share transfer process, Company Secretary and the RTA have been severally authorised to approve share transfers and transmissions, and the same is generally processed within 15 days of receipt of clear and valid documents.

The Company's Registrars, CB Management Services (P) Limited have adequate infrastructure to serve the shareholders and process the share transfers.

Pursuant to Regulation 40(9) of Listing Regulations, a certificate on half yearly basis, was issued by the

Company Secretary in practice confirming due compliance of share transfer formalities by the Company.

Audits were also carried out by the practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued/ paid up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

## Shareholding pattern as on March 31, 2019

Sl. No.	Category	No. of Equity Shares held	Percentage %
1	<b>Promoter Holding</b>		
	Indian Promoter	168735367	70.57
	Foreign Promoter	10592659	4.43
2	<b>Public Holding</b>		
	Insurance Companies	4680660	1.96
	Financial Institutions and Banks	115187	0.05
	Mutual Funds	19342040	8.09
	Foreign Portfolio Investors	175100	0.07
	Corporate Bodies	3702590	1.55
	Non-resident Indians, Overseas Corporate Bodies and Foreign Nationals	1189715	0.50
	Directors and their Relatives	--	--
	General Public	30410243	12.72
	Clearing Member	136069	0.05
	Others-Trust	23000	0.01
	Others-State Government	1405	0.00
	<b>Total</b>	<b>239104035</b>	<b>100.00</b>

## Distribution of shareholding

Category	No. of Shareholders	Percentage %	No. of Shares	Percentage %
1 –500	43908	82.62	6242676	2.61
501 -1000	4336	8.16	3489667	1.46
1001 -2000	2370	4.46	3615316	1.51
2001 -3000	902	1.70	2324950	0.97
3001 -4000	477	0.90	1740457	0.73
4001 -5000	323	0.60	1529830	0.64
5001 -10000	514	0.97	3743836	1.56
10001 -50000	277	0.52	5204754	2.18
50001 -100000	16	0.03	1235566	0.52
100001 -and above	23	0.04	209976983	87.82
<b>Total</b>	<b>53146</b>	<b>100.00</b>	<b>239104035</b>	<b>100.00</b>

## Dematerialization of shares and liquidity

The Company's scrip forms part of the compulsory demat segment for all investor's effective March 20, 2012 and shares are compulsorily traded in dematerialised form on the stock exchanges. To facilitate the investors in having an easy access to the Demat System, the Company has signed up with both the Depositories viz. NSDL and CDSL. The connectivity has been established

through the Company's Registrars, CB Management Services (P) Limited.

As at March 31, 2019 a total of 235595099 Equity Shares of the Company, constituting 98.53 % of the paid-up share capital stands dematerialized.

## Outstanding ADRS/ GDRS/ Warrants or any convertible instruments, conversion date and likely impact on equity

Not applicable

## Commodity price risk or foreign exchange risk and hedging activities

The Company is affected by the price volatility of certain commodities. Its operating activities require manufacturing, designing, building and servicing technologically advanced products and systems for electricity distribution including products such as distribution transformers, medium voltage switchgears, medium and low voltage protection relays and electricity distribution and automation equipment. It therefore require a continuous supply of copper and Aluminium being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper and aluminium, the Company has entered into various purchase contracts for these material for which there is an active market. The Company maintain the level of these stock as per the requirement of business and market which are discussed by the management on regular basis. Company operates in the way that saving /

impact due to change in commodity prices are pass on to the customer and therefore impact on profit due to change in price of commodity is unascertainable.

During the financial year 2018-19, the Company has managed the foreign exchange risks and hedged to the extent considered necessary. For further details please refer to note 37(i)(a) under the financial statement.

In order to mitigate the risk on account of volatility arising from imports for long term projects, the Company is hedging the exposure. A monthly MIS is circulated to all concerned to ensure that the contracts are honoured for the respective liability on maturity.

The figures relating to foreign currency exposures are disclosed in Notes to the Annual Financial Statements.

## Plant locations

The Company's plants are located at Vadodara (Gujarat) and Kolkata (West Bengal). The address for plant locations is as under:

Factory Name	Address
Vadodara- Medium Voltage Switchgear Factory	: Milestone 87, Village Kotambi Post Office: Jarod, Vadodara-Halol Highway Taluka: Waghodia, Vadodara-Gujarat- 391510
Vadodara- Transformer Factory	: Milestone 87, Village Kotambi Post Office: Jarod, Vadodara- Halol Highway Taluka: Waghodia, Vadodara-Gujarat- 391510
Kolkata Factory	: Block BN3, Sector V, Salt Lake City, Kolkata, West Bengal- 700091

## Address for correspondence

### Company's Registered Office Address

#### Schneider Electric Infrastructure Limited

Milestone 87, Vadodara- Halol Highway, Village Kotambi  
Post Office Jarod,  
Vadodara - Gujarat- 391510  
Website: [www.schneider-infra.in](http://www.schneider-infra.in)  
CIN :L31900GJ2011PLC064420

### Compliance Officer & Retail Shareholders

#### Ms. Bhumika Sood

Company Secretary & Compliance Officer  
Tel : +91 0124 - 3940400  
Email: [company.secretary@schneider-electric.com](mailto:company.secretary@schneider-electric.com)

### Registrar and Transfer Agent

#### CB Management Services (P) Limited

Address: P-22, Bondel Road, Kolkata - 700 019  
Telephone: +91 33 40116700 22806692/  
22870263/22823643  
Fax: +91 33 40116739  
E-mail: [rta@cbmsl.com](mailto:rta@cbmsl.com)

### Investor Relations

#### Mr. Vineet Jain

Tel: +91 0124 - 3940400  
Email: [Vineet.Jain@se.com](mailto:Vineet.Jain@se.com)  
[investor.relation@schneider-electric.com](mailto:investor.relation@schneider-electric.com)

### Corporate Office:

9<sup>th</sup> & 10<sup>th</sup> Floor, DLF Building No. 10  
Tower C, DLF Cyber City, Phase -II  
Gurugram - 122 002  
Tel. No. 91 124 7152300  
Fax No. 91 124 4222036

## List of all credit ratings attained

Nil

## Other disclosures

### A) Materially Significant Related Party Transactions:

Pursuant to Section 188 of the Act and Regulation 23 of Listing Regulations, all the Related Party transactions were at arm's length price and in ordinary course of business and the same were duly approved by the Audit Committee.

Sub-regulation (1) of Regulation 23 of Listing Regulations explains that "A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity."

Proper disclosures of the KMP relating to material financial and commercial transactions where they and/ or their relatives have personal interest were given to the Board of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link at [https://infra.schneider-electric.co.in/pdf/Investor-Relations/Related\\_Party\\_Transaction\\_Policy\\_SEIL\\_Revised.pdf](https://infra.schneider-electric.co.in/pdf/Investor-Relations/Related_Party_Transaction_Policy_SEIL_Revised.pdf).

A comprehensive list of related party transactions as

required under IndAS 24 as prescribed in Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016, forms part of Notes to the Financial Statements in the Annual Report.

### B) Non-compliance by the Company, Penalties, Strictures imposed by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years

The Company has complied with all the requirements of Listing Regulations and guidelines of SEBI. No penalties and strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during the period under review. The Company has not made any rights or public issue during the last three (3) years.

### C) Vigil Mechanism / Whistle Blower Policy

The Company has adopted the Vigil Mechanism as required by Regulation 22 of Listing Regulations for directors and employees to report concerns about unethical behaviour. More details regarding Vigil Mechanism and Whistle Blower are provided in the Directors' Report forming part of this Annual Report. It is also affirmed that no personnel have been denied access to the Audit Committee.

**D) Discretionary Requirements**

It is confirmed that the mandatory requirements are complied with and the non-mandatory provisions are adopted, wherever necessary. The status of implementation of discretionary requirements under Regulation 27(1) of Listing Regulations is as follows:

	Requirement	Status
The Board	A Non-Executive Chairperson may be entitled to maintain a Chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	The Chairman of the Company is a Non-Executive Independent Director.
Shareholder Rights	A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website <a href="http://www.schneider-infra.in">www.schneider-infra.in</a>
Modified opinion(s) in audit report	To move towards a regime of financial statements with unmodified audit opinion	There was no qualification by the auditors on the financial statements of the Company.
Separate posts of chairperson and chief executive officer	Appoint separate persons to the post of Chairperson and Managing Director or Chief Executive Officer	The office of Chairman and Chief Executive Officer of the Company are held by different individuals.
Reporting of internal auditor	Internal auditor may report directly to the audit committee.	The same is reported by briefing the Audit Committee through discussion and presentation of the observations, review, comments and recommendations, amongst others in the Internal Audit presentation by the Company's Internal Auditor.

**Disclosures of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (B) To (I) of Sub-Regulation (2) of Regulation 46 of SEBI Listing Regulations:**

The status of Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations is as given below. A certificate to this effect from Mohd. Nazim Khan, practicing Company Secretary is enclosed with this report as Annexure C.

S.No.	Particulars	Regulation	Compliance Status (Yes/No/NA)	Complied with the following
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>Composition {17(1)}</li> <li>Frequency of Meetings {17(2)}</li> <li>Review of Compliance Report {17(3)}</li> <li>Plans for orderly succession for appointments {17(4)}</li> <li>Code of Conduct {17(5)}</li> <li>Fees/ compensation to Non-Executive Directors {17(6)}</li> <li>Minimum information to be placed before the Board {17(7)}</li> <li>Compliance Certificate {17(8)}</li> <li>Risk assessment and management {17(9)}</li> <li>Performance evaluation of Independent Directors {17(10)}</li> </ul>

S.No.	Particulars	Regulation	Compliance Status (Yes/No/NA)	Complied with the following
				<ul style="list-style-type: none"> <li>Recommendation of Board to shareholders w.r.t. any Special Resolution placed for voting {17(11)}</li> <li>Maximum no. of Directorship {17A}</li> </ul>
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>Composition {18(1)}</li> <li>Meetings {18(2)(a) and (b)}</li> <li>Powers of the Committee {18(2)(c)}</li> <li>Role of the Committee and review of information by the Committee {18(3)}</li> </ul>
3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>Composition {19(1)}</li> <li>Chairperson {19(2), (2A), (3) and (3A)}</li> <li>Role of the Committee {19(4)}</li> </ul>
4	Stakeholder Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>Constitution {20(1)}</li> <li>Chairperson {20(2), 20(2A)}</li> <li>Other Members {20(3), 20(3A)}</li> <li>Role of the Committee {20(4)}</li> </ul>
5	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> <li>Constitution and Composition {21(1) and (2)}</li> <li>Chairperson {21(3), 21(A)}</li> <li>Role of the Committee {21(4)}</li> </ul>
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>Formulation of Vigil Mechanism for Directors and employees {22(1)}</li> <li>Direct access to Chairperson of Audit Committee {22(2)}</li> </ul>
7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions {23(1), 23(1A)}</li> <li>Approval including omnibus approval of Audit Committee {23(2) and (3)}</li> <li>Review of Related Party Transactions</li> <li>Approval of Shareholders was sought by way of Postal ballot for material Related Party Transactions</li> </ul>
8	Subsidiaries of the Entity	24	Not Applicable	<ul style="list-style-type: none"> <li>There is no subsidiary of the Company</li> </ul>

S.No.	Particulars	Regulation	Compliance Status (Yes/No/NA)	Complied with the following
9	Secretarial Audit	24A	Yes	<ul style="list-style-type: none"> <li>Annual Secretarial Audit Report and Annual Secretarial Compliance Report{24A}</li> </ul>
10	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>No Alternate Director for Independent Director {25(1)}</li> <li>Maximum directorships and tenure {25(2)}</li> <li>Meetings of Independent Directors {25(3) and (4)}</li> <li>Replacement {25(6)}</li> <li>Familiarisation of Independent Directors {25(7)}</li> <li>Declaration of Independence {25(8) and (9)}</li> <li>Directors and Officers Insurance {25(10)}</li> </ul>
11	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> <li>Memberships / Chairmanships in Committees {26(1) and (2)}</li> <li>Affirmation on compliance of Code of Conduct by Directors and Senior Management {26(3)}</li> <li>Disclosure of shareholding by Non-Executive Directors {26(4)}</li> <li>Disclosures by Senior Management about potential conflicts of interest {26(5)}</li> <li>Profit Sharing Agreements by senior management {26(6)}</li> </ul>
11	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> <li>Compliance with discretionary requirements {27(1)}</li> <li>Filing of quarterly compliance report on Corporate Governance {27(2)}</li> </ul>
12	Website	46	Yes	<ul style="list-style-type: none"> <li>Maintaining Functional Website {46(1)}</li> <li>Details disseminated on website {46(2)}</li> <li>Contents on website and updating the website {46(3)}</li> </ul>

**E) List of Policies of the Company**

S. No.	POLICY
1	Policy on Prohibition of Insider Trading
2	Remuneration Policy and Criteria for the Appointment of Directors
3	Dividend Distribution Policy
4	Policy for Preservation of Documents
5	Policy for Determination of Materiality for Fair Disclosure of Material Events/ Unpublished Price Sensitive Information to Stock Exchange and Archival Policy
6	Whistle Blower Policy
7	Risk Management Policy
8	Corporate Social Responsibility Policy
9	Related Party Policy
10	Policy on Diversity of Board of Directors
11	Policy on Familiarization Program

The policies listed above can be viewed on the website of the Company at <https://infra.schneider-electric.co.in/investor/policies>

**F) Details of Utilisation of Funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7a)**

Not applicable

**G) Certification**

The Company has obtained a certificate from Mohd. Nazim Khan, Company Secretary in practice, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this report as Annexure D.

**H) Fees to Statutory Auditors and Associates**

The details of total fees for all services paid to the Statutory Auditors and its network firm/entity during the year ended 31.3.2019 are as below:

Particulars	Amount (Rs. In Million)
Audit Fee	8.10
Tax Audit	0.80
Limited Reviews	4.10
Certification and Other Services	0.20
Reimbursement of Expenses	0.90
<b>Total</b>	<b>14.10</b>

**I) Summary of Sexual Harassment Cases Reported**

The Company in order to create and maintain a healthy and conducive work environment, free of discrimination, has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace, which has been circulated all the units/divisions of the Company.

An Internal Complaints Committee" (ICC) has been constituted for investigating the sexual harassment cases reported.

All inquiries and complaints are conducted under the principles of natural justice, and as prescribed under the Act and rules framed thereunder and are dealt with prompt and thorough investigation, and all information/ names of employees disclosed in investigations remain strictly confidential to prevent any disadvantage to the complainant or the witnesses.

There are nil cases reported during the year.

## Statutory Compliance System

The Company has system to manage statutory compliances and has also deployed a top of the line automated compliance management system. This ensures best in class compliance monitoring and reporting with regular updates on checklists of all applicable statutory requirements including corporate laws, environmental laws, labour laws, industry laws amongst others.

### Annexure A

## Declaration by Chief Executive Officer on Code of Business Conduct and Ethics of the Company

As Chief Executive Officer of Schneider Electric Infrastructure Limited and as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Bruno Bernard Dercle, hereby declare that all members of the Board and senior management personnel have affirmed compliance with the Code of Conduct (Principles of Responsibility) of the Company for FY 2018-19.

## Annexure B

### Certification

We, Bruno Bernard Dercle, Managing Director & Chief Executive Officer and Arnab Roy, Chief Financial Officer of Schneider Electric Infrastructure Limited ("the Company"), certify that;

- A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2019 and that to the best of our knowledge and belief state that:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct - Principles of Responsibility (PoR)
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors the audit committee, deficiencies in the design or operation of such internal controls, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. During the year it was disclosed to the Auditors and the Audit Committee that:
  1. There were no significant changes in internal control over financial reporting;
  2. No significant changes in accounting policies were made during the year that require disclosure in the notes to the financial statements; and
  3. No instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

**Arnab Roy**  
Chief Financial Officer  
PAN: AEXPR4552H

**Bruno Bernard Dercle**  
Managing Director and  
Chief Executive Officer  
DIN: 08185909

Place: Gurugram  
Date: May 22, 2019

## Certificate of Compliance with the Corporate Governance requirements

To,

**The Members of Schneider Electric Infrastructure Limited**

Milestone 87, Vadodara Halol Highway, Village Kotambi,  
Post office Jarod, Vadodara - 391510, Gujarat, India

We have examined the compliance of conditions of Corporate Governance by Schneider Electric Infrastructure Limited (the Company), for the year ended March 31, 2019 as stipulated in Regulation 17 to 27 and Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MNK & Associates LLP,  
Company Secretaries

**Mohd. Nazim Khan**

Designated Partner  
FCS: 6529; C.P No: 8245

Place: New Delhi  
Date: May 14, 2019

## Annexure D

## Certificate of non-disqualification of directors

(pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of Schneider Electric Infrastructure Limited**

Milestone 87, Vadodara Halol Highway,  
Village Kotambi, Post office Jarod, Vadodara Gujarat - 391510

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Schneider Electric Infrastructure Limited having CIN : L31900GJ2011PLC064420 and having registered office at Milestone 87, Vadodara Halol Highway, Village Kotambi, Post office Jarod, Vadodara, Gujarat - 391510 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Director	Designation	DIN	Date of appointment in Company
1.	Vinod Kumar Dhall	Director	02591373	16/12/2011
2.	Ranjan Pant	Director	00005410	16/12/2011
3.	VS Vasudevan	Director	00130205	11/06/2013
4.	Bruno Bernard Dercle	Managing Director & CEO	08185909	01/08/2018
5.	Vivek Sarwate	WholeTime Director	07424152	04/02/2016
6.	Anil Chaudhry	Director	03213517	12/03/2011
7.	Bidisha Nagaraj	Director	08080159	07/03/2018
8.	Sugata Sircar	Director	01119161	02/11/2014

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MNK and Associates LLP**  
**Company Secretaries**

**Mohd Nazim Khan**  
Designated Partner  
CP: 8245 (FCS: 6529)

Place: New Delhi  
Date: May 14, 2019

Directors' Report

Report on  
Corporate Governance

Business  
Responsibility Report

Management Discussion  
and Analysis Report

Financial Statements

# Business Responsibility Report

# Business Responsibility Report 2018-19

As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

## Section A: General information about the Company

1. Corporate Identity Number (CIN) of the Company	L31900GJ2011PLC064420
2. Name of the Company	Schneider Electric Infrastructure Limited
3. Registered address	Milestone 87, Vadodara-Halol Highway, Village Kotambi, Post office Jarod, Vadodara, Gujarat 391 510.
4. Website	www.schneider-infra.in
5. Email ID	company.secretary@schneider-electric.com investor.relation@schneider-electric.com
6. Financial year reported	April 1, 2018 to March 31, 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is engaged in the business relating to product and systems for electricity distribution. NIC code of the product/ service : 2710
8. List three key products / services that the Company manufactures / provides (as in Balance Sheet)	Switchgear, Ring Main Units & Transformers and Automation
9. Total number of locations where business activity is undertaken by the Company	
i. Number of international locations (Provide details of major five)	SriLanka, Bangladesh, Nepal, Bhutan and Maldives
ii. Number of national locations	All major cities
10. Markets served by the Company - Local / State / National / International	National and International

## Section B : Financial details of the Company<sup>(1)</sup>

i. Paid-up capital (Rupees in million)	478.21
ii. Total turnover (Rupees in million)	13840.56
iii. Total profit after taxes (Rupees in million)	(243.66)
iv. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil
v. List of activities in which expenditure in 4 above has been incurred	Not Applicable

<sup>(1)</sup> As per the Standalone Ind AS financials

### Section C : Other details

1. Does the Company have any subsidiary company/ companies? : No
2. Do the subsidiary company/ companies participate in applicable BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s). : Not Applicable
3. Do any other entity/entities (e.g.suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities (Less than 30%, 30%, 60%, More than 60%). : Our suppliers are not directly involved with the 'Responsible Business' initiatives. However, they are obliged to adhere to our Principles of Responsibility.

### Section D: BR information

#### 1. Details of Director / Directors responsible for BR

- a. Details of the Director responsible for implementation of the BR policy / policies
  1. DIN Number : 08185909
  2. Name : Bruno Bernard Dercle
  3. Designation : Managing Director and Chief Executive Officer
- b. Details of the BR Head
  1. DIN Number (if applicable) : 08185909
  2. Name : Bruno Bernard Dercle
  3. Designation : Managing Director and Chief Executive Officer
  4. Telephone number : 0124-7152300
  5. E-mail ID : bruno.dercle@se.com

#### 2. Principle-wise Business Responsibility (BR) policy/ policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted 9 areas of Business Responsibility. Briefly, they are as under:

- P1 Business should conduct and govern themselves with ethics, transparency and accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## 2. Principle-wise Business Responsibility (BR) policy/ policies

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do the Company has a policy/ policies for...	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy being approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
7	Indicate the link for the policy to be viewed online.	www.schneider-infra.in								
8	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have an in-house structure to implement the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The policies are evaluated internally.								

### 2a. If answer to Sl. No. 1 against any principle is 'No', please explain why (tick up to two options)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles.									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task.									
4	It is planned to be done within the next six months.									
5	It is planned to be done within the next one year.									
6	Any other reason (please specify).									

## 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Annually

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No

## Section E: Principle-wise performance

Principle No.	Description	Response
P1 - Business should conduct and govern themselves with ethics, transparency and accountability.		
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No.	The policy covers the Company as well as the Group, suppliers, contractors, NGOs and others.
	Does it extend to the Group / Joint Ventures/ Suppliers / Contractors / NGOs / Others?	Our stakeholders engagement processes are robust and have strong listening mechanisms in place.
1.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management? If so, provide the details thereof, in about 50 words or so.	<p>During the financial year 2018-19, the Company has received 8 complaints from its shareholders, which were resolved to the their satisfaction. All these complaints were general in nature.</p> <p>Apart from this the Company has not received Complaints from other Stakeholders.</p> <p>More details on Investors Complaints are provided in the Corporate Governance Report forming part of this Annual Report</p>
P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.		
2.1	List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	<p>Your Company is actively integrating sustainability principles into its businesses by developing green leaf certified products. These products have been developed to ensure the preservation of finite resources, counteracting global warming and protecting personnel health.</p> <p>Some of such products are detailed below:</p> <ol style="list-style-type: none"> <li>1. Schneider Electric's Green Premium certification Products offer its customers superior transparency and environmental stewardship.</li> <li>2. Digital eco-system 2 core offers Energy Management and Industrial Automation through which the Energy Transition and Industry 4.0 have been developed.</li> <li>3. EcoStruxure™ offers integrated and digitized solutions which provides global, homogeneous and agnostic platform for efficiency and sustainability.</li> <li>4. EasyPact EXE is a medium voltage circuit breaker which offers modularity and advanced connectivity.</li> </ol>
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):	All the above listed products have developed and designed to deliver more output with reduced resources.
2.3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	<p>Your Company is determined to ensure sustainable sourcing. It produces most of its products locally in India.</p> <p>Your Company is having a dedicated team which ensures that the selected suppliers should be provided with the correct tools and information to build a long-term future with the Company and ensure that sustainable sourcing is entrenched for manufacturing.</p>

Principle No.	Description	Response
2.4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	EasyPact EXE one of your Company's products is being manufactured in India, completely in line with Make in India Ambition.  As a result of this, the resources, raw materials, suppliers being utilized at large are from local and small vendors.
2.5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.	With the advance generation products, consumption of metals like steel, copper etc. is reduced by 17%.

### P3 - Businesses should promote the wellbeing of all employees.

3.1	Please indicate the total number of employees.	1317
3.2	Please indicate the total number of employees hired on a temporary / contractual / casual basis.	47 on Fixed Term Contracts
3.3	Please indicate the number of permanent women employees.	139
3.4	Please indicate the number of permanent employees with disabilities.	Nil
3.5	Do you have an employee association that is recognized by the Management?	We have an Internal Employee Committee.
3.6	What percentage of your permanent employees are members of this recognized employee association?	21.40%
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year, and those that are pending, as at the end of the financial year.	Nil
3.8	What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year? • Permanent employees • Permanent women employees • Casual / temporary / contractual employees • Employees with disabilities	100% of employee were given safety training and / or skill up-gradation training

### P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

4.1	Has the Company mapped its internal and external stakeholders?	Yes, the Company has mapped its internal and external stakeholders.
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes, the Company has identified disadvantaged, vulnerable and marginalized stakeholders.
4.3	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof, in about 50 words or so.	Yes, the Company is committed to creating empowered and connected societies for sustainable development through innovative practices.

Principle No.	Description	Response
P5 - Businesses should respect and promote human rights.		
5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Yes, Company's policy covers all its Stakeholders
5.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?	<p>During the financial year 2018-19, the Company has received 8 complaints from its shareholders, which were resolved to their satisfaction. All these complaints were general in nature.</p> <p>Apart from this the Company has not received Complaints from other Stakeholders.</p> <p>More details on Investors Complaints are provided in the Corporate Governance Report forming part of this Annual Report.</p>
P6 - Business should respect, protect, and make efforts to restore the environment.		
6.1	Does the policy related to Principle 6 cover only the Company, or does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Yes, to all.
6.2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. If yes, please give the hyperlink for the web page, etc.	Yes, it is available on Company's website <a href="http://www.schneider-infra.in">www.schneider-infra.in</a>
6.3	Does the Company identify and assess potential environmental risks?	Yes
6.4	Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, has any environmental compliance report been filed?	Yes, the Company has systems to develop its product based on RoHS , REACH, Product Environment Profile(PEP), End of Life Instructions under umbrella of Green Premium Products.
6.5	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc.	<p>Yes, the Company has undertaken the following initiatives:</p> <ul style="list-style-type: none"> <li>- Solar Panel for renewable energy usage under the energy policy for its manufacturing facilities in Vadodara.</li> <li>- Rain water harvesting system to recharge ground water level for its manufacturing facilities in Vadodara.</li> </ul>
6.6	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes, it is within the permissible limit.
6.7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on the end of the financial year.	There are no show cause notices issued by CPCB/SPCB.

Principle No.	Description	Response
P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.		
7.1	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	The Company is a member of IEEMA.
7.2	Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).	No
P8 - Businesses should support inclusive growth and equitable development.		
8.1	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide the details thereof.	Yes, the Company has specified programmes/ initiatives/projects in pursuit of Principle 8.
8.2	Are the programmes / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organization?	The programmes/projects are implemented directly through inhouse team.
8.3	Have you done any impact assessment of your initiative?	Yes, assessment is done on periodic basis.
8.4	What is your Company's direct contribution to community development projects - amount in ` and the details of the projects undertaken.	Yes, Schneider Electric India as a group has undertaken development initiatives.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Among the key pieces of work done in 2018-19, Spreading Happiness Indiya Foundation (SHIF), a collaboration between cricketing icon Sachin Tendulkar and Schneider Electric India, electrified 25,000 households through their various solar based interventions. With an original commitment to provide electricity to 25,000 households by 2020, Spreading Happiness Initiative has achieved this significant milestone a year ahead of the scheduled target.  The solutions include portable lamps, Solar Home Systems and Micro Grids that provides a backup of 6-10 hours. So far, Spreading Happiness Initiative has completed projects across Maharashtra, Karnataka, Odisha, West Bengal, Rajasthan, Arunachal Pradesh and J & K. The goal is to keep working towards bringing in a positive intervention in the lives of the people from rural India.

Principle No.	Description	Response
P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.		
9.1	What percentage of client complaints / consumer cases are pending as on the end of the financial year?	Nil
9.2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information).	Yes, the displays and product information catalogue cover requirements as required by the law.
9.3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behavior during the last five years and pending as on the end of the financial year? If so, provide the details thereof, in about 50 words or so.	No
9.4	Did your Company carry out any consumer survey / measure consumer satisfaction trends?	Yes, the consumer survey is called CNPS and it is conducted once in six months.

Directors' Report

Report on  
Corporate Governance

Business  
Responsibility Report

Management Discussion  
and Analysis Report

Financial Statements

An aerial, high-angle photograph of a vast solar farm. The rows of solar panels stretch far into the distance, creating a strong sense of perspective. In the upper-middle section, two workers wearing hard hats are visible, one pointing towards the horizon. The overall tone is professional and industrial.

# Management Discussion and Analysis

## General review

Indian economy is expected to grow at 7.2% in 2018-19 which is higher than the 2017-18 growth of 6.7%. There is a spur in growth because of improvement in the performance of manufacturing and agriculture sectors, amidst significant improvements in macro-economic stability. There has been a noticeable improvement in fixed investment from 7.6% in 2017-18 to 12.2% in 2018-19. India improved its position by 23 ranks to claim 77<sup>th</sup> spot in the World Bank's 2019 report of "Ease of Doing Business".

For sustainable growth, however, the country needs to recover from some macro-economic challenges, such as intermittent global trade and geo-political tensions, and poor financial health of the banking sector. Higher crude oil prices and increasing petroleum imports also impacted the trade deficit in FY 2018-19. Medium-term macro outlook remains bright, considering the structural reforms undertaken, revival of the investment rate, recent decline in crude oil prices and the stability in exchange rates.

## Power sector overview

Indian energy value chain is in a transformation phase at multiple fronts: policy level changes promoting green projects, government claims 100% electrification in 2018 (as per definition), suppliers are setting up innovative supply chains and local manufacturing units/consumers are looking forward to reliable and economical access to energy. At the same time, the competitive intensity is increasing at both the supply and demand sides (fuel,

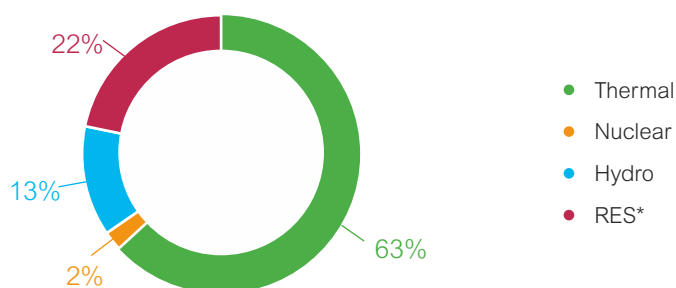
logistics, finances, and manpower). Still, 30 million households are yet to be connected to the grid, but sustained economic growth continues to drive electricity demand in India, creating immense opportunities. Total installed capacity of power stations in India stood at 356 Gigawatt (GW) as of March 2019, with a growth of 3.5% from the last fiscal year.

### a) All India installed capacity status and growth in 2018-19

Installed Capacity	Thermal	Nuclear	Hydro	RES*	Total
Mar-18 (MW)	222907	6780	45293	69022	344002
Mar-19 (MW)	226279	6780	45399	77642	356100
YOY (% Change)	1.5%	0.0%	0.2%	12.5%	3.5%

## Installed Capacity

(Mar 2019)



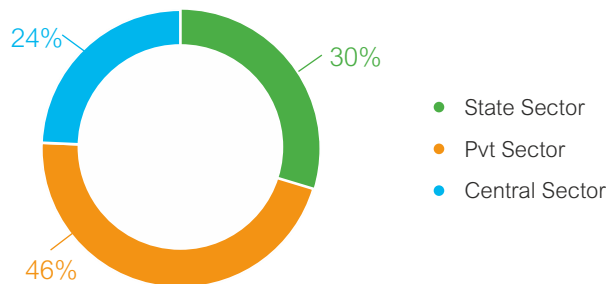
Although coal fired thermal power plants are almost 2/3<sup>rd</sup> of total capacity installed in India, the focus on sustainable and renewable sources is driving investments in the market. More than 2/3<sup>rd</sup> of new capacity addition came from renewables segment itself in 2019.

### b) Sector-wise installed capacity and growth in 2018-19

Sectorial Split	State Sector	Pvt Sector	Central Sector	Total
Mar-18(MW)	103975	155511	84517	344002
Mar-19(MW)	105076	164428	86597	356100
YOY (% Change)	1.1%	5.7%	2.5%	3.5%

## Sector-wise Installed Capacity

(Mar 2019)



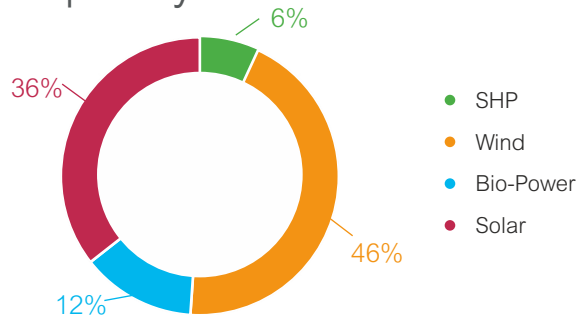
Private sector has invested in roughly half of overall generation capacity in India, rightfully so since seven decades post-independence. This trend is continuing with almost 3/4<sup>th</sup> of the new capacity addition coming from the private sector, ostensibly in the renewables segment.

### c) Renewables installed capacity status and growth in 2018-19

Renewables Installed Capacity	SHP#	Wind	Bio-power	Solar	Total
Mar-18 (MW)	4486	34046	8839	21651	69022
Mar-19 (MW)	4593	35626	9242	28181	77642
YOY (% Change)	2.4%	4.6%	4.6%	30.2%	12.5%

## Renewables Installed Capacity

(Mar 2019)



Indian subcontinent has huge potential for renewables, supported by its huge geographic dividend. As of Mar 2019, wind energy has the largest renewable energy generation capacity, followed by solar. Solar capacity addition slowed down by 50% to 6529 MW in 2018-19, as compared to 9363 MW in 2017-18. Low ROI due to falling price levels and intense competition hindered solar segment to maintain its growth trajectory. However, medium-term outlook is positive in the investing community.

### 3. The road ahead

India is set to be the fastest growing economy for next couple of years. IMF has likened it to an elephant that has started to run, due to the recent structural reforms and macro-economic stability. The National Energy Policy draft by NITI Aayog dated Jun 2017 states the 2040 Vision, which supports the ambition to emerge as a well-developed and resilient economy with high

level of human development. The total energy supply will go over three times the 2012 nos., including the electrical energy estimate of 2900 kWh per capita consumption in 2040 as compared to 887 kWh in 2012. The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects. Coal-based power generation capacity in India, which currently stands at 200 GW (Mar-19), is expected to reach 330-441 GW by 2040.

#### Government Initiatives

The Government of India has identified power as a key sector of focus to promote sustained industrial growth. Some initiatives of the Government of India to boost the power sector are:

- As of September 2018, a draft amendment to the Electricity Act, 2003 has been introduced. It discusses separation of content and carriage, direct transfer of subsidy, making 24x7 Power supply an obligation, penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15% by FY19.
- The Government of India approved National Policy on Biofuels – 2018. The expected benefits of this policy are health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.

#### 4. Business Outlook

The medium voltage market grew at a slightly slower pace than the overall economy, mainly, on the pretext of lower than expected performance from the solar segment. Notwithstanding, your Company maintained its strategy of profitable growth to create sustainable value in the long term. In the light of shifting energy market towards digitally connected solutions, your Company is suitably positioned to leverage its global energy management expertise and technical proficiency to promote the use of advanced technologies. Your Company brings the global expertise in Data Centres, Cloud Services and Electrical & Automation Architectures to the Indian market. Years of experience in these segments by Schneider Electric (in the US and Western Europe) enables us to offer specialised products and solutions within the switchgear, transformer and distribution automation technologies, and makes us a unique player in these segments.

Overall, your Company has built its differentiated positioning and competency over the years, and is looking forward to further enrich its relationships with all the customers and stakeholders over the coming years of operation.

##### 4.1. Market Share Evolutions & Competition - India

Schneider has defended the overall market share in Power Systems and Automation combined. We experience intense competition, particularly in large tenders.

We believe that the principal competitive factors in our business are:

- The passion of staying ahead in ever-changing technology and innovation, and to provide end to end advanced solutions
- The ability to effectively integrate global capabilities to deliver high-quality, seamless, scalable, cost-effective services to provide one-stop solutions for customer needs
- A proven track record of performance, excellence and customer satisfaction
- High ethical and corporate governance standards to ensure honest and professional business practices

##### 4.1.1 Market Sales Plan Actions:

- Enhance Partners Channel base (Panel Builders and Distributors) to sell solutions based on Schneider Technology
- Conversion of configured offers (engineering to order/ETO) into Transactional through Standard References (made to Order/MTO) and Anticipated References (Configured to orders/CTO).

##### 4.1.2 Segment focus and go-to-market transformation:

- Reinforce the focus in non-traditional segments such as data centers, renewables, commercial and industrial buildings and transportation
- Segmental alignment and rebalancing of sales team to address the above changes

##### 4.1.3 Boost EcoStruxure:

- EcoStruxure is our open, interoperable, IoT-enabled platform. It delivers enhanced value around safety, reliability, efficiency, sustainability, and connectivity. EcoStruxure leverages advancements in IoT, mobility, sensing, cloud, analytics and cybersecurity to deliver innovation at every level. Major focus is on digitally enabled smart and advanced solutions in markets like Smart Cities, Digital enabled Utilities, Oil & Gas etc.

##### 4.1.4 Risks and concerns:

This section lists forward-looking statements that involve risks and uncertainties.

- The economic environment, pricing pressures and forex fluctuations could negatively impact our revenues and operating results.

- Wage pressures in India and other inflationary impacts, particularly for critical materials, may prevent us from sustaining some of our competitive advantage. Intense competition in the market, particularly in Automation, Digital Segments/ Technology & Services, could affect our pricing, which could impact our share of business in a few product lines.

#### 5. Performance Review:

Your Company began the year with a focus on profitable growth, and converted the external uncertain market conditions into an internal opportunity, to implement profit boosting initiatives. Though the traditional markets are still recovering, there are emerging markets that have shown a sign of promise. The Company has dynamically responded to the global headwinds and local policy changes, and has prepared for the much-awaited tax reforms in the country. The Company has maintained its strategic priority towards profitable growth via prudent customer acquisition, while offering a strong value proposition. With our global expertise and technical R&D, we could maintain our leadership position in our market of operations.

Your Company is cautious and selective in term of customers to build healthy order book. The Company has executed its strategy well in line with its rebound plan. That can be seen in terms of our order execution and sales growth, which has increased by 6.7% and 3.8% respectively in this financial year in comparison to previous financial year. Normal operations of the Company have also improved significantly, and net income before one off restructuring turned positive. During the year, the Company had launched the Sanjeevani Project to collect old debts, and recovered some of its old debts, resulting in a positive operating cash flow.

#### 6. Internal control systems and their adequacy:

Please refer to the 'Internal Audit and Internal Financial Control' section in Directors Report forming part of this Annual Report.

#### Cautionary Statement

This Management Discussion and Analysis statement contains, what could be regarded as forward-looking statements and information. These statements include forecasts and estimates as well as the assumptions on which they are based, statements related to projects, objectives and expectations concerning operations, products and services or future performance. The readers are hereby cautioned and advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee, and actual outcomes might differ significantly.

#### Sources Used:

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Press note on second advance estimates of national income 2018-19



# Financial Statements

# Independent Auditor's Report

To the Members of Schneider Electric Infrastructure Limited

## Report on the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of Schneider Electric Infrastructure Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered

Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

### Key audit matters

### How our audit addressed the key audit matter

#### Tax Litigations (as described in note 33 of the Ind AS financial statements):

The Company is subject to number of significant tax litigations. The total contingent liabilities as of March 31, 2019, in relation to tax matters are Rs. 1,347.60 MINR.

Due to complexity of cases, significant amount involved and time scales for resolution, significant judgement and estimates are required by the management to assess the impact of these litigations on the financial positions, results of operations and cash flows and thus there is a risk that such litigations may not be adequately provided for or disclosed in the Ind AS financial statements. Accordingly, tax litigations have been identified as a key audit matter in our audit of the Ind AS financial statements.

Our audit procedures included the following:

- Obtained an understanding of the process of identification of tax litigations and related contingent liabilities and tested the operating effectiveness of management's key controls over recognition and disclosures of tax provisions and contingencies.
- Obtained the details of the tax litigations of the Company and discussed with the management to understand the detail of the underlying matters and basis for management's judgement and estimates on both the probability of success in significant cases, and the magnitude of any potential loss.

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>Obtained confirmation, where appropriate, from relevant third party legal counsel. Evaluated the objectivity, competence and relevant experience of third party legal counsel.</li> <li>Engaged tax specialists to assess management's application and interpretation of tax legislation affecting the Company, and to consider the quantification of exposures and settlements arising from disputes with tax authorities in the various tax jurisdictions.</li> <li>Assessed the relevant disclosures made within the Ind AS financial statements.</li> </ul>

## Revenue Recognition

For the year ended March 31, 2019 the Company has recognized revenue from contracts with customers of Rs. 13,840.56 MINR.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has concluded that as principal, it typically controls the goods or services before transferring them to the customers.

The variety of terms that define when control are transferred to the customer, give rise to the risk that revenue is not recognized in the correct period.

Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the controls have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined a key audit matter in our audit of the Ind AS financial statements.

Our audit procedures included the following:

- Evaluated the Company's revenue recognition accounting policies and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.
- Obtained an understanding of management's internal controls over the revenue recognition process and evaluated the design and tested the operating effectiveness of key controls.
- Performed sales transactions testing based on a representative sampling of sales to check recording of related revenues and trade receivables taking into consideration the terms and conditions of the agreements with customers including the shipping terms.
- Tested sales transactions made near the year end by agreeing a sample of sales transactions occurring around the year end to supporting documentation including customer confirmation of receipt of goods to establish that sales and corresponding trade receivables are properly recorded in the correct period.
- Performed monthly analytical reviews to identify any unusual sales trends.
- Assessed the relevant disclosures made within the Ind AS financial statements.

## Impairment - Trade Receivables (as described in note 5(i) & 8(i) of the Ind AS financial statements):

Trade receivables represent a significant portion of the total assets of the Company as at March 31, 2019. The Company has trade receivables of Rs. 4,154.74 MINR as at March 31, 2019.

The Company is required to regularly assess the recoverability of its trade receivables. Management has designed and adopted the expected credit loss (ECL) model for creating impairment allowance. In assessing the recoverability of trade receivables, management has

Our audit procedures included the following:

- Obtained an understanding of the process of recoverability assessment of outstanding amount from customers and evaluated the design and tested the operating effectiveness of key controls.
- Evaluated the assumptions used to calculate the expected credit loss (ECL) model to create impairment allowance for doubtful debts.

Key audit matters	How our audit addressed the key audit matter
<p>further considered the specific provision on customer to customer basis and accounted the impairment if recoverability of outstanding amount is considered doubtful.</p> <p>In assessing the recoverability of trade receivables, management also exercised significant judgements to evaluate the collectability from individual customers after taking into account their credit worthiness, whether they have financial difficulties, experience of default or delinquency in payments, and aging analysis. The judgements applied by management have a significant impact on the level of provision required for trade receivables.</p> <p>The recoverability assessment of trade receivables was significant to our audit and accordingly, this matter has been determined to be a key audit matter in our audit of the Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>Tested the aging of trade receivables for a sample of transactions with customers and discussed with the management for their assessment of receivables which were due for more than their respective credit periods.</li> <li>Circulated the balance confirmation letter to the customers and analysed the responses in balance confirmation letter obtained from the customers.</li> <li>We evaluated management's continuous assessment of their assumptions used in the impairment assessment of trade receivables. These considerations include whether there are regular receipts from the customers, past collection history as well as an assessment of the customers' credit ability to make payments and various communications with the customers.</li> <li>Assessed the relevant disclosures made within the Ind AS financial statements.</li> </ul>

#### Recoverability of carrying value of property plant and equipment, capital work in progress (as described in note 3 of the Ind AS financial statements)

The Company has incurred losses in the recent years and loss for the year amounts to Rs. 243.66 MINR and as at March 31, 2019 accumulated losses of the Company aggregates to Rs. 3,194.86 MINR. As a result, there is risk that carrying value of property, plant and equipment may be higher than their recoverable amount. As at March 31, 2019, the carrying value of property, plant and equipment and capital work in progress is Rs. 3,087.62MINR which represents a significant portion of the total assets of the Company.

Our audit focused on this area because the assessment of recoverable value of property, plant and equipment requires the management of the Company to make a number of key judgements and estimates with respect to the future performance and profitability of the Company, including judgment and estimate on future growth rate and the impact of the general economic environment in the sector in which it operates. The assessment of the recoverable amount also involves significant judgements about the future cash flow forecasts and the discount rate that is applied.

Our audit procedures included the following:

- Understood management and board's controls over the assessment of the carrying value of property, plant and equipment to determine whether any asset impairment was required.
- Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessing the potential impact of any variances.
- Tested the adequacy of the weighted average cost of capital used to discount the impairment model through engaging valuation experts.
- Tested the integrity of the models together with their clerical accuracy.
- Assessed the relevant disclosures made within the Ind AS financial statements.

#### Going Concern (As described in note 44 of the Ind AS Financial Statements)

During the year, the Company has incurred a loss of Rs. 243.66 MINR and as at March 31, 2019 accumulated losses of the Company amounted to Rs. 3,194.86 MINR. As at March 31, 2019 the current liabilities of the Company exceeded its current assets by Rs.2,449.37 MINR.

The financial statements has been prepared on a going concern basis. The availability of sufficient funding and management's assessment of whether the Company will

Our audit procedures included the following:

- Obtained an understanding of the process of preparation of the cash flow forecast based on reasonable and supportable assumptions and inputs to the model used to estimate the future cash flows.
- Tested the inputs and assumptions used in the cash flow forecast against historical performance, economic and industry indicators, publicly available information and the Company's strategic plans.

Key audit matters	How our audit addressed the key audit matter
<p>be able to continue meeting its obligations under its financing covenants were important for the going concern assumption and, as such, were significant aspects of our audit. This assessment was largely based on the expectations of, and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations, and are sensitive.</p>	<ul style="list-style-type: none"> <li>• Evaluated the key assumptions including those pertaining to revenue growth and the timing of significant payments in the cash flow forecast during the next twelve months.</li> <li>• We assessed the sensitivities and stress testing that management performed on the going concern forecast.</li> <li>• Agreed the details of the Company's unutilized credit facilities to the supporting documentation.</li> </ul>
<p><b>Other Information</b></p>	
<p>The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Secretarial Audit Report, Management Discussion and Analysis (but does not include the standalone Ind AS financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.</p>	<p>preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>
<p>Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p>	
<p>In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p>	<p>In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p>
<p><b>Responsibilities of Management for the Ind AS Financial Statements</b></p>	<p>Board of Directors are also responsible for overseeing the Company's financial reporting process.</p>
<p>The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for</p>	<p><b>Auditor's Responsibilities for the Audit of the Ind AS Financial Statements</b></p> <p>Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.</p> <p>As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p>

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 33 to the Ind AS financial statements;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 16(ii) to the Ind AS financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**Per Vishal Sharma**  
Partner  
Membership Number: 096766  
Place: Atlanta  
Date: May 22, 2019

**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**

**Re: Schneider Electric Infrastructure Limited (“the Company”)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in

respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of power transformers, switchgears and other related products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of sales-tax, service tax, duty of custom, duty of excise, value added tax, income tax and cession account of any dispute, are as follows:

S. No.	Name of Statute	Nature of Dues	Amount (Rupees Millions)	Amount Deposited (Rupees Millions)	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Demand of duty for Exemption under notification 108/95	10.29	-	2001-02	Tribunal Delhi
2	Central Excise Act, 1944	Under valuation of VIT tubes	5.21	2.00	1994-95	CESTAT - Chennai
3	Central Excise Act, 1944	Non-inclusion of 15% Profit Margin in Transfer Pricing	5.13	-	1993-94 and 1994-95	Kolkata High Court
4	Central Excise Act, 1944	Rejection of refund claim towards CENVAT reversals as insisted during Excise audit	4.44*	-	2012-13	CESTAT - Chennai
5	Central Excise Act, 1944	Wrongly availment and distribution of ISD Credit	15.07	-	2011-13	CESTAT - Ahmedabad

S. No.	Name of Statute	Nature of Dues	Amount (Rupees Millions)	Amount Deposited (Rupees Millions)	Period to which the amount relates	Forum where dispute is pending
6	Central Excise Act, 1944	Refund of excise duty denied for cases where proof of Export submitted after payment of Excise Duty after 180 days of export	3.07	-	2012-13	Tribunal Gujarat
7	Central Excise Act, 1944	Captively consumed goods cleared by availing exemption under notification 6/2006	0.11*	-	2008-09 & 2010-11	CESTAT – Chennai
8	Central Excise Act, 1944	Disallowance of CENVAT Credit , duty on captive consumption and clearance of goods under Notification 6 of 2006.	0.6*	-	2009-10	CESTAT – Chennai
9	Central Excise Act, 1944	Short payment of Duty	1.35	-	2007-08	Commissioner (Appeals) LTU
10	Central Excise Act, 1944	Demand of duty for Exemption u/n 108/95	0.47*	-	2003-04	Commissioner (Adj.) New Delhi
11	Central Excise Act, 1944	CENVAT Credit availed on SAP maintenance charges	0.21*	-	2008-09	High Court- Chennai
12	Central Excise Act, 1944	Levy of penalty	0.02	-	2011-12	CESTAT – Chennai
13	Central Excise Act, 1944	Seizure of spares while being transported to Railway Station alleging transportation without Invoice.	0.01	-	1996-97	Commissioner (Appeals) Allahabad
14	Finance Act, 1994	Service Tax on testing and technical Analysis Service	0.45	0.04	Dec-11 to Sep-12	Commissioner Appeals
15	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	137.07*	40.60	2010-11 & 2011-12	Joint Commissioner (Corporate Circle)
16	Central Sales Tax Act, 1956	Non submission of declaration forms, Input tax claim disallowed	168.38	-	2007-08	Revision Board at Beliaghata
17	Central Sales Tax Act, 1956	Non submission of Form C/I/E-1 and export documents	49.09*	45.02	2009-10	Joint Commissioner (Allahabad)
18	Central Sales Tax Act, 1956	Non collection of declaration forms	22.52*	37.97	2007-08	Joint Commissioner, Allahabad
19	Central Sales Tax Act, 1956	Non collection of declaration forms & CST treated as local VAT Sale	40.93*	14.59	2010-11	Additional Commissioner Appeals
20	Central Sales Tax Act, 1956	Non submission of form C/I/E-1 and export documents	50.28*	48.56	2008-09	Joint commissioner (Allahabad)
21	Central Sales Tax Act, 1956	Non Submission of C Forms	44.87*	9.47	2009-10	Tribunal Ahmedabad
22	Central Sales Tax Act, 1956	Non submission of Declaration forms	14.96*	20.65	2010-11 & 2011-12	Tribunal
23	Central Sales Tax Act, 1956	Non collection of declaration forms	28.05*	21.19	2006-07	Deputy Commissioner, Allahabad
24	Central Sales Tax Act, 1956	Non collection of declaration forms	1.57*	1.73	1993-94, 1997-1998, 2003-04, 2004-05 & 2005-06	Assessing Officer, Charge Office, West Bengal
25	Central Sales Tax Act, 1956	Non submission of Declaration forms	11.9*	14.87	2008-09 & 2009-10	Deputy Commissioner, Allahabad

S. No.	Name of Statute	Nature of Dues	Amount (Rupees Millions)	Amount Deposited (Rupees Millions)	Period to which the amount relates	Forum where dispute is pending
26	Central Sales Tax Act, 1956	Non collection of declaration forms	17.21*	-	2005-06, 2006-07 & 2007-08	Deputy Commissioner, U.P. Sales Tax
27	Central Sales Tax Act, 1956	Input tax claim disallowed, non-submission of declaration forms	9.30*	-	2009-10	West Bengal Commercial Taxes Appellate & Revisional Board
28	Gujarat Value Added Tax, 2003	Non collection of declaration form	3.2*	3.35	2007-08 & 2008-09	Joint Commissioner (Corporate)
29	Central Sales Tax Act, 1956	Non collection of declaration forms	6.36*	-	2002-03	Calcutta High Court
30	Uttar Pradesh Trade Tax Act, 1948	Ex Parte Assessment Order Passed. Records not submitted at the Time of Assessment.	5.50*	4.61	2005-06	Deputy Commissioner, U.P. Sales Tax
31	Central Sales Tax Act, 1956	Non collection of declaration forms	3.68*	-	2001-02, 2002-03 & 2011-12	Deputy Commissioner
32	Central Sales Tax Act, 1956	Disallowance of stock transfers made within the state, Denial of input tax credit, Difference in interpretation of rates and Non submission of documents to substantiate the purchases	3.58*	3.58	2008-09	Joint Commissioner (Allahabad)
33	West Bengal Sales Tax Act, 1994	Non collection of declaration forms	3.20	-	1997-98	West Bengal Tribunal
34	Delhi Value Added Tax Act, 2004	Non submission of Statutory Form such as C/H/F/E-1 and export documents	1.83	-	2007-08	Commercial Tax Officer
35	Central Sales Tax Act, 1956	Non submission of declaration forms, Input tax claim disallowed	1*	1	2006-07	Assessing Officer, Charge Office, West Bengal
36	Central Sales Tax Act, 1956	Non collection of declaration form CST, Documents like PO, Endorsed ARE 1, E1 Forms	0.54*	-	2009-10	Deputy Commissioner, Comm Tax
37	Uttar Pradesh Trade Tax Act, 1948	Levy of purchase Tax due to Unregistered purchases made	0.33*	-	2006-07	Deputy Commissioner Sales Tax Noida
38	Tamil Nadu General Sales Tax Act, 1959	Levy of penalty for wrong disclosure of turnover and Non furnishing of required documents for export & other claims	0.29*	-	1991-92	Sales Tax Appellate Tribunal, Chennai
39	Central Sales Tax Act, 1956	Non collection of declaration forms	0.26*		2008-09	Deputy Commissioner, Jaipur
40	Madhya Pradesh Value Added Tax Act, 2002	Non collection of declaration form CST treated as local VAT Sale	0.18*	0.06	2010-11	Deputy Commissioner Appeal
41	Rajasthan Value Added Tax Act, 2003	Input tax claim disallowed	0.08*	-	2008-09	Deputy Commissioner, Jaipur
42	Madhya Pradesh Value Added Tax Act, 2002	Entry Tax On High Sea Sales Imported Material	0.07*	0.02	2010-11	Deputy Commissioner Appeals
43	Central Sales Tax Act, 1956	Provisional Assessment	0.52	0.91	2014-15	Additional Commissioner Appeals

S. No.	Name of Statute	Nature of Dues	Amount (Rupees Millions)	Amount Deposited (Rupees Millions)	Period to which the amount relates	Forum where dispute is pending
44	Gujarat Value Added Tax, 2003	Input tax claim disallowed, non-submission of declaration forms	146.50*	28.27	2011-12	Joint Commissioner Appeals
45	Central Sales Tax Act, 1956	Non collection of declaration forms	17.35	8.41	2011-12, 2013-14	Deputy/Additional Commissioner Appeal
46	Central Sales Tax Act, 1956	Non collection of declaration forms	1.94	8.79	2013-14	Deputy Commissioner
47	Central Sales Tax Act, 1956	Non collection of declaration forms	16.87	2.53	2012-13	Joint Commissioner Appeals
48	Central Sales Tax Act, 1956	Non collection of declaration forms	0.68*	3.56	2008-09, 2011-12	Deputy Commissioner Appeals
49	Central Sales Tax Act, 1956	Non collection of declaration forms	11.09*	-	2009-10	Deputy Commissioner Appeal
50	Central Sales Tax Act, 1956	Non collection of declaration forms	12.10*	2.42	2011-12	Joint Commissioner Appeals
51	Central Sales Tax Act, 1956	Non collection of declaration forms	0.26*	-	2009-10	Deputy Commissioner Appeals
52	Central Sales Tax Act, 1956	Non collection of declaration forms	0.42*	0.14	2010-11	Deputy Commissioner Appeals
53	Central Sales Tax Act, 1956	Non collection of declaration forms	6.82*	1.82	2010-11	Deputy Commissioner Appeals
54	Central Sales Tax Act, 1956	Non collection of declaration forms	2.80	-	1997-98	Tribunal
55	Central Sales Tax Act, 1956	Non collection of declaration forms	16.79	-	1993-94	Revision Board at Beliaghata
56	Finance Act, 1994	Non-payment of service tax on provision created in books /short payment of service tax on royalty and technical knowhow payments made under intellectual property right services.	10.12*	-	2010-11	CESTAT - Chennai
57	Finance Act, 1994	Irregular availment of CENVAT Credit of Service Tax	4.98*	-	2012-13	CESTAT - Chennai
58	Finance Act, 1994	Disallowance of CENVAT credit availed on certain input services	0.79*	-	2012-13	CESTAT - Chennai
59	Finance Act, 1994	Non-payment of service tax on provision created in books /short payment of service tax on royalty and technical knowhow payments made under intellectual property right services.	0.65*	-	2011-12	CESTAT - Chennai
60	Finance Act, 1994	Non-payment of Service Tax on Manpower supply services	0.62*	-	2012-13	CESTAT - Chennai
61	Finance Act, 1994	Rejection of refund claim of interest paid for CENVAT credit wrongly availed but not utilised	0.13*	-	2012-13	CESTAT - Chennai
62	Finance Act, 1994	Short payment of service tax on GTA	0.08*	-	2009-10	High Court - Chennai
63	The Custom Act, 1962	Refund of drawback for non-realisation of export proceeds	5.59	-	2012-13	Commissioner of Customs (Appeals)

S. No.	Name of Statute	Nature of Dues	Amount (Rupees Millions)	Amount Deposited (Rupees Millions)	Period to which the amount relates	Forum where dispute is pending
64	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	4.40	-	2012-13	Deputy Commissioner, Noida-I, Uttar Pradesh
65	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	47.36	5.72	2012-2013	Joint commissioner of Commercial Tax (Appeals), Vadodara
66	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	28.57	5.71	2011-12	Deputy Commissioner, Vadodara
67	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	20.52	2.07	2013-14	Deputy Commissioner Appeal
68	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	3.70	9.75	2014-15	Appellate Deputy Commissioner Of Commercial Taxes, Chennai (South]
69	Central Sales Tax Act, 1956	Non-submission of waybill Form 402	6.41	2.10	2016-2017	Deputy Commissioner, Commercial Taxes, Gujarat
70	Central Sales Tax Act, 1956	ITC disallowance	4.72	-	2012-2013	Joint commissioner of Commercial Tax (Appeals), Vadodara
71	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	3.77	-	2013-14	Assistant Commissioner of Commercial Tax, Rajasthan
72	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C	0.36	-	2014-15	Assistant Commissioner of Commercial Tax, Rajasthan
73	Central Sales Tax Act, 1956	Regular VAT assessment	0.24	-	2013-14	Assistant Commissioner of Commercial Tax, Rajasthan
74	Central Excise Act, 1944	Irregular availment of Cenvat Credit on certain Ineligible service alleged	0.46*	-	2010-2011	CESTAT - CHENNAI
75	Central Excise Act, 1944	Excise duty on Exports	2.51	0.19	2012-2013	Commissioner Appeal
76	Central Excise Act, 1944	Duty on removal of Inputs "as such"	2.37	-	2011-2016	Additional Commissioner, Sec-62, Noida
77	Central Excise Act, 1944	Excise duty on Freight charges recovered from customer to be included in Assessable value	11.65	0.87	2011-2016	Additional Commissioner, Vadodara-II
78	Income Tax Act, 1961	Disallowance on account of bad debts written off and various other disallowances	90.00	-	AY 2012-13	Commissioner of Income Tax (Appeals)
79	Income Tax Act, 1961	Disallowance on account of bad debts written off and various other disallowances	104.31	-	AY 2013-14	Commissioner of Income Tax (Appeals)
80	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	32.89	3.29	2013-2014	Additional Commissioner (Appeals), Noida

S. No.	Name of Statute	Nature of Dues	Amount (Rupees Millions)	Amount Deposited (Rupees Millions)	Period to which the amount relates	Forum where dispute is pending
81	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	132.12	7.65	2014-2015	Joint Commissioner, Sales Tax, West Bengal
82	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	65.20	7.29	2013-2014	Deputy Commissioner, Commercial Taxes, Gujarat
83	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	20.90	0.89	2014-2015	Joint Commissioner, Sales Tax, Noida
84	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	8.50	0.03	2014-2015	Joint Commissioner, Sales Tax, Delhi
85	Central Excise Act, 1944	Denial of excise exemption on account of mismatch of signature on exemption certificate	0.90	0.07	2013-2014	CGST & CEAC, WB
86	Finance Act, 1994	Non-Payment of Service Tax on Research & Development and Rule 2(l) Of CCR 2004	3.86	0.29	2012-2013	Commissioner (Appeals), Luck now
87	Central Excise Act, 1944	service tax on royalty made at the time of payment and not at the time of provisioning	0.31	-	2011-2012	Joint Commissioner, West Bengal
88	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	6.35	2.99	2012-2013	Commercial Tax officer, Bangalore
89	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	4.84	-	2014-2015	Joint Commissioner, Andhra Pradesh
90	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	0.12	-	2014-2015	Joint Commissioner, Delhi
91	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	0.72	0.01	2012-2013	Joint Commissioner, Telangana
92	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	3.18	0.33	2013-2014	Commercial Tax officer, Bangalore
93	Central Sales Tax Act, 1956	Non submission of WCT forms	1.66	-	2012-2013	Joint Commissioner, Bangalore
94	Central Sales Tax Act, 1956	ITC disallowance	0.004	-	2014-2015	Commercial Tax officer, Ranchi
95	Central Sales Tax Act, 1956	ITC disallowance	1.41	-	2015-2016	Commercial Tax officer, Bhiwadi
96	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	18.42	4.61	2017-2018	Deputy Commissioner, Tamil Nadu
97	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	68.95	30.95	2015-16, 2016-17	Deputy Commissioner, Tamil Nadu
98	Entry Tax Act, Telangana	Entry Tax	2.71	2.71	2012-13, 2013-14, 2014-15	Joint Commissioner, Telangana
99	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	107.01	-	2014-2015	Telangana HC (Joint Commissioner, Telangana)
100	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	2.13	-	2015-2016	Deputy Commissioner, Noida

S. No.	Name of Statute	Nature of Dues	Amount (Rupees Millions)	Amount Deposited (Rupees Millions)	Period to which the amount relates	Forum where dispute is pending
101	Central Sales Tax Act, 1956	Non submission of Statutory Form such as C/H/F/E-1 and export documents	17.66	1.69	2015-2016	Deputy Commissioner, West Bengal
102	Central Sales Tax Act, 1956	ITC Disallowance	18.72	-	2015-16	Deputy Commissioner, West Bengal
103	Central Excise Act, 1944	Short payment of Duty	6.60	0.66	2016-2017	Tribunal, Ahmedabad

\* Represents Company's share of Rs.654.36 Million of dues pending in forums Jointly with ALSTOM T&D India Limited  
(Refer Note 33 of the accompanying Ind AS financial statements)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to any bank. Further, the company did not have any outstanding debentures and did not have any outstanding loans or borrowings dues in respect of a financial institution or to Government.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the

related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vishal Sharma**

Partner

Membership Number: 096766

Place: Atlanta

Date: May 22, 2019

## **Annexure 2 to the Independent Auditor's Report of Even Date On The Standalone Ind AS Financial Statements of Schneider Electric Infrastructure Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Schneider Electric Infrastructure Limited ("the Company") as of March 31, 2019, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to

these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to

future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements as at March 31, 2019:

1. The Company's internal control system for procurement to payment function was not operating effectively, since there were material weaknesses in approval of purchase orders and processing and recording of invoices. This could potentially result in material misstatement in Trade Payables. This has also caused us to qualify our opinion in the earlier year.
2. The Company's internal control system for financial statement closure process particularly for review of month end journal entries was not operating effectively. This could potentially result in material misstatement in the Company's financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these Ind AS financial statements as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as of March 31, 2019.

#### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Ind AS financial statements of Schneider Electric Infrastructure Limited, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 Ind AS financial statements of Schneider Electric Infrastructure Limited and this report does not affect our report dated May 22, 2019, which expressed an unqualified opinion on those Ind AS financial statements.

**For S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per **Vishal Sharma**

Partner

Membership Number: 096766

Place: Atlanta

Date: May 22, 2019

# Balance Sheet as at March 31, 2019

(Rupees in million)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	3	3,030.84	3,457.13
Capital work-in-progress	3	56.78	51.87
Intangible assets	4	53.67	79.93
Financial assets	5		
(i) Trade receivables		17.28	-
(ii) Other financial assets		19.51	22.25
Non current tax assets		223.05	190.33
Other non-current assets	6	686.21	643.94
<b>Total non - current assets</b>		<b>4,087.34</b>	<b>4,445.45</b>
<b>2 Current assets</b>			
Inventories	7	2,421.23	2,716.52
Financial assets	8		
(i) Trade receivables		4,137.46	3,970.72
(ii) Cash and cash equivalents		183.64	508.85
(iii) Other bank balances		0.83	0.85
(iv) Other financial assets		12.64	36.19
Other current assets	9	921.58	1,165.56
		7,677.38	8,398.69
Assets classified as held for sale	3	44.42	-
<b>Total current assets</b>		<b>7,721.80</b>	<b>8,398.69</b>
<b>Total Assets</b>		<b>11,809.14</b>	<b>12,844.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
Equity share capital	10	478.21	478.21
Other equity	10	(244.30)	47.15
<b>Total equity</b>		<b>233.91</b>	<b>525.36</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities	11		
(i) Borrowings		1,159.72	1,065.39
Provisions	12	216.19	109.21
Deferred revenue	13	28.14	28.02
<b>Total non - current liabilities</b>		<b>1,404.05</b>	<b>1,202.62</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	3,362.36	2,330.58
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		264.05	235.84
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,456.44	6,196.77
(iii) Other financial liabilities		178.14	804.12
Other current liabilities	15	741.50	402.74
Provisions	16	1,168.69	1,144.33
Deferred revenue	13	-	1.78
<b>Total current liabilities</b>		<b>10,171.18</b>	<b>11,116.16</b>
<b>Total equity and liabilities</b>		<b>11,809.14</b>	<b>12,844.14</b>

Summary of significant accounting policies

2

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

**For S.R.Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

**Per Vishal Sharma**

Partner

Membership No.096766

Place: Atlanta

Date: May 22, 2019

**For and on behalf of the Board of Directors of Schneider Electric Infrastructure Limited**

**Bruno Dercle**

Managing Director

DIN: 08185909

**Anil Chaudhry**

Director

DIN: 03213517

**Arnab Roy**

Chief Financial Officer

PAN: AEXPR4552H

**Bhumika Sood**

Company Secretary

ACS: 19326

Place: Gurugram

Date: May 22, 2019

## Statement of Profit and Loss for the year ended March 31, 2019

(Rupees in million)

		Year ended March 31, 2019	Year ended March 31, 2018
<b>I Income</b>			
Revenue from operations	18	13,840.56	13,336.55
Other income	19	497.18	247.47
<b>Total income</b>		<b>14,337.74</b>	<b>13,584.02</b>
<b>II Expenses</b>			
Cost of raw material and components consumed	20	9,571.49	9,676.05
Purchase of traded goods	21	80.98	163.95
Change in Inventories of finished goods and work-in-progress and traded goods	22	357.96	(476.51)
Excise duty on sales of goods		-	196.83
Employee benefits expense	23	1,997.48	1,845.76
Finance costs	24	443.83	435.51
Depreciation and amortization expense	25	257.86	268.77
Other expenses	26	1,591.76	2,120.38
<b>Total expenses</b>		<b>14,301.36</b>	<b>14,230.74</b>
<b>III Profit/(Loss) before Exceptional Items and Tax</b>		<b>36.38</b>	<b>(646.72)</b>
Exceptional Items	27	280.04	-
<b>IV Profit/(loss) before Tax</b>		<b>(243.66)</b>	<b>(646.72)</b>
<b>V Tax expense:</b>			
Current tax	17	-	-
Deferred tax	17	-	-
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>VI Profit/ (loss) for the year</b>		<b>(243.66)</b>	<b>(646.72)</b>
<b>VII Other comprehensive income/(loss)</b>			
Items that will not be reclassified subsequently to the statement of profit or loss			
- Remeasurement of the defined benefit plan (net of tax) (refer note 30)	28	1.94	(3.90)
<b>Total other comprehensive income/(loss)</b>		<b>1.94</b>	<b>(3.90)</b>
<b>VIII Total comprehensive income/(loss) for the year</b>		<b>(241.72)</b>	<b>(650.62)</b>
<b>IX Earnings per equity share</b>			
Equity shares of par value Rs. 2 each			
<b>Basic (In Rupees)</b>	29	<b>(1.02)</b>	<b>(2.70)</b>
<b>Diluted (In Rupees)</b>	29	<b>(1.02)</b>	<b>(2.70)</b>
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

**For S.R.Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E/E300005

**Per Vishal Sharma**  
Partner  
Membership No.096766

Place: Atlanta  
Date: May 22, 2019

**For and on behalf of the Board of Directors of  
Schneider Electric Infrastructure Limited**

**Bruno Derclé**  
Managing Director  
DIN: 08185909

**Arnab Roy**  
Chief Financial Officer  
PAN: AEXPR4552H

Place: Gurugram  
Date: May 22, 2019

**Anil Chaudhry**  
Director  
DIN: 03213517

**Bhumika Sood**  
Company Secretary  
ACS: 19326

# Cash Flow Statement for the year ended March 31, 2019

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) before tax	(243.66)	(646.72)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	257.86	268.77
Net (gain)/ loss on disposal of property, plant and equipment	(13.49)	(7.72)
Unrealised foreign exchange (gain) / loss (net)	(88.95)	101.96
Allowance for credit losses on trade receivables (net)	-	200.07
Provision for warranties	195.91	214.35
Allowance for impairment of doubtful loans and advances	19.20	32.28
Interest income	(0.03)	(1.70)
Interest expense	421.85	418.68
Provision for Litigations/Contingencies	-	0.05
Employee Stock Options	12.83	31.89
Provision for Contract Losses	6.77	(0.47)
Excess provisions/liabilities written back	(381.12)	(77.75)
Deferred revenue released during the year	(13.99)	(17.54)
<b>Operating Profit before working capital changes</b>	<b>173.18</b>	<b>516.14</b>
Movement in working capital		
(Increase)/ Decrease in trade receivables	57.43	620.99
(Increase)/ Decrease in inventories	295.29	(515.99)
(Increase)/ Decrease in other financial assets	17.47	149.43
(Increase)/ Decrease in other assets	200.56	(349.42)
Increase/ (Decrease) in trade payables	(1,466.88)	1,482.25
Increase/ (Decrease) in other financial liabilities	0.57	(30.49)
Increase/ (Decrease) in other liabilities and provisions	238.86	(279.62)
<b>Cash generated from/(used) in operations</b>	<b>(483.52)</b>	<b>1,593.28</b>
Income tax paid (net)	(32.72)	(30.11)
<b>Net Cash Flow from/(used) in Operating Activities (A)</b>	<b>(516.24)</b>	<b>1,563.17</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital work in progress	(98.85)	(250.10)
Proceeds from sale of property, plant and equipment	279.39	12.52
(Increase) / Decrease in capital advances	(5.04)	63.13
Interest received	0.03	1.70
<b>Net Cash Flow from/(used) in Investing Activities (B)</b>	<b>175.53</b>	<b>(172.75)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings (current maturities)	(683.48)	-
Proceed/(Repayment) of short term borrowings (net)	1,033.17	(859.58)
Proceed/(Repayment) of cash credit from banks (net)	2.84	(7.32)
Interest paid	(333.56)	(234.66)
<b>Net Cash Flow from/(used) in Financing Activities (C)</b>	<b>18.97</b>	<b>(1,101.56)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(321.74)</b>	<b>288.87</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	(3.49)	11.14
Cash and cash equivalents at the beginning of the year	509.70	209.69
<b>Cash and Cash Equivalents at the end of the year</b>	<b>184.47</b>	<b>509.70</b>

Directors' Report

Report on  
Corporate Governance

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Financial Statements

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Non-cash investing and financing transaction</b>		
Acquisition of property, plant and equipment by means of a finance lease	19.30	21.08

Notes :

- The above Cash Flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Components of cash and cash equivalents :

(Rupees in million)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>Cash and cash equivalents</b>			
Balances with banks:			
Current accounts		46.55	126.52
EEFC account		137.09	382.33
		<b>183.64</b>	<b>508.85</b>
<b>Other bank balances</b>			
Unclaimed dividend		0.83	0.85
		0.83	0.85
		<b>184.47</b>	<b>509.70</b>

Summary of significant accounting policies

2

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

**For S.R.Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 301003E/E300005

**Per Vishal Sharma**

Partner

Membership No.096766

Place: Atlanta

Date: May 22, 2019

**For and on behalf of the Board of Directors of  
Schneider Electric Infrastructure Limited**

**Bruno Dercle**

Managing Director

DIN: 08185909

**Arnab Roy**

Chief Financial Officer

PAN: AEXPR4552H

Place: Gurugram

Date: May 22, 2019

**Anil Chaudhry**

Director

DIN: 03213517

**Bhumika Sood**

Company Secretary

ACS: 19326

# Statement of changes in Equity for the year ended March 31, 2019

(Rupees in million)

## (A) Equity Share Capital

Particulars	Nos. (In Millions)	Amount
As at April 1, 2017	239.10	478.21
Changes during the year	-	-
As at March 31, 2018	239.10	478.21
Changes during the year	-	-
<b>As at March 31, 2019</b>	<b>239.10</b>	<b>478.21</b>

## (B) Other Equity

(Rupees in million)

Particulars	Equity Component of Preference Shares	Equity Component of Inter Corporate Deposits	Reserves and surplus				Total
			Share Based Payment Reserve	Capital reserve	General reserve	Retained Earnings	
<b>As at April 1, 2017</b>	<b>845.20</b>	<b>26.61</b>	<b>89.15</b>	<b>410.25</b>	<b>1,534.63</b>	<b>(2,239.96)</b>	<b>665.88</b>
Profit / (Loss) for the year	-	-	-	-	-	(646.72)	(646.72)
Other comprehensive income	-	-	-	-	-	(3.90)	(3.90)
Share based payments (refer note 31)	-	-	31.89	-	-	-	31.89
<b>As at March 31, 2018</b>	<b>845.20</b>	<b>26.61</b>	<b>121.04</b>	<b>410.25</b>	<b>1,534.63</b>	<b>(2,890.58)</b>	<b>47.15</b>
<b>As at April 1, 2018</b>	<b>845.20</b>	<b>26.61</b>	<b>121.04</b>	<b>410.25</b>	<b>1,534.63</b>	<b>(2,890.58)</b>	<b>47.15</b>
Profit / (Loss) for the year	-	-	-	-	-	(243.66)	(243.66)
Other comprehensive income	-	-	-	-	-	1.94	1.94
Share based payments (refer note 31)	-	-	12.83	-	-	-	12.83
Effect of adoption of new accounting standard (refer note 2.25)	-	-	-	-	-	(62.56)	(62.56)
<b>As at March 31, 2019</b>	<b>845.20</b>	<b>26.61</b>	<b>133.87</b>	<b>410.25</b>	<b>1,534.63</b>	<b>(3,194.86)</b>	<b>(244.30)</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

### For S.R.Batliloi & Co. LLP

Chartered Accountants  
ICAI Firm Registration No.: 301003E/E300005

### Per Vishal Sharma

Partner  
Membership No.096766

Place: Atlanta  
Date: May 22, 2019

### For and on behalf of the Board of Directors of Schneider Electric Infrastructure Limited

**Bruno Dercle**  
Managing Director  
DIN: 08185909

**Arnab Roy**  
Chief Financial Officer  
PAN: AEXPR4552H

Place: Gurugram  
Date: May 22, 2019

**Anil Chaudhry**  
Director  
DIN: 03213517

**Bhumika Sood**  
Company Secretary  
ACS: 19326

# Notes to financial statements

For the year ended March 31, 2019

## 1. Corporate information

Schneider Electric Infrastructure Limited was incorporated on March 12, 2011. It is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on three stock exchanges in India. The registered office of the company is located at Milestone 87, Vadodara, Gujarat. The Company is engaged in the business of

manufacturing, designing, building and servicing technologically advanced products and systems for electricity distribution including products such as distribution transformers, medium voltage switchgears, medium and low voltage protection relays and electricity distribution and automation equipment.

## 2. Significant accounting policies

### 2.01 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that is measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest million upto two decimal places, except when otherwise indicated.

### 2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 2.03 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed wherever applicable. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Similarly, when significant parts of plant and equipment are required to be replaced at intervals or when a major inspection/overhauling is required to be performed, such cost of replacement or inspection is capitalised (if the recognition criteria is satisfied) in the carrying amount of plant and equipment as a replacement cost or cost of major inspection/overhauling, as the case may be and depreciated separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognised in the statement of profit and loss.

Depreciation on property, plant and equipment is provided on pro-rata basis on straight-line method using the useful lives of the assets estimated by management based on technical evaluation; these rates are in certain cases differ from the lives prescribed under Schedule II of the Act. The Company has used the following rates to provide depreciation:

Assets	Useful life (in years)
Building	10 and 40
Plant and Equipment	1, 3, 5, 6.5, 8 and 10
Furniture and Fixtures (including office equipment)	4 and 10
Motor Vehicles	4 and 8
EDP Equipment	4

Leasehold Land and Leasehold Improvements are depreciated over the primary period of lease. An asset below Rs.5,000 is fully depreciated in the year of capitalization.

#### 2.04 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of

its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company has used the following rates to provide amortisation:

Assets	Rates (SLM) %
Computer Software	20%

#### 2.05 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

### 2.06 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### i. Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortized cost
- Equity instruments

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

#### Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in finance income in profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

#### Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

#### Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the

Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
- the Company has transferred the rights to receive cash flows from the financial assets or
- the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of IND AS 17

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not

increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

#### ii. Financial liabilities:

##### Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, and liabilities towards services, sales incentive and other payables.

The measurement of financial liabilities depends on their classification, as described below:

##### Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortized cost using EIR method.

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

##### Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an

integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic

characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

#### Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to P&L at the reclassification date.

## 2.07 Derivative financial instruments and hedge accounting

### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges (if any), which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

## 2.08 Inventories

- i. Raw materials, components, stores and spares are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.
- ii. Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.
- iii. Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- iv. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- v. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

## 2.09 Taxes

Tax expense for the year comprises of current income tax and deferred tax.

### i. Current Income Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

### ii. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

## 2.10 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.26.

### Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, Sales points). In determining the transaction price for the sale of goods,

the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

### Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with volume rebates. The volume rebates give rise to variable consideration.

#### - Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

#### - Significant financing component

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods to the customer and when the customer pays for that goods will be one year or less.

#### - Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions.

### Services

The Company provides installation, engineering & designing and other services that are either sold separately or bundled together with the sale of equipment to a customer. The services can be obtained from other providers and do not significantly customise or modify the goods.

Contracts for bundled sales of equipment and services are comprised of two performance obligations because the promises to transfer equipment and provide services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and services.

Revenue from installation and engineering & designing services are recognised at point of time upon completion of service.

Revenue from other service contracts are recognised pro-rata over the period of contract as and when service is rendered.

### Long term Contracts

The Company recognise revenue when control of the goods or services are transferred to the customer, at an amount that reflects the consideration (i.e. the transaction price) to which the Company is expected to be entitled in exchange for those goods or services excluding any amount received on behalf of third party (such as indirect taxes). An asset created by the Company's performance does not have an alternate use and as per the terms of the contract, the Company has an enforceable right to payment for performance completed till date. Hence the Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time. The Company recognise revenue at the transaction price which is determined on the basis of purchase order entered into with the customer. The Company recognise revenue for performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. The Company would not be able to reasonably measure its progress towards complete satisfaction of a performance obligation if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In those circumstances, the Company recognise revenue only to the extent of cost incurred until it can reasonably measure outcome of the performance obligation.

The Company uses cost based input method for measuring progress for performance obligation satisfied over time. Under this method, the Company recognises revenue in proportion to the actual project cost incurred (as against the total estimated project cost). While using cost based input method, the Company excludes cost that does not contribute to an entity's progress in satisfying performance obligation, such as borrowing cost.

The management reviews and revises its measure of progress periodically and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively in the period in which such changes are determined.

### Contract Balances

#### Contact Asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets – 'financial instruments – initial recognition and subsequent measurement'.

### Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## 2.11 Other revenue streams

### - Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

### - Export Benefits

Export benefits arising from Duty Drawback scheme and Merchandise Export Incentive Scheme are recognised on shipment of direct exports. Revenue from exports benefits measured at the fair value of consideration received or receivable.

## 2.12 Employee benefits

### i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### ii. Other long-term employee benefit obligations

#### Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. The Company's gratuity fund

scheme is managed by trust maintained with Insurance companies to cover the gratuity liability of the employees and premium paid to such insurance companies is charged to the statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### Provident fund and Superannuation fund

Retirement benefit in the form of Provident Fund, ESI and Superannuation Fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

### Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### iii. Share based payments

Employees (including senior executives) of the Company receive remuneration from the ultimate holding company in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as employee benefits expense in the statement of profit and loss together with a corresponding increase in other equity as 'Share based payments reserve' in lines with requirement as per Ind AS 102 (Share based payments), over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is

satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

### 2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

### 2.14 Government Grants

Government Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

## 2.15 Segment accounting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of products and services separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The analysis of geographical segments is based on the locations of customers.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items include general corporate income, expense, assets and liabilities items which are not allocated to any business segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

## 2.16 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

## 2.17 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit and Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are

recognised as expense in the period in which they occur.

## 2.18 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries and impairment losses/ write down in value of investment in subsidiaries and significant disposal of fixed assets.

## 2.19 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

## 2.19 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

## Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## 2.21 Provisions and Contingent Liabilities

### General Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is

material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Warranty Provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Provision is based on technical estimates by the management based on past trends. The estimate of such warranty-related costs is revised annually.

#### Restructuring Provisions

Restructuring provisions are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associate costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

#### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### 2.22 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 2.23 Preference Shares

Preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the preference shares, the fair value of the liability component is determined using an incremental borrowing rate of the Company. This liability is classified as financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity net of tax effect. The carrying amount of the conversion option is not remeasured in subsequent years.

#### 2.24 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:-

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated or amortised.

## 2.25 Changes in accounting policies and disclosures

### New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The Company has applied the modified retrospective approach to contracts that were not completed as of April 1, 2018 and has given impact of Ind AS 115 application by debit to retained earnings as at the said date by 62.56 MINR pertaining to recognition of revenue based on percentage of completion method (POCM) basis.

Set out below, are the amounts by which financial statement line items are affected as at and for the year ended 31 March 2019 as a result of the adoption of Ind AS 115. The adoption of Ind AS 115 did not have a material impact on OCI or the Company's operating, investing and financing cash flows.

Impact on statement of profit and loss :-

Particulars	Increase/(decrease) due to adoption of Ind AS 115 (MINR)
Revenue from operations	54.38
Cost of raw material consumed	46.74
Net loss after tax	(7.64)
Earnings per share	0.03

Impact on Balance Sheet :-

Particulars	Increase/(decrease) due to adoption of Ind AS 115 (MINR)
Trade Payables	(180.58)
Other Current Liabilities	220.69
Inventory	(25.80)
Other Current Assets	10.99
Retained Earnings (including adjustment to retained earnings as at April 1, 2018 amounting to Rs. 62.56 MINR)	(54.92)

### Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

### Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in

opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

## 2.26 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

#### (a) Operating lease commitments - Company as lessee

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### (b) Assessment of lease contracts

Significant judgement is required to apply lease accounting rules under Appendix C to IND AS 17: determining whether an Arrangement contains a Lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Appendix C to IND AS 17.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

#### (b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in note 30.

#### (c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### (d) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### (e) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If

any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

#### (f) Warranty provision

Warranty Provisions are measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. It is very unlikely that actual warranty claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

## 3. Property, plant and equipment

(Rupees in million)											
	Freehold Land	Leasehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	EDP Equipments	Vehicles	Total	Capital Work in progress	Grand Total
<b>At cost</b>											
<b>At March 31, 2017</b>	<b>679.72</b>	<b>890.75</b>	<b>25.93</b>	<b>1,282.04</b>	<b>529.69</b>	<b>25.83</b>	<b>105.46</b>	<b>87.20</b>	<b>3,626.62</b>	<b>164.21</b>	<b>3,790.83</b>
Additions	-	-	-	25.62	217.21	2.91	52.84	26.14	324.72	77.04	401.76
Disposals	-	-	-	-	-	0.03	8.78	14.46	23.27	189.38	212.65
<b>At March 31, 2018</b>	<b>679.72</b>	<b>890.75</b>	<b>25.93</b>	<b>1,307.66</b>	<b>746.90</b>	<b>28.71</b>	<b>149.52</b>	<b>98.88</b>	<b>3,928.07</b>	<b>51.87</b>	<b>3,979.94</b>
Additions	-	-	0.91	7.83	74.82	-	10.76	22.51	116.83	175.64	292.47
Disposals	-	140.00	11.78	2.51	139.26	7.03	11.13	18.50	330.21	152.56	482.77
Adjustments	-	-	-	-	-	-	-	3.93	3.93	-	3.93
Assets reclassified as held for sale	-	-	-	-	30.90	-	-	-	30.90	18.17	49.07
<b>At March 31, 2019</b>	<b>679.72</b>	<b>750.75</b>	<b>15.06</b>	<b>1,312.98</b>	<b>651.56</b>	<b>21.68</b>	<b>149.15</b>	<b>98.96</b>	<b>3,679.86</b>	<b>56.78</b>	<b>3,736.64</b>
<b>Accumulated Depreciation</b>											
<b>At March 31, 2017</b>	-	<b>2.15</b>	<b>4.19</b>	<b>63.14</b>	<b>99.13</b>	<b>3.34</b>	<b>42.28</b>	<b>31.89</b>	<b>246.12</b>		
Charge for the year	-	2.05	4.19	56.28	112.11	3.56	38.29	26.82	243.30		
Disposals	-	-	-	-	-	0.01	7.95	10.52	18.48		
<b>At March 31, 2018</b>	-	<b>4.20</b>	<b>8.38</b>	<b>119.42</b>	<b>211.24</b>	<b>6.89</b>	<b>72.62</b>	<b>48.19</b>	<b>470.94</b>		
Charge for the year	-	0.73	4.06	56.45	115.85	3.25	28.10	23.16	231.60		
Disposals	-	2.73	5.68	0.18	18.54	2.22	5.64	13.51	48.50		
Adjustments	-	-	-	-	-	-	-	0.37	0.37		
Assets reclassified as held for sale	-	-	-	-	4.65	-	-	-	4.65		
<b>At March 31, 2019</b>	-	<b>2.20</b>	<b>6.76</b>	<b>175.69</b>	<b>303.90</b>	<b>7.92</b>	<b>95.08</b>	<b>57.47</b>	<b>649.02</b>		
Net carrying amount											
<b>At March 31, 2018</b>	<b>679.72</b>	<b>886.55</b>	<b>17.55</b>	<b>1,188.24</b>	<b>535.66</b>	<b>21.82</b>	<b>76.90</b>	<b>50.69</b>	<b>3,457.13</b>		
<b>At March 31, 2019</b>	<b>679.72</b>	<b>748.55</b>	<b>8.30</b>	<b>1,137.29</b>	<b>347.66</b>	<b>13.76</b>	<b>54.07</b>	<b>41.49</b>	<b>3,030.84</b>		
Note : Buildings include those constructed on Leasehold Land :											
Gross Block										At March 31, 2019	At March 31, 2018
Depreciation Charge for the year										212.93	212.93
Accumulated Depreciation										5.89	5.89
Net Block										17.67	11.78
										195.26	201.15

## 4. Intangible assets

(Rupees in million)

Particulars	Software	Grand Total
<b>At cost</b>		
<b>At March 31, 2017</b>	<b>106.96</b>	<b>106.96</b>
Additions	19.22	19.22
Disposals	-	-
<b>At March 31, 2018</b>	<b>126.18</b>	<b>126.18</b>
Additions	-	-
Disposals	-	-
<b>At March 31, 2019</b>	<b>126.18</b>	<b>126.18</b>
<b>Amortisation</b>		
<b>At March 31, 2017</b>	<b>20.78</b>	<b>20.78</b>
Amortisation for the year	25.47	25.47
Disposals	-	-
<b>At March 31, 2018</b>	<b>46.25</b>	<b>46.25</b>
Amortisation for the year	26.26	26.26
Disposals	-	-
<b>At March 31, 2019</b>	<b>72.51</b>	<b>72.51</b>
<b>Net carrying amount</b>		
<b>At March 31, 2018</b>	<b>79.93</b>	<b>79.93</b>
<b>At March 31, 2019</b>	<b>53.67</b>	<b>53.67</b>

## 5. Non-current financial assets

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(i) TRADE RECEIVABLES</b>		
Unsecured - considered good	17.28	-
Trade Receivables - credit impaired	0.07	-
<b>Trade receivables (gross)</b>	<b>17.35</b>	<b>-</b>
<b>Less: Impairment allowance for trade receivables - credit impaired</b>	<b>0.07</b>	<b>-</b>
<b>(i)</b>	<b>17.28</b>	<b>-</b>

Trade receivables are usually non-interest bearing and are as per the terms of the underlying contract.

No non current trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(ii) OTHER FINANCIAL ASSETS (valued at amortised cost)</b>		
Security Deposits - unsecured, considered good	19.51	22.25
Security Deposits - unsecured, considered doubtful	94.95	86.14
	114.46	108.39
Less: Impairment allowance for doubtful balances	94.95	86.14
<b>Total other financial assets</b>	<b>19.51</b>	<b>22.25</b>
<b>(ii)</b>		

## 6. Other non-current assets

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(Unsecured, considered good)</b>		
Capital advances	6.87	1.83
<b>Others</b>		
Deposits with Statutory/ Government authorities, considered good	679.34	642.11
Deposits with Statutory/ Government authorities, considered doubtful	20.26	16.51
	699.60	658.62
Less: Impairment allowance for doubtful balances	20.26	16.51
	686.21	643.94

## 7. Inventories

(Rupees in million)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials and components	979.16	910.02
Work-in-progress	885.79	801.34
Finished goods	488.32	898.35
Traded goods	38.37	70.75
Stores and spares	29.59	36.06
<b>Total Inventories valued at the lower of cost and net realisable value</b>	<b>2,421.23</b>	<b>2,716.52</b>

During the year ended March 31, 2019, Rs. 32.10 Millions (March 31, 2018: Rs. 46.63 Millions) was recognised as an expense/(income) for inventories carried at net realisable value.

Note:	As at March 31, 2019	As at March 31, 2018
The above includes goods in transit as under:		
Raw materials	77.17	110.07
Finished goods	42.96	196.60
Traded goods	4.81	28.05

## 8. Current financial assets

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(i) TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Trade receivables - considered good	4,137.46	3,970.72
Trade receivables - credit impaired	1,060.87	2,418.86
<b>Trade receivables (gross)</b>	<b>5,198.33</b>	<b>6,389.58</b>
<b>Less: Impairment allowance for trade receivables</b>		
Trade receivables - credit impaired	1,060.87	2,418.86
(i)	4,137.46	3,970.72
Trade receivables - other than related parties	3,261.80	3,121.50
Trade receivables from related parties (Refer Note: 34)	875.66	849.22
<b>Total trade receivables</b>	<b>4,137.46</b>	<b>3,970.72</b>

Note:

Trade receivables are usually non-interest bearing and are on trade terms of 30 to 120 days.

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner or a member. Amount due from private companies in which any director is a director are as follows:

(Rupees in million)		
	As at March 31, 2019	As at March 31, 2018
Schneider Electric India Private Limited	499.88	533.66
Schneider Electric Solar India Private Limited	55.02	-
Schneider Electric Systems India Private limited	0.06	-
<b>(ii) CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
Current accounts	46.55	126.52
EEFC accounts	137.09	382.33
(ii)	183.64	508.85
Note: There are no restriction with regard to cash and cash equivalents as at reporting date and prior periods. At 31 March 2019, the Company has unutilised credit facilities of Rs. 7,840.64 Millions (31 March 2018: Rs. 8,006.19 Millions) (It includes overdraft, cash credit, letter of credit etc.)		
<b>(iii) OTHER BANK BALANCES</b>		
Unclaimed dividend (refer note below)	0.83	0.85
(iii)	0.83	0.85
(ii+iii)	184.47	509.70
Note: The company can utilise the balances only towards settlement of the respective unclaimed dividend.		
<b>(iv) OTHER FINANCIAL ASSETS</b>		
<b>(Unsecured considered good unless otherwise stated) (at amortised cost)</b>		
Amount recoverable from related parties	9.33	34.09
Security Deposits	3.31	2.10
Other financial assets	12.64	36.19
(iv)	12.64	36.19

## 9. Other current assets

(Rupees in million)		
<b>Unsecured, considered good unless otherwise stated</b>		
Advance to vendors - Considered good	101.06	165.06
Advance to vendors - Considered doubtful	43.54	43.54
	144.60	208.60
Less : Impairment allowance for doubtful balances	43.54	43.54
(a)	101.06	165.06
Advance to employees	10.07	4.49
Prepaid expenses	27.57	23.10
Balance in gratuity fund	28.41	-
Export incentive receivables/ duty scrips in hand	20.81	12.07
Loan to employees	2.18	5.01
Unbilled revenue	20.36	158.99
(b)	109.40	203.66
Balance with Statutory/ Government authorities - Considered good	711.12	796.84
Balance with Statutory/ Government authorities - Considered doubtful	25.58	22.00
	736.70	818.84
Less : Impairment allowance for doubtful balances	25.58	22.00
(c)	711.12	796.84
(a)+(b)+(c)	921.58	1,165.56

## 10. EQUITY

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(A) Equity share capital</b>		
<b>(a) Authorized</b>		
- 250,000,000 (31 March, 2018: 250,000,000) equity shares of Rupees 2 each	500.00	500.00
<b>Issued, subscribed and fully paid-up</b>		
- 239,104,035 (31 March, 2018: 239,104,035) equity shares of Rupees 2 each	478.21	478.21

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the year**

	March 31, 2019		March 31, 2018	
	No. of shares (in Millions)	Rupees (in Millions)	No. of shares (in Millions)	Rupees (in Millions)
At the beginning of the year	239.10	478.21	239.10	478.21
At the end of the year	239.10	478.21	239.10	478.21

**(c) Terms/rights attached to equity shares**

The company has equity shares having par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(d) Shares held by Holding/ ultimate holding company and/or their subsidiaries/ associates :**

Out of equity shares issued by the Company, shares held by its Holding company and/or their subsidiaries are as given below:

	As at March 31, 2019		As at March 31, 2018	
	No. of shares (in Millions)	Rupees (in Millions)	No. of shares (in Millions)	Rupees (in Millions)
Energy Grid Automation Transformers and Switchgears India Private Limited, the Holding Company	168.74	337.47	168.74	337.47
Schneider Electric Singapore Pte. Limited, Parent of Holding Company	10.59	21.18	10.59	21.18

**(e) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):**

Equity shares of Rupees 2 each fully paid:

	As at March 31, 2019		As at March 31, 2018	
Name of the shareholders	No. of shares (in Millions)	% holding	No. of shares (in Millions)	% holding
Energy Grid Automation Transformers and Switchgears India Private Limited, the Holding Company	168.74	70.57%	168.74	70.57%
Reliance Capital Trustee Co. Limited	19.16	8.01%	16.06	6.72%

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(B) OTHER EQUITY</b>		
Equity component of Preference Shares	845.20	845.20
Equity component of Inter Corporate Deposits	26.61	26.61
Share based payments reserve	133.87	121.04
Capital reserve	410.25	410.25
General reserve	1,534.63	1,534.63
Retained earnings	(3,194.86)	(2,890.58)
	<b>(244.30)</b>	<b>47.15</b>

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>Equity component of Preference Shares</b>		
Opening Balance	845.20	845.20
Add: Changes during the year	-	-
	<b>845.20</b>	<b>845.20</b>
<b>Equity component of Inter Corporate Deposits</b>		
Opening Balance	26.61	26.61
Add: Changes during the year	-	-
	<b>26.61</b>	<b>26.61</b>
<b>Share based payments reserve</b>		
Opening Balance	121.04	89.15
Add: Changes during the year	12.83	31.89
	<b>133.87</b>	<b>121.04</b>
<b>Capital reserve</b>		
Opening Balance	410.25	410.25
Add: Changes during the year	-	-
	<b>410.25</b>	<b>410.25</b>
<b>General reserve</b>		
Opening Balance	1,534.63	1,534.63
Add: Changes during the year	-	-
	<b>1,534.63</b>	<b>1,534.63</b>
<b>Retained earnings</b>		
Opening Balance	(2,890.58)	(2,239.96)
Add: Effect of adoption of new accounting standard (refer note 2.25)	(62.56)	-
Add: Profit / (Loss) for the year	(243.66)	(646.72)
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
Remeasurement of post employment benefit obligation, net of tax (item of OCI)	1.94	(3.90)
	<b>(3,194.86)</b>	<b>(2,890.58)</b>

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## 11. Non current financial liabilities

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(i) BORROWINGS</b>		
Finance lease obligation (refer note "c" below)	32.72	21.08
<b>Loans from related parties (unsecured)</b>		
- Schneider Electric IT Business India Private Limited (refer note "a" below)	-	683.48
<b>8% cumulative redeemable preference shares of Rupees 10 each (refer note "b" below)</b>		
- Energy Grid Automation Transformers and Switchgears India Private Limited	321.89	296.68
- Schneider Electric IT Business India Private Limited	815.49	751.62
	<b>1,170.10</b>	<b>1,752.86</b>
Less: current maturities clubbed under other current financial liabilities from related party (Refer note 14(iii))	-	683.48
Less: current maturities clubbed under other current financial liabilities from finance lease obligation (Refer note 14(iii))	10.38	3.99
	<b>1,159.72</b>	<b>1,065.39</b>
The above amount includes		
- Secured borrowings	32.72	21.08
- Unsecured borrowings	1,137.38	1,731.78
	<b>1,170.10</b>	<b>1,752.86</b>

- a. There is no non-current borrowing from Schneider Electric IT Business India Private Limited as at March 31, 2019 (borrowings as at March 31, 2018 carries interest rate of 6.15% to 6.30% per annum). The loan outstanding as at March 31, 2018 was repayable within 12 months and paid during the year.
- b. Each holder of cumulative redeemable preference shares is entitled to one vote per share only on resolution placed before the company which directly affect the rights attached to cumulative redeemable preference shares.
- c. The Company has entered into finance leased contracts for vehicles. The Company's obligations under finance leases are secured by the lessor's title to the leased vehicles. Finance lease obligation carries interest @ 11.50% and are repayable in equated monthly installment within a period of 4 years.

## 12. Non current provisions

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
Provision for warranties (refer item "a" in note 16(ii)(b))	216.19	100.13
Provision for gratuity (refer note 30)	-	9.08
	<b>216.19</b>	<b>109.21</b>

## 13. Non-current deferred revenue

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
Opening	29.80	29.73
Deferred during the year	28.14	17.61
Released/utilised during the year	29.80	17.54
<b>Closing</b>	<b>28.14</b>	<b>29.80</b>
Current portion	-	1.78
Non-current portion	28.14	28.02

**Note:**

The deferred revenue as at March 31, 2019 relates to non current warranty provision valued at amortised cost. (Deferred revenue as at March 31, 2018 related to the duty saved on import of capital goods through EPCG licenses and non current warranty provision)

## 14. Current financial liabilities

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(i) BORROWINGS (unsecured)</b>		
Cash credit from banks	2.84	-
Short term loan from banks	144.21	122.27
Foreign currency loan from banks	235.12	-
Loan from related party :		
- Schneider Electric IT Business India Private Limited	2,980.19	2,208.31
	<b>3,362.36</b>	<b>2,330.58</b>
The above amount includes		
- Secured borrowings	-	-
- Unsecured borrowings	3,362.36	2,330.58

Note:

- 1) Short term loan from bank represents the liabilities towards bill discounted by vendors. It carries a interest rate of 7.40% to 8.05% per annum (31st March 2018 : 8.85% per annum) and payable within 7 to 15 days from the balance sheet date.
- 2) Loan taken from Schneider Electric IT Business India Private Limited carries interest rate of 6.50% to 6.85% per annum (31st March 2018, 6.15% to 6.50% per annum). The loan is repayable within 90 to 180 days from the date of balance sheet.

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(ii) TRADE PAYABLES</b>		
Total outstanding dues of Micro, Small and Medium enterprises (refer note below for details of dues to Micro, Small and Medium enterprises)	264.05	235.84
Total outstanding dues of creditors other than Micro, Small and Medium enterprises	4,456.44	6,196.77
	<b>4,720.49</b>	<b>6,432.61</b>

Terms and conditions of the above trade payables:

- The amounts are non-interest bearing and are normally settled on 90-day terms.
- Trade Payables include due to related parties Rs. 2,015.75 millions (March 31, 2018 : Rs. 2,689.55 millions)

(a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	264.05	235.84
Interest	1.00	3.17
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	5.79	9.49
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	41.46	34.67
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	41.46	34.67

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>(iii) OTHER FINANCIAL LIABILITIES</b>		
Current maturities of loan from related parties (Refer note 11(i) )	-	683.48
Current maturities of finance lease obligation (Refer note 11(i) )	10.38	3.99
Interest accrued but not due on borrowings	27.06	34.66
Interest accrued and due to MSMED creditors	41.46	34.67
Security deposits	16.34	15.74
Derivative liability - forward contracts	41.30	-
Provision for Unclaimed dividend*	0.83	0.85
Capital creditors	40.77	30.73
	<b>178.14</b>	<b>804.12</b>

\*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

## 15. Other current liabilities

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
Advance from customers	405.44	264.08
Advance billing to customers	284.52	56.23
Statutory dues payables	51.54	82.43
	<b>741.50</b>	<b>402.74</b>

## 16. Current provisions

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>i) Provision for employee benefits</b>		
Leave encashment	78.66	62.15
	<b>78.66</b>	<b>62.15</b>
<b>ii) Other provisions</b>		
Provision for restructuring (refer note a below)	108.77	-
Provision for warranties (refer note b below)	319.00	414.84
Provision for litigations/contingencies (refer note c below)	655.81	664.83
Provision for contract losses (refer note d below)	6.45	2.51
	<b>1,090.03</b>	<b>1,082.18</b>
	<b>1,168.69</b>	<b>1,144.33</b>

### a) Provision for restructuring

Restructuring Provision represents expenses under the organisational restructuring to achieve higher efficiency, planned over a period of time and includes shifting of factory lines to other locations and related employee settlement cost.

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	-	-
Arising during the year	280.04	-
Utilized during the year	171.27	-
<b>At the end of the year</b>	<b>108.77</b>	<b>-</b>

(Rupees in million)		
	As at March 31, 2019	As at March 31, 2018
<b>b) Provision for warranties</b>		
A provision is recognised for expected warranty claims on product sold under warranty as per the technical estimates made by the management based on historical trends. It is expected that most of this cost will be incurred over the warranty period as per the warranty terms. The table below gives information about movement in warranty provisions. Assumptions used to calculate the provision for warranties on current and previous period sales level and the failure trend in respect of defects.		
At the beginning of the year	514.97	442.82
Arising during the year	365.87	286.43
Reversal during the year	(169.96)	(72.08)
Utilised during the year	160.49	145.91
Unwinding of discount	(15.20)	3.71
<b>At the end of the year</b>	<b>535.19</b>	<b>514.97</b>
Current portion	319.00	414.84
Non-current portion	216.19	100.13
(Rupees in million)		
	As at March 31, 2019	As at March 31, 2018
<b>c) Provision for Litigations/Contingencies</b>		
Provision for litigations/ contingencies relates to cases of Excise Duty, Service Tax, Sales Tax and Income Tax. Due to uncertainty related to outcome, it is difficult to comment on any outflow of economic benefits. The provisions reflect the current best estimates.		
At the beginning of the year	664.83	664.78
Arising during the year	1.97	0.05
Reversal during the year	(10.99)	-
<b>At the end of the year</b>	<b>655.81</b>	<b>664.83</b>
(Rupees in million)		
	As at March 31, 2019	As at March 31, 2018
<b>d) Provision for contract losses</b>		
Provision is recognised when it is probable that total cost to execute a construction contract will exceed its corresponding revenue. The table gives information about movement in losses.		
At the beginning of the year	2.51	19.10
Arising during the year	6.77	(0.47)
Reversal during the year	-	-
Utilized during the year	2.83	16.11
<b>At the end of the year</b>	<b>6.45</b>	<b>2.51</b>

## 17. Income taxes

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Income tax expense in the statement of profit and loss comprises:		
Current income tax charge	-	-
Deferred Tax		
- Relating to origination and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>-</b>	<b>-</b>
(b) <b>Other Comprehensive Income</b>		
Remeasurement of the defined benefit plan	1.94	(3.90)
<b>Income tax related to items recognised in OCI during the year</b>	<b>-</b>	<b>-</b>
(c) <b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :</b>		
Accounting profit before tax	(243.66)	(646.72)
Applicable tax rate	34.94%	34.61%
<b>Computed Tax Expense</b>	<b>(85.14)</b>	<b>(223.83)</b>
<b>Income tax charged to Statement of Profit and Loss</b>	<b>-</b>	<b>-</b>

The Company follows Ind AS 12 "Income Taxes". The Company has net deferred tax assets consisting of unabsorbed depreciation and carry forward losses. However, Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits in the company and there are no other tax planning opportunities or other evidence of recoverability in the near future. A summary of deferred tax assets to the extent of deferred tax liability is given below:

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>Deferred income tax assets</b>		
Disallowance for provision for inventory obsolescence	-	108.22
Expenses allowable on payment basis	49.26	40.56
Brought forward losses and unabsorbed depreciation	966.15	562.83
Disallowance for doubtful debts and others	370.71	837.17
Disallowance for provision for Litigations	139.24	125.92
Others	93.66	46.98
<b>Total deferred income tax assets (Gross)</b>	<b>1,619.02</b>	<b>1,721.68</b>
<b>Deferred income tax liabilities</b>		
Increase in value of land through fair valuation at transition date	243.56	277.80
Accelerated depreciation on property, plant and equipment & Intangible asset for income tax purposes	65.20	78.58
Others	9.84	4.48
<b>Total deferred income tax liabilities (Gross)</b>	<b>318.60</b>	<b>360.86</b>
<b>Deferred income tax assets (Net)</b>	<b>1,300.42</b>	<b>1,360.82</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable rights to set off current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authorities.

## 18. Revenue from operations

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue from contracts with customers</b>		
<b>Sale of Products</b>		
Sale of finished goods	11,496.52	11,573.07
Sale of traded goods	125.31	136.19
	11,621.83	11,709.26
Sale of Services	758.97	709.43
Project revenue	1,334.18	835.12
<b>Other operating revenues</b>		
Scrap sales (Including excise duty)	125.58	82.74
<b>Revenue from operations</b>	<b>13,840.56</b>	<b>13,336.55</b>

Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the financial year ended March 31, 2018 is inclusive of excise duty for three months i.e. April 01, 2017 to June 30, 2017. Refer note 39 for disclosure of revenue from contract with customers under Ind AS 115.

## 19. Other income

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest income on</b>		
Bank deposits	0.03	0.20
Others	-	1.50
<b>Other non-operating income</b>		
Export incentives	62.58	71.82
Excess provisions/liabilities written back	381.12	77.75
Net gain on disposal of property, plant and equipment	13.49	7.72
Bad debts recovered	11.84	44.44
Deferred revenue released during the year (refer note 13)	13.99	17.54
Others	14.13	26.50
	<b>497.18</b>	<b>247.47</b>

## 20. Cost of raw material and components consumed

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the beginning of the year	910.02	895.17
Add: Purchases during the year	9,640.63	9,690.92
	10,550.65	10,586.08
Less: inventory at the end of the year	979.16	910.02
<b>Cost of raw material and components consumed</b>	<b>9,571.49</b>	<b>9,676.05</b>

## 21. Purchase of traded goods

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Purchases of traded goods	80.98	163.95
	<b>80.98</b>	<b>163.95</b>

## 22. Change in inventories of finished goods and work-in-progress and traded goods

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Work in Progress</b>		
At the beginning of the year	801.34	680.81
Less: At the end of the year	885.79	801.34
<b>(Increase) / Decrease in Work in progress</b>	<b>(84.45)</b>	<b>(120.53)</b>
<b>Finished Goods</b>		
At the beginning of the year	898.35	596.32
Less: At the end of the year	488.32	898.35
<b>(Increase) / Decrease in Finished goods</b>	<b>410.03</b>	<b>(302.03)</b>
<b>Traded Goods</b>		
At the beginning of the year	70.75	16.80
Less: At the end of the year	38.37	70.75
<b>(Increase) / Decrease in Traded goods</b>	<b>32.38</b>	<b>(53.95)</b>
<b>(Increase) / Decrease in inventories</b>	<b>357.96</b>	<b>(476.51)</b>

## 23. Employee benefits expenses

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	1,732.95	1,576.39
Contribution to provident, Superannuation and other funds	82.79	78.07
Employee Stock Options (refer note 31)	12.83	31.89
Gratuity expense (refer note 30)	18.01	14.97
Staff welfare expenses	150.90	144.44
	<b>1,997.48</b>	<b>1,845.76</b>

## 24. Finance costs

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest expenses*	420.70	391.25
Bank charges	21.99	16.83
Foreign exchange variation treated as borrowing cost	1.14	27.43
	<b>443.83</b>	<b>435.51</b>

\* includes interest on delayed payment of statutory dues Rs. 0.23 million (March 31, 2018 Rs. 1.86 million) and interest under Micro, Small and Medium Enterprises Act Rs. 6.79 million (March 31, 2018 Rs. 12.66 million).

## 25. Depreciation and amortisation

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation expenses	231.60	243.30
Amortisation expenses	26.26	25.47
	<b>257.86</b>	<b>268.77</b>

## 26. Other expenses

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares	7.90	13.40
Power and fuel	79.71	77.31
Royalty	1.78	2.92
Freight charges	125.64	133.55
Rent	117.80	118.23
Rates and taxes	20.75	20.91
Directors' sitting fees	2.40	2.62
Provision for litigations / contingencies	-	0.05
Insurance charges	20.93	24.52
Repairs and maintenance :		
- Plant & machinery	45.50	50.73
- Buildings	37.99	35.75
- Others	47.79	62.62
Travelling and conveyance	187.39	180.70
Auditor's remuneration		
- Audit fee	8.10	8.10
- Tax Audit fees	0.80	0.80
- Limited review	4.10	4.10
- Certification and others	0.20	1.70
- Reimbursement of expenses	0.90	0.84
Warranty expenses	195.91	214.35
Loss on foreign exchange differences and mark to market losses (net)	59.51	188.89
Provision for contract loss	6.77	(0.47)
Impairment allowance on trade receivables	-	200.07
Provision for doubtful loans and advances	19.20	32.28
Trade mark fees	203.68	200.45
Data management charges	153.21	143.01
Legal and professional charges	141.57	155.29
(Increase) / decrease of excise duty on inventory	-	65.82
Miscellaneous expenses	102.23	181.84
<b>Total</b>	<b>1,591.76</b>	<b>2,120.38</b>

## 27. Exceptional items

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Restructuring expenses	280.04	-
	<b>280.04</b>	<b>-</b>

Exceptional items represents expenses incurred under the organisational restructuring to achieve higher efficiency, planned over a period of time and includes shifting of factory lines to other locations and related employee settlement cost.

## 28. Component of other comprehensive income

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
The disaggregation of changes to OCI in equity is shown below:		
i) Remeasurement of the defined benefit plan (net of tax)	(1.94)	(3.90)
	<b>(1.94)</b>	<b>(3.90)</b>

## 29. Earnings per share

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>(a) Basic Earnings per share</b>		
Numerator for earnings per share		
Profit/(loss) for the year	(243.66)	(646.72)
Denominator for earnings per share		
Weighted average number of equity shares outstanding (Nos. in Million) during the year	239.10	239.10
Earnings per share-Basic (one equity share of Rs. 2 each)	(1.02)	(2.70)
<b>(b) Diluted Earnings per share</b>		
Numerator for earnings per share		
Profit/(loss) for the year	(243.66)	(646.72)
Denominator for earnings per share		
Weighted average number of equity shares outstanding (Nos. in Million) during the year	239.10	239.10
Earnings per share- Diluted (one equity share of Rs. 2 each)	(1.02)	(2.70)

Note: There are no instruments issued by the Company which have effect of dilution of basic earning per share

## 30. Employee benefits

Disclosures pursuant to Ind AS-19 "Employee Benefits" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below:

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Provident Fund, Superannuation and other Funds	82.79	78.07
	<b>82.79</b>	<b>78.07</b>

### Defined Benefit Plan

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on retirement/resignation/death at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with insurance companies in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Present value of Defined Benefit obligation at the beginning of the year	184.70	165.29
Liability acquired from another entity	-	12.57
Interest Expense	14.24	12.46
Current Service Cost	17.31	16.66
Benefits paid	(28.87)	(24.33)
Actuarial changes arising from changes in financial assumptions	0.94	(2.93)
Actuarial changes arising from changes in experience adjustments	(4.38)	4.98
<b>Defined Benefit obligation at year end</b>	<b>183.94</b>	<b>184.70</b>

	(Rupees in million)	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	175.62	187.65
Expected return on plan assets	13.54	14.15
Actuarial gain /(loss) for the year on plan assets	(1.50)	(1.86)
Employer contribution	53.56	-
Benefits paid during the year	(28.87)	(24.32)
<b>Fair value of plan assets at year end</b>	<b>212.35</b>	<b>175.62</b>
	(Rupees in million)	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>c) Net defined benefit asset/ (liability) recognised in the balance sheet</b>		
Fair value of plan assets	212.35	175.62
Present value of defined benefit obligation	183.94	184.70
<b>Amount recognised in Balance Sheet- Asset / (Liability)</b>	<b>28.41</b>	<b>(9.08)</b>
	(Rupees in million)	
	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>d) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)</b>		
Current Service Cost	17.31	16.66
Net Interest Cost	0.70	(1.69)
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>18.01</b>	<b>14.97</b>
	(Rupees in million)	
	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>e) Remeasurement gain/ (loss) recognised in other comprehensive income</b>		
Net cumulative unrecognized actuarial gain/(loss) opening	1.12	5.02
Actuarial gain / (loss) for the year on PBO	3.44	(2.04)
Actuarial gain /(loss) for the year on plan assets	(1.50)	(1.86)
Unrecognized actuarial gain/(loss) at the end of the year	3.06	1.12
<b>Recognised in other comprehensive income</b>	<b>1.94</b>	<b>(3.90)</b>
<b>f) Broad categories of plan assets as a percentage of total assets</b>		
Insurer managed funds	100%	100%
	(Rupees in million)	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>g) Principal assumptions used in determining defined benefit obligation</b>		
Mortality Table (LIC)	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Discount rate (per annum)	7.66%	7.71%
Salary Escalation	5.00%	5.00%
Ages - Withdrawal Rates		
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00
Retirement Age (years)	58.00	58.00

(Rupees in million)

As at  
March 31, 2019

**h) Quantitative sensitivity analysis for significant assumptions is as below:**

Increase / (decrease) on present value of defined benefits obligations at the end of the year	
Defined Benefit obligation at year end	183.94
<b>Discount Rate</b>	
Increase by 0.50%	(9.11)
Decrease by 0.50%	9.88
Defined Benefit obligation at year end	183.94
<b>Salary Increase</b>	
Increase by 0.50%	10.09
Decrease by 0.50%	(9.38)

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to the rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

**i) Maturity profile of defined benefit obligation**

Year	(Rs in million)
April 2019- March 2020	14.76
April 2020- March 2021	3.00
April 2021- March 2022	5.69
April 2022- March 2023	6.47
April 2023- March 2024	6.21
April 2024- March 2025	8.07
March 2025 onwards	139.74

- j) The Company's best estimate of expense for the next annual reporting period is Rs. 19.72 million
- k) Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.
- l) The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
- m) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- n) Description of Risk Exposures: Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -
- Salary increases - Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
  - Investment risk - If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
  - Discount rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
  - Mortality and disability - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
  - Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

## 31. Share based payments

The Company does not provide any share based compensation to its employees. However, the Ultimate holding company Schneider Electric SE ('the issuer') has provided various share-based payment scheme to employees of the Company.

Details of these plans are as under:-

### A. Performance Stock Units

These are the units of stock granted to employee at nil exercise price. The main features of these plans were as follows:

Plan No	Date of Board meeting of issuer	Starting date of Exercise period	Expiration Date
AGA Plan 18	31-Mar-14	31-Mar-18	31-Mar-18
AGA Plan 22	27-Mar-15	27-Mar-19	27-Mar-19
AGA Plan 26	23-Mar-16	23-Mar-16	23-Mar-20
Final Plan 29	24-Mar-17	24-Mar-20	24-Mar-20
Plan 31	26-Mar-18	26-Mar-21	26-Mar-21
Plan 33	26-Mar-19	28-Mar-22	28-Mar-22

To receive the stock, the grantee must generally be an employee or corporate officer of the Group. Vesting is also conditional on the achievement of performance criteria. Vesting period is 0 to 4 years and lock-up period is 0 to 3 years.

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
--	------------------------------	------------------------------

The expense recognised for employee services received during the year is shown in the following table:

Expense arising from equity-settled share-based payment transactions	12.83	31.89
<b>Total expense arising from share-based payment transactions</b>	<b>12.83</b>	<b>31.89</b>

There were cancellations or modifications in performance stock unit. Refer below movement for details:-

### Movements during the year

#### Performance Stock Unit

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
	Number	Number
Outstanding at 1 April	26,695	41,496
Granted during the year	3,100	3,800
Forfeited during the year	(8,110)	(6,353)
Exercised during the year	(4,878)	(7,522)
Stock pertaining to employees transferred from other group companies	6,040	-
Stock pertaining to employees transferred to other group companies	(1,657)	(4,726)
<b>Outstanding at 31 March</b>	<b>21,190</b>	<b>26,695</b>

## 32. Leases

### Operating lease commitments-Company as lessee

General description of the Company's operating lease arrangements:

The company has not entered into any non-cancellable operating lease. Certain office premises, warehouse, sales office etc. are obtained by the Company on operating lease basis. The lease is for short term basis and renewable for further period.

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
Lease payments recognised in the statement of profit and loss as rent expenses for the year	117.80	118.23

### Finance lease commitments-Company as lessee

General description of the Company's financing lease arrangements:

The Company has entered into finance leases contracts for vehicles. Some of the significant terms and conditions for the arrangements are:

- The Company's obligations under finance leases are secured by the lessor's title to the leased vehicles.
- The lease period extends for 4 years for each vehicles.
- The employees who have availed vehicle under the finance leasing arrangement of the company will be required to pay 15% of the vehicle value at the end of lease period directly to the leasing company for getting title of the vehicle transferred in their own name

Future minimum rental payables under non-cancellable operating lease are as follows:

	As at March 31, 2019		As at March 31, 2018	
	Minimum Lease Payments	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
(i) not later than one year	14.77	10.38	6.38	3.99
(ii) later than one year but not later than five years	27.68	22.34	20.73	17.09
(iii) later than five years	-	-	-	-
<b>Total Minimum Lease Payments</b>	<b>42.45</b>	<b>32.72</b>	<b>27.11</b>	<b>21.08</b>
Less: Amount representing finance charges	9.73	-	6.03	-
<b>Present Value of Minimum Lease Payments</b>	<b>32.72</b>	<b>32.72</b>	<b>21.08</b>	<b>21.08</b>

## 33. Commitments and contingencies

### A. Contingent Liabilities

(Rupees in million)

		As at March 31, 2019	As at March 31, 2018
<b>A.1 Income Tax</b>			
Contingent liability	2011-12 to 2013-2014	360.67	360.67
Deposits made under protest		60.95	60.95

Contingent liability on account of certain information/ details yet to be submitted to the assessing officer. The management believes that all the required information will be submitted to the tax authorities at the time of hearing and there is no potential exposure on account of the same.

## A.2 Indirect Tax cases (Mixed cases with Alstom T&D India Limited)

Post demerger, Company and ALSTOM T&D India Limited (ALSTOM) have bifurcated the total outstanding demands of Excise/ Service Tax and Sales tax in accordance with the arrangement agreed between the two Companies (mixed cases). Accordingly, ALSTOM is contesting the total outstanding demands, before various appellate authorities, including the share of the Company.

	As at March 31, 2019				
	Total Demand including Alstom	Company's share	Contingent Liability	Provision	Deposits made under protest
Excise and Service Tax (as at March 31, 2019)	105.90	23.65	17.13	6.52	-
Excise and Service Tax (as at March 31, 2018)	105.90	23.65	17.13	6.52	-
Sales Tax (as at March 31, 2019)	1,420.34	630.71	231.98	398.73	304.72
Sales Tax (as at March 31, 2018)	1,448.78	650.18	237.36	412.82	286.88
Total (as at March 31, 2019)	1,526.24	654.36	249.11	405.25	304.72
Total (as at March 31, 2018)	1,554.68	673.83	254.49	419.34	286.88

## A.3 Other Indirect Tax cases

	As at March 31, 2019		
	Contingent Liability	Provision	Deposits made under protest
a. Excise and Service Tax (as at March 31, 2019)	54.87	13.92	4.12
Excise and Service Tax (as at March 31, 2018)	41.47	20.73	3.46
b. Sales Tax (as at March 31, 2019)	677.36	185.91	108.41
Sales Tax (as at March 31, 2018)	560.97	121.90	66.02
c. Custom Duty (as at March 31, 2019)	5.59	-	-
Custom Duty (as at March 31, 2018)	5.59	-	-
Total (as at March 31, 2019)	737.82	199.83	112.53
Total (as at March 31, 2018)	608.03	142.63	69.48

The Company has preferred appeals against the above demands (refer note A.1, A.2 and A.3 above) which are pending before various appellate authorities, and has been advised by the reputed professional advisers, engaged by it, that there are reasonable chances of success in these appeals.

**A.4** The Company has availed receivables purchase facility from banks against which sum of Rs. 72.51 million (March 31, 2018 Rs. 111.91 million) have been utilised as on the date of balance Sheet. The Company has assigned all its rights and privileges to the Bank. Accordingly the amount of utilization has been reduced from trade receivables.

## B Commitments

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
Commitments relating to purchase of tangible assets	48.63	46.31
Bank guarantees provided against advance from customers or performance obligation under contracts with customers	3,455.00	3,422.00
Duty obligation under export promotion capital goods	-	17.75
	<b>3,503.63</b>	<b>3,486.06</b>

## 34. Related party transactions

Following are the Related Parties and transactions entered with related parties for the year:

### (A) Names of related parties and related party relationship

#### (i) Related party where control exists

Name of the related parties	Relationship
1. Energy Grid Automation Transformers and Switchgears India Private Limited	Holding company
2. Schneider Electric Industries SAS, France	Ultimate holding Company
3. Schneider Electric Singapore Pte. Limited, Singapore	Parent of holding Company

#### (ii) Fellow subsidiaries with which there have been transactions during the year

EPS Electrical Power Distribution Boards & Switchgear Ltd, Saudi Arabia	Schneider Electric IT Logistics Europe Limited, Ireland
France Transfo SAS, France	Schneider Electric IT Singapore Pte. Ltd, Singapore
Invensys Development Centre India Private Ltd, India	Schneider Electric Kenya, Kenya
Invensys India Private Limited, India	Schneider Electric Korea Ltd (ex-Samwha EOCR Co. Ltd), Korea
Luminous Power Technologies Private Ltd, India	Schneider Electric Lanka (Private) Limited, Lanka
Manufacturas Electricas SA, Spain	Schneider Electric Logistics Asia Pte. Ltd, Singapore
Power Measurement Ltd, Canada	Schneider Electric Ltd, UK
Pt Schneider Electric Indonesia, Indonesia	Schneider Electric Mexico S.A. de C.V., Mexico
Schneider Electric IT Business India Pvt.Ltd., India	Schneider Electric Nigeria Ltd, Nigeria
Schneider (Thailand) Ltd, China	Schneider Electric O.M. LLC, Oman
Schneider Busway (Guangzhou) Ltd, China	Schneider Electric Overseas Asia Pte. Ltd, Singapore
Schneider Electric (Australia) Pty. Limited, Australia	Schneider Electric Peru S.A., Peru
Schneider Electric (China) Co. Ltd, China	Schneider Electric Polska SP, Poland
Schneider Electric (Philippines) Inc., Philippines	Schneider Electric President Systems Ltd, India
Schneider Electric (UK) Ltd, UK	Schneider Electric Private Limited, India
Schneider Electric (Xiamen) Switchgear Co. Ltd, China	Schneider Electric Protection et Contrôle SAS, France
Schneider Electric AEBE, Greece	Schneider Electric S.P.A., Italy
Schneider Electric Argentina Sa, Argentina	Schneider Electric Sachsenwerk GmbH, Germany
Schneider Electric Asia Pacific Limited, Hong Kong	Schneider Electric Services LLC, Qatar
Schneider Electric "Austria" Ges. M.B.H., Austria	Schneider Electric Solar India Private Limited, India
Schneider Electric Brasil Ltda, Brazil	Schneider Electric Solar Inverters USA Inc., USA
Schneider Electric Bulgaria EOOD, Bulgaria	Schneider Electric South Africa (Pty) Ltd, South Africa
Schneider Electric Canada Inc., Canada	Schneider Electric Systems Austria GmbH, Austria
Schneider Electric D.O.O., Croatia	Schneider Electric Taiwan Co Ltd, China
Schneider Electric De Colombia Sa, Colombia	Schneider Electric Telecontrol SAS, France
Schneider Electric Distribution Company, Egypt	Schneider Electric USA, Inc., USA
Schneider Electric Dms Ns, Serbia	Schneider Electric Vietnam Co. Ltd, Vietnam
Schneider Electric East Mediterranean SAL Lebnon	Schneider Elektrik Sanayi Ve Ticaret A.S., Turkey
Schneider Electric Energy France SAS, France	Schneider Enerji Endüstrisi Sanayi Ve Ticaret A.S., Turkey
Schneider Electric Energy Hungary Electric Switchboard Production Ltd, Hungary	Schneider Enerji Endüstrisi Sanayi Ve Ticaret Anonim Sirketi, Turkey
Schneider Electric Espana SA, Utd.Arab Emir.	Schneider Newlog, France, France
Schneider Electric FZE, Utd.Arab Emir.	Schneider Switchgear (Suzhou) Co, Ltd, China
Schneider Electric GmbH, Germany	Shanghai Schneider Electric Power Automation Co. Ltd, China
Schneider Electric India Private Limited, India	Skelta Professional Services Private Limited, India
Schneider Electric Industries (M) Sdn Bhd, Malaysia	Société Électrique d'Aubenas SAS, France
Schneider Electric Industries SAS, France	Telvent USA, LLC, USA
ZAO Gruppa Kompaniy Electroschild, Russia	Vamp Oy, Finland
Schneider Electric IT Logistics Asia Pacific Pte. Ltd, Singapore	

iii. Key management personnel

Mr. Prakash Kumar Chandraker, Managing Director till 31st July 2018  
Mr. Bruno Bernard Dercle, Managing Director w.e.f August 01, 2018  
Mr. Vivek Sarwate, Whole time Director

iv. Additional related parties as per companies act 2013  
with whom transactions have taken place during the year

Mr.Vinod Kumar Dhall, Chairman and Director  
Mr.Arnab Roy, Chief financial officer  
Mr.Ranjan Pant, Director  
Mr.Subramanian Vishar Vasudeven, Director  
Mr.Anil Rustgi, Company Secretary till July 04, 2018  
Ms. Bhumika Sood, Company Secretary w.e.f July 27, 2018

(B) Transactions during the year

(Rupees in million)

Particulars	Related Party Where Control Exists		Fellow subsidiaries		Key Management Personnel and other related parties		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>(1) SALE OF GOODS</b>								
Schneider Electric Industries SAS, France	1.97	8.25					1.97	8.25
Schneider Electric India Private Limited, India			1,684.83	1,099.39			1,684.83	1,099.39
Schneider Electric IT Business India Private Limited, India			315.87	173.99			315.87	173.99
Others			692.96	1,252.87			692.96	1,252.87
<b>Total</b>	<b>1.97</b>	<b>8.25</b>	<b>2,693.66</b>	<b>2,526.25</b>	<b>-</b>	<b>-</b>	<b>2,695.63</b>	<b>2,534.50</b>
<b>(2) SALE OF SERVICES</b>								
Energy Grid Automation Transformers and Switchgears India Private Limited, India	-	3.00					-	3.00
Schneider Electric France SAS, France			29.44	23.03			29.44	23.03
Schneider Electric India Private Limited, India			139.78	165.86			139.78	165.86
Schneider Electric Industries SAS, France	17.21	17.63	-	-			17.21	17.63
Others			68.08	49.24			68.08	49.24
<b>Total</b>	<b>17.21</b>	<b>20.63</b>	<b>237.30</b>	<b>238.13</b>	<b>-</b>	<b>-</b>	<b>254.51</b>	<b>258.76</b>
<b>(3) PURCHASE OF GOODS</b>								
Schneider Electric Industries SAS, France	640.22	556.02					640.22	556.02
Schneider Electric India Private Limited, India			880.35	740.65			880.35	740.65
Schneider Electric Sachsenwerk GmbH, Germany			565.99	768.63			565.99	768.63
Others			1,339.56	974.70			1,339.56	974.70
<b>Total</b>	<b>640.22</b>	<b>556.02</b>	<b>2,785.90</b>	<b>2,483.98</b>	<b>-</b>	<b>-</b>	<b>3,426.13</b>	<b>3,040.00</b>
<b>(4) PURCHASE OF SERVICES</b>								
Schneider Electric India Private Limited, India			100.49	164.12			100.49	164.12
Schneider Electric Industries SAS, France	1.05	26.44	-	-			1.05	26.44
Others			69.04	51.87			69.04	51.87
<b>Total</b>	<b>1.05</b>	<b>26.44</b>	<b>169.53</b>	<b>215.99</b>	<b>-</b>	<b>-</b>	<b>170.58</b>	<b>242.43</b>
<b>(5) REIMBURSEMENT BY THE COMPANY</b>								
Schneider Electric India Private Limited, India			125.13	154.12			125.13	154.12
Others			0.72	1.84			0.72	1.84
<b>Total</b>	<b>-</b>	<b>-</b>	<b>125.85</b>	<b>155.96</b>	<b>-</b>	<b>-</b>	<b>125.85</b>	<b>155.96</b>
<b>(6) REIMBURSEMENT TO THE COMPANY</b>								
Schneider Electric Industries SAS, France	-	47.01					-	47.01
Schneider Electric India Private Limited, India			-	27.93			-	27.93
Others			2.83	10.15			2.83	10.15
<b>Total</b>	<b>-</b>	<b>47.01</b>	<b>2.83</b>	<b>38.08</b>	<b>-</b>	<b>-</b>	<b>2.83</b>	<b>85.09</b>

(Rupees in million)

Particulars	Related Party Where Control Exists		Fellow subsidiaries		Key Management Personnel and other related parties		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>(7) MANAGERIAL REMUNERATION (refer note 1)</b>								
Prakash Kumar Chandraker					16.46	24.07	16.46	24.07
Bruno Bernard Derole					14.17	-	14.17	-
Vivek Sarwate					10.56	10.13	10.56	10.13
Arnab Roy					16.89	14.83	16.89	14.83
Anil Rustgi					6.12	5.56	6.12	5.56
Bhumika Sood					3.79	-	3.79	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67.99</b>	<b>54.59</b>	<b>67.99</b>	<b>54.59</b>
<b>(8) SITTING FEES TO DIRECTORS</b>								
Vinod Kumar Dhall					0.92	1.02	0.92	1.02
Ranjan Pant					0.72	0.84	0.72	0.84
Subramanian Vishar Vasudeven					0.76	0.76	0.76	0.76
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.40</b>	<b>2.62</b>	<b>2.40</b>	<b>2.62</b>
<b>(9) INTEREST EXPENSES</b>								
Schneider Electric IT Business India Private Limited, India			279.99	253.74			279.99	253.74
Energy Grid Automation Transformers and Switchgears India Private Limited, India*	25.22	24.77					25.22	24.77
<b>Total</b>	<b>25.22</b>	<b>24.77</b>	<b>279.99</b>	<b>253.74</b>	<b>-</b>	<b>-</b>	<b>305.21</b>	<b>278.51</b>
<b>(10) TRADEMARK FEES (expenses)</b>								
Schneider Electric Services International SPRL, Belgium			203.68	200.45			203.68	200.45
<b>Total</b>	<b>-</b>	<b>-</b>	<b>203.68</b>	<b>200.45</b>	<b>-</b>	<b>-</b>	<b>203.68</b>	<b>200.45</b>
<b>(11) DATA MANAGEMENT CHARGES (expenses)</b>								
Schneider Electric Industries SAS, France	108.37	102.90	-	-			108.37	102.90
Schneider Electric Private Limited, India			38.77	-			38.77	-
Schneider Electric India Private Limited, India			-	39.67			-	39.67
<b>Total</b>	<b>108.37</b>	<b>102.90</b>	<b>38.77</b>	<b>39.67</b>	<b>-</b>	<b>-</b>	<b>147.13</b>	<b>142.57</b>
<b>(12) SALE OF TANGIBLE ASSETS</b>								
Schneider Electric India Private Limited, India	125.63	-	-	-	-	-	125.63	-
<b>Total</b>	<b>125.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125.63</b>	<b>-</b>
<b>(13) PURCHASE OF INTANGIBLE ASSETS</b>								
Schneider Electric India Private Limited, India			-	19.22			-	19.22
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.22</b>
<b>(14) PURCHASE OF TANGIBLE ASSETS</b>								
Schneider Electric Industries SAS, France	50.25	135.11					50.25	135.11
Others	-	-	5.35	4.36			5.35	4.36
<b>Total</b>	<b>50.25</b>	<b>135.11</b>	<b>5.35</b>	<b>4.36</b>	<b>-</b>	<b>-</b>	<b>55.60</b>	<b>139.47</b>
<b>(15) SHORT TERM BORROWINGS TAKEN (NET)</b>								
Schneider Electric IT Business India Private Limited, India			88.40	443.31			88.40	443.31
<b>Total</b>	<b>-</b>	<b>-</b>	<b>88.40</b>	<b>443.31</b>	<b>-</b>	<b>-</b>	<b>88.40</b>	<b>443.31</b>
<b>(16) REPAYMENT OF SHORT TERM BORROWINGS</b>								
Energy Grid Automation Transformers and Switchgears India Private Limited, India*	-	33.00					-	33.00
<b>Total</b>	<b>-</b>	<b>33.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.00</b>

**(C) Balances Outstanding at the year end:**

(Rupees in million)

Particulars	Related Party Where Control Exists		Fellow subsidiaries		Key Management Personnel and other related parties	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>LONG TERM BORROWINGS</b>						
8 Percent Cumulative Redeemable Preference Shares Of Rs 10 Each Fully Paid Up						
Energy Grid Automation Transformers and Switchgears India Private Limited, India	321.89	296.68				
Schneider Electric IT Business India Private Limited, India			815.49	751.62		
Inter Corporate Deposit including current maturities under other financial liabilities			-	683.48		
Schneider Electric IT Business India Private Limited, India						
<b>Total</b>	<b>321.89</b>	<b>296.68</b>	<b>815.49</b>	<b>1,435.10</b>	<b>-</b>	<b>-</b>
<b>SHORT TERM BORROWINGS</b>						
Schneider Electric IT Business India Private Ltd, India			2,980.19	2,208.31		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,980.19</b>	<b>2,208.31</b>	<b>-</b>	<b>-</b>
<b>TRADE PAYABLES</b>						
Schneider Electric India Private Limited, India			364.30	395.16		
Schneider Electric Sachsenwerk GmbH, Germany			253.47	500.31		
Schneider Electric Industries SAS, France	502.24	634.87				
Schneider Electric Services International SPRL			444.13	234.53		
Others			451.61	924.68		
<b>Total</b>	<b>502.24</b>	<b>634.87</b>	<b>1,513.51</b>	<b>2,054.68</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCIAL LIABILITIES</b>						
Schneider Electric IT Business India Private Ltd, India			25.83	34.66		
Energy Grid Automation Transformers and Switchgears India Private Limited , India"	-	-				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>25.83</b>	<b>34.66</b>	<b>-</b>	<b>-</b>
<b>ADVANCES FROM CUSTOMER</b>						
Schneider Electric Energy France SAS, France			-	6.86		
Schneider Electric Mexico S.A. De C.V., Mexico			-	2.58		
Schneider Electric De Colombia Sa, Colombia			-	0.96		
Others			-	1.39		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.79</b>	<b>-</b>	<b>-</b>
<b>TRADE RECEIVABLES</b>						
Schneider Electric India Private Limited, India {Provision for doubtful trade receivables amounting to Rs 10.56 millions (March 31, 2018- Rs 2.50 Millions;}			499.84	533.43		
Energy Grid Automation Transformers and Switchgears India Private Limited, India	-	0.89	-	-		
Schneider Electric Industries SAS, France {Provision for doubtful trade receivables amounting to Rs Nil (March 31, 2018- Rs 0.48 Millions;}	41.84	35.86	-	-		
PT Schneider Electric Indonesia	-	-	101.48	41.11		
Others {Provision for doubtful trade receivables amounting to Rs 38.94 Millions (March 31, 2018- Rs 35.97 Millions;}			282.01	276.88		
<b>Total</b>	<b>41.84</b>	<b>36.75</b>	<b>883.33</b>	<b>851.42</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCIAL ASSET</b>						
Schneider Electric Protection Et Contrôle SAS, France			-	11.32		
France Transfo SAS, France			-	16.72		
Schneider Electric France SAS			9.33	6.05		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9.33</b>	<b>34.09</b>	<b>-</b>	<b>-</b>
<b>OTHER CURRENT ASSETS</b>						
Schneider Electric India Private Limited, India	-	-	-	15.98		
Schneider Enerji Endustries, Turkey	-	-	-	3.45		
France Transfo SAS, France	-	-	-	9.25		
Others	-	-	-	2.71		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.39</b>	<b>-</b>	<b>-</b>

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole. Further it includes share based payments recognised under IND AS.

2. In addition to the above transactions, Schneider Electric Industries SAS, France (the ultimate holding company) has given letter of comfort to banks of the Company based on which banks have given unsecured loan facilities (at the prevailing interest rate) to the Company. This letter is not intended as a legal guarantee on the part of the ultimate holding company.

## 35. Segment reporting

As the Company's business operations fall within a single primary business segment viz. product and systems for electricity distribution, the disclosure requirements of Ind AS 108 Operating Segments prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder, are not applicable.

The secondary segment by geographical location is given below :

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Segment Revenue</b>		
Within India	12,350.00	11,194.88
Outside India	1,490.56	2,141.67
	<b>13,840.56</b>	<b>13,336.55</b>

### B. Non current operating assets

The Company has common non current operating assets for domestic as well as overseas market, hence separate figures for these assets are not required to be furnished.

## 36. Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Rupees in million)

Financial instruments by category	Carrying Value		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Financial assets at amortised cost</b>				
Trade Receivables (non-current)	17.28	-	17.28	-
Other Financial assets (non-current)	19.51	22.25	19.51	22.25
Trade Receivables (current)	4,137.46	3,970.72	4,137.46	3,970.72
Cash and other bank balances (current)	184.47	509.70	184.47	509.70
Other Financial assets (current)	12.64	36.19	12.64	36.19
	<b>4,371.36</b>	<b>4,538.86</b>	<b>4,371.36</b>	<b>4,538.86</b>
<b>Financial Liabilities at amortised cost</b>				
Borrowings (non-current)	1,159.72	1,065.39	1,159.72	1,065.39
Borrowings (current)	3,362.36	2,330.58	3,362.36	2,330.58
Trade Payables (current)	4,720.49	6,432.61	4,720.49	6,432.61
Other financial liabilities (current)	178.14	804.12	178.14	804.12
	<b>9,420.71</b>	<b>10,632.70</b>	<b>9,420.71</b>	<b>10,632.70</b>

The management assessed that bank balances, trade receivables, trade payables, short term borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The fair values of the interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the Company's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.
2. Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019, are as shown below

#### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

#### Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2019

(Rupees in million)

	Carrying Value as at March 31, 2019	Fair Value as at March 31, 2019		
		Level 1	Level 2	Level 3
Assets carried at amortised cost for which fair value are disclosed				
Trade Receivables (non-current)	17.28	-	-	17.28
Other Financial assets (non-current)	19.51	-	-	19.51
Trade Receivables (current)	4,137.46	-	-	4,137.54
Cash and other bank balances (current)	184.47	-	-	184.48
Other Financial assets (current)	12.64	-	-	12.64
Liabilities carried at amortised cost for which fair value are disclosed				
Borrowings (non-current)	1,159.72	-	-	1,159.72
Borrowings (current)	3,362.36	-	-	3,362.36
Trade Payables	4,720.49	-	-	4,720.49
Other financial liabilities (current)	178.14	-	-	178.14

#### Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2018

(Rupees in million)

	Carrying Value as at March 31, 2018	Fair Value as at March 31, 2018		
		Level 1	Level 2	Level 3
<b>Assets carried at amortised cost for which fair value are disclosed</b>				
Trade Receivables (non-current)	-	-	-	-
Other Financial assets (non-current)	22.25	-	-	22.25
Trade Receivables (current)	3,970.72	-	-	3,970.72
Cash and other bank balances (current)	509.70	-	-	509.70
Other Financial assets (current)	36.19	-	-	36.19
<b>Liabilities carried at amortised cost for which fair value are disclosed</b>				
Borrowings (non-current)	1,065.39	-	-	1,065.39
Borrowings (current)	2,330.58	-	-	2,330.58
Trade Payables	6,432.61	-	-	6,432.61
Other financial liabilities (current)	804.12	-	-	804.12

### 37. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

#### (a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2019. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2019.

#### (i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

#### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and other exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

					(Rupees in million)	
			As at March 31, 2019		As at March 31, 2018	
	Purpose	Currency	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
a. Forward covers outstanding						
Buy	To hedge Import purchases	USD	2.52	176.96	-	-
Buy	To hedge Import purchases	EUR	10.04	851.26	-	-

		(Rupees in million)			
		As at March 31, 2019		Gain/ (loss) Impact on profit before tax and equity	
	Currency	Foreign Currency	Indian Rupees	1% Increase	1% Decrease
<b>b. Particulars of unhedged foreign currency exposure</b>					
Trade Receivables	USD	5.11	353.30	3.53	(3.53)
	EUR	1.17	91.14	0.91	(0.91)
	Others	0.07	3.49	0.03	(0.03)
Trade Payables	USD	6.28	434.19	(4.34)	4.34
	EUR	11.65	904.74	(9.05)	9.05
	Others	0.39	7.58	(0.08)	0.08
Borrowings	USD	3.40	235.12	(2.35)	2.35
Balance in EEFC account	EUR	0.62	48.09	0.48	(0.48)
	USD	1.29	88.99	0.89	(0.89)

				(Rupees in million)	
	Currency	As at March 31, 2018		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% Increase	1% Decrease
Trade Receivables	USD	7.33	478.02	4.78	(4.78)
	EUR	1.03	82.88	0.83	(0.83)
Trade Payables	USD	11.01	717.38	(7.17)	7.17
	EUR	21.91	1,759.45	(17.59)	17.59
	Others	1.49	23.85	(0.24)	0.24
Borrowings	USD	-	-	-	-
Balance in EEFC account	EUR	4.26	344.05	3.44	(3.44)
	USD	0.59	38.28	0.38	(0.38)

## (ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's borrowings outstanding as at March 31, 2018 comprise of fixed rate loans and accordingly, are not exposed to risk of fluctuation in market interest rate.

## (iii) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require manufacturing, designing, building and servicing technologically advanced products and systems for electricity distribution including products such as distribution transformers, medium voltage switchgears, medium and low voltage protection relays and electricity distribution and automation equipment. It therefore require a continuous supply of copper and Aluminium being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper and aluminium, the Company has entered into various purchase contracts for these material for which there is an active market. The Company maintain the level of these stock as per the requirement of business and market which are discussed by the management on regular basis. Company operates in the way that saving / impact due to change in commodity prices are pass on to the customer and therefore impact on profit due to change in price of commodity is unascertainable.

## (b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

### (i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### (ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in the risk free bank deposits. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company. The Company's maximum exposure relating to financial assets is noted in liquidity table below.

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Cash and other bank balances	184.47	509.70
Others Non Current financial assets	19.51	22.25
Others Current financial assets	12.64	36.19
	<b>216.62</b>	<b>568.14</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade Receivables	4,154.73	3,970.72
	<b>4,154.73</b>	<b>3,970.72</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The following table summarizes the change in loss allowance measured using the life time expected credit loss model:

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
At the beginning of year	2,418.86	2,218.79
Impairment allowance created during the year	-	200.07
Impairment allowance released during the year	(240.74)	-
Bad debts written off during the year	(1,117.18)	-
At the end of year	<b>1,060.94</b>	<b>2,418.86</b>

#### (c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2019	Less than 1 year	More than 1 year	Total
Borrowings	3,362.36	2,183.91	5,546.27
Trade payables	4,720.49	-	4,720.49
Other current financial liabilities	178.14	-	178.14
As at March 31, 2018	Less than 1 year	More than 1 year	Total
Borrowings	2,330.58	2,041.06	4,371.64
Trade payables	6,432.61	-	6,432.61
Other current financial liabilities	804.12	-	804.12

## 38. Capital management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic Conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. (Rupees in million)

	As at March 31, 2019	As at March 31, 2018
Long Term Borrowing	1,159.72	1,065.39
Short Term Borrowing	3,362.36	2,330.58
Cash and other bank balances	(184.47)	(509.70)
<b>Net Debt</b>	<b>4,337.61</b>	<b>2,886.27</b>
Equity	233.91	525.36
<b>Total Capital</b>	<b>233.91</b>	<b>525.36</b>
<b>Capital and Net Debt</b>	<b>4,571.51</b>	<b>3,411.63</b>
<b>Gearing ratio (Net Debt/Capital and Net Debt)</b>	<b>95%</b>	<b>85%</b>

## 39. Revenue from contracts with customers - IND AS 115

### 39.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Type of goods</b>		
Sale of Product and systems for electricity distribution	13,840.56	13,336.55
<b>Total revenue from contracts with customers</b>	<b>13,840.56</b>	<b>13,336.55</b>
India	12,350.00	11,194.88
Outside India	1,490.56	2,141.67
<b>Total revenue from contracts with customers</b>	<b>13,840.56</b>	<b>13,336.55</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	12,506.38	12,501.43
Over a period of time	1,334.18	835.12
<b>Total revenue from contracts with customers</b>	<b>13,840.56</b>	<b>13,336.55</b>

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	13,840.56	13,336.55
<b>Total revenue from contracts with customers</b>	<b>13,840.56</b>	<b>13,336.55</b>

The Company operates in single business segment, hence no adjustment on account of Inter segment revenue elimination.

Set out below, is the Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price.

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue as per contracted price	13,856.16	13,347.43
Adjustments		
Discount	(15.60)	(10.88)
<b>Total revenue from contracts with customers</b>	<b>13,840.56</b>	<b>13,336.55</b>

### 39.2 Contract balances

(Rupees in million)

	Year ended March 31, 2019	Year ended March 31, 2018
Trade receivables (net)	4,154.74	3,970.72
Contract assets	20.36	158.99
Contract liabilities (advance from customers and advance billing)	689.97	320.31

Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

Contract liabilities include short-term advances received from customers.

### 39.3 The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied)

as at March 31, 2019 are, as follows:

(Rupees in million)

	As at March 31, 2019	As at March 31, 2018
Advances from customers and advance billing	689.97	320.31

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

### 39.4 Performance obligation:

Information about the Company's performance obligations are summarised below:

#### Sale of goods

The performance obligation is satisfied upon delivery of the goods.

#### Services

The Performance obligation is satisfied at point of time upon completion of service and pro-rata over the period of contract as and when service is rendered.

#### Long term Contract

The performance obligation is satisfied over a period of time. The Company uses cost based input method for measuring progress for performance obligation satisfied over time.

## 40. Contribution to Provident Fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

**41.** As per the Transfer Pricing Rules of the Income Tax Act, 1961 every company is required to get a transfer pricing study conducted to determine whether the transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transaction pertaining to the year ended 31 March, 2019 is currently in progress and hence adjustments if any which may arise there from have not been taken into account in these financial statements for the year ended 31 March, 2019 and will be effective in the financial statements for the year ended 31 March, 2019. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.

## 42. Assets classified held for sale

The Company in its board meeting decided to sell a part of Plant and Machinery which was originally acquired to manufacture the brakera at Vadodra location and which is currently not used by the company for its operations. This sale is expected to be completed in next few months and the details of book value for the said assets is as under:

(Rupees in million)

	As at March 31, 2019
Plant and Machinery including capital work in progress	44.42

### 43. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### Ind AS 116 Lease

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated. The Company plans to adopt the new standard on the required effective date using the modified retrospective approach.

#### Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination. The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company intends to adopt these standards from 1 April 2019. The adoption of this standard is not likely to have a material impact in its financial statements.

#### Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

**44.** The Company has incurred a loss of Rs. 243.66 MINR, accumulated losses of the Company amounted to Rs. 3,194.86 MINR and the current liabilities of the Company exceeded its current assets by Rs. 2,449.38 MINR as of reporting date. The management has evaluated availability of sufficient funding to meet Company's obligations. For such evaluation, the management has considered various factors which includes estimation of future cash flow, availability of credit facilities sanctioned by the banks, significant portion of the short term borrowings have been sourced by Schneider group company. Based on management assessment no material uncertainty exists that may cast significant doubt on the entity's ability to continue as going concern and therefore, the financial statements has been prepared on a going concern basis.

**45.** The figures have been rounded off to the nearest millions of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than Rs. 10,000/-.

**46.** The comparative figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year numbers.

**For S.R.Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E/E300005

**Per Vishal Sharma**  
Partner  
Membership No.096766

Place: Atlanta  
Date: May 22, 2019

**For and on behalf of the Board of Directors of  
Schneider Electric Infrastructure Limited**

**Bruno Dercle**  
Managing Director  
DIN: 08185909

**Arnab Roy**  
Chief Financial Officer  
PAN: AEXPR4552H

Place: Gurugram  
Date: May 22, 2019

**Anil Chaudhry**  
Director  
DIN: 03213517

**Bhumika Sood**  
Company Secretary  
ACS: 19326

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Tel.: +91 (0) 124-715 2300  
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<http://infra.schneider-electric.com/in/>

Life Is On



Notice of  
**Schneider Electric**  
**Infrastructure Limited**  
9<sup>th</sup> Annual General Meeting 2019



# SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED

CIN: L31900GJ2011PLC064420

Regd. Office: Milestone 87, Vadodara-Halol Highway, Village Kotambi,

Post Office Jarod, Vadodara 391 510, Gujarat,

Phone: 02668 664466 / 664300, Fax: 02668 664621

Website: [www.schneider-infra.in](http://www.schneider-infra.in);

E-mail: [company.secretary@schneider-electric.com](mailto:company.secretary@schneider-electric.com)

**NOTICE** is hereby given that the Ninth (9<sup>th</sup>) Annual General Meeting ("AGM/Meeting") of the Members of Schneider Electric Infrastructure Limited will be held on Thursday, 12<sup>th</sup> day of the September 2019 at 11:00 a.m. at Taj Vivanta, Akota Garden, Akota, Vadodara 390020, Gujarat, India to transact the following businesses:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 including audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon; and in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2019 including audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby received, considered and adopted."

2. To appoint Mr. Sugata Sircar (DIN: 01119161), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment as Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sugata Sircar (DIN: 01119161), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

## SPECIAL BUSINESS

3. To consider the appointment of Ms. Geeta Mathur (DIN: 02139552) as an Independent Director of the Company and, in this regard, pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Ms. Geeta Mathur (DIN: 02139552), who was appointed as an Additional Director and Non-Executive Independent Director of the Company by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, with effect from April 1, 2019 in terms of Section 161(1) of the Act and Articles of Association of the Company and whose term of office expires at this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Non-Executive Independent Director of the Company to hold office for a term of three consecutive years with effect from April 1, 2019 to March 31, 2022, not liable to retire by rotation."

4. To consider the appointment Mr. Piyush Pandey (DIN: 08451135) as the Whole-Time Director of the Company in Professional capacity and in this regard, pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Mr. Piyush Pandey (DIN: 08451135), who was appointed as an additional director and designated as a Whole-Time Director by the Board of Directors of the Company at their meeting held on May 22, 2019, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and subject to the approval of the Central Government (if required) or such other sanctions as may be necessary, consent of the Members be and is hereby accorded to the appointment of Mr. Piyush Pandey, as a Whole-Time Director of the Company in Professional capacity for a period of three years effective from May 22, 2019 to May 21, 2022 on the terms and conditions including remuneration as set out in the statement annexed to the Notice of this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors on the recommendation of the Nomination & Remuneration Committee, be and is hereby authorized to alter and vary, from time to time, during the tenure of appointment of Mr. Piyush Pandey, the terms and conditions of appointment and/or remuneration as per the Company policy for annual assessments and increments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

5. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2020 and, in this regard, pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 4,50,000 (Rupees Four Lacs Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year ending March 31, 2020 as recommended by the Audit Committee and approved by the Board of Directors, to be paid to M/s. Shome & Banerjee, Cost Auditors, Kolkata (Firm Registration No. 000001), appointed by the Board of Directors, to conduct the audit of the cost records of the Company, be and is hereby ratified.”

6. To consider and approve, participation in the Worldwide Employee Share Ownership Plan (WESOP) Scheme and in this regard, pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 67 and other applicable provisions of the Companies Act, 2013 and the rules, regulations, circulars, guidelines prescribed by any other authority, from time to time, to the extent applicable, approval of the Shareholders be and is hereby accorded to participate in the Worldwide Employee Share Ownership Plan (WESOP) Scheme (the Scheme) of the Ultimate Holding Company, Schneider Electric SE, France, and to ratify the financial assistance provided by the Company pursuant to the Scheme to the employees of the Company during the year 2019-20.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to make modification(s), suspend, withdraw or revive the Scheme as suggested by Schneider Electric SE, France, from time to time, and to approve, support by means of financial assistance or any other kind of support for the

benefit of such person(s) who are/will be in the employment of the Company including Managing Director, Whole-time Director(s), Executive Director(s), Non-Executive Non-Independent Director(s), Key Managerial Personnel of the Company and to approve such number of shares and at such price, in such manner, during such period in one or more tranches as it may deem fit under the Scheme.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers to any Committee of Directors of the Company or to any officer of the Company to give effect to this Resolution and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary and to settle any question, difficulty or doubt, whatsoever, as may arise with respect to the Scheme."

By Order of the Board of Directors  
For **Schneider Electric Infrastructure Limited**

Date: May 22, 2019	<b>Bhumika Sood</b>
Place: Gurugram	Company Secretary & Compliance Officer
	ACS 19326
<b>Regd. Office:</b>	
Milestone 87, Vadodara-Halol Highway,	
Village Kotambi, Post Office Jarod,	
Vadodara 391 510, Gujarat	

**Notes:**

1. **A member entitled to attend and vote at the 9<sup>th</sup> Annual General Meeting ("AGM/Meeting"), is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company. The instrument appointing a proxy/ proxies to be effective, should be deposited at the registered office of the Company duly completed and signed not less than Forty-Eight hours (48) before the commencement of the meeting. A Proxy form is enclosed.**

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or member.

2. A statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) relating to the special businesses to be transacted at the AGM is annexed hereto. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.
3. Information regarding particulars of Directors seeking appointment/re-appointment requiring disclosure in terms of Regulation 36 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 [Listing Regulations]; Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India [SS-2]; and the explanatory statement under section 102 of the Act, are annexed as Annexure-I.

Details as Required Under Schedule V Part II Section II of Companies Act, 2013 is attached as Annexure- II.

The Company has received the consents / declarations for their appointments / re-appointments under the Companies Act, 2013 and the rules thereunder.

4. **The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will**

be transacted through such voting. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice under Note No. 20.

Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again. Members who have cast their vote(s) by using remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.

The facility for voting through Poll Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Poll Paper.

5. Corporate Members intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution/ Authority Letter/ Power of Attorney, authorizing their representatives together with the specimen signatures of the representative(s) to attend and vote on their behalf at the Meeting.
6. Members/ proxies/ Authorized Representatives are requested to bring to the meeting necessary details of their shareholding, duly filled admission/ attendance slip(s) and copy(ies) of their Annual Report.
7. The Register of Members and Share Transfer Books of the Company will remain closed from September 06, 2019 to September 12, 2019 (both days inclusive).
8. Pursuant to Section 139 of the Companies Act, 2013 (the Act), appointment of the auditor M/s S.R. Batliboi & Co. LLP was made by the members in their Annual General Meeting ("AGM") held on August 11, 2015 for a period of five years i.e. from the 5<sup>th</sup> AGM till the 10<sup>th</sup> AGM, subject to the ratification at every AGM. However, in view of the notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor has been removed.
9. The Annual Report for the FY 2018-19 (Annual Report); Notice of 9<sup>th</sup> AGM along with the attendance slip and Proxy form; are being sent to the members through e-mail who have registered their email ids with the Company/Depository Participants (DPs)/ Company's Registrars and Share Transfer Agents, M/s. CB Management Services (P) Limited (RTA).

Members whose email id is not registered are being sent physical copies of the said Annual Report and Notice at their registered address through permitted mode.

Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company Secretary at email id: [company.secretary@schneider-electric.com](mailto:company.secretary@schneider-electric.com) or write to the Company at its registered office address or to the RTA at "Unit: Schneider Electric Infrastructure Limited, P-22, Bondel Road, Kolkata- 700 019.

The Notice and the Annual report will also be available under the Investor Relations section on the website of the Company [www.schneider-infra.in](http://www.schneider-infra.in) and NSDL e-voting website for download.

10. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and / or change in address or updation thereof with the RTA. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.
11. In case you wish to change/update the NECS/ECS mandate, please write to the RTA. However, for the shares held in demat form, please write to your DP.
12. Non-Resident Indian members are requested to inform RTA/ respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details with the RTA.
15. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
16. Members having any question on financial statements or on any agenda item proposed in the notice of AGM are requested to send their queries at least ten days prior to the date of AGM of the Company at its registered office address to enable the Company to collect the relevant information.
17. **Appeal to Shareholders:**

#### **DEMAT**

Pursuant to SEBI notification dated June 8, 2018, transfer of shares in physical mode is prohibited and mandates holding of shares in demat except in case of transmission or transposition. Accordingly, the Company/RTA has stopped accepting any fresh lodgment of transfer of shares in physical form. Members are requested to convert the physical holding to demat through depository participant. Members may contact the Company for any assistance in the said process of physical to demat of shares.

#### **REGISTRATION OF NOMINATION AND BANK MANDATE**

Registration of nomination makes easy for dependants to access your investments and set out the proportion of your benefits to the nominees. Registration and/ or updation of bank mandate ensures the receipt of dividend and/ or any other consideration timely, faster and easier and more important avoids fraudulent encashment of warrants. Members are requested to submit their bank registration documents i.e. request letter, cancelled cheque and self-attested PAN card & address proof with the Company and/ or DP.

#### **ELECTRONIC COMMUNICATION**

All notices, financial statements, annual report etc. can be sent to the Members electronically as notified in the Act, and Rules made thereunder. It reduces Company's cost of printing and dispatch, ensures timely and speedy intimations and also supports the initiative of green environment. Members are requested to register/ update their e-mail ID by sending a letter intimation to the Company except wherein the shareholding is in demat it may be sent to the DP.

#### **GENERAL REQUEST**

- Documents for transmission, bank mandate registration/ updation, dividend warrants/ demand drafts are requested to be posted through courier or registered post to enable track and avoid loss of document;
  - At regular intervals verify the address and bank details updated with RTA or DP and intimate the changes as and when required;
  - Deal only with SEBI registered intermediaries and obtain a valid Contract Note/ Confirmation Memo from the broker/ sub-broker, within 24 hours of execution of the trade;
  - Do not share your demat account login and password and retain the relevant instruction slips in safe custody;
  - Obtain periodic statement of your holdings from the concerned DP and verify your holdings periodically.
18. For the security and safety of the members, the shareholders/ attendees are strictly requested not to bring any article/ baggage including water bottles and tiffin boxes at the AGM venue.

19. A Route map along with prominent landmark for easy location to reach the AGM venue is provided at the end of this notice.

**20. Voting through Electronic Means - Remote E-Voting**

- a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended; Regulation 44 of Listing Regulations; and SS-2 issued by ICSI, the Company is pleased to provide to its Members, facility to exercise their right to vote on the resolutions proposed to be considered at the 9<sup>th</sup> AGM by electronic means. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility.
- b) The Members who have cast their vote by remote e-voting prior to the AGM may also attend AGM but shall not be entitled to cast their vote again.
- c) A Member can opt for only single mode of voting, i.e. through remote e-voting or voting at the Meeting. If a Member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- d) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	From 9:00 a.m. (IST) on Monday, September 9, 2019
End of remote e-voting	Upto 5:00 p.m. (IST) on Wednesday, September 11, 2019

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.

- e) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of Notice of AGM and holds shares as of the cut-off date i.e. Thursday, September 5, 2019 can obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [company.secretary@schneider-electric.com](mailto:company.secretary@schneider-electric.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- f) Members whose name appears in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Thursday, September 5, 2019 only shall be entitled to avail the facility of remote e-voting and vote at the AGM through Poll Paper. Any person who is not a member on the cut-off date should treat the notice for information purposes only.
- g) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, September 5, 2019.
- h) Mohd. Nazim Khan, Company Secretary in Practice (FCS 6529 and CP 8245) Address: G-41, Ground Floor, West Patel Nagar, New Delhi-110008 has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- i) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of poll paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- j) The Scrutiniser will, after conclusion of e-voting at the meeting, scrutinise the vote(s) cast at the meeting and through remote e-voting and make a consolidated Scrutiniser's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting. The Chairman or any director or any other person authorised by the Chairman, shall declare the results of the voting forthwith. The Results shall also be simultaneously forwarded to the concerned stock exchanges.

- k) The Results declared along with the report of the Scrutinizer will be posted on the notice board of the Company at the Registered Office as well as at the Corporate Office and shall be placed on the Company's website [www.schneider-infra.in](http://www.schneider-infra.in) and on the website of NSDL.

- l) The instructions for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mohd. Nazim Khan, [nazim@mnkassociates.com](mailto:nazim@mnkassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be

disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 [THE ACT]**

The following Statement sets out all material facts relating to the Special Business(es) mentioned in the Notice:

##### **Item No. 3**

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company have appointed Ms. Geeta Mathur (DIN: 02139552) as an Additional Director in the capacity of Non-Executive Independent Director of the Company to hold office for a term of three consecutive years from April 1, 2019 till March 31, 2022, not liable to retire by rotation, subject to consent of the Members of the Company at this AGM.

As an Additional Director, Ms. Mathur holds office till the date of this AGM and is eligible for being appointed as an Independent Director. The Company has received necessary declaration(s) from Ms. Mathur confirming that she meets the criteria as prescribed under the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations).

Ms. Mathur is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given her consent to act as a Director of the Company.

Ms. Mathur is an experienced finance professional having worked as a banker both on the asset side and risk side, business development and in large corporate treasuries and investor relations. Your Board believes that Ms. Mathur's induction on the Board will support in broadening the overall expertise of the Board.

Details pursuant to Regulation 36 of Listing Regulations, and Secretarial Standard - II on General Meeting issued by the Institute of Company Secretaries of India, is attached as Annexure - I.

Except Ms. Mathur, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM.

Copy of the draft letter for appointment of Ms. Mathur as a Non-Executive Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, excluding Saturday.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval of the Members.

##### **Item No. 4**

The Board of Directors (Board), on the recommendation of the Nomination & Remuneration Committee (NRC), at their meeting held on May 22, 2019 appointed Mr. Piyush Pandey (DIN: 08451135) as Additional Director, designated as Whole Time Director, in professional capacity for a term of three years with effect from May 22, 2019.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Piyush Pandey are as under:

**a. Salary, Perquisites and Allowances per annum: (in INR)**

Salary	64,80,000
Additional Benefits Viz. Medical Reimbursement; Leave; Personal Accident/Medicaid Policy etc.	1,30,000
Target Short Term Incentive Plan (STIP)	15% of the fixed compensation (0 - 200% of the target performance incentive %)
Amenities including fully Furnished Accommodation, car benefit	As per Company Policy

The perquisites and allowances, as aforesaid, may include, as per Company policy, accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance and leave travel concession for self and family including dependents.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- (b) Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. Piyush Pandey, as may be determined by the Board and / or the NRC of the Board, shall be in addition to the remuneration under (a) above.
- (c) It is clarified that any stock options (from Company or under group policy) granted / to be granted to Mr. Piyush Pandey, from time to time, shall not be considered as a part of perquisites under (a) above, and that the perquisite value of stock options exercised shall be in addition to the remuneration under (a) above.

**(d) Reimbursement of Expenses:**

Expenses incurred for travelling, boarding and lodging during business trips and other expenses on Company's business shall be reimbursed at actuals and not considered as perquisites.

**(e) General:**

- The Whole-Time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board / Managing Director from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board / Managing Director and the functions of the Whole-time Director will be under the overall authority of the Managing Director/ Board of Directors.
- The Whole-Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- The Whole-Time Director shall adhere to the Company's Principles of Responsibility - Code of Conduct.
- The office of the Whole-Time Director may be terminated by the Company or by him by giving notice as per Company Policy.

Pursuant to Sections 196, 197, 203 and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Mr. Piyush Pandey requires approval of the Members by way of special resolution.

Mr. Pandey is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent for the appointment.

In terms of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Mr. Piyush Pandey for appointment.

In case of a managerial person who is functioning in a professional capacity, no approval of Central Government is required for payment of remuneration, if such managerial person is not having any interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any, direct or indirect interest or related to the directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possesses graduate level qualification with expertise and specialized knowledge in the field in which the company operates. Mr. Piyush Pandey fulfills these conditions.

The terms as set out in the Resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 190 of the Act.

Details pursuant to Regulation 36 of Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

Details as Required Under Schedule V Part II Section II of Companies Act, 2013 is attached as Annexure- II.

Save and except Mr. Piyush Pandey, being appointee, and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 4 of the Notice for the approval of the members.

#### **Item No. 5**

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on May 22, 2019 approved the appointment of M/s. Shome & Banerjee, Cost Accountants, New Delhi (Firm Registration No. 000001), as Cost Auditors to conduct the audit of the cost records of the Company at a remuneration of Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand Only) plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 5 of the Notice of the AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice of the AGM for approval by the members.

#### **Item No. 6**

Schneider Electric at the group level has an Employee Stock Option Scheme called Worldwide Employee Share Ownership Plan (WESOP) Scheme (the Scheme) whereby employees of the Schneider Group have the option to subscribe the shares of Schneider Electric SE, France ("SE France"), the Ultimate Holding Company as employees of the group company.

The Scheme is available worldwide for Schneider Electric Group Employees. This evolution is due to Schneider Electric Group commitment to step up and to put an even greater part of your Company in the hands of its employees to inculcate a sense of participation in the fortunes of the Company.

SE France is Ultimate Holding Company of your Company. Accordingly, employees of your Company are also entitled to subscribe shares of SE France.

Pursuant to Section 67 of the Companies Act, 2013 (the Act), no public company shall give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company unless the same is approved by the Company through a special resolution in compliance with the provisions of Section 67(3) of the Act, and the rules made thereunder.

Under the Scheme, since the employer makes a matching contribution up to a limit, the net gains to the employees are expected to be positive, subject to unforeseen circumstances. This scheme has been found to be very effective for retention of key talent and hence will benefit the Company.

The full scheme is available for inspection by the members at the Registered Office of the Company and on its web site [www.schneider-infra.in](http://www.schneider-infra.in).

All the directors and Key Managerial Personnel of the Company and their relatives except Independent Directors and their relatives are concerned or deemed to be interested in the resolutions as set out in Item No. 6 to the extent of the number of shares that may be acquired/ offered to them under the Scheme.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

By Order of the Board of Directors  
For **Schneider Electric Infrastructure Limited**

**Bhumika Sood**

Company Secretary & Compliance Officer  
ACS 19326

Date: May 22, 2019  
Place: Gurugram

**Regd. Office:**

Milestone 87, Vadodara-Halol Highway,  
Village Kotambi, Post Office Jarod,  
Vadodara 391 510, Gujarat

## Annexure I to the Notice

Information of Directors seeking appointment/re-appointment at this Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, in accordance with the Companies Act, 2013 and Secretarial Standards, as on the date of Notice.

Name of Directors/ Particulars	Sugata Sircar	Geeta Mathur	Piyush Pandey
Director Identification Number (DIN)	01119161	02139552	08451135
Date of Birth (Age in years)	December 20, 1963 (55)	November 21, 1966 (52)	November 01, 1973 (45)
Date of Appointment	November 2, 2014	April 1, 2019	May 22, 2019
Expertise in specific functional Areas	Business performance management, Strategy, investment decisions, efficiency improvement, processes and systems, leadership and risk management	Financial Reporting and Compliance, Risk Management, Corporate Finance, M&A, Investor Relations, Strategic Planning, Building and managing large teams, Communication, Diversity and Development sector experience	Business Strategy & Planning, Operations, Supply Chain, Quality, Digitization and Project Management
Qualifications	Chartered Accountant	Chartered Accountant	B.E. (Electronics and Power) from Nagpur University PGDBA (Operations) from Symbiosis, Pune Executive Management Program from IIM, Bangalore
Experience	30 years	29 years	20 years
Terms and Conditions of Appointment/ Reappointment	As detailed in the respective resolutions and explanatory statement		
Remuneration sought to be paid/ last drawn	As mentioned in Corporate Governance Report		
Number of Meetings of Board attended during the year	As mentioned in Corporate Governance Report		
Shareholding in Schneider Electric Infrastructure Limited	Nil	Nil	Nil
Relationship with Directors, Managers and Key Managerial Personnel	None	None	None
Directorship held in other companies in India	1. Schneider Electric India Private Limited 2. Schneider Electric President Systems Limited 3. Eurotherm India Private Ltd 4. Schneider Electric Systems India Private Limited 5. Spreading Happiness Indiya Foundation 6. Schneider Electric Private Limited 7. Energy Grid Automation Transformers and Switchgears India Private Limited 8. Schneider Electric Solar India Private Limited	1. Motherson Sumi Systems Limited 2. NIIT Limited 3. IIFL Finance Limited 4. JTEKT India Limited 5. IIFL Wealth Management Limited 6. Tata Communication Transformation Services Ltd. 7. India Infoline Finance Ltd 8. JK Helene Curtis Limited 9. Sentiss Pharma Private Limited 10. Umeed Housing Finance Private Limited 11. IPE Global Centre for Knowledge and Development	Nil

Name of Directors/ Particulars	Sugata Sircar	Geeta Mathur	Piyush Pandey
Membership/ Chairmanship of Committees in other companies in India	<b>Schneider Electric President Systems Limited</b> <ul style="list-style-type: none"> <li>Audit Committee</li> <li>Corporate Social Responsibility Committee</li> <li>Stakeholder Relationship Committee</li> </ul>	1. <b>Motherhood Sumi Systems Limited</b> , Audit Committee 2. <b>NIIT Limited</b> , Audit Committee 3. <b>IFL Holdings Limited</b> , Audit Committee 4. <b>JTEKT India Limited</b> , Audit Committee 5. <b>IIFL Wealth Management Limited</b> , Audit Committee Stakeholder Relationship Committee 6. <b>Tata Communication Transformation Service Limited</b> , Audit Committee 7. <b>India Infoline Finance Limited</b> , Audit Committee 8. <b>JK Helene Curtis Limited</b> , Audit Committee	Nil

#### Annexure II to the Notice

Details as Required Under Schedule V Part II Section II of Companies Act, 2013

#### I. General information:

##### 1. Nature of industry:

Schneider Electric Infrastructure Limited, is in the business of manufacturing, designing, building and servicing technologically advanced products and systems for electricity distribution including products such as distribution transformers, medium voltage switchgears, medium and low voltage protection relays and electricity distribution and automation equipment.

##### 2. Date or expected date of commencement of commercial production:

The Company has already commenced its commercial production.

##### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

##### 4. Financial performance based on given indicators for the year ending March 31, 2019:

Particulars	Amount In MINR
Sales and Services (Net)	13,840.56
<b>EBITDA</b>	<b>738.07</b>
(As percentage of net sales)	3.3%
Depreciation	257.86
<b>EBIT</b>	<b>480.21</b>
Interest, net	443.83
Profit before Restructuring	36.38
Restructuring	280.04
<b>Profit after tax (as per financials)</b>	<b>(243.66)</b>

##### 5. Foreign investments or collaborations, if any:

The details of Foreign Promoter Holding as on March 31, 2019 is given below: -

Name of Company	%Holding
Schneider Electric Singapore Pte Ltd	4.43%

## II. Information of the Appointee:

S. No.	Name of Director/ Particulars/ Background details	Piyush Pandey
1	Brief Resume of Director and nature of his expertise in specific functional areas	<p>Piyush has 20+ Years of experience in Industrial Electrical Equipment manufacturing business in complex matrix multinational company's environment.</p> <p>Prior to joining Schneider Electric Infrastructure Limited, Piyush worked with Siemens Limited, Mumbai, as Plant Head for Motors &amp; Generator Unit for 19 years and before Siemens, he worked with Emco Limited and Torrent Power.</p> <p>Piyush brings rich experience in Business Strategy &amp; Planning, Operations, Supply Chain, Quality, Digitization and Project Management.</p> <p>Piyush has done his Bachelor of Engineering in Electronics &amp; Power from Nagpur University in Year 1994 and PGDBA from IIM, Bangalore in 2006.</p>
2	Past Remuneration (2017-18)	7.5 MINR
3	Recognition or Awards	<p>TT4G – Top Talent for Growth (Siemens)</p> <p>Best Employee Award (Siemens)</p> <p>Best Innovative team award (Siemens)</p> <p>INSEAD TSL 3 (Schneider)</p>
4	Job profile and suitability	Director - Plant Operations
5	Remuneration proposed (2018-19)	As detailed in Explanatory Statement Item No. 4

### 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Taking into consideration the size of the Company, the profile of Mr. Piyush Pandey, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid commensurate with the remuneration packages paid to similar senior level appointees in other companies. Further, Mr. Piyush Pandey is a professional and is not having any interest in the capital of the Company or its holding company or through any other statutory structures and not having any, direct or indirect interest or related to the directors or promoters of the company or its holding company.

### 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, no other pecuniary relationship exists.

## III. Other Information

### 1. Reason for loss or inadequate profits

Year 2018-19 was a year of reinforcing the strategy 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 segment but at the same time saw a lull in a traditionally high demand segments like power generation, mining etc. which resulted in a mixed performance of the Company. The Company has restructured its ~20% plant workforce in line with the strategy and future business mix. Before restructuring, your Company has shown a profit of 36 MINR. Restructuring cost is 280 MINR which lead to overall losses in the financials.

### 2. Steps taken or proposed to be taken for improvement

The Company has completed a detailed root cause analysis of losses in various activities and deployed the immediate actions including realigning its fixed cost with anticipated volume through restructuring. Further, the Company had launched "Fix the Basics" project

to improve the different processes and “ Partner Express” project to drive the business mix. This process will help in coming years to improve/resolve the punch point issues of customers for faster recovery of cash.

### **3. Expected increase in productivity and profits in measurable terms**

In the current economic environment, management has made choices to focus on its strategy to grow transactional and services business along with the emerging segments for better mix. Further, Company had completed the cost restructuring plan to optimize its resources to minimize the fixed cost. Focus on O2C process will continue to help your Company's journey of positive cash which lead to lower loan requirement. Also, your Company continue to focus on advance solutions like containerized sub-station, Eco-Structure etc. which will be a trend setter in Energy sector and will help in profitable growth through innovative solutions.

## **IV. Disclosures**

The other relevant disclosures are mentioned in the Board of Director's report under the heading “Corporate Governance”, attached to the financial statement.

By Order of the Board of Directors  
For **Schneider Electric Infrastructure Limited**

**Bhumika Sood**

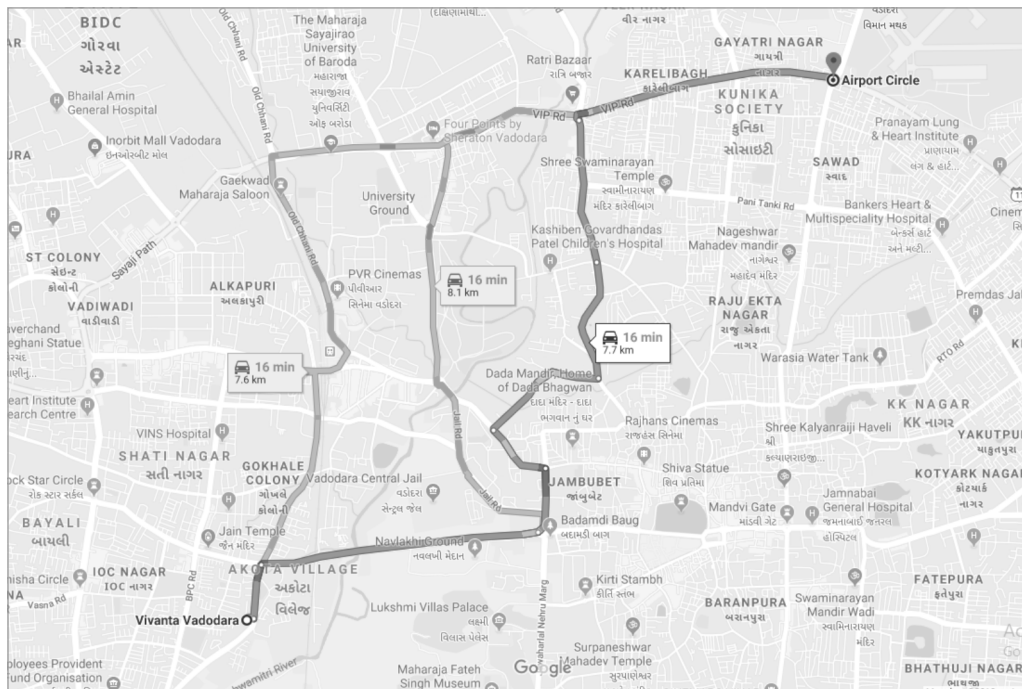
Company Secretary & Compliance Officer  
ACS 19326

Date: May 22, 2019  
Place: Gurugram

### **Regd. Office:**

Milestone 87, Vadodara-Halol Highway,  
Village Kotambi, Post Office Jarod,  
Vadodara 391 510, Gujarat

**Route Map to the Venue of the AGM:**  
Taj Vivanta, Akota Garden, Akota, Vadodara - 390 020, Gujarat.



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Electric

**Schneider Electric Infrastructure Limited**

CIN: L31900GJ2011PLC064420

Regd. Office: Milestone 87, Vadodara-Halol Highway, Village Kotambi, Post Office Jarod,  
Vadodara 391 510, Gujarat. Tel : 02668-664300, Fax : 02668-664621,

Website: www.schneider-infra.in

E-Mail: company.secretary@schneider-electric.com

**Form No. MGT - 11****Proxy Form**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]**9<sup>TH</sup> ANNUAL GENERAL MEETING - SEPTEMBER 12, 2019**

Name of the member(s): .....

Registered address: .....

.....

E-mail Id: .....

Folio No/ Client Id: ..... DP ID: .....

I / We, being the member(s) of ..... shares of the above named company, hereby appoint

1. Name: ..... Email ID: .....

Address: .....

..... Signature: ..... or failing him

2. Name: ..... Email ID: .....

Address: .....

..... Signature: ..... or failing him

3. Name: ..... Email ID: .....

Address: .....

..... Signature: ..... or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 9<sup>th</sup> Annual General Meeting of the Company, to be held on  
Thursday, September 12, 2019 at 11:00 a.m. IST at Taj Vivanta, Akota Garden, Akota, Vadodara 390020, Gujarat, India and at any adjournment thereof  
in respect of such resolutions as are indicated below:

\*I/We wish my above proxy to vote in the manner as indicated in the box below

Serial Number	Resolutions	Please tick (✓)	
		For	Against

**Ordinary Business(es)**

1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 along with the reports of the Directors and Auditors thereon		
2	To appoint Mr. Sugata Sircar (DIN: 01119161), who retires by rotation and, being eligible, offers himself for re-appointment		

**Special Business(es)**

3	To consider the appointment of Ms. Geeta Mathur (DIN: 02139552) as an Independent Director of the Company for a consecutive term of 3 years effective from April 01, 2019 till March 31, 2022		
4	To consider the appointment of Mr. Piyush Pandey (DIN: 08451135) as Whole-time Director of the Company in Professional capacity		
5	To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2020		
6	To consider participation in the Worldwide Employee Share Ownership Plan (WESOP) Scheme		

Signed this ..... day of ..... 2019.

Affix  
Revenue  
Stamp

Signature of Shareholder

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

**Notes :**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote (on poll) at the Meeting in the manner he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the Meeting in person if he / she so wishes. When a Member appoints a proxy and both the Member and proxy attend the Meeting, the proxy will stand automatically revoked.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. This form of proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
8. This form of proxy will be valid only if it is duly completed in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
9. Undated proxy form will not be considered valid.
10. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

## Schneider Electric Infrastructure Limited

CIN: L31900GJ2011PLC064420

Registered Office: Milestone 87, Vadodara-Halol Highway,

Village Kotambi, Post Office Jarod, Vadodara 391 510, Gujarat.

Phone: 02668 664466/ 664300, Fax: 02668 664621

Website: www.schneider-infra.in E-Mail: company.secretary@schneider-electric.com

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### ATTENDANCE SLIP

(Please hand over at the entrance of the meeting duly completed and signed)

**9<sup>th</sup> ANNUAL GENERAL MEETING on Thursday, September 12, 2019 at 11.00 a.m. IST**  
at Taj Vivanta, Akota Garden, Akota, Vadodara 390020, Gujarat

Address of Shareholder

Folio No. .... DP. ID No. / Client ID .....

Name of the Member ..... Signature .....

Name of Proxy Holder ..... Signature .....

No. of shares held ..... E-mail ID .....

1. I/ We certify that we/are registered shareholder(s)/ proxy for the registered shareholder(s) of the Company. I/ We hereby record my/ our presence at the 9<sup>th</sup> Annual General Meeting of the Company at Taj Vivanta, Akota Garden, Akota, Vadodara 390020, Gujarat, India on Thursday, September 12, 2019 at 11.00 a.m. IST.
2. Only Member/ Proxyholder can attend the Meeting.
3. Member/ Proxyholder should bring his/ her copy of the Annual Report for reference at the Meeting.

### SCHNEIDER ELECTRIC INFRASTRUCTURE LIMITED

#### Registration of e-mail address for future communication

Name of the Shareholder : .....

Folio No. : ..... DP. ID No. : ..... Client ID. : .....

Registered Address : .....

..... Signature : .....

E-mail Id : .....

### ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN